

Evaluation of Human Rights Practices  
Chevron, 2020

**Resolved**, Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, evaluating the effectiveness of Chevron's efforts to prevent, mitigate and remedy actual and potential human rights impacts of its operations.

**Supporting Statement:** This report might include:

- The extent and nature of community consultation to inform its analysis; and
- Assessment of impacts on environmental justice communities.

Whereas, Chevron is the second-largest integrated energy company in the United States. Chevron's global operations have contributed to negative impacts on human rights, community relations, health, air quality, and water, all of which are identified as material for the Oil and Gas Exploration and Production sector by the Sustainability Accounting Standards Board. Its operations may have discriminatory impact, with disparate harm on communities of color and fenceline communities. Emissions from the use of Chevron's products and operations contribute to the climate crisis, which may compound impacts to already burdened communities.<sup>1</sup>

Discharge or leaks from Chevron's operations may impact human health and the environment, and affected communities may not be adequately consulted or informed of risks.<sup>2</sup> For example, spills from a Chevron well in California seeped over 900,000 gallons of crude oil and water in 2019, generating a \$2.7 million fine for failure to operate with good practice and harm to human health and the environment.<sup>3</sup> Fenceline communities adjacent to Chevron's Richmond, CA refinery have higher rates of cardiovascular disease, cancer, and asthma. Like most environmental justice communities burdened with the cumulative impacts of pollution, 15% of residents in Richmond are living in poverty and 80% are people of color.<sup>4</sup>

Impacts on communities may also result in litigation, project delays, and costly fines. An Ecuadorian court issued a \$9.5 billion judgment against Chevron for its legacy Texaco operations in Ecuador, which historically disposed of billions of gallons of toxic waste into waterways, impacting over 30,000 indigenous peoples. Chevron faced a \$160 million settlement and is required to take nationwide safety and chemical accident prevention measures following repeated violations of the Clean Air Act from chemical releases, deadly explosions, and fires.<sup>5</sup> The city of Richmond filed a lawsuit against Chevron for health impacts, economic losses, and environmental harm, citing its lapses in maintenance and disregard for public safety.<sup>6</sup>

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<sup>1</sup> <https://ncdp.columbia.edu/ncdp-perspectives/the-disproportionate-consequences-of-climate-change/>

<sup>2</sup> <https://www.kqed.org/news/11770259/environmentalists-blast-chevron-state-regulators-over-kern-county-oil-releases>

<sup>3</sup> <https://www.desertsun.com/story/news/2019/10/02/california-fines-chevron-2-7-million-cymric-oil-spills-kern/3848335002/>

<sup>4</sup> <https://www.theguardian.com/environment/2019/oct/09/richmond-chevron-california-city-polluter-fossil-fuel>; <https://ej4all.org/life-at-the-fenceline>

<sup>5</sup> <https://www.epa.gov/newsreleases/epa-justice-department-and-state-mississippi-reach-settlement-chevron-usa-inc-requiring>

<sup>6</sup> [https://www.cpmlegal.com/media/cases/147\\_RICHMOND%20CHEVRON%20COMPLAINT.pdf](https://www.cpmlegal.com/media/cases/147_RICHMOND%20CHEVRON%20COMPLAINT.pdf)

While Chevron has a Human Rights Policy and Operational Excellence Management System, investors are unable to assess the effectiveness of these systems in identifying risks, ensuring meaningful stakeholder engagement, reducing negative impacts on communities and the environment, and provision of remedy. In the 2019 Corporate Human Rights Benchmark, Chevron received zero points on remedy, evaluating effectiveness of human rights actions, and communicating how impacts are addressed.

The pattern and number of penalties, court filings, and protests Chevron faces from fenceline communities raise questions about whether Chevron's policies and systems are effectively implemented to prevent, mitigate and remedy human rights impacts.