

ASSETS*Minority Affairs*

Atlantic Richfield has worked hard to provide job opportunities for minorities. Minority group members account for 13 percent of the total work force, a ratio that ranks Atlantic Richfield at the top of the petroleum industry.

Jobs formerly restricted to men – such as refinery work – have been opened up to women.

The number of minorities and women in professional, managerial and sales positions has nearly doubled since 1970.

To aid minority economic development, Atlantic Richfield maintains deposits of over \$1 million in minority-owned financial institutions across the country.

Atlantic Richfield reported purchases of \$3.2 million from minority suppliers in 1974. This was double its 1973 purchases.

Contributions

Its \$5.5 million of charitable contributions in 1974 supported a large number of educational, health and cultural organizations in the United States.

Atlantic Richfield matches, dollar for dollar, employee contributions to educational institutions.

One unusual grant in 1974 was \$10,000 to the Council on Economic Priorities, an organization that monitors corporate social responsibility.

Community organizations backed by Atlantic Richfield Foundation grants include the Boy Scouts, YMCA, Junior Achievement, Urban Coalition, American Red Cross, Salvation Army and Urban League.

Shareholder Information

The firm's Form 10K financial report, which contains more detailed information than the annual report and which all corporations must file with the Securities and Exchange Commission, was offered free of charge to all shareholders in 1972 and 1973.

Environment and Conservation

Atlantic Richfield was the first company in the petroleum industry to announce that it would make a lead-free gasoline.

In the interests of what it called "America's natural beauty," the Company in 1972 cancelled its entire out-door advertising – 1,000 billboards in 36 states.

Its Cherry Point refinery in the state of Washington has been recognized as a model nonpolluter.

It has emphasized energy conservation in its own operations.

Consumerism

It was one of the first companies in the petroleum industry to post the octane levels of its gasolines at the pump.

Social Management

The Company's public affairs program in Alaska is outstanding, far surpassing any comparable effort by Atlantic Richfield in the lower 48 states both in the range and depth of activities. The Company has made its presence felt in Alaska as a concerned corporate citizen.

CONCLUSION

As the youngest of the petroleum giants, the Company carries less baggage from the past. As a company still in transition, it is more conscious that its future lies ahead. And that is perhaps what is most hopeful; it is a company not yet fully formed. When oil from Alaska begins to flow and Atlantic Richfield becomes even bigger than it is today, it will have a splendid opportunity to demonstrate that social concerns can be built into the day-to-day operations of a petroleum company. More than most giant companies, it has its future in its hands. It need not relive or repeat the mistakes of the past.

LIABILITIES

Most minorities and women who work for Atlantic Richfield hold low-level jobs. There is not a single black or female officer.

More than 70 major U.S. companies have elected blacks to their boards of directors. Many have also named women directors. The petroleum industry has resisted this trend – and so has Atlantic Richfield. Its board is all-white, all-male, all-Christian.

The Company has not been aggressive or innovative in its support of minority enterprise. Standard Oil of Indiana, for example, requires its purchasing agents to set goals and goes out of its way to help fledgling companies. Result: Indiana Standard spends four or five times what Atlantic Richfield spends in purchases from minority suppliers.

To encourage charitable contributions, the Internal Revenue Service allows corporations a deduction of up to 5% on pretax profits. At least two companies – Dayton Hudson and Cummins Engine – takes this full deduction. Other companies – Aetna Life & Casualty, for example – have sharply increased their giving. Atlantic Richfield gives away 1.3% of pretax profits.

The pattern of Atlantic Richfield's giving is in the traditional mold, with most money going to old-line, established institutions. Of the \$850,000 committed to education in 1973, for example, more than a quarter went to one school, the Massachusetts Institute of Technology.

Black colleges receive only minimal support.

The Company's annual report has been niggardly in providing meaningful details of pollution control programs or specific information about social responsibility activities. The tendency has been to substitute rhetoric for hard data. Shell Oil Company has consistently released far more information.

Atlantic Richfield was slow to comprehend the environmental problems connected with the Alaskan pipeline and for too long resisted protection measures later incorporated into the project.

The Company, while paying its respects to the conservation ethic in solving our energy problems, persists in the view that more development and more growth can solve our energy problems.

At many U.S. companies the concept of social responsibility has been institutionalized at least to the extent that new positions and/or committees have been created, some of them with high standing in the table of organization. Atlantic Richfield has floundered through a series of organizational reshuffles, with the social responsibility functions still scattered, relegated to lower levels of the Company and concerned largely with peripheral areas outside the mainstream activities.