

Racial Equity Audit Report

CoreCivic, Inc.

March 24, 2022

Moore & Van Allen

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Foreword from Lead Auditor

CoreCivic, Inc. (“**CoreCivic**” or the “**Company**,” formerly Corrections Corporation of America (“**CCA**”)), owns and operates facilities in which nearly 50,000 individuals are imprisoned or detained for varying lengths of time pursuant to contracts with federal, state, or local government entities. While the racial makeup of CoreCivic’s resident population is dictated by federal and state criminal justice systems, the fact remains that the majority of those housed in CoreCivic’s facilities are people of color. Notably, the majority of people employed by CoreCivic also are people of color. So, analyzing how CoreCivic’s policies and practices impact communities of color is essential. As such, I want to assure readers that this team has taken our responsibility to conduct this racial equity audit very seriously.

Over the past 23 years, I, a Black woman, have practiced law in primarily white-dominated spaces. I have investigated individual allegations of harassment and discrimination and assessed whether company-wide conduct and complaint systems designed to root out these problems have failed those that they are designed to serve. I have investigated and helped to remediate the types of potential consumer finance violations that can devastate the most economically vulnerable in our society. And I have had the privilege of chairing the Board of Directors of the Community Building Initiative, a regional non-profit whose mission is to give people and organizations the knowledge, skills, and courage to fight bias, remove barriers to opportunity and build a more equitable and just community. My career has been defined by two personal objectives: First, utilizing my legal skills, particularly in the areas of investigations and conduct management, to improve processes and systems that impact people’s daily lives in ways large and small. Second, using my professional and civic platforms, to achieve more equitable outcomes, particularly for the benefit of people of color. This audit has afforded me the opportunity to do both.

And like many Americans generally, and Americans of color specifically, I have relatives, schoolmates, and friends who have been convicted of crimes or incarcerated in state or federal correctional facilities. This was not an academic exercise for me; it was an important, necessary, and practical means to respect the humanity of incarcerated and detained persons and the families and communities who care for them.

While I served as lead auditor, this audit was a collaborative undertaking, and I chose the audit team with care. The team includes the former General Counsel of one of the nation’s largest banks, Edward (“Ed”) P. O’Keefe. When managing a legal department of more than 1,100 team members, Ed was an industry champion for diversity, serving as a member of the Leadership Council for Legal Diversity and receiving the Thurgood Marshall Award for Excellence. Our team also includes a former law clerk in a federal district court located along the U.S.–Mexico border, as well as a young criminal justice major who focused her studies on the correlation of criminal justice encounters, race, and legal cynicism within communities of color. And though our team is intentionally racially and ethnically mixed, the majority of the hours invested in the audit were billed by lawyers of color representing the Black and Latinx communities. Our team is also ideologically and generationally diverse, and we were raised in a variety of economic circumstances. We have devoted over 1,750

hours to this effort and our unique personal, professional, and civic experiences inform this assessment.

Despite our many differences, the audit team members all agreed on one thing: We were not interested in doing this work unless we believed that CoreCivic was committed to a full and fair examination of the issues and willing to change, if warranted. And it has been. Indeed, CoreCivic welcomed the opportunity to assess its practices through this racial equity audit, even though its leadership knew from the outset that such an assessment would reveal data gaps and other challenges, as well as achievements.

Interestingly, CoreCivic was not the only company to receive a request to conduct a racial equity audit from the SEIU Fund¹ and other pension funds since the racial reckoning that began in 2020: At least eleven other public companies also received shareholder proposals or demands in 2020 and 2021—all larger and better-resourced than CoreCivic.² For example, Citigroup ranked 33rd in total revenue in the 2021 Fortune 500 list collecting approximately \$88.8B in revenue,³ and Johnson & Johnson ranked 36th collecting approximately \$82.5B in revenue.⁴ CoreCivic, on the other hand, ranked 982nd and collected approximately \$1.9B in revenue.⁵ The majority of the eleven other companies receiving a request or demand have declined to submit to a racial equity audit,⁶ and at least four companies sought “no action” relief from the U.S. Securities and Exchange Commission (“SEC”) to exclude the requests from their 2021 proxy statements.⁷ All requests were ultimately denied by the SEC.⁸ Others recommended that shareholders vote against the racial equity audit proposals.⁹

As far as we know, CoreCivic was the *only* company to receive such a racial equity audit request from the SEIU Fund in 2020 and agree to conduct the audit as requested that same month, without seeking regulatory intervention, attempting to mount a vote against the proposal, or engaging in lengthy negotiations with the SEIU Fund. CoreCivic also appears to be in the minority of companies of its size across all industries and the *only* company in the prison industry that so far has agreed to conduct a comprehensive racial equity audit.

Trillium Asset Management, another shareholder pension fund and proponent of racial equity audits, has argued that “if management is truly committed to make racial justice a critical element of its operations then in practice it can and should treat it like any other operations issue and audit it as such.”¹⁰ CoreCivic’s management, led by its Board of Directors and Damon Hininger, the Company’s President and Chief Executive Officer (“CEO”), adopted this philosophy and submitted to a time and labor-intensive audit. At our request, the Company collected and shared available, relevant data, even when that data reflected areas of challenge or opportunity. Management never infringed upon our independence and allowed all avenues of investigation. And they did this because CoreCivic’s senior management ultimately agreed with the SEIU Fund that an audit would reveal learnings that could benefit its residents, employees, government partners, shareholders, and others. And so it has.

As we have learned throughout the audit, CoreCivic has committed significant resources to addressing equity issues across its facilities. Many such efforts will be addressed herein. Our audit also identified information gaps and potential process enhancements. For instance, on one hand, CoreCivic is involved in a multiplicity of promising initiatives, community partnerships, and charitable giving. On the other hand, the audit team observed a lack of intentionality around leveraging the Company's established DEI values to *specifically* and *purposefully* consider impacts on communities of color at both the enterprise and facility levels. Increased accountability in this area could reap significant benefits. Throughout this report, we share our key findings and specific recommendations relating to the populations of color on which we focused our audit: residents, families of residents, the communities impacted by CoreCivic facilities, and employees. However, some of our observations cut across impacted populations and transcended specific subjects of inquiry. I share these "high-level takeaways" now to provide greater context for the population-specific findings and recommendations throughout the report.

High-Level Takeaways:

(1) CoreCivic's stated values and the tone at the top regarding diversity, equity, and inclusion ("DEI")* are thoughtful and appropriate, but leaders at the facility level do not consistently incorporate those values into their leadership priorities.

** For the sake of clarity, certain important terms used throughout this report such as "diversity," "equity," and "inclusion" are defined in Appendix A, Key Concepts and Definitions.*

Through investments in the work of the Company's DEI Advisory Council and other key initiatives, CoreCivic's senior leaders are demonstrating the Company's DEI Vision Statement and Goals. By contrast, at the facility level, intentionality around DEI efforts depends on the personalities and background of particular leadership and individual facility population needs. The differing levels of engagement around DEI shown by senior management and facility leadership during our audit may be partially explained by the fact that, as will be discussed herein, several of the Company's recent, important DEI initiatives have been deployed from the top down. The audit team's "deep dive" review of certain "exemplar" facilities (defined and explained in more detail later in this report), further revealed that intentionality around DEI is inconsistent and, in some instances, not a factor in individual facility leaderships' day-to-day decision-making. At other facilities, leaders are clearly leaning into the Company's DEI Vision Statement and Goals. It is unclear whether CoreCivic corporate was aware of the extent of the variability in approaches at the facility level prior to this audit because the Company gave facility leaders discretion to decide how to incorporate DEI values into their leadership priorities.

(2) With the significant exception of employee compensation data, CoreCivic does not systemically collect, monitor, or analyze certain key outcomes by racial and ethnic demographic categories. (And there are no established benchmarks for collecting such outcome data across demographics that we observed across the corrections industry either.) Yet, gathering and analyzing demographic information and applying it to outcome measures would aid in understanding the impacts of the Company's practices on residents, employees, and other people of color.

CoreCivic has a tradition of managing day-to-day operations at the facility level, and for good reason. Each facility is governed by, and must comply with, contracts that define much of a facility's operations, including information gathering and management. Those contracts vary in significant ways based on the government entity on the other side, be they state or local governments, the U.S. Federal Bureau of Prisons ("BOP"), U.S. Immigration and Customs Enforcement ("ICE"), or the U.S. Marshals Service ("USMS"). And the numbers, demographics, and needs of CoreCivic's resident and employee populations can change quite significantly, virtually overnight. As a result, a "one size fits all," enterprise-wide approach is sometimes less effective than leaving decision-making in the hands of facility level leadership. Finding the right balance in approach is, no doubt, a constant business challenge for CoreCivic.

From a data perspective, this more decentralized approach impacted our audit. For some locations, types of individuals (i.e., employees or facility residents) and operations, CoreCivic tracks information and outcomes along demographic lines. But tracking outcomes by racial demographics at the enterprise level is the exception rather than the rule, in part, because historically such data has not been required or contemplated by the government entities with which CoreCivic contracts. In fact, we discovered that there is often variability from facility to facility in methods and systems used for collecting, storing, and reporting data due to differing federal, state, and local government entities' requirements and security standards. In some instances, the government entities with which CoreCivic contracts require the use of their own external systems to collect and store data. When data is required to be maintained in various external systems, there can be substantial costs and risks associated with attempting to duplicate that data in an internal, enterprise-wide system. Our review suggests that CoreCivic, and the industry as a whole, would benefit from an effort by governmental entities to drive up standardized expectations around data collection and reporting from an equity perspective, particularly as it relates to key outcome metrics.

The lack of "outcome" data by demographics is particularly acute for the individuals housed in CoreCivic facilities—i.e., the Company's resident population. The result is that CoreCivic does not have reliable, readily-available, enterprise-wide data showing, for instance, how many residents of color complete reentry programs, suffer worse health outcomes, or are the subject of disciplinary action by facility level leadership. In certain facilities, this data *may* be available depending on the requirements of the relevant government contract or individual choices of the Warden, Facility Director, or other facility leadership. Yet without more robust and uniform outcome data tracking race and ethnicity of impacted stakeholders, the primary evidence as to

the success of CoreCivic’s many initiatives, partnerships, and efforts as relevant to people of color, are anecdotal stories and general participant feedback. One notable exception is the fact that CoreCivic conducted a privileged, enterprise-wide pay equity review in 2017 and 2018, in which we understand they analyzed compensation data across racial and ethnic demographic categories.¹¹ CoreCivic’s management has indicated the Company’s intention to conduct a similar pay equity review in 2023 and periodically on go-forward basis. This pay equity review is a perfect example of an intentional analysis of a key outcome metric through the lens of demographics; we recommend the Company conduct these types of analyses across key outcome metrics more systematically in the future. Specific, measurable statistics across demographics would improve management’s ability to understand, communicate, and continually improve its impacts across demographics.

Finally, CoreCivic senior leaders shared their belief that the corrections industry currently does not systematically collect, analyze, and report on key outcome metrics by demographics. While that observation may well be true, testing it across the corrections industry was beyond the scope of our audit. However, based on the audit analysis we did perform as set forth herein, we would strongly encourage public and private industry leaders to consider whether *now* is the time to develop industry-wide standards or best practices around analyzing key outcome metrics in general and across racial and ethnic demographics. Most particularly, could public and private industry players and critics alike come together to agree on which outcome metrics are most critical for analysis across all facilities (for example, reentry program completion, health outcomes, disciplinary outcomes, etc.)? Creating and adopting a prioritized and operationally manageable set of uniform key outcome metrics to be applied across various types of public and private facilities could streamline and improve data quality for all entities involved. More importantly, establishing uniform key outcome metrics could benefit facility residents of all races, as well as public and private corrections facility operators, while providing significantly greater transparency to the public.

(3) To date, CoreCivic’s DEI focus primarily has been on employees and community outreach, not residents or their families.

CoreCivic has established DEI policies and processes and recently conducted an enterprise-wide workforce cultural assessment—all significant investments and important steps. CoreCivic also engages in outreach and charitable giving in the communities where its facilities operate, which has benefitted communities of color and others, and invests millions of dollars in diverse businesses. But the most vulnerable stakeholders, i.e., residents and their families, have *not* been the subject of the same focus when it comes to DEI. Deploying resources for the express purpose of analyzing impacts on residents of color and their families is both vitally important and time-sensitive.

(4) Many of the issues about which CoreCivic's opponents express good faith concerns are not controlled by CoreCivic; rather, they are dictated by federal or state contracts.

Private prison critics and community activists often complain, and with good reason, about practices that are actually governed and dictated by highly-specific facility contracts with federal, state, and local governments about which there is often a lack of transparency. For instance, a detention facility's contract may require that the facility be maintained so as to be able to house residents classified at the highest security levels regardless of actual resident classifications. (This may cause conditions to be less pleasant for some residents than they may otherwise be if that resident was housed in a different, lower-security facility). Or a contract may require that all medical care be provided by ICE employees or vendors, not CoreCivic employees or vendors. Consequently, some of the public's concerns with CoreCivic, while valid, are not within CoreCivic's power to control.

Federal and state law generally does not obligate CoreCivic to provide copies of its contracts with government entities to external individuals or entities who request copies. And CoreCivic usually does not publish or make such contracts available to requesting parties in light of concerns around confidentiality, privacy, security, and protection of, for example, any relevant Company trade secrets, intellectual property, and other sensitive business information (and relevant disclosure statutes usually protect such interests). Indeed, because the terms of CoreCivic's contracts are often confidential, it may be a breach of contract for the Company to divulge contracts or contract terms under certain circumstances. While external groups can submit federal Freedom of Information Act ("FOIA") or similar requests under state law to try to obtain copies of CoreCivic's contracts from government entities with which CoreCivic contracts, there is no guarantee that government entities will ultimately share unredacted copies with the requestor. For example, the federal government often will redact facility renderings in light of security concerns. The process of requesting information from the government also can be a complex and long one. By way of illustration, the audit team initially submitted a FOIA request in connection with this report in August of 2021, and after several rounds of negotiations as to the scope of our requests, as of publication of this report, the government entity to whom we submitted our request still has not provided the data we requested—i.e., approximately six months later. These dynamics, which are out of CoreCivic's control, contributed to a perceived lack of transparency by the Company and distrust.

(5) CoreCivic could benefit from additional input from and productive dialogue with residents and community leaders of color.

Certain contractual requirements with federal, state, and local government entities limit CoreCivic's ability to gather feedback from current and former residents. And due to government approval processes taking longer than the timeframe of this audit (discussed in more detail later in this report), our audit team did not have the ability to conduct interviews or focus groups with residents or families of residents—the people who most need to be heard in this process. This lack

of engagement significantly limited our ability to audit the Company to our level of satisfaction. Yes, data is important, but listening to residents and families is fundamental, and we urge government partners to consider facilitating greater dialogue through resident interviews and focus groups, and other means wherever practicable.

Of course, not everyone is willing to engage in a dialogue across differences. Many activists and perhaps elected officials believe there is no utility in engaging with CoreCivic because of philosophical disagreement regarding prison privatization. This audit team understands that perspective. We also spoke with other activists whose disagreement with privatization was just as fundamental, but who were interested in trying to improve outcomes for CoreCivic's impacted communities of color (be they residents, families of residents, employees, or other members of the communities in which facilities are located) through dialogue.

CoreCivic has endeavored to engage with such individuals whether to find common ground on ways to benefit communities of color or otherwise with limited success, for example, through the role currently held by Daren Swenson, CoreCivic's Vice President of Reentry Partnerships and Innovation, and other efforts discussed later in this report. Yet CoreCivic's inability to connect with many of their critics hampers CoreCivic's opportunities to improve outcomes for residents of color. Much could be gained if CoreCivic increases its outreach to activists, elected officials, and community organizers who are able to stand firm in their beliefs, but are nonetheless willing to engage in productive discussion of these important issues just the same. Of course, dialogue is a two-way street, but we are optimistic that our audit will help to facilitate these types of constructive dialogues in the future.

We conducted this audit to examine and evaluate CoreCivic's impacts on nonwhite residents, families, employees, and local communities and to recommend enhancements to current practices. CoreCivic's CEO and senior leadership had a bird's eye view of the audit process, hearing of data gaps for themselves in real time and learning of the extent to which facility leaders were either leaning into or failing to consider or implement the Company's stated DEI values. At the C-suite level, senior management is invested in understanding our takeaways. They are already beginning to grapple with the operational implications of our work and have indicated a willingness to provide periodic updates in the future on the Company's progress with respect to delivering on its DEI commitments. That engagement and buy-in by senior leaders is encouraging, but only time will bear out the level of commitment. By contrast, at the facility level, engagement around DEI and consideration of particularized impacts on people of color was variable and unpredictable. CoreCivic has current leadership trainings and other initiatives in place to address these inconsistencies, but more can and should be done.

Racial equity audits "should not be viewed as the end of a process for companies [and] shareholders looking to make a change; instead, they can be a 'stepping stone' to assist companies in developing and identifying a strategic plan to advance their goals."¹² We hope this report encourages industry-wide discussions about the development of an operationally manageable set

of uniform key outcome metrics that could be applied across all federal, state, and local facilities (whether they are operated by public or private actors) to shed light on important trends over time, including but not limited to impacts on people of color. This audit and management's level of engagement herein, could position CoreCivic to be a leading voice in any such discussions. As auditors, we hope this report will indeed serve as a "stepping-stone" to guide process enhancements and improve transparency and communications with residents, families, employees, and communities as a whole. Building trust with these impacted communities is a necessary step on the path forward and the Company's ability to build trust will begin and end with its willingness to listen and evolve.

Signed,

A handwritten signature in blue ink, appearing to read "Valecia M. McDowell". The signature is fluid and cursive, with a large initial "V" and "M".

Valecia M. McDowell
Co-Chair, Investigations Practice
Moore & Van Allen, PLLC

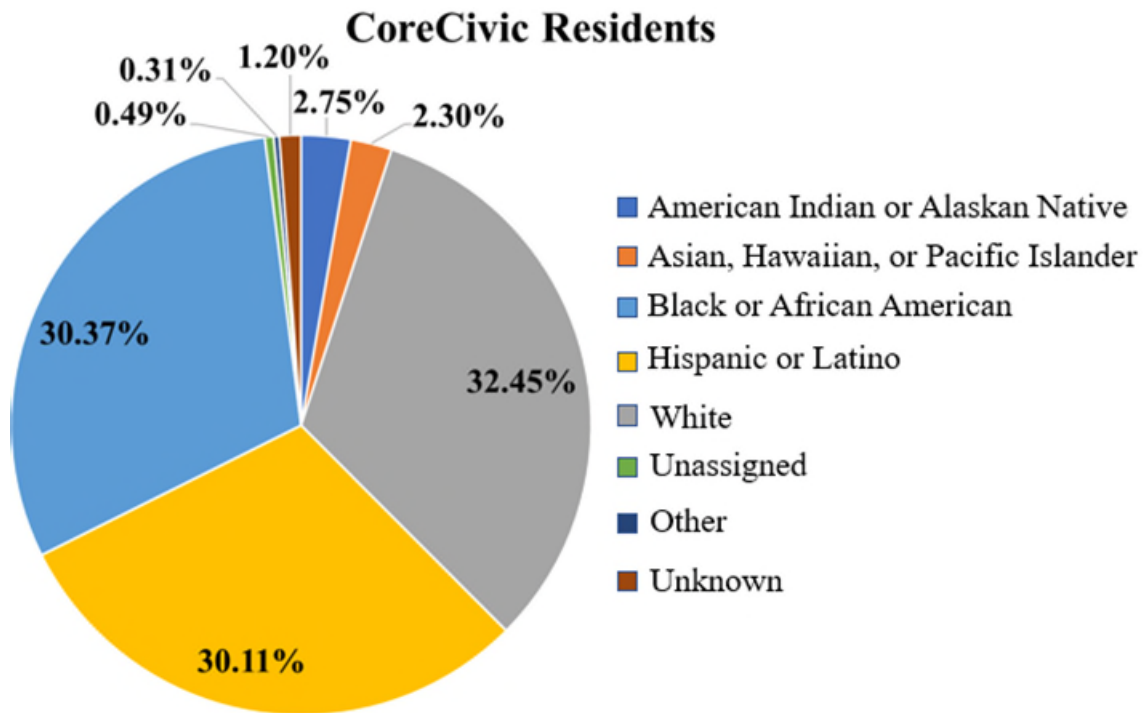
Background on CoreCivic, the Audit, and the Moore & Van Allen Audit Team

As acknowledged by the Service Employees International Union (“SEIU”), which oversees in part the Company shareholder who proposed this audit (the “SEIU Fund”):¹³

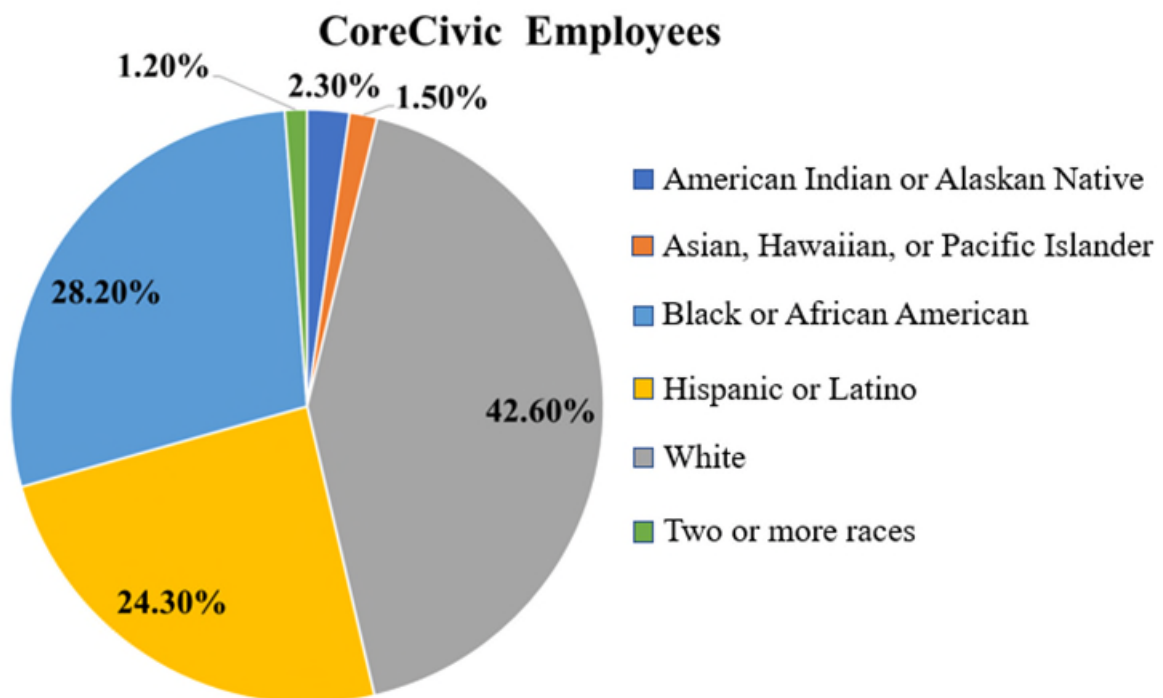
A racial equity audit is fundamentally about risk management. Investors need an objective evaluation of how [companies] are measuring their progress on addressing these structural risks. And any such analysis needs to be about more than just compliance; it needs to be about increasing racial justice in the market in line with each [company’s] public statements.¹⁴

Through quantitative and qualitative analysis, our team has endeavored to provide such an evaluation. This racial equity audit is particularly timely and critical in light of the nation’s long overdue focus on racial justice and the well-documented, disproportionate impact that the criminal justice and immigration detention systems have on people of color. While analyzing those government systems was not our task, as President Joseph R. Biden Jr. observed in January of 2021, “[m]ore than two million people are currently incarcerated in the United States, including a disproportionate number of people of color.”¹⁵ According to the most recent data from the Bureau of Justice Statistics, in 2019, approximately 8.1% of people incarcerated in the U.S. were held in private prisons.¹⁶ There are an additional 22,068 individuals held in U.S. Immigration and Customs Enforcement (“ICE”) custody as of January 2, 2022.¹⁷ According to author Lauren-Brooke Eisen, “62% of all ICE immigration detention beds in the United States are operated by for-profit prison companies, a huge jump from a decade ago, when just 25% of immigration detention beds were operated by for-profit prison companies.”¹⁸ These incarcerated and detained people—our collective family members, friends, and neighbors—deserve and have received the audit team’s thoughtful consideration.

A. About CoreCivic Generally: Founded in 1983 and headquartered in Brentwood, Tennessee, CoreCivic is a publicly traded corporation and the largest private owner of correctional, detention, and community facilities in the United States.¹⁹ (Definitions for each type of facility are provided Appendix A, Key Concepts and Definitions, and collectively, CoreCivic refers to its correctional and detention facilities as “safety” or “secure” facilities.) CoreCivic’s customers include local, state, and federal government entities including the U.S. Federal Bureau of Prisons (“BOP”), U.S. Immigration and Customs Enforcement (“ICE”), and U.S. Marshals Service (“USMS”), which typically enter into multi-year contracts with CoreCivic.²⁰ CoreCivic informed the audit team that as of Q4 of 2021, CoreCivic owned and operated approximately 61 active facilities.²¹ (As used in this report, the term “active” describes those CoreCivic facilities having both a current government contract (or multiple government contracts) for facility operation by CoreCivic *and* a correctional, detention, or community resident population in place.) As of August 20, 2021, active CoreCivic facilities housed approximately 49,183 correctional, detention, and community residents,²² the racial and ethnic demographics of which are shown in the below chart.²³



On the same date (i.e., August 20, 2021), CoreCivic employed approximately 10,575 individuals of the following racial and ethnic demographics:



Although direct comparisons are imperfect given CoreCivic's systems capture the race and ethnicity of nearly 1,000 residents (or approximately 2%) as "Unassigned," "Other," or "Unknown," individuals identifying as white appear to comprise a *greater* percentage of CoreCivic's workforce than its resident population (42.6% compared to 32.45%). Individuals identifying as Hispanic or Latino appear to make up a *smaller* percentage of CoreCivic's workforce than its resident population (24.3% compared to 30.11%). The percentages of other individuals identifying as nonwhite generally appear to make up a comparable percentage of CoreCivic's workforce as its resident population (i.e., roughly within one to four percentage points).

Notably, the charts above reflect enterprise-wide data relating to the demographics of CoreCivic's residents and employees and do not reflect resident and employee demographics at individual facilities or their surrounding communities. An internal interviewee told the audit team that CoreCivic is required to and does maintain affirmative action plans designed to retain and advance underrepresented groups; through such planning, the Company compares the demographics of its workforce at the facility level to the demographics of the community surrounding each facility. The internal interviewee further stated that the Office of Federal Contract Compliance Programs of the United States Department of Labor ("OFCCP") regularly audits the Company against its affirmative action planning. (Additional detail regarding other audits of the Company are contained in subsequent paragraphs.)

B. Facility Standards and Related External Audits by Government Entities: In addition to being operated in accordance with a variety of Company and facility-specific policies and procedures, CoreCivic facilities also are operated pursuant to differing contractual requirements. In turn, those contracts give rise to facility standards and obligations from the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration ("OSHA"), as well as federal, state, and local government codes and regulations.²⁴ Additionally, as of Q4 of 2021, CoreCivic employees represented that the Company had 61 active facilities.²⁵ Of those active facilities, 41 facilities (or 67%) had government contracts requiring accreditation by the American Correctional Association ("ACA") and, therefore, were ACA-accredited or going through the process and expected to achieve ACA accreditation or re-accreditation. (Senior management stated that this number included 37 of 39 (or 95%) of CoreCivic safety facilities (i.e., CoreCivic correctional and detention facilities),²⁶ and that government entities are less likely to require ACA accreditation of community facilities given the general nature and varying structures of community facilities.) The ACA is an independent organization establishing accreditation standards for correctional, detention, and community facilities around the world.²⁷ ACA standards address operations, safety and security, administrative and fiscal controls, staff training and development, services, programs, and more.²⁸

According to internal interviewees, ACA-accredited facilities must be audited and then re-accredited every three years (such that ACA accreditation is at least a four year process the first time around). On average, it costs around \$12,000 per facility every three years just in ACA fees, and around 18 or so facilities may be going through the process each year. Additionally, there are significant ongoing costs of compliance, including those relating to internal quality assurance processes, related staff members' salaries, and technology costs, etc.—which CoreCivic estimates

to be in the hundreds of thousands of dollars per facility each year. Internal interviewees could not remember a time that a CoreCivic facility ever failed to achieve ACA accreditation or re-accreditation. Even at facilities with government contracts *not* requiring ACA accreditation and not necessarily undergoing the time-consuming accreditation process in Q4 of 2021 (i.e., the 20 then-remaining active facilities or 49%), interviewees stated that CoreCivic strives to meet ACA accreditation standards because CoreCivic feels it is the right thing to do to maintain high standards around the care and custody of residents.

Additionally, CoreCivic employees stated that all active CoreCivic facilities are subject to auditing by external auditors on a three-year cycle for compliance with the Prison Rape Elimination Act (“PREA”) and on a regular basis by the OFCCP. Other subsets of facilities are subject to inspection by other, independent government agencies such as the U.S. Department of Justice Office of Inspector General (facilities with contracts with the BOP or USMS), Department of Homeland Security (“DHS”) Office of Inspector General, DHS Office of Detention Oversight, and DHS Office for Civil Rights and Civil Liberties (facilities with ICE contracts).²⁹ Many facilities also are subject to inspections related to state and local requirements in areas such as fire safety and food service.³⁰

CoreCivic employees further stated that in 2021, various governmental entities conducted 74 annual, comprehensive audits of CoreCivic facilities and an additional 293 semi-annual, quarterly, and other periodic audits. CoreCivic’s own quality assurance division (“QA”), comprised of approximately 18 employees operating under the Company’s Office of General Counsel, plus other individual facility quality assurance managers and personnel, also internally audit the Company to identify potential problems and ensure compliance with contractual, regulatory, and other obligations and requirements.

C. The Racial Equity Audit Engagement and Process: On December 1, 2020, the SEIU Fund proposed that CoreCivic’s Board of Directors “oversee a racial equity audit analyzing CoreCivic’s impacts on nonwhite stakeholders and communities of color.” That same month, CoreCivic, through the Nominating and Governance Committee of its Board of Directors, adopted the proposal and committed to oversee such an audit.

CoreCivic thereafter consulted with professionals and, in August of 2021, selected and retained Moore & Van Allen to conduct the audit. (Professional biographies of all audit team members are included in Appendix B, Biographical Information of Audit Team Members.) The scope of Moore & Van Allen’s work did *not* include investigating CoreCivic for potential legal, regulatory, or policy violations, human rights abuses, or auditing CoreCivic’s financials, etc. Further, during this audit, the audit team relied upon data and representations from management, employees, and third-parties, some of which we were able to independently challenge, and many of which we were not. Thus, this report reflects information and data provided by the Company and the opinions of the audit team based on a variety of sources.

Moore & Van Allen was supported in the audit process by Scott Craddock, CoreCivic’s Chief Ethics and Compliance Officer, and other senior leaders who helped facilitate the collection of data, documents, and information. None of these leaders dictated either the process or any outcomes.

All CoreCivic employees the audit team sought to interview cooperated in the process. No areas of inquiry were restricted by CoreCivic.

The subjects of the audit team's review included CoreCivic's diversity, equity, and inclusion efforts generally and the Company's impact on the following stakeholder populations more specifically: (1) correctional, detention, and community residents; (2) family members of residents; (3) communities surrounding CoreCivic facilities; and (4) CoreCivic employees. At a high-level, the audit team examined CoreCivic's policies and practices, available information, and data to conduct an independent assessment of CoreCivic's DEI efforts and impacts on nonwhite stakeholders and communities of color, to the extent discernable, and to develop recommendations.

Moore & Van Allen began its work by attempting to gather enterprise data across all facilities. We soon discovered there are important distinctions between different types of facilities (i.e., correctional, community, and detention facilities) that are lost when taking a top-down, enterprise view. We also discovered that there is variability from facility to facility in methods and systems used for the collection and storage of data in large part due to differing federal, state, and local government entities' requirements and security standards. (For instance, we were told that when it comes to maintaining resident health records, some government entities require the use of paper records, whereas other government entities require use of their own external systems; of course, when data is required to be maintained in various external systems, there can be significant costs and risks associated with attempting to duplicate that data in an internal, enterprise-wide system.)³¹ Therefore, compiling data across all facilities was not always feasible and did not always generate uniform, reliable data results. Additionally, CoreCivic does not always collect racial and ethnic demographics of relevant stakeholders relating to data metrics and outcomes, and there are additional privacy and other considerations that come into play when considering tracking, for example, the demographics of facility volunteers and visitors of residents. Importantly, if the audit team had perceived the information gaps to be an effort to prevent its auditors from reporting negative findings or completing the audit, we would have said so in this report. We do not believe that to be the case. Nevertheless, the fact remains that CoreCivic was unable to provide much requested data, as noted herein, typically because race and ethnic demographics were not captured as it related to a specific metric or outcome in the original collection, or because reliable, historical, or enterprise data simply was unavailable. Consequently, much of the data provided to the audit team is data as of specific dates or only for certain facilities, for example, and neither CoreCivic nor the audit team have conducted related statistical analyses of long-term trends across racial and ethnic demographics of relevant stakeholders. As previously mentioned, the audit team believes CoreCivic and other public and private corrections operators could benefit from a uniform set of industry-wide, key outcome metrics.

At a high level, Moore & Van Allen's audit included:

- (1) internal discussions with over 50 current employees (many of whom were interviewed multiple times), including Dr. Armin McCreia-Dastur, Vice President of Talent, Organizational Development, and Diversity, Equity and Inclusion;

(2) collection and review of historical and current state data, surveys, documents, and information produced by CoreCivic;

(3) review of nearly 100 CoreCivic policies, including CoreCivic’s Diversity and Inclusion Plan Policy (“**Policy 3-35**”).³² (Section 3, CoreCivic’s Efforts to Promote Diversity, Equity, and Inclusion, covers Policy 3-35 in greater detail, and later sections include discussion of other relevant policies relating to residents, resident visitors, employees, and CoreCivic’s COVID-19 pandemic response); and

(4) discussions with 15 external individuals including representatives of the SEIU Fund; individuals who were formerly incarcerated; Alberto Gonzales, the 80th Attorney General of the United States (from 2005–2007) and Dean of Belmont University College of Law; and others who were specifically identified by the SEIU Fund or CoreCivic as likely to have helpful insights, including, for example, leaders from civil rights and other advocacy groups such as Mijente³³ and Grassroots Leadership.³⁴ A list of external interviewees can be found at Appendix C, Biographical Information of External Interviewees.³⁵

From the outset of our work, the audit team indicated a desire to conduct interviews or focus groups with current residents and family members of current residents. In August of 2021, the audit team requested approval to conduct such interviews or focus groups at different CoreCivic facilities. After careful consideration of the audit team’s request and taking into consideration the evolving circumstances of the pandemic, CoreCivic and the audit team determined holding focus groups at three facilities might be sufficient. CoreCivic leadership at those three facilities were amenable to allowing the conversations but said approval would be needed from the government entities with contracts at those facilities (i.e., the BOP for two of the facilities and a state department of corrections and local county government for the third facility).

In late November of 2021, CoreCivic passed along the audit team’s requests to those government entities; however, due to government approval processes taking longer than the timeline of the audit, the audit team ultimately was unable to conduct resident or family interviews or focus groups prior to publication of this report. A recommended enhancement for future CoreCivic racial equity audit reports, and for CoreCivic more generally, is to regularly solicit feedback from current residents and their families regarding DEI issues and the impacts of CoreCivic’s operations which, unfortunately, was unable to be included in this report.

To better understand the distinctions between various facilities and when enterprise data across all facilities was unavailable, the audit team also selected nine CoreCivic facilities for a “deep dive” exemplar review. (The audit team refers to each individually as an “exemplar” facility throughout this report.) While CoreCivic recommended several of the exemplar facilities for the audit team’s “deep dive” review, the audit team selected the majority of the exemplar facilities on its own to round out the review based on certain criteria (e.g., facility type, size, geographic location, etc.). These facilities are either typical or unique examples of CoreCivic correctional, detention, and community facilities. The exemplar facilities are listed in Section 4, CoreCivic’s Impacted Populations: Residents.

Finally, it is important to note that CoreCivic and BOP or other external data may be compared at various points in this report, but any such external data discussed in this report is provided purely for additional context. The purpose of this racial equity audit report is not to compare CoreCivic to its government or private peers in the corrections industry (especially given the fact that CoreCivic operates pursuant to contracts with different federal government entities (i.e., not only the BOP) as well as other state and local government entities, whereas the BOP is more homogenous, by comparison). Rather, our audit report is designed to report on how CoreCivic's policies, practices, and services impact communities of color, and to identify potential enhancements or areas of opportunity.

CoreCivic's Efforts to Promote its Established Diversity, Equity, and Inclusion Goals

CoreCivic has taken steps to foster a more diverse, equitable, and inclusive organization. While this report focuses on CoreCivic's efforts and commitments as they relate to improving outcomes for nonwhite stakeholders and communities of color³⁶ (given the particular focus of the shareholder request prompting this audit), CoreCivic is engaged in other DEI efforts, as well, which are outside the scope of this report and impact other diverse, impacted populations.

Relevant to this report, in 2013, CoreCivic adopted a Human Rights Policy ("Policy 1-26"). In 2015, CoreCivic published its Diversity and Inclusion Plan Policy ("Policy 3-35"). The audit team understands that while CoreCivic just recently finished revising its Human Rights Policy in December of 2021 and has promised to develop related metrics to assist in monitoring and reporting related to the policy, the Company currently is identifying ways to enhance its Diversity and Inclusion Policy and the Company's implementation of that policy. CoreCivic should continue to prioritize enhancing its operationalization of the policy, and periodically reviewing, revising, and updating its other policies and related metrics, as necessary and as appropriate, with an eye towards making DEI enhancements and considering risks that may arise from implementation failures.

Additionally, in 2020, CoreCivic established a DEI Advisory Council "to drive future advancement of underrepresented groups, and to help better understand how [CoreCivic's] DEI practices can be improved in the future."³⁷ Interviews with a number of employees made clear that the DEI Advisory Council has already done some great and important work, and, this year, the DEI Advisory Council plans to undertake a number of additional efforts. Although the DEI Advisory Council's work thus far has been focused on DEI efforts relating to employees, CoreCivic would be well served by the group expanding its work to include a focus on residents and families.

This section principally describes Policies 1-26 and 3-35 and recent and ongoing DEI-related initiatives of the Company through its employee-centric DEI Advisory Council.³⁸ Although CoreCivic's DEI efforts are strategically and not merely policy-driven (i.e., CoreCivic recognizes that fostering DEI drives performance, engagement, and quality of operations and not merely engaging in related efforts because policy dictates it³⁹), we discuss Policies 1-26 and 3-35 at the outset because chronologically they were adopted before the DEI Advisory Council was established and because they lay a solid foundation for describing CoreCivic's DEI-related commitments. It will be important to keep track of the DEI Advisory Council's promising work in 2022 and beyond to monitor CoreCivic's progress on important DEI-related issues.

A. CoreCivic's Human Rights and Diversity and Inclusion Plan Policies: Policy 1-26, as recently amended in December of 2021 and effective as of January of 2022, declares CoreCivic's pledge to "[p]romote a culture that prioritizes human dignity -- including respect and compassion towards each other and the individuals entrusted to our care and commitments to diversity, equity, and inclusion."⁴⁰ It explains that these commitments "extend[]" to all our stakeholders, including

employees, individuals entrusted to our care, government partners, and communities in which we operate. Delivering on our commitment[s] is necessary to the establishment of stakeholder trust and to the generation of long-term shareholder value.”⁴¹

The audit team notes that the policy promises that CoreCivic will “develop metrics for purposes of monitoring and reporting on [the Company’s] performance relative to this policy. Metrics may include[:] a. [c]ulture and/or climate survey results; b. [g]rievance and misconduct reporting and investigation data; c. [i]ncident data; and d. [t]raining completion rates.”⁴² Once relevant metrics are developed, it will be important to monitor those metrics for trends and disproportionate impacts. In particular, if CoreCivic can measure these metrics across the racial and ethnic demographics of its impacted stakeholders, these metrics should greatly assist CoreCivic in measuring the Company’s impacts on its nonwhite stakeholders and communities of color.

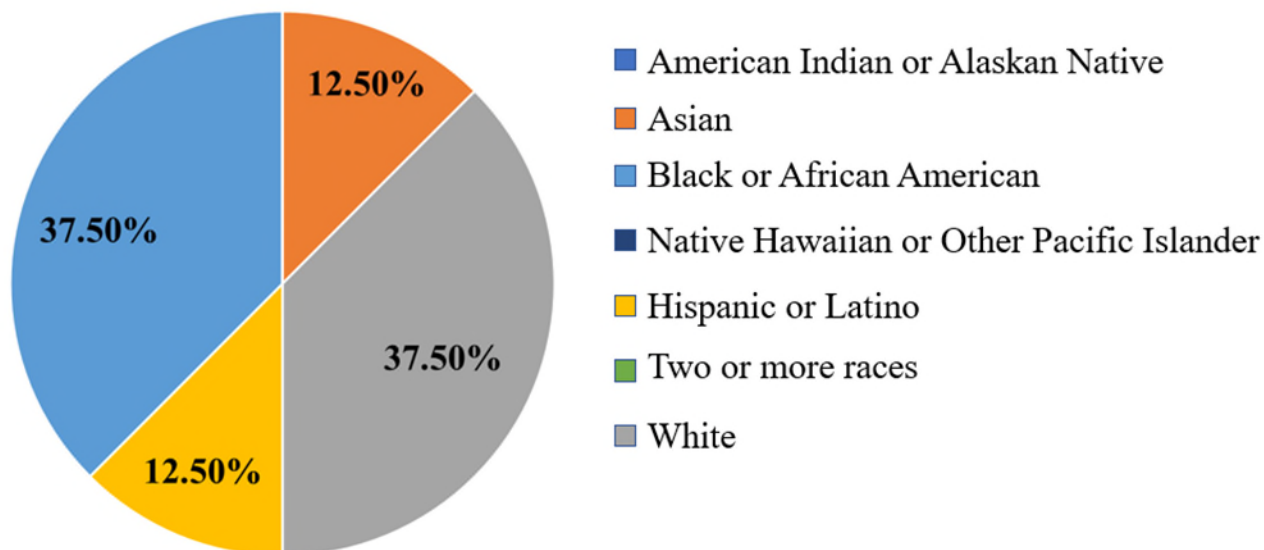
Similarly, Policy 3-35 acknowledges that “[d]iversity and inclusion are essential to [CoreCivic’s] success.” To leverage these tools, the policy “provides a shared direction, encourages commitment, and creates alignment so that the [C]ompany’s workplace diversity and inclusion efforts occur in a coordinated, collaborative, and integrated manner.” The end result of the policy is more focused on improving outcomes for CoreCivic’s employee population than any other population and is “to recruit, retain, and develop a diverse, high-performing workforce that draws from all segments of society and values fairness, diversity and inclusion.” With this end in mind, Policy 3-35 includes commitments to, for example, design “[o]utreach and recruitment strategies . . . to draw from all segments of society, including those who are under-represented in the current workforce” and to periodically analyze “[a]pplicant flow and source data . . . to determine whether applicant pools are reflective of the relevant broader labor force.”

Although Policy 3-35 states that CoreCivic seeks to “leverag[e] diversity and foster[] inclusion to *deliver the best service to our partners*” (emphasis added), the audit team believes, based on interviews with internal interviewees, that CoreCivic also seeks to utilize DEI to benefit not only its workforce and partners, but also the residents, families, and local communities that CoreCivic serves (similar to how CoreCivic states that Company commitments made in Policy 1-26 extend to “all [of the Company’s] stakeholders”⁴³). Thus, CoreCivic should revise the policy’s language to reflect those additional end goals. Further, the policy should be expanded to include a focus on promoting equity, or the fair allocation of opportunities and resources, in addition to leveraging diversity and inclusion. Not only are the three values complementary to each other, but they each cannot thrive without the others, and CoreCivic represents that equity is a valued goal for the Company. The audit team understands that CoreCivic currently is identifying ways to enhance Policy 3-35 and its implementation from a data management and personnel standpoint in 2022. Therefore, while the language of the policy may not need major revisions, CoreCivic should continue to prioritize enhancing the ways in which it implements the policy.

B. Establishment of CoreCivic’s DEI Advisory Council and 2020 Initiatives: Five years after publishing its Diversity and Inclusion Plan Policy, in 2020, CoreCivic established a DEI Advisory Council. A CoreCivic employee reported that in February of 2022, the DEI Advisory Council consisted of 24 individuals, 15 of whom identify as nonwhite (or 62.5%). While there is no

representation on the DEI Advisory Council by individuals identifying as American Indian, Alaskan Native, Native Hawaiian, Pacific Islander or as being of two or more races, the Company indicated that this group meets monthly and is diverse in terms of gender, race, ethnicity, tenure, and geography.⁴⁴ The chart below shows the group’s racial and ethnic makeup generally as of February of 2022.

Race and Ethnicity of Individuals on the DEI Advisory Council



2020, the year after CoreCivic established its DEI Advisory Council, brought social and racial injustice and inequity to the forefront of peoples’ minds. Protests following the deaths of George Floyd, Breonna Taylor, Ahmaud Arbery, and so many others, as well as the COVID-19 pandemic, which has disproportionately affected many racial and ethnic minority groups, prompted remarkable discussions about racial equity—both in society generally and in many workplaces more specifically, including at CoreCivic. On September 3, 2020, Damon Hininger, CoreCivic’s President and CEO, issued a “CEO Update,” stating: “The renewed focus on inequality in America has had a profound effect on all of us. At CoreCivic, it has prompted us to take a closer look at our own diversity and inclusion efforts and where we can sharpen our focus.”⁴⁵ Relatedly and in response to the events of 2020, CoreCivic established an ad-hoc Board-level DEI Committee comprised of four individuals, two of whom identify as white (two white females), and the other two of whom identify as nonwhite (one Hispanic female and one Black male), to “observe and assess the Company’s efforts to sustain and enhance a diverse, equitable and inclusive workplace”⁴⁶

Among other initiatives in 2020, the Company worked with a leading expert to design and deliver conscious inclusion training for leaders which has been rolled out from the top down addressing, for example, micro-aggressions, inequities, and affirmations. The DEI Advisory Council also retained a nationally recognized consultant to complete a comprehensive culture survey for

employees at all levels including a diversity and inclusion module in October of 2020. More information on the conscious inclusion trainings and workforce culture survey follows in Section 7, CoreCivic's Impacted Populations: Employees. The Board-level DEI Committee closely monitored this work.

C. CoreCivic's Vice President of Talent, Organizational Development, and Diversity, Equity and Inclusion: In February of 2021, CoreCivic named Dr. Armin McCrea-Dastur as its Vice President of Talent, Organizational Development, and Diversity, Equity and Inclusion.⁴⁷ Dr. McCrea-Dastur, who holds psychology degrees from the University of Connecticut, University of North Carolina, and The Chicago School of Professional Psychology, has over 20 years of experience in leadership development and talent management.⁴⁸ Dr. McCrea-Dastur is supported in her work by Natasha Metcalf J.D., Vice President, Partner Contracts Counsel. Together, Dr. McCrea-Dastur and Metcalf co-lead the DEI Advisory Council.⁴⁹ Both are women of color and are supported in their collective work relating to the DEI Advisory Council by the Executive Sponsors of the DEI Advisory Council, Dr. David Churchill, Executive Vice President and Chief Human Resources Officer,⁵⁰ and Lucibeth Mayberry, Executive Vice President, Real Estate,⁵¹ as well as other diverse professionals.

D. CoreCivic's DEI Vision Statement and Goals: CoreCivic's DEI Advisory Council, which Dr. McCrea-Dastur and Metcalf co-lead, works to promote CoreCivic's DEI Vision Statement and DEI Goals, listed below, by encouraging leaders to support the Company's DEI strategy. The Company's DEI strategy is summarized in a graphic featured in Appendix D, CoreCivic DEI Strategy, DEI Advisory Council Workstreams, and 2021 Calendar of Heritage Months.

CoreCivic DEI Vision Statement

"Diversity, Equity and Inclusion is about creating a culture of respect where we value everyone's differences, appreciate individual contributions, and support people so they reach their highest potential."

CoreCivic DEI Goals

- Create a common language and shared understanding of diversity, equity and inclusion at CoreCivic reflected in our policies, practices and procedures and the behavior of our people within and across differences
- Create a culture where the values of belonging and respect eliminate the opportunities for isolation and disrespect
- Create a pipeline of diverse candidates of leadership talent so that teams at all levels are more broadly reflective of our employees and the larger communities in which we work and serve

Six DEI Advisory Council work streams have been developed to advance CoreCivic's DEI Vision Statement and the work of CoreCivic's three DEI goals: (1) Strategy; (2) Communications; (3) Learning; (4) Talent Management; (5) Culture; and (6) Measurement. The purposes of those six work streams are summarized in a graphic featured in Appendix D.

E. Rollout of the Company's DEI Roadmap: In February 2021, the DEI Advisory Council implemented a communications plan to introduce the Company's DEI roadmap for Company-wide distribution to employees via: (1) e-mail messaging sent to all staff in the summer of 2021; (2) postcards mailed to employees' homes; and (3) lanyards mailed to facilities. The DEI Advisory Council also provided briefings to executives, officers, and facility leadership concerning the rollout and launched DEI eLearning modules for all leaders. Later that year, the DEI Advisory Council also circulated a calendar of heritage month celebrations to aid in acknowledging important cultural events and holidays at CoreCivic on a going forward basis, a copy of which is included in Appendix D.

F. DEI Advisory Council Initiatives Looking Forward: On an ongoing basis, the Communications work stream of the DEI Advisory Council plans to build upon its sharing of DEI initiatives and celebrations on social media and to implement and maintain a diversity "style guide" to be used to review and advise on inclusive DEI language. The Learning work stream plans to ensure updated DEI-related training is included and budgeted for within current state content year after year. The Talent Management work stream plans to identify and implement enhancements to the Company's talent system. The Culture work stream plans to continue consulting with subject matter experts to achieve CoreCivic's DEI goals and championing a DEI-centric environment at CoreCivic by establishing a People of Color Business Resource Group ("BRG"), with the intent to spin off additional, individualized racial and ethnic BRGs in the future. The Measurement work stream plans to begin reviewing DEI key performance indicators (or "KPIs") and other metrics (which are currently in development) annually beginning in 2022.

Other CoreCivic DEI-related objectives are discussed elsewhere in this report; for example, as discussed in more detail in Section 7, CoreCivic's Impacted Populations: Employees, CoreCivic is working to create a pipeline of diverse candidates of leadership talent so that teams at all levels are more broadly reflective of its employees and the larger communities in which their employees work and serve. Relatedly, although CoreCivic's current workforce is comprised of more than 50% people of color,⁵² only approximately 18% (or two out of eleven) of CoreCivic's Board of Directors (the "Board") have identified as such between 2018 and 2021.⁵³ This percentage appears consistent with the percentage of board members of color at other large companies: In 2020, 17.5% of board members identified as people of color across Fortune 500 companies.⁵⁴ When asked if there are any goals in place to increase board diversity, an internal interviewee advised that "it is fair to say management and the Board hold this as a goal [that CoreCivic] need[s] to formalize . . . within the overall DEI strategy." In fact, senior leaders stated that CoreCivic has been actively considering an array of diverse candidates to potentially appoint to CoreCivic's Board.

G. Concluding Thoughts: CoreCivic's senior leadership has committed itself to fostering a more diverse, equitable, and inclusive organization and to addressing inequities facing its impacted communities of color. To these ends, the DEI Advisory Council has been doing some significant and important employee-centric work thus far, but as discussed herein, the DEI Advisory Council should expand its work to increase its focus on residents and their families. And while CoreCivic is identifying ways to enhance its Diversity and Inclusion Plan Policy and implementation of the policy, CoreCivic also should continue to prioritize periodically reviewing, revising, and updating

its other policies, as necessary and as appropriate, with an eye towards making DEI improvements and considering potential risks that could arise due to implementation failures. In 2022 and beyond, it will be important to keep track of the DEI Advisory Council's work and to monitor CoreCivic's progress on DEI-related issues.

- Moore & Van Allen recommends the DEI Advisory Council expand its work to increase the focus on improving DEI outcomes for its residents and residents' family members.
- Moore & Van Allen recommends that CoreCivic continue to periodically review, revise, and update its policies and related metrics, as necessary and as appropriate.
- Moore & Van Allen recommends that CoreCivic: (1) remain aware of the potential for issues to arise as a result of data management and policy implementation failures; and (2) be swift in taking corrective action if any do.

CoreCivic's Impacted Populations: Residents

As one study has noted: “Prisons in the United States are for the most part remote, closed environments that are difficult to access and challenging to study empirically. They vary widely in how they are structured and how they operate, making broad generalizations . . . difficult to formulate.”⁵⁵ The audit team also found these observations to be true, particularly because the auditors were unable to conduct resident or family interviews or focus groups. (Even though community facilities generally are more open than other CoreCivic facilities, we also did not obtain access to perform interviews or a focus group at the one CoreCivic community facility at which we requested access due to government approval processes taking longer than the timeline of the audit.) Additionally, the audit team requested results of previously conducted resident surveys on DEI-focused issues, but CoreCivic did not have any to provide. CoreCivic does perform annual resident climate surveys which provide valuable feedback on issues ranging from safety, health services, food quality, and programming. While these climate surveys are beneficial to the Company, they were less beneficial for the purposes of this audit because the results are not tracked along demographic lines and the surveys do not address DEI considerations. Additionally, while CoreCivic has begun conducting resident interviews as part of a fairly new human rights facility assessment process that do touch on DEI issues, such interviews have only occurred at two facilities to date (one correctional facility and one detention facility in each of Q2 and Q3 of 2021).

And despite the Company's best efforts, the audit team also encountered significant obstacles in collecting and analyzing reliable, enterprise-wide resident data across racial and ethnic demographics for reasons previously discussed. For example, relating to resident grievances, there is significant variability in how facilities collect and store data in large part due to differing federal, state, and local government partner entities' requirements and security standards. And racial and ethnic demographics of complainants typically are not captured and stored with grievance data, making it impossible to determine whether the grievance process is effective for residents of color in particular. Further, while CoreCivic has a number of laudable programming initiatives aimed at enhancing the education and skill sets of residents generally, the Company has not yet endeavored to plan programming to meet the specific needs of residents of color across all facilities or to track programming outcomes across racial and ethnic demographics. This work would be hugely beneficial, because, as author Lauren-Brooke Eisen has written:

[We cannot] forget that by the time individuals have reached these prison gates, many of them arrived in prison due to a failure in their governments' ability to provide resources to combat intergenerational poverty, systemic racism, and a lack of education and other social services. Despite the immense work that lies ahead to truly transform criminal justice systems across the globe and ensure less people end up in prison, it's important to study some of the more humanizing elements present at these prisons to see if they can be replicated elsewhere so that those who do find themselves behind bars are treated more humanely.⁵⁶

In this section, we first assess CoreCivic's practices related to correctional and community residents, providing a high-level overview of resident housing, programming, discipline, health services, and the grievance process. Detention facilities are inherently different from correctional and community facilities and, as a result, are discussed further below.

A. CoreCivic's Resident Population Generally: CoreCivic houses residents for a variety of federal, state, and local government entities and agencies. Those government entities determine which residents are sent to CoreCivic facilities. As of August 20, 2021, active CoreCivic facilities housed approximately 49,183 correctional, detention, and community residents of which over 65% of are residents of color.⁵⁷

(1) Correctional Facilities: Residents have inherently different experiences based on where they are housed. Correctional residents are typically serving sentences at facilities housing between 800 and 2,300 residents. They are usually housed for longer periods of time than other types of residents (e.g., several weeks to many years). Consequently, correctional facilities typically offer significantly more reentry and other programming than other types of facilities. Correctional facilities have varying security levels dictated by the government entity or entities with which CoreCivic contracts. Residents residing in sections of a higher security level are typically serving longer sentences and are subject to more restrictions in terms of movement throughout the facilities.

(2) Detention Facilities: By contrast, CoreCivic detention facilities house individuals who: (1) are awaiting trial or sentencing; (2) have already been convicted and sentenced but are awaiting transfer to a correctional facility; or (3) are awaiting immigration status case completion or deportation across the corrections industry. The primary government customers for these facilities typically are local or state government entities, the BOP, the USMS, or ICE, but the vast majority of CoreCivic's detention residents are ICE and USMS residents. ICE detention residents are non-U.S. citizens temporarily detained as they await immigration status case completion or deportation. USMS and other detention residents are individuals awaiting trial or sentencing for violating federal laws or who have already been convicted and sentenced, but are awaiting transfer to a correctional facility.

CoreCivic contracts with ICE to house ICE residents in CoreCivic detention facilities according to Performance-Based National Detention Standards ("PBNDs").⁵⁸ The majority of ICE residents have no criminal record,⁵⁹ and remain at facilities for up to three months, with some staying only a few days. The federal government does not require reentry programming for ICE residents; instead, the focus is on preparing for release or deportation. (CoreCivic still must provide access to, for example, religious and legal services and recreational activities for residents at detention facilities, and when one CoreCivic ICE detention facility, before undergoing a mission change in early 2022, formerly housed families, including families with children, a senior management leader stated that CoreCivic provided educational programming for children at that facility. That same senior management leader also stated that no CoreCivic detention facility currently houses families or children for ICE.) Similarly, USMS residents and other detention residents also typically have shorter stays than correctional residents, with transfer out of detention facilities into correctional

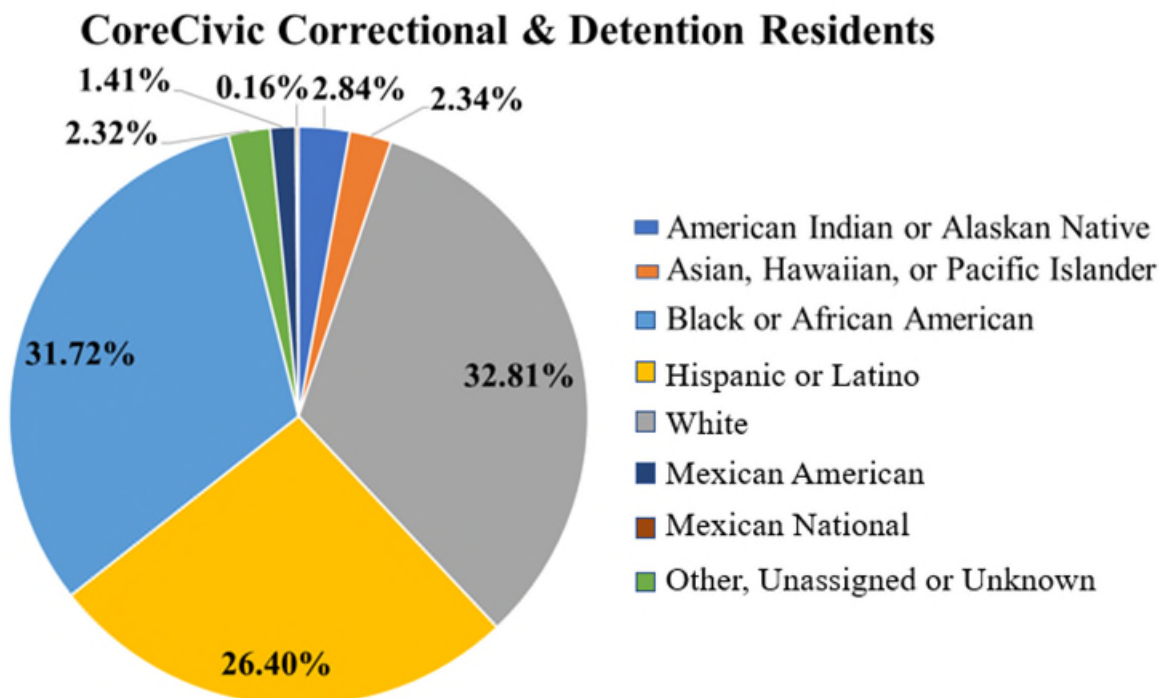
facilities usually occurring within a six-month period. As a result, reentry programming also is less of a focus for these detention residents. Still, an employee stated that CoreCivic attempts to provide reentry programming to detention residents, increasingly through the use of tablets, given challenges posed by frequently shorter lengths of stays of detention residents and the ongoing pandemic.

(3) Community Facilities: Finally, CoreCivic also contracts with the BOP and state correctional departments to provide housing and services to community residents who are nearing release, typically for three, six, or nine-month periods, prior to reentry back into society. Individuals also can be referred directly to community facilities by a judge as an alternative to serving time in a correctional facility. As noted previously, the racial and ethnic makeup of CoreCivic's resident population is dictated by federal, state, and local criminal justice systems. CoreCivic has little, if any, say regarding which individuals are transferred to Company facilities. Through our interviews, the audit team learned that there may be a perception that certain state governmental authorities, for whatever reasons, award white correctional residents more referrals to community facilities than nonwhite correctional residents. Whether or not there are disproportionate numbers of white residents housed in CoreCivic community facilities is a question the audit team encourages management and advocates to examine in the future; the audit team was unable to conduct any sort of statistical analysis over any period of time based on the currently available and provided data and, therefore, was unable to draw reliable conclusions.

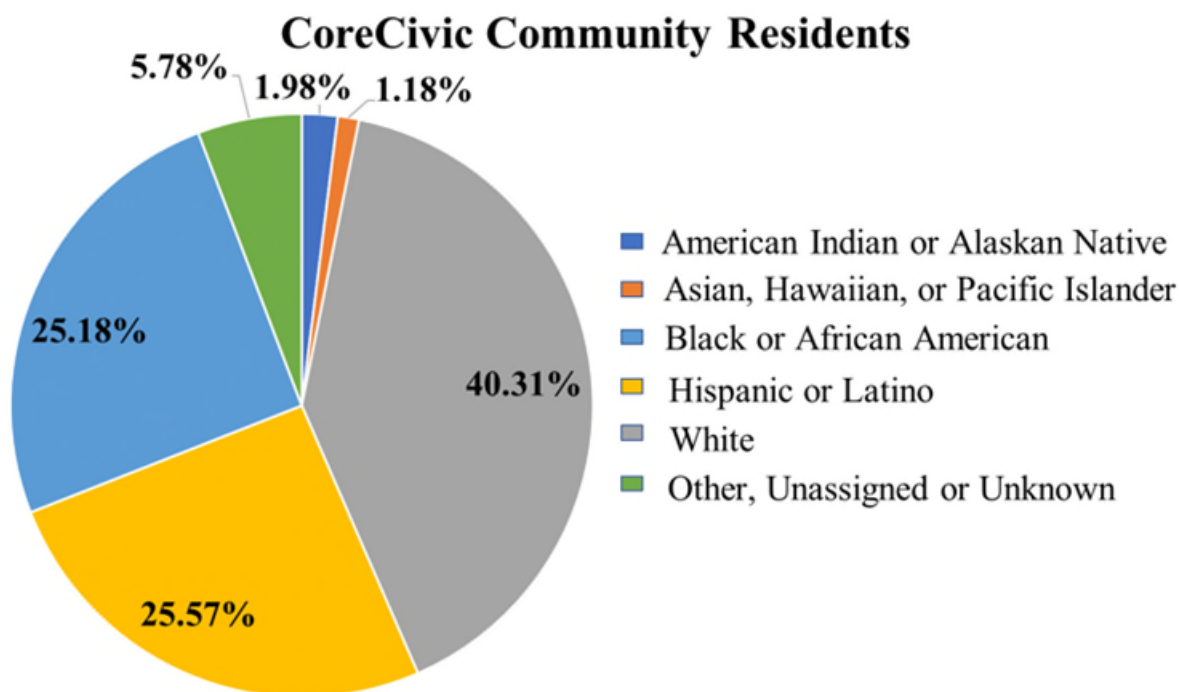
Community residents either reside at a community facility typically housing fewer than 150 residents or at home with monitoring on home release. (One facility leader we spoke with explained that as a result of the COVID-19 pandemic, BOP and state corrections departments increasingly refer more community residents directly to home release with required GPS tracking.) Community facilities require residents to comply with facility guidelines and staff rules, but also provide residents with an increased level of autonomy. A former resident of a CoreCivic facility told the audit team that CoreCivic (then named CCA), would bring prospective employers to the facility to help residents apply for jobs. Community residents are typically allowed to leave the premises for work programs and finding employment is encouraged to develop necessary skills for reentry into society.

(4) Resident Demographics By Facility Type: The audit team requested demographic data for all CoreCivic residents at active facilities broken out by facility type. CoreCivic indicated it had 61 active facilities in Q4 of 2021.⁶⁰ The audit team received demographic data as of October 1, 2021 for 60 of the same facilities and an additional facility which also was active as of October 1, 2021 (Northwest New Mexico Correctional, which subsequently became inactive in November of 2021, and, therefore, is not listed as an active facility in the Company's Q4 public disclosures). We did not receive data for Lee Adjustment Center which is listed as an active facility in the Company's Q4 public disclosures because although that facility was active for a portion of time in Q4 of 2021, it was not actually active as of October 1, 2021, specifically.

The chart below reflects resident demographics as of October 1, 2021 for 39 correctional and detention facilities which CoreCivic employees represented were active as of that date. (Again, CoreCivic refers to its correctional and detention facilities as “safety” or “secure” facilities.)



The chart below reflects demographics for 22 CoreCivic community facilities which CoreCivic employees represented were active as of October 1, 2021.



B. Resident Climate Surveys, CoreCivic’s Human Rights Facility Assessment Process, and Audit Team Access to Resident-Related Data: The Company’s QA audit process routinely conducts climate surveys of residents to gauge their perceptions on treatment and services. Although the Company’s climate surveys are not DEI-focused and do not track resident demographics, they do represent an effort by CoreCivic to find out what residents are experiencing at CoreCivic facilities and cover topics such as perceptions of safety, accessibility of medical care, facility cleanliness and sanitation, satisfaction with food and commissary items, and access to the grievance process, law library, and legal assistance.⁶¹ CoreCivic provided the audit team with a sample of 2021 climate survey results from eighteen facilities; however, because corresponding resident demographic data was not included in the results (as it is not usually captured as part of the climate survey process), we were unable to discern any trends relevant to residents of color in this data.

Additionally, beginning in 2021, CoreCivic began conducting a human rights facility assessment process. The annual process is structured to include resident interviews at a number of facilities covering DEI issues. In Q2 and Q3 of 2021, CoreCivic conducted such resident interviews at one correctional facility and one detention facility. Senior management described DEI topics that came up in the interviews and also provided a list of sample interview questions inclusive of DEI topics. Senior management stated that the Company plans to conduct similar interviews across four facilities in 2022. To the extent feasible and as appropriate, the audit team recommends that CoreCivic ensure fulsome feedback is solicited from residents of all backgrounds across facility types regarding DEI topics and issues facing residents of color. The audit team also recommends that CoreCivic maintain written summaries specifically relating to DEI-focused portions of these human rights facility assessment interviews in the future.

Because, as discussed further above, the audit team was unable to hold resident interviews or focus groups and DEI-focused resident survey and interview data was unavailable, analyzing other data provided by CoreCivic was critical. As previously noted, CoreCivic does not have a central repository to collect or maintain all resident data, meaning that data usually had to be pulled at the facility level and, sometimes, pulled from multiple systems. Additionally, depending on the government contract, some data is currently *only* maintained on external government systems and not by CoreCivic. Because the audit team was unable to obtain enterprise-wide data across all facilities, we also requested and evaluated resident data, where available, across the nine selected exemplar facilities listed below.

Exemplar Correctional Facilities:

- (1) Coffee Correctional Facility in Nicholls, Georgia, owned and managed by CoreCivic pursuant to a contract with the State of Georgia.⁶²
- (2) Bent County Correctional Facility in Las Animas, Colorado, owned and managed by CoreCivic pursuant to a contract with the Colorado Department of Corrections and Bent County.⁶³

(3) Lake City Correctional Facility in Lake City, Florida, managed by CoreCivic pursuant to a contract with the Florida Department of Corrections and predominantly housing “youthful offenders,” as defined by the Florida Youthful Offender Act,⁶⁴ generally ranging in age from 18 to 24 years old.

Exemplar Community Facilities:

(4) South Raleigh Reentry Center in Raleigh, North Carolina, owned and managed by CoreCivic pursuant to a contract with the BOP.⁶⁵

(5) Oklahoma Reentry Opportunity Center in Oklahoma City, Oklahoma, owned and managed by CoreCivic pursuant to contracts with the BOP and Oklahoma Department of Corrections.⁶⁶

Exemplar “Mixed Use” Facilities Housing Correctional and Detention Residents:

(6) Northeast Ohio Correctional Center in Youngstown, Ohio, owned and managed by CoreCivic with nearly an even split of correctional residents from the Ohio Department of Corrections and USMS detention residents.⁶⁷

(7) Tallahatchie County Correctional Facility in Tutwiler, Mississippi, owned and managed by CoreCivic pursuant to contracts with Tallahatchie County, Mississippi; the Vermont and South Carolina Department of Corrections; and the USMS.⁶⁸

Exemplar Detention Facilities:

(8) La Palma Correctional Center in Eloy, Arizona, owned and managed by CoreCivic pursuant to a contract with ICE.⁶⁹

(9) South Texas Family Residential Center in Dilley, Texas, managed by CoreCivic pursuant to a contract with ICE and currently operating as an adult detention facility rather than a family residential center. (This facility was operating as a family residential center at the outset of our audit.)⁷⁰

C. Resident-Centric Policies Related to DEI: The U.S. Constitution, as well as other federal, state, and local law and regulations, provide broad, baseline protections applicable to all incarcerated persons—including CoreCivic residents. In addition to such protections, CoreCivic has enacted a number of policies applicable to all CoreCivic residents. The audit team reviewed several such resident-centric policies and found few such policies included language specifically addressing DEI considerations. Additionally, many policies could be enhanced to provide protections against bias and discrimination on the basis of being of a protected class. The Faith-Based Programs Policy (“**Policy 20-5**”) states that: “Access to the Faith-Based Program will not be based on [a] [r]esident’s race, religion, national origin, gender, sexual orientation, disability, or political views.” We recommend adding similar language, where appropriate, to other policies providing for resident

services and programs. Small changes also could be made to the Facility Goal Policy (“**Policy 1-14**”), which directs Wardens or Facility Directors to formulate goals for each facility, including specifically a requirement that a facility “demonstrate it has examined and, where appropriate and feasible, implemented strategies that promote” certain environmental considerations. The same approach could be extended to include DEI initiatives.

Additionally, CoreCivic’s Legal Rights of Inmates/Detainees Policy (“**Policy 14-4**”) enumerates fourteen specific rights that all CoreCivic residents are afforded, including protection from harassment and freedom from discrimination. CoreCivic’s Human Rights Policy and Code of Ethics have language regarding the Company’s pledges to “[p]romote a culture that prioritizes human dignity -- including respect and compassion towards . . . the individuals entrusted to our care and commitments to diversity, equity, and inclusion”⁷¹ and to “prohibit[] harassment or discrimination.”⁷² The audit team commends CoreCivic for addressing these resident concerns in its policies. We also observe that having a standalone, comprehensive policy would strongly demonstrate CoreCivic’s commitment to these important ideals. Therefore, the audit team recommends that CoreCivic enact a broad anti-discrimination towards residents policy similar to the BOP’s Non-Discrimination Toward Inmates Policy. For instance, the BOP’s policy provides that “[BOP] staff shall not discriminate against [residents] on the basis of race, religion, national origin, sex, disability, or political belief. This includes the making of administrative decisions and providing access to work, housing and programs.”⁷³

D. The Typical Correctional and Community Resident Experience: Because operations at correctional and community facilities generally are more aligned, they are discussed in more detail in the subsections below. Operations at detention facilities are discussed in more detail afterwards.

(1) Housing: Correctional facilities are typically large, industrial-looking concrete facilities with barbed-wire fence surrounding the perimeter. Each usually has a kitchen, commissary, library, workout facility, and courtyard. Additionally, each is typically broken up by large housing units containing smaller living areas (called pods), housing between 50 to 120 residents. Maximum security housing areas typically are comprised of single or double-occupancy cells and are the most restrictive housing. Medium security housing areas typically are comprised of secure group dormitory rooms in which residents sleep in military style bunks and have access to group toilet and shower areas. Minimum security housing areas typically are comprised of low security or non-secure dormitory rooms in which residents also sleep in bunks and have access to group toilet and shower areas.

When a new resident arrives at a correctional facility, that resident goes through a risk and needs assessment process to determine appropriate housing by considering, among other things, security threat group (“**STG**”),⁷⁴ Prison Rape Elimination Act (“**PREA**”),⁷⁵ and “material witness” and other “keep separate” factors (to take into account potential gang affiliations, to ensure that a victim is not housed with a potential predator, to ensure that a material witness is not housed with someone against whom the witness has testified or will testify against, and to ensure that a complainant will not be housed with someone against whom the complainant has submitted a

grievance, for example, etc.). Resident security level classification also is considered; residents with higher security levels are perceived to present higher risk to public safety while residents with lower classification generally present lower risk. A CoreCivic employee stated that most residents come to CoreCivic facilities having initially been assigned a security level classification at a prior facility (and this is usually the case for residents coming from the BOP or state departments of corrections, in particular). CoreCivic will conduct its own security level classification assessment and may assign the resident the same or a different security level classification (in the latter case, a resident may then have dual classifications). The same employee stated that it is more often the case with ICE and USMS residents that CoreCivic will initially determine residents' security level classifications.

Some facilities assign housing based on job assignment within the facility or enrollment in specific programs. Additionally, at many facilities, housing assignments are dictated by the government entity or entities sending residents to the facility. For example, at Tallahatchie County Correctional Facility, USMS residents are housed separately from state and county correctional residents. At Coffee Correctional Facility, housing is dictated by the State of Georgia's Next Generation Assessment,⁷⁶ an automated programming assessment instrument used to match residents to programs and to factor in risks and needs.

CoreCivic correctional facilities also have segregated housing areas to include disciplinary housing. The audit team requested housing assignments with disciplinary-related housing data broken out by racial and ethnic demographics. We received housing data including resident housing unit and pod location codes, but not disciplinary-related housing data broken out by racial and ethnic demographics. (Although facility leadership can look at housing unit and pod assignments and explain what each code means, the audit team was unable to determine which residents were in disciplinary housing without interviewing an employee with knowledge of the housing decisions of a specific team at each and every facility.) Based on the provided data, the audit team was unable to determine whether resident housing was determined on the basis of disciplinary action, or whether residents of color in the aggregate are disproportionately assigned to disciplinary housing.

By contrast, community facilities are traditionally smaller than correctional facilities featuring dormitory-style sleeping areas. Male and female dormitories are separated. For example, the South Raleigh Reentry Center has four separate dorms with military-style, open bay sleeping areas with bunk beds in the three male dormitories and single bedrooms in the female dormitories. Similar to the process at correctional facilities, residents go through an assessment process when they arrive at community facilities to determine housing. Residents determined to have special needs or risks, such as PREA concerns, are assigned to areas in the dorm with more security and surveillance, but are not housed in restricted areas. Unlike correctional facilities, community facilities have no special housing for disciplinary-related reasons. Instead, for community residents there is usually a disciplinary report and proceeding to determine if the resident is going to remain in the facility or if the resident will be transferred to a correctional facility either temporarily before a determination is made that the resident will be allowed to return to the community facility or to

serve the remainder of a sentence. The specific disciplinary process is governed by the government entity or entities sending residents to the facility.

Beginning in 2020, CoreCivic approved a budget to fund an initiative designed to “normalize” CoreCivic community facilities. The goal of the initiative is to enhance the resident experience at each community facility by making the facility feel more residential rather than like a prison. Initial efforts were focused on standardizing basic materials in the facilities such as standard mattress size, allowing residents to bring in personal linens, and the use of common “home-like” furniture and décor. The initiative has evolved to include “softening” efforts such as incorporating soothing color palettes and furniture throughout the facilities in an effort to have environmental factors positively impact community residents. Appendix E, Additional CoreCivic Resident Data, includes photos relating to some of CoreCivic’s “normalization” and “softening” efforts. Actual spend on these efforts has not been tracked to this point, but each community facility was allocated \$500 per quarter in 2021. An internal interviewee also provided documentation stating that in 2022, CoreCivic community facilities “were budgeted \$3,000 each in [o]perating [e]xpense[s] to use specifically toward the [n]ormalization initiative (things like painting, coffee makers, art work, plants, etc.). This is in addition to being budgeted to replace 1/3 of . . . mattresses each year to the 6 inch community standard so that no mattress is ever more than 3 years old.” The provided documentation also states that in a “2022 Community Capital Improvement budget, each facility was budgeted \$6,000 in discretionary funds that can be used for [n]ormalization efforts, \$132,000 in total. In addition we have \$694k in budgeted projects that will incorporate [n]ormalization standards. These projects include [f]looring in dorms and [r]esident areas, windows, resident storage and bathroom remodels.”

Although there are no specific requirements for incorporating cultural elements into design aesthetics, CoreCivic gave each Facility Director discretion to work with residents to implement meaningful design changes. For example, at the Oklahoma Reentry Opportunity Center,⁷⁷ the Facility Director allowed residents to paint accent walls with different colors from the motivational color wheel. Additionally, the facility created a Cultural Awareness wall where elements from different cultures are featured as pictured in Appendix E. Unfortunately, as the initiative was gaining momentum into March of 2020, the focus of the Company turned to COVID-19 response measures and regular softening committee meetings were paused. At the time of writing this report, discussions around restarting meetings were beginning.

(2) Programming: In the audit team’s conversations with management for various correctional and community facilities, it became clear that there is a strong emphasis on programming. For instance, Facility Directors at Coffee Correctional Facility noted that via the signage in front of the facility that CoreCivic announces, “[w]e strive to be the leaders of programming,” and facility leadership says they take that mission and commitment to heart. Relatedly, former U.S. Attorney General Alberto Gonzales stated his belief when interviewed that:

[P]rivate prison companies have transitioned from a pure incarceration role to a more full-service model of preparing the individual for life after prison. This includes providing education, vocational training, necessary drug and alcohol abuse

treatment, and transitional housing and support. Today, it appears the mission of companies like CoreCivic is to do what can be done to place the [resident] in a place where they will not reoffend and have a legitimate chance to become a productive member of society. Since a significant number of [residents] are people of color, efforts to improve success in the reentry process means more people of color will have a better opportunity to successfully reintegrate in society[.]

(a) Types of Programming: At most correctional and community facilities, CoreCivic offers programming to enhance basic educational skills from literacy through earning a high school equivalency certificate.⁷⁸ At some facilities, residents are also provided with opportunities for postsecondary education.⁷⁹ The audit team spoke with the Facility Director of Oklahoma Reentry Opportunity Center who said one of her residents had completed a Master's program.

Facilities also offer career, technical, and vocational programming aimed at helping individuals learn marketable job skills as well as general programs to teach important life and employment skills. Some facilities have a web-based "Interview School," which is a "web-based artificial intelligence software for practicing job interviews."⁸⁰ Other facilities have programs designed to teach residents how to manage money. There are also programs targeted at improving residents' relationships with others, a variety of parenting programs, and a Victim Impact Program, which focuses on educating residents "about the negative effects their criminal conduct can have on others."⁸¹ Some facilities also have therapeutic and counseling programs, including substance abuse counseling and education (led by licensed treatment providers, per a CoreCivic employee).

CoreCivic is in the process of developing an "eSchool" program to provide capital, entrepreneurial expertise, and long-term support for correctional residents of color who are returning to the community. CoreCivic is in a partnership with a business development resource center which works to cultivate growth of small business owners with a focus on women, minorities, and veterans, and the Company is going to leverage the center's curriculum for its "eSchool" program. Participants are expected to include both currently incarcerated individuals of color and recently reentered individuals of color. The current planning team is 50% comprised of women of color and current CoreCivic contributors to the planning and design are: (1) Daren Swenson, Vice President, Reentry Partnerships and Innovation (the program sponsor); (2) Dawn Mason, Managing Director, Purchasing; and (3) Matt Moore, Sr. Director, Reentry Services (a subject matter expert for education and programming). As of October of 2021, next steps included meeting with two primary community partners (a bank and a potential programming and housing provider) that are interested in learning more about partnering with the program.

At community facilities, leadership is primarily focused on providing programming geared toward preparing residents to successfully reenter society. Community facilities offer programs that focus on employment and skill development along with life skills that will be necessary once the resident begins to live outside of CoreCivic custody. As one Facility Director explained, "if you come into a community setting with the mindset of 'policing' people, you have lost the battle already. You have to provide the tools to allow people to be successful when they leave here."

Residents can voluntarily participate in community programming, such as GED programs, paint therapy, and spiritual outreach. Additionally, many community facilities require residents to participate in specific reentry programs. For example, at the South Raleigh Reentry Community Center, residents are required to either participate in the substance abuse program or the journaling program. The journaling program, which is taught by a social services coordinator, focuses on teaching residents how to handle every-day life situations and events they may encounter outside of the correctional facility environment. Additionally, residents are required to participate in the money management program and, if they have children, the parenting program.

(b) How Programming Is Developed and Implemented: CoreCivic uses eight guiding principles of the National Institute of Corrections (“NIC”) Evidence-Based Practices Model to develop resident programming. An evidence-based approach involves an ongoing, critical review of research literature to determine what information is credible, and what policies and practices would be most effective given the best available evidence. While CoreCivic has a focus on evidenced-based programming based on a critical review of independent third-party data, the evidence upon which the Company relies is not its own. Put another way, this data is not based on CoreCivic’s residents or CoreCivic’s specific programming. Instead, CoreCivic relies on third-party research reflecting important trends and learnings in the correctional field. While CoreCivic’s evidenced-based approach to programming is commendable and has resulted in significant investments for the benefit of all its residents, the audit team did not observe a focus on third-party research evaluating impacts on residents of color. As a result, it is unclear if and how CoreCivic’s third-party, evidenced-based approach to developing and implementing programs is benefiting its residents of color.

Additionally, CoreCivic does not have necessary tools in place to collect and analyze internal data that would allow CoreCivic to conduct any meaningful assessment of the effectiveness of its current programming for residents of color, or make real-time, evidenced-based enhancements to its current programs. The audit team did not observe a focus on improving current programs to make them more engaging and relevant for residents of color, which could be beneficial. And although CoreCivic correctional and community facilities have some programming with DEI elements, CoreCivic does not currently have structured DEI programming for residents. Some facility leaders the audit team spoke with identified CoreCivic’s recent adoption of cultural awareness month spotlights, including Black History Month and National Hispanic Heritage Month, as evidence that CoreCivic has a focus on encouraging diversity and inclusion at the facility level.

Across all of the interviews with exemplar facility leadership, the leadership team at CoreCivic’s Lake City Correctional Facility expressed the most engagement and enthusiasm for ensuring that the programming and volunteers reflect the diversity of the resident base.⁸² Still, programming selection and development seems to be largely driven by government contract requirements, the availability of programming administrators and volunteers, and individual facility leadership who either choose from select programming options on a previously-approved list kept by CoreCivic corporate or who must go through CoreCivic corporate to request resources and ultimately support and approval for instituting new programming options. In many instances, facility leadership may not prioritize race-based considerations. In at least one instance, leadership may

be engaging in a conscious effort to avoid considering diversity when making facility level decisions. One facility leader expressed unease with the audit team asking probing questions around CoreCivic's impacts on communities of color and said that, in his opinion, the focus should be on impacts on all stakeholders, and not stakeholders of color specifically. Although this facility leader seemed oppositional to focused DEI efforts (and our conversation with him was an outlier), a number of other facility leaders that we spoke with did not demonstrate the degree of engagement around DEI efforts that we observed at the corporate leadership level.

Efforts around promoting diversity within volunteer programming also seem dependent upon the initiative of individual facility leaders (i.e., depending upon particular facility leadership, there may or may not be an intentional effort to partner with community groups to offer programming that is relevant to diverse resident populations). And the diversity (or lack thereof) of the surrounding community plays a role in driving the diversity of the volunteers who come to the facilities and offer programming. While CoreCivic is considering some DEI issues related to its Volunteer Policies,⁸³ a lack of diversity in CoreCivic's volunteer base may be impacting programming relevant for residents of color.

(c) Programming Results: CoreCivic tracks, monitors, and reports on certain outcome metrics as it relates to resident reentry programming. Additionally, executive bonuses at CoreCivic are tied, in part, to reentry program outcomes.⁸⁴ To date, however, this tracking, monitoring and reporting has not attempted to identify impacts on residents of color specifically. The audit team requested exemplar facility program and GED participation and graduation data in an effort to analyze whether CoreCivic residents of color were participating and graduating from programs at the same rate as white residents over time between 2016 and 2021. CoreCivic provided data across racial demographics for the entire time period from three exemplar correctional facilities: (1) Bent County Correctional Facility; (2) Coffee Correctional Facility; and (3) Lake City Correctional Facility. CoreCivic employees said they were unable to provide the requested data for all exemplar facilities either because: (1) there was no data to report for certain years; or (2) the data was not logged in a CoreCivic system, meaning it is instead logged in a government system. In 2021, over 68% of program participants at the three correctional facilities for which data was provided were residents of color, while approximately 65% of the total population at those facilities were residents of color. A demographic breakdown of this program participation data can be found in Appendix E, Additional CoreCivic Resident Data. The audit team was unable to determine how many of those residents completed the entirety of the programming in which they were participating because CoreCivic's data does not distinguish between entire program completions and assignment or course completions.

Additionally, the audit team requested data around recidivism for former correctional and community residents to better understand the impacts of CoreCivic's programming, particularly on former residents of color. However, CoreCivic does not track recidivism rates and, therefore, had no available data to share. In fact, CoreCivic often is prohibited by government or by contract from tracking and keeping in touch with residents once they are released. And many, if not most, residents of CoreCivic facilities will spend at least a portion of their incarcerated time at non-CoreCivic facilities (i.e., facilities operated by other public or private corrections entities). This

practical reality makes assessing whether CoreCivic's programs effectively mitigate recidivism far more difficult. Further, unlike the BOP, which has access to federal recidivism data for its residents, CoreCivic houses residents for various government entities; therefore, even if some or all of the government entities CoreCivic partnered with permitted it to track former residents, it would be an extensive and costly undertaking to track recidivism rates given there is no central source from which to gather the relevant information for residents across CoreCivic's enterprise.

(d) The Pandemic's Impact on Programming: In its 2020 Annual Report, CoreCivic acknowledged that due to the COVID-19 pandemic, "we experienced a reduction in the number of individuals who benefited from our reentry and educational programs in 2020 when compared to prior years."⁸⁵ Similarly, in CoreCivic's 2021 Annual Report, CoreCivic stated that it "continued to experience a reduction in the number of individuals who benefited from our reentry and educational programs in 2021 when compared to years prior to 2020."⁸⁶ One senior leader told the audit team that these outcomes were primarily driven by state and local mandates and government entities inhibiting the movement and interactions of individuals in and around CoreCivic facilities, which, in turn, caused significant disruption to, but did not entirely stop, CoreCivic's reentry programming. The same senior leader observed that executive bonuses at CoreCivic are tied, in part, to reentry program outcomes; thus, the disruption to reentry programming led to the reduction of all executives' bonuses in 2020.⁸⁷

While the pandemic had a noticeable (negative) impact on programming enrollment, graduation, and offerings as described in numerous interviews, CoreCivic is making a concerted effort to reestablish its footing as it is able. Comparably, the BOP states that it is offering programming "to the extent practicable" in light of the COVID-19 pandemic.⁸⁸

(3) Discipline: The audit team requested resident disciplinary data for all nine exemplar facilities, but only received 2020 disciplinary data for one predominantly USMS facility (Tallahatchie County Correctional Facility), one ICE facility (La Palma Correctional Center), and one correctional facility (Bent Correctional Facility). CoreCivic employees said they were unable to provide the requested data across all facilities because for some facilities, data is required by contract to be housed in external, government systems. Moreover, when disciplinary data was available on internal CoreCivic systems for the remaining facilities, questions remained about the data's completeness and reliability for a variety of reasons. For example, the 2020 disciplinary data provided for Bent Correctional Facility, which housed over 1,200 residents, indicated there was only one resident disciplinary incident occurring for the year, which CoreCivic management acknowledged did not accurately reflect all relevant disciplinary incidents. CoreCivic employees explained that when the BOP or a state correctional department requires that disciplinary incidents be tracked within that entity's own, separate tracking system (as was the case at Bent Correctional Facility), CoreCivic is unable to export that data and may not fully replicate the data in any CoreCivic system. So, although reporting records for the government may be complete and reliable, CoreCivic does not maintain its own internal copy.

(4) Health Services: CoreCivic employees told the audit team that in Q4 of 2021, approximately 1,400 employees provided health care services to residents at 34 active correctional and detention facilities.⁸⁹ CoreCivic employees said that government or other entities provided health care services at the other active CoreCivic correctional and detention facilities in Q4 of 2021. Additionally, because community residents have the ability to leave facilities and access health care providers of their choice, CoreCivic community facilities do not provide health care services, other than emergency-related services.⁹⁰

Medical services provided by CoreCivic include those similar to the services of a primary care physician plus dental, optical, and mental health services. If a more serious medical condition presents, then residents will receive treatment at an off-site, third-party medical provider. Residents at facilities not contracted to offer CoreCivic medical services are provided health care services by government contracted health care companies or referred to offsite providers (although, again, CoreCivic employees are trained to provide emergency-related health care services, as needed). For instance, ICE typically provides health care to ICE detention residents, and certain state agencies provide health care to CoreCivic correctional residents pursuant to contract.

CoreCivic does not currently track resident health outcomes across racial and ethnic demographics. An internal interviewee informed the audit team that unlike in the “free world,” trends of this nature are not tracked at CoreCivic primarily because the focus is to provide whatever care is needed to whomever needs it. By way of example, CoreCivic has a morbidity and mortality committee that reviews and evaluates care provided to anyone who dies while in the care of CoreCivic. The morbidity and mortality committee evaluates all resident deaths to determine if deceased residents received appropriate care. However, this committee does not keep or analyze data regarding the demographics of deceased residents. Additionally, employees told the audit team that when it comes to maintaining resident health records, some government entities require the use of paper records, whereas other government entities require use of their own external systems. When data is required to be maintained in various external systems, there can be significant costs and risks associated with attempting to duplicate that data in an internal, enterprise-wide system.

An internal interviewee acknowledged that tracking the demographics of individuals in need of medical care is a gap between correctional health care and “free world” health care that needs to be bridged. He further stated that in an effort to bridge this gap, CoreCivic recently has hired a Chief Population Health Officer, Brent Gibson. One of Dr. Gibson’s responsibilities is to oversee tracking of resident health outcomes, including by racial and ethnic demographics, so that CoreCivic can monitor whether communities of color have worse health outcomes or are otherwise disproportionately impacted.⁹¹ Dr. Gibson is a board-certified physician executive with over 20 years of experience in medicine and population health, including over twelve years in leadership at the National Commission on Correctional Health Care.

CoreCivic's response to the COVID-19 pandemic, specifically, and how it has impacted residents, employees, and other stakeholders is addressed in Section 8, CoreCivic's Response to the COVID-19 Pandemic and, to a lesser extent, Section 5, CoreCivic's Impacted Populations: Families.

(5) Grievance Complaints: As noted further above, the U.S. Constitution and other federal, state, and local law and regulations provide broad, baseline protections applicable to all incarcerated persons—including CoreCivic residents. In addition to such protections, CoreCivic has policies and procedures outlining the legal rights of residents. CoreCivic also provides residents with a means to address any violations of these rights and complaints regarding facility conditions, treatment, and policies and procedures. In particular, CoreCivic's Legal Rights of Inmates/Detainees Policy ("**Policy 14-4**") enumerates fourteen specific rights that all CoreCivic residents are afforded. CoreCivic's Inmate/Resident Grievance Procedures Policy ("**Policy 14-5**") outlines the informal and formal grievance procedures a resident may pursue to address specific types of complaints. And courts have upheld CoreCivic's grievance processes.⁹² Disciplinary actions, property issues, and classification status are not matters that are properly addressed by the grievance process; there are separate procedures in place at each facility to address those matters. When residents arrive at a facility, they are informed of the issue resolution and grievance procedures, provided with an Inmate/Resident Handbook (which includes a summary of the procedures outlined in Policies 14-4 and 14-5), and assigned a case manager who can answer questions about the resident's rights and assist in initiating the potentially two-step issue resolution and grievance process.

Notably, these matters are addressed mostly at the facility level. If a resident has complaints about facility conditions or an individual staff member or another resident's actions, for example, that resident first should submit a certain paper form in person or through facility mail to initiate issue resolution proceedings. While the policy requires that the original form be maintained by the facility, and the records are subject to audit, the information does not roll up to an enterprise-wide data management system. If a resident is unsatisfied with the outcome, the resident has five days to submit a formal grievance to a Grievance Officer by completing a second, similar form. After speaking with internal interviewees, the audit team could not determine a uniform process for maintaining grievance files in a centralized location. Although one CoreCivic employee told the audit team that usually when a complaint involves, for example, a race-specific incident, relevant racial demographics should be noted, neither form provides a specific place for a complainant to note race, ethnicity, or gender.

CoreCivic provided resident grievance data for three exemplar correctional facilities as of November of 2021: (1) Bent County Correctional Facility; (2) Coffee Correctional Facility; and (3) Northeast Ohio Correctional Center. As of that date, there were approximately 1,428 grievance reports falling into the grievance categories shown in Appendix E, Additional CoreCivic Resident Data. The largest categories of grievances appear to involve complaints regarding CoreCivic facility staff and medical services. Categories of grievances which had smaller numbers involve visitation, the intake process, and laundry services. The data provided by CoreCivic did not provide race and ethnicity of complainants. Thus, the audit team was provided with limited grievance data and was

unable to make any meaningful determination regarding how the grievance process impacts residents of color.

E. The Typical Detention Resident Experience: As mentioned above, detention facilities, particularly ICE detention facilities, are inherently different from correctional and community facilities and, as a result, present a host of additional considerations. An analysis of U.S. immigration policy is beyond the scope of this audit; immigration reform is a broader discussion requiring dialogue between the government, the prison and detention industry, and community activists, among other stakeholders. As a result, for purposes of this audit, the audit team focused on analyzing housing, programming, other services, and grievance processes for detention residents more generally. In addition, the audit team interviewed external community advocates to learn more about opposition to detention facilities and additional concerns unique to detention facilities.

(1) Housing: Detention facilities are typically classified by security level ranging from high-security to non-secure. On one end of the spectrum, South Texas Family Residential Center previously was a non-secure facility until a recent mission change in early 2022, when the facility transitioned from being a family residential center to housing only adult females at the direction of ICE. The facility was originally constructed with family oriented “neighborhoods,” in which residents were able to move around freely without restrictions. This particular facility had family areas, activity areas, access to childcare, and free access to a 24,000+ book library. Children at the facility also had access to educational instruction. Residents at this facility were required to meet family unit criteria (dual heads of household with children; female head of household with children; or male head of household with male children). In contrast, Tallahatchie County Correctional Facility operates a medium-security facility in which 88% of residents are USMS residents awaiting sentencing and subsequent transfer to correctional facilities and have less ability to move freely about the facility. These residents also are kept away from other residents at the facility who are not USMS residents.

(2) Limited Reentry Programming: Government contracts for detention facilities typically do not contemplate or require reentry programming. Because of this, and the fact that resident stays are typically shorter at detention facilities, most detention facilities do not have the same focus on reentry programming as correctional and community facilities. Additionally, because of COVID-19 response requirements in both ICE and USMS contracts, for example, there is typically a quarantine period of up to two weeks for residents coming into a facility. By the time quarantine is complete, many residents are preparing to leave the facility rather than enroll in reentry programming. Despite this, an employee stated that CoreCivic does attempt to provide reentry programming to detention residents, increasingly through the use of tablets. And a number of ICE detention facilities offer adult educational programming, including a curriculum offered in conjunction with the Mexican government.⁹³ Some facilities also encourage residents to participate in other programming, including HIV/AIDS educational programs and parenting classes. Attendance is encouraged but not required. (The audit team also learned that not all detention residents are provided with adult educational programming, and we did not receive a breakdown of the number of facilities providing this type of programming.)

DEI initiatives also are not typical in detention facilities; however, La Palma Correctional Center in Eloy, Arizona, encourages expression of cultural awareness through murals painted at the facility in connection with a resident treatment program, photos of which are shown in Appendix E, Additional CoreCivic Resident Data. Because of the pandemic, other programs for cultural artistic expression have not been initiated.

(3) Translation Services: One external interviewee stated her belief that CoreCivic does not provide materials in, or have enough employees who speak, all the various, native languages spoken by residents housed in CoreCivic detention facilities. We raised this issue with multiple internal interviewees, who stated that CoreCivic uses at least three independent contractors to provide written translations of materials and translation services for residents. Additionally, audio translation services are offered in over 80 languages. Because the makeup of resident populations can frequently change quite starkly, virtually overnight (particularly at detention facilities where residents have short stays), materials and translation services are constantly being updated. More resident feedback may shed light on whether additional support is required.

(4) Grievance Complaint Process: Similar to residents at correctional and community facilities, residents at CoreCivic detention facilities are provided with Policies 14-4 and 14-5, which outline the rights that all residents are afforded and grievance procedures a resident may pursue to address complaints. In addition to these policies, ICE residents also adhere to the grievance requirements of PBNDS,⁹⁴ and USMS residents adhere to Policy 14-106, which outline contract-specific rights and additional grievance processes.

(5) Community Opposition: External interviewees raised a number of valid, public policy concerns pertaining to detention facilities generally. After speaking with one community activist group, Grassroots Leadership,⁹⁵ for example, the audit team asked CoreCivic interviewees questions about the T. Don Hutto Detention Center (“**Hutto**”), which is operated pursuant to a contract between CoreCivic and ICE.⁹⁶ Before August 1, 2020, Hutto was a women-only residential center in which residents could move around freely. From August 1, 2020, until December of 2021, Hutto was operated as a women-only detention facility with all residents classified as security level one. (Having a level one security level generally means the resident has not been convicted of a criminal offense but may be awaiting resolution of pending immigration matters.) In December of 2021, at the direction of ICE, the facility was converted to a level one adult men-only facility. Still, the facility is a secure environment.

The audit team shared concerns with Company management that were raised by external interviewees. CoreCivic interviewees explained that ICE dictates not only the level of security at the facility by contract, but also how health care services are provided. Even though CoreCivic is not the ultimate decision-maker on a number of issues raised by external interviewees, CoreCivic has some capacity to facilitate dialogue for change. It currently has very little engagement with activists’ groups in conjunction with government authorities to move those issues forward. This presents a significant opportunity for improvement.

F. Concluding Thoughts: The audit team’s analysis was limited to reviewing Company-wide data metrics with significant gaps, interviews with internal and external sources, and limited conversations with individuals who were formerly incarcerated in CoreCivic facilities. Yet the best, most reliable information about the experience of CoreCivic residents of color should come from those residents. Given the limited data available, the audit team was unable to draw very many conclusions as to whether the facilities’ policies, procedures, and programming are effective for residents of color or to opine on the impacts of CoreCivic’s programming on residents of color.

Additionally, CoreCivic does not monitor recidivism of former residents. Consequently, there is no reliable, evidenced-based method to assess the efficacy of CoreCivic’s programming or to determine if there is a higher recidivism rate for residents of color. CoreCivic also does not currently have structured and intentional DEI programming across all its facilities. Instead, anecdotal facility level efforts demonstrate that the decisions, at present, are dependent on the initiative of facility level leadership rather than dictated by the DEI values adopted by senior management. Additionally, a lack of diversity in CoreCivic’s volunteer base may be affecting the relevance of programming opportunities for residents of color. Based on these observations, Moore & Van Allen has a number of recommendations for CoreCivic going forward.

- Although it is standard practice in the corrections industry to use terms like “inmate” and “offender” to refer to someone who is incarcerated, Moore & Van Allen recommends that CoreCivic, and others in the industry, reconsider the use of such terms—which many consider to be derogatory and demoralizing, whenever feasible. The audit team found such terms to be inconsistently used by CoreCivic employees, and at least one external interviewee stated that their use undermines the perception that CoreCivic is genuine about its commitment to DEI. Notably, CoreCivic’s Ethics and Compliance Office already uses “residents” or phrases such as “those entrusted to our care” or “detained or justice-involved persons” in the Company’s Code of Ethics, Human Rights Policy, and ESG reporting, and this is praiseworthy. Other industry entities will need to make a similar linguistic shift for neutral language to become the industry standard.
- Where feasible and productive, many existing resident-centric policies could be improved to provide protections against bias and discrimination on the basis of being of a protected class and could specifically reference CoreCivic’s DEI values. Relatedly, the audit team recommends that CoreCivic enact a single, comprehensive, anti-discrimination towards residents policy (again, to the extent feasible).
- Moore & Van Allen recommends that CoreCivic, to the extent possible and allowed by government partners, begin conducting regular, DEI-focused resident surveys, interviews, and focus groups. While CoreCivic does perform

annual resident climate surveys, those surveys are not tracked along demographic lines and do not address DEI considerations. And while CoreCivic has begun conducting resident interviews as part of its annual human rights facility assessment process that touch on DEI issues, such interviews have only occurred at two facilities to date (one correctional facility and one detention facility in each of Q2 and Q3 of 2021). Speaking with current residents of all backgrounds across facilities and memorializing the DEI-focused learnings of those discussions is critical to fully understanding and analyzing impacts on this significant stakeholder group. Community activists and organizers spoken with echoed this belief and recommended that CoreCivic host regular resident conversations (in various languages) to foster a more open and transparent dialogue; the audit team concurs with that recommendation.

- Moore & Van Allen recommends that CoreCivic plan DEI-focused resident programming and other initiatives across its facilities (to the extent allowed by government partners and not cost prohibitive). CoreCivic should also continue to work towards recruiting volunteers and program administrators who reflect the diversity of the resident population. Further, CoreCivic should consider implementing a voluntary program incentivizing individuals who were formerly incarcerated at CoreCivic facilities to respond to surveys inquiring about the relevance and effectiveness of CoreCivic's programming, to the extent possible.
- CoreCivic should institute accountability mechanisms to ensure facility leaders are leaning into CoreCivic's stated DEI values. While employees are entitled to have their own personal beliefs, when those beliefs are inconsistent with CoreCivic's stated values, employees should make decisions based on CoreCivic's values and not allow personal beliefs to interfere with decision-making.
- Moore & Van Allen recommends that even though CoreCivic's grievance process has been upheld by courts across the country, CoreCivic work towards enhancing its resident grievance process so that complaints can be readily submitted, tracked and analyzed in a consistent manner Company-wide.
- CoreCivic should consider working with government partners and other industry players to develop norms and tools to aggregate and report outcomes across demographics and to track those data over time, including data relating to programming and the racial and ethnic demographics of residents, so that CoreCivic and others can conduct related statistical analyses of such data over periods of time to determine relevant trends.

CoreCivic's Impacted Populations: Families

It was important for the audit team to analyze the impacts of CoreCivic's operations on family members of color with a loved one in a CoreCivic facility. Without a doubt, incarceration is difficult for both residents and their families, and the ability to maintain connectedness, whether through in-person or virtual visits or other communications such as phone calls or letters, is vitally important. Not only have studies consistently found that individuals who are incarcerated and maintain connections with family have better post-release outcomes and lower recidivism rates, but also that, for loved ones on the outside, maintaining contact reduces the strain of separation and increases the likelihood of successful reunification.

[Each incarcerated person] has a family, which broadens the impact of incarceration to millions of family members across the nation. This brings negative repercussions: incarcerated parents are separated from children, interpersonal relationships become strained and financial support disappears Yet, paradoxically, it is during this time that positive family connections are so key. Indeed, they are critical to successful re-entry after a person's time is served, as they help encourage individual transformation, mitigate the negative impact of incarceration on children and other loved ones, and support stronger families in general. This, in turn, makes communities safer. For these reasons, society can benefit by understanding the importance of these connections and creating policies that help to bolster them for the good of incarcerated individuals, their families and their communities at large.⁹⁷

The audit team requested, but ultimately received, very little, family-related feedback, visitation data, or data relating to family communication, including phone calls or letter writing, in connection with this audit. CoreCivic employees explained that such data could not be provided typically because, before this audit, CoreCivic just did not seek out DEI-focused family-related feedback or have a uniform system in place for reliably collecting such data across resident racial and ethnic demographics and across all facilities. Had we been able to speak with family members via interviews or focus groups, or to review related satisfaction survey data or requested visitation data, we would have been better situated to conduct a more fulsome analysis. As a result, CoreCivic missed a potential opportunity to show that family members of current residents *are* pleased with the care being provided to loved ones, if that is in fact the case, and to learn ways in which it could do better in the opinion of family members.

Essentially, there was no verifiable resource for us to turn to for a representative understanding of how families feel about CoreCivic's operations. While some interviewees (both internal and external) told us that, anecdotally, families prefer to have a loved one incarcerated in a CoreCivic vs. other public or private facility, the audit team had no way to verify this information. Going forward, collecting fulsome family member feedback and data, including with respect to DEI-related topics, to the extent allowed by government partners, should be a priority so the Company can begin to gauge how it is truly impacting these important stakeholders.

This section begins by discussing the limited, firsthand family-related data available for the audit team's review and general information made available by CoreCivic for family members of residents. Then it discusses certain CoreCivic Inmate/Resident Concern Line ("IRCL") data, visitation data, and certain Company policies governing communication and visitation with residents. It also discusses ways that the COVID-19 pandemic has impacted in-person visitation at CoreCivic facilities. Some discussion of related impacts on BOP facilities also is included for comparison purposes.

A. Limited Available Family-Related Data: As mentioned above, the family-related data available to review during this audit was limited. The audit team sought but was ultimately unable to conduct interviews or focus groups with family members of residents at various facilities as the processes for seeking and obtaining government approval took longer than the timeline of the audit. The audit team also requested, but did not receive, results from previously conducted family satisfaction surveys because, prior to the audit, CoreCivic had not conducted any such family satisfaction surveys (certainly not uniformly across all facilities). Therefore, CoreCivic could not produce such survey data.

B. Resources Available for Families: Without firsthand insights from families to consider, the audit team considered the information *they* would want to know if any one of them had a loved one incarcerated in a CoreCivic facility. We then considered whether that information is easily accessible to families. In other words, when the family of a resident, oftentimes a resident's most significant support system, is separated from that resident, what resources could CoreCivic provide to better assist the family in supporting that resident?

CoreCivic does make certain that general information is available to family members of residents via the "CoreCivic for Families" page of the Company's website concerning: (1) how CoreCivic is responding to the COVID-19 pandemic, including as that relates to changes to the usual visitation processes; (2) how CoreCivic seeks to ensure that every resident's rights are respected and upheld; (3) how family members may use CoreCivic's "Facility Locator" to search for facility locations and contact information; and (4) the types of reentry programming offered across various CoreCivic facilities addressing, for example, "complex rehabilitation needs, including substance use treatment, and academic and life skills courses."⁹⁸ On the same page, CoreCivic also notes that family members may submit inquiries and complaints through a dedicated telephone (877-834-1550) or e-mail (Operations@CoreCivic.com) to CoreCivic's Inmate/Resident Concern Line ("IRCL"), discussed in more detail below.⁹⁹

While the audit team would want to know about each of those things if any one of them had a loved one incarcerated in a CoreCivic facility, we also would want to know, for example, and to the extent possible in light of security, confidentiality, privacy, and other concerns: (1) how much violence there was in the particular facility in which our loved one was housed (or how safe was our loved one); (2) what were the causes of violence in that particular facility (e.g., what percentage of violence could be attributed to resident vs. resident violence as opposed to staff vs. resident violence, etc.); (3) how could our loved one seek help in or report unsafe situations or other complaints (and what does that process look like through resolution); (4) how would any

complaint lodged by *us* through the IRCL be handled (and how quickly); (5) what does the particular facility actually look like (not in terms of actual facility renderings, the sharing of which would almost certainly raise security issues but, for example, providing general descriptions of the nature of the spaces in which residents sleep and eat, etc.);¹⁰⁰ and (6) what specific programs were offered at the particular facility and how quickly could our loved one enroll in any, if interested? Currently, these topics are not discussed on CoreCivic's "CoreCivic for Families" page but, to the extent able to be provided given various considerations, could better equip family members of residents with helpful information and, potentially, lower the number of inquiries that come in through CoreCivic's IRCL, discussed further in the next paragraphs.

C. CoreCivic IRCL Data: As noted, family members of residents housed at CoreCivic facilities may submit inquiries and complaints through a dedicated telephone (877-834-1550) or e-mail (Operations@CoreCivic.com) to CoreCivic's IRCL.¹⁰¹ Internal interviewees stated that, by way of example, IRCL matters can involve requests for resident wellness checks, the raising of concerns about residents being improperly housed or not receiving proper medical attention, or more generalized inquiries regarding, for example, the process for visiting family members housed in CoreCivic facilities or how CoreCivic facilities are handling the COVID-19 pandemic. Generally, racial and ethnic demographics of the individual leaving a voice message or e-mail with the IRCL are *not* captured unless the individual happens to identify those in the message or e-mail. And CoreCivic does not undertake to determine or track the race or ethnicity of any resident about whom an individual is calling or e-mailing, even when the resident is identified.

Internal interviewees stated that calling the IRCL prior to August of 2021 would route an individual to a voice mailbox via which that individual could leave a message. Once received, one or two CoreCivic administrators would listen to, transcribe, and forward each message to relevant facility staff to handle or investigate. Similarly, e-mails sent to the IRCL e-mail address would be forwarded to relevant facility staff for resolution. An individual with an inquiry or complaint may or may not be notified of resolution depending on privacy and other considerations. Since August of 2021, while administrators continue to listen to, transcribe, and proxy enter into a case management system matters called into the dedicated phone line, Ethics and Compliance directors thereafter manage the handling of each report by reaching out to appropriate subject matter experts, confirming resolution of matters, and communicating as much as possible regarding resolution to the reporter (unless the subject matter expert has already done so). In 2021, CoreCivic management observed some reliability issues with respect to IRCL data; consequently, this data is not included in our audit analysis. Additionally, CoreCivic employees stated that the Company could provide data around the status or resolution of specific IRCL matters but, without knowing the racial and ethnic demographics of the people calling or e-mailing the IRCL or the residents about whom people are submitting inquiries or complaints, such data would provide only limited additional visibility into how concerns of family members of color specifically are being investigated and resolved. Reexamining CoreCivic's process for handling IRCL matters and data, which senior management states the Company is already doing, should prove useful for the Company and assist CoreCivic in providing a functional and highly-responsive resource for all residents' families, including families of color.

D. In-Person Visitation Before the COVID-19 Pandemic, the Pandemic's Impact, and Alternatives Provided at CoreCivic Facilities: Because in-person visitation is perhaps the most significant way for family members to keep in touch with loved ones who are incarcerated, this section discusses policies governing communication and visitation with residents at CoreCivic facilities, the maintenance of CoreCivic visitation data, and the impacts of the COVID-19 pandemic on visitation at both CoreCivic and BOP facilities.

The audit team reviewed three policies affecting communication and visitation with residents: (1) the Correspondence Procedures Policy ("**Policy 16-1**") addresses the sending and receiving of correspondence by residents; (2) the Visitation Policy ("**Policy 16-2**") establishes guidelines for resident visitation, including the number of visitors a resident may receive, the length of visits, and when possible exceptions apply; and (3) the Access to Telephones Policy ("**Policy 16-3**") outlines resident access to telephones, costs associated with telephone use, recording and monitoring of telephone calls, and telephone restrictions.

The audit team requested reliable resident visitation data and data relating to letter writing or phone calls across all CoreCivic facilities broken out by racial and ethnic demographics of residents, but CoreCivic was unable to provide such data without undertaking additional work to match the race and ethnicity of residents to Company visitation data and data relating to letter writing or phone calls. Internal interviewees also explained that such data is not uniformly maintained by individual facilities, and oftentimes is maintained only in hardcopy form (i.e., in written as opposed to electronic records). Additionally, when such data is collected at the facility level, it usually is not collected so as to include the racial or ethnic demographics of either the resident or the individual with whom the resident is communicating in the first instance (although facility employees could go into their system and match the racial or ethnic demographics of the resident to that resident's letter or phone data later in a secondary process).

Additionally, the COVID-19 pandemic disrupted visitation in 2020 and 2021. One employee said that in March or April of 2020, visitation was suspended at every CoreCivic facility. Another employee stated that this was at the direction of the government entities with which CoreCivic contracts. CoreCivic provided data for 61 facilities showing that as of November 23, 2021, 28 were allowing some form of in-person visitation again, and another facility had been permitting such visitation again, but recently suspended it due to a COVID-19 outbreak. Internal interviewees said that more and more facilities have been allowing in-person visitation over time.

Internal interviewees told the audit team that typically there is less in-person visitation at CoreCivic detention facilities than correctional facilities because detention residents (on the whole) usually have shorter stays than correctional residents. Additionally, the families of ICE residents may not even be in the United States. Internal interviewees stated that ICE residents were able to utilize a fee-based video visitation program through a vendor contracted by ICE during the COVID-19 pandemic, but ICE regulations prevent in-person visitation unless a facility reports no COVID-19 cases for ten days. One Warden the audit team spoke to in September of 2021 said his facility had only gone a maximum of two days without reporting a new case.

While in-person visitation has not been safely possible (e.g., at the height of the pandemic and while in-person visitation remains suspended at many facilities), facilities have used previously existing or newly installed technology to provide a virtual visitation alternative. Specifically, CoreCivic worked with Global Tel Link to provide residents with access to tablets within eight facilities. Other CoreCivic facilities use alternative video visitation services provided by other providers, such as ICSolutions, Securus, and Talton. In many facilities serviced by Securus or Talton, residents are provided with one free video visit per week. (Unlike the BOP, as discussed further below, CoreCivic has not issued centralized guidance requiring facilities and vendors to offer free video visitation for residents during the pandemic.)

During the pandemic, CoreCivic also has worked with vendors to provide residents with varying numbers of telephone calls at no charge, ranging from one free call per week up to 13 free calls per month, depending on the facility. An internal interviewee stated that otherwise, at CoreCivic safety facilities (i.e., correctional and detention facilities), “calling rates for our facilities are typically determined in one of the following ways: (1) CoreCivic ensures the calling rates mirror or are lower than its [government] partners’ calling rates, if applicable; and (2) CoreCivic ensures the calling rates comply with [rates regulated by the] Federal Communications Commission [(“FCC”)].” That internal interviewee also provided documentation indicating that as of October 1, 2020, across CoreCivic safety facilities where telephone services are managed by CoreCivic (and not the government entity or entities with which CoreCivic has contracted), CoreCivic implemented a \$0.14 per minute rate cap for interstate calls and, where the Company has authority, intrastate calls. Some CoreCivic safety facilities already were below that rate cap at the time. Under a \$0.14 per minute rate cap, a 15-minute call would not exceed a total cost of \$2.10. CoreCivic also provided documentation stating that the average resident call is around 15 minutes, and indicating that, at CoreCivic safety facilities with telephone services managed by CoreCivic, the average cost of a 15-minute phone call *before* October 1, 2020 ranged from \$1.04 to \$3.15, and *after* October 1, 2020 ranged from \$1.04 to \$2.10. Another internal interviewee stated that at CoreCivic community facilities, telephone service management varies greatly. Many residents have personal mobile phones. Additionally, some community “facilities have phone setups similar to [safety] facilities with rates managed in a similar manner; others do not. Those that do not often provide resident access to facility phones . . . for emergency calls or upon arrival before a personal phone is acquired.” The audit team also was told that all CoreCivic facilities have phones for toll-free, Prison Rape Elimination Act (“**PREA**”) hotline access.

Again, the Company does not collect and maintain uniform data around numbers and cadence of phone calls placed by residents enterprise-wide and across resident racial and ethnic demographics, so CoreCivic could not provide such data. Thus, the audit team was unable to conclude whether residents of color specifically, or residents in general, maintained communication with family members (whether in-person, remotely, or via telephone calls or letters) at the same frequency as before the COVID-19 pandemic.

Similarly, the BOP initially suspended social visitation in response to the COVID-19 pandemic.¹⁰² Then, as part of the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”), Congress required that the director of the BOP ensure “the ability of [residents] to conduct visitation

through video teleconferencing and by phone, free of charge[.]”¹⁰³ Consequently, the BOP began affording residents “500 (vs. 300) telephone minutes per month at no charge to help compensate for the suspension of social visits,” and social visits now “are being reinstated [at BOP facilities], where possible to maintain the safety of our staff, inmates, visitors, and communities.”¹⁰⁴ The BOP also allows all residents opportunities for visits twice a month, and has shared its internal facility guidance relating to visitation post-COVID-19 “with private prisons and RRCs” so they can implement similar protocols.¹⁰⁵

As these issues evolve, CoreCivic should continue to evaluate what the BOP and other public and private systems are allowing in terms of in-person visitation and providing by way of other opportunities for family connectivity. Ideally, the Company will do its best to provide residents and family members as many safe opportunities to visit with, and remain connected to, loved ones as feasibly possible.

E. Concluding Thoughts: The dearth of family-related feedback and requested visitation data provided by CoreCivic in connection with this audit suggests that collecting and maintaining this sort of feedback and data has not been (at least before this audit) a priority for CoreCivic. Yet feedback from family members and reliable visitation data can be used to analyze and address, as necessary, relevant concerns and potential trends, and to find out what family members think CoreCivic could be doing better to promote DEI. Collecting more fulsome, family member feedback and reliable visitation data should be a priority for CoreCivic in the future. Importantly, research has demonstrated more positive outcomes for residents and families when visitation and connectively is allowed and encouraged. Thus, the Company should do its best to provide residents and family members as many safe opportunities to visit with, and remain connected to, loved ones as feasibly possible. Our related recommendations follow immediately below:

- Moore & Van Allen recommends that CoreCivic begin conducting family interviews, focus groups, or satisfaction surveys, including covering DEI issues, and track voluntarily-provided racial and ethnic demographics of interviewees, participants, and respondents, to the extent possible.
- Moore & Van Allen understands that CoreCivic management is reexamining the Company’s process for handling IRCL matters. The audit team recommends that CoreCivic continue to identify and implement enhancements, to the extent feasible, to provide an improved, highly-responsive, and potentially best-in-class resource for all residents’ families, including families of color.
- Moore & Van Allen recommends that CoreCivic continue to benchmark what the BOP and other public and private systems are allowing in terms of in-person visitation to identify best practices, as well as other ways that the Company can promote family connectivity.

CoreCivic's Impacted Populations: Communities

As of Q4 of 2021, CoreCivic owned and operated 61 active correctional, detention, and community facilities. These 61 facilities are spread out amongst 20 states, with more than half (approximately 59%) located in Texas, Colorado, Arizona, Georgia, and Tennessee:

| | |
|----------------------------|-----------------------------|
| Arizona (5 facilities) | Nevada (1 facility) |
| California (3 facilities) | New Jersey (1 facility) |
| Colorado (9 facilities) | New Mexico (2 facilities) |
| Florida (2 facilities) | North Carolina (1 facility) |
| Georgia (5 facilities) | Ohio (2 facilities) |
| Indiana (1 facility) | Oklahoma (4 facilities) |
| Kansas (1 facility) | Tennessee (4 facilities) |
| Kentucky (1 facility) | Texas (13 facilities) |
| Mississippi (2 facilities) | Virginia (2 facilities) |
| Montana (1 facility) | Wyoming (1 facility) |

Appendix G, List and Locations of Active CoreCivic Facilities, includes a full list of the active facilities' names and highlights their locations across the U.S.

While some of CoreCivic's facilities are located in urban areas (for example, Denver, San Diego, and El Paso), many are located in suburban and rural communities where CoreCivic is a significant employer.¹⁰⁶ Thus, CoreCivic's long-term tenure in certain areas has provided stable careers and growth opportunities for many communities, and CoreCivic accordingly has committed to "support[ing] and grow[ing] the local communities [in which it operates] through [its] hiring and outreach efforts."¹⁰⁷ Every community and its needs are different and the audit team could not possibly discuss them all in this report,¹⁰⁸ so we have focused on a select number of national partnerships in which it has made sense for CoreCivic to engage given the range in its facility locations. Notably, while CoreCivic provided a few examples of partnerships with organizations working to improve outcomes for Black communities, CoreCivic did not provide details or documentation about partnerships with organizations serving other nonwhite communities.

Several external interviewees expressed a desire to see CoreCivic invest in more community initiatives that could reduce recidivism (for example, greater investment in local community colleges). External interviewees also raised genuine and valid concerns about issues which are outside the control or influence of CoreCivic and which relate specifically to governmental decisions and policy (for example, the non-sharing of confidential, government contracts or the quality of health care services provided at ICE detention facilities).¹⁰⁹ The audit team observed that on more than one occasion, a lack of engagement between the government, CoreCivic, and community advocacy groups has led to frustration, a perceived lack of transparency, and ultimately, distrust—none of which benefit CoreCivic's residents or individuals in local communities. This is an area of opportunity for CoreCivic, its supporters, and its critics going forward.

The audit team also observed that CoreCivic awards grants and charitable donations to an array of organizations, including ones supporting individuals who were formerly incarcerated, victims of crime and abuse, and underserved youth through the Company's nonprofit 501(c)(3) foundation. While many of these awards and grants likely do positively impact people of color, CoreCivic generally does not provide as many grants to nonprofits *specifically* focused on serving communities of color. Similarly, CoreCivic should consider making greater efforts to support other initiatives, organizations, and political candidates specifically serving people of color. Finally, CoreCivic should remain vigilant to ensure that its activities remain aligned with its ultimate mission and DEI values.

This section includes discussion of various CoreCivic partnerships, initiatives, and collaborations relevant to communities of color, as well as discussion of CoreCivic's charitable giving, lobbying efforts, and other political engagement.

A. Commitment to the Thurgood Marshall College Fund ("TMCf") Historically Black Colleges and Universities ("HBCU") Demonstration Project Grant Program: As noted, CoreCivic has invested in partnerships with organizations devoted to improving outcomes for Black communities. In the fall of 2020, for instance, CoreCivic committed to awarding the TMCf, the largest national organization representing America's Black College community,¹¹⁰ a grant of \$100,000 a year for five years (for a total grant of \$500,000 over five years). The goal of the grant program is to support academic research by HBCU faculty and students on factors that lead to at-risk individuals entering the adult criminal justice system, development of projects that may prevent such outcomes, and analyses of such projects' potential effectiveness. In 2021 (or year one of the partnership), the TMCf selected and began training professors and researchers.

B. Involvement with Diverse National Chamber of Commerce Chapters: Acknowledging the disproportionate impact of the COVID-19 pandemic on Black communities (U.S. Black-owned small businesses were twice as likely to close during the early months of the pandemic compared to small businesses nationally¹¹¹), in November 2020, CoreCivic partnered with the National Black Chamber of Commerce ("NBCC") to host a four-year series of virtual pop-up experiences focused on removing barriers for Black entrepreneurs. Specifically, CoreCivic committed to sponsor one pop-up per year at a cost of up to \$30,000 (or a total of \$120,000 for all four years).

The 2021 pop-up event entitled "Investing In Returning Citizens" was hosted on March 4, 2021 and discussed implicit bias, networking, and access to talent enablement programs for Black entrepreneurs whether ever or formerly incarcerated. The event was attended by more than 90 individuals, and the panelists were: (1) Harry Alford, Co-Founder of Humble Ventures¹¹² (also the moderator); (2) Marcus Bullock, Founder and CEO of Flikshop;¹¹³ and (3) Ericka Gillespie, Director of CoreCivic's Fox Reentry Center.¹¹⁴

Internal interviewees told the audit team that a number of years ago, CoreCivic expressed interest in partnering with the United States Hispanic Chamber of Commerce ("USHCC").¹¹⁵ The same interviewees said that they believed the USHCC declined to partner with CoreCivic due to a

charged political climate at the time. Internal interviewees were unaware of historical or current efforts to partner with other diverse national chamber of commerce organizations.

C. Vendor, Supplier, and Contractor Diversity: In addition to investing in the national partnerships described above, CoreCivic has invested millions of dollars in diverse businesses. In 2009, CoreCivic launched what became its Diversity Business Inclusion (“DBI”) program,¹¹⁶ which leverages CoreCivic’s purchasing power to support small businesses and businesses that are least 51% owned and operated by women, minorities, or veterans.¹¹⁷ Dawn Mason, CoreCivic’s Managing Director of Purchasing, who is herself a woman of color, oversees the DBI program,¹¹⁸ the goals of which she says are to “[m]eet or exceed small business spend contractual requirements,¹¹⁹ sustain and progressively transform CoreCivic’s supplier pool to quantitatively reflect the demographics of the organization and communities in which we operate, and increase shareholder value.” Similarly, CoreCivic’s Budget and Purchasing Policy (“**Policy 2-1**”) provides:

CoreCivic will seek to utilize diverse businesses (i.e. minority-owned, women-owned, and veteran-owned businesses) . . . in as many areas as possible, while maintaining our dedication to quality and cost effectiveness. CoreCivic purchasing agents are encouraged to use approved diverse businesses when possible to effectively support our commitment.

CoreCivic’s DBI program has led to partnerships with organizations providing goods and services ranging from commercial kitchen equipment to pest control¹²⁰ at approximately 89 out of 113 (or 78%) of *all* of CoreCivic’s facilities (i.e., not just active facilities).¹²¹ CoreCivic also provides mentoring and best practice sharing with partners in the DBI program through involvement in the following organizations arming small and minority-owned businesses with information and tools to succeed and expand¹²²:

The Centers of Excellence: a mentor-protégé program connecting corporations with certified minority-owned businesses¹²³

The Tri-State Minority Supplier Development Council (“TMSDC”): a regional affiliate of the National Minority Supplier Development Council (“NMSDC”)¹²⁴

TMSDC’s Education Foundation: an organization providing scholarships to deserving youth¹²⁵ (As of Fall 2019, through the Education Foundation, CoreCivic had given scholarship donations totaling approximately \$20,000 to underserved Metropolitan Nashville School District students.)

The Women’s Business Enterprise National Council (“WBENC”): CoreCivic maintains a corporate membership with, and board position on, the southern regional chapter of the WBENC (“**WBENC South**”), an organization dedicated to creating an environment of opportunity for women-owned businesses.¹²⁶ Among other things, WBENC South¹²⁷ is partnered with the U.S. Department of Commerce’s Minority and Business Development Agency to offer an Enterprising Women of Color Program which provides training, access

to capital, networking, and procurement opportunities for minority women-owned businesses.¹²⁸

In 2009, when CoreCivic began tracking supplier, vendor, and contractor diversity spending, CoreCivic spent approximately \$1.9 million with minority-owned small businesses. In 2018, CoreCivic spent nearly \$4 million, doubling its spending with minority-owned businesses. More recently, in 2020, CoreCivic spent approximately \$88 million with small businesses and those owned and operated by women, minorities, and veterans, including \$4.5 million with minority-owned small businesses (an approximate \$500,000 increase from 2018).¹²⁹ While CoreCivic's focus on diversity spending is commendable, there is opportunity to increase these investments significantly in the coming years.

D. Charitable Giving: CoreCivic also donates significant sums of money by way of grants and donations to a diverse array of organizations. Since establishing its nonprofit 501(c)(3) foundation, the CoreCivic Foundation (the "**Foundation**"), in 2018, for instance, CoreCivic has used the Foundation to award grants to organizations "that have a well-defined sense of purpose, a demonstrated commitment to maximizing available resources, and a history of delivering quality services".¹³⁰ Grantee eligibility criteria further includes, for example, that a grantee be a 501(c)(3) organization and have a mission that "aligns" with that of CoreCivic and "supports [residents], victims of crime, and/or underserved youth".¹³¹ In 2020, the Foundation awarded grants to the organizations listed below, most of which are located in the greater Nashville area,¹³² and all of which received between \$5,000 and \$12,000, except for the United Way of Metropolitan Nashville, which received \$275,000.¹³³ (A CoreCivic interviewee observed that the grant to the United Way went, in part, to fund the non-profit's equity framework and related initiatives.)

The below list evidences that while many of the Foundation's grants likely have positive impacts on people of color, the Foundation does not provide as many grants to nonprofits *specifically* focused on serving communities of color.

| | |
|--|---|
| Aphesis House | Leaving the Cocoon |
| Big Brothers Big Sisters of Middle Tennessee | Men of Valor |
| Book 'Em | Mending Hearts |
| Boys and Girls Clubs of Middle Tennessee | Nashville Children's Alliance |
| CASA Nashville | Play Like a Girl |
| Crossbridge | Project Return |
| Cul2vate | Refuge Center for Counseling |
| Dismas House | Renewal House |
| Education Equal Opportunity Group | The Help Center |
| Family Center | The Next Door |
| Family Foundation Fund | This is Living Ministries |
| Fannie Battle | Tennessee Coalition to End Domestic & Sexual Violence |
| HUGGS | Tennessee Voices for Victims |
| | Tennessee Youth Courts |

CoreCivic corporate and individual CoreCivic facilities also make charitable contributions of their own volition, and support workplace giving campaigns. In 2020, CoreCivic donated approximately \$2 million to 113 different organizations. Based on the audit team's review, only a few of these grants were awarded to organizations specifically serving or promoting communities of color (\$35,000 to the National Museum of African American Music and another \$100,000 to the Thurgood Marshall College Fund). Individual facilities donated an additional \$156,000 to 108 different organizations the same year, but again, it is unclear how many of the recipient organizations were focused on serving communities of color. Endeavoring to award grants or to contribute to organizations that specifically serve communities of color, and to track grants or donations to such organizations, could allow CoreCivic to better live out its DEI values.

E. Lobbying Efforts Around Reducing Recidivism: Relating to the Company's lobbying efforts around reducing recidivism, since October 2017, CoreCivic has "maintained a nationwide initiative to advocate for a range of government policies that will help former [residents] successfully reenter society and stay out of prison."¹³⁴ CoreCivic states that it applies "government relations resources and expertise to advocate for policies including: (1) "Ban-the-Box proposals to help improve former [residents'] chances at getting a job";¹³⁵ (2) "reduced legal barriers to make it easier and less risky for companies to hire former [residents]"; (3) "increased funding for reentry programs in areas such as education, addiction treatment, faith-based offerings, victim impact and post-release employment"; and (4) "social impact bond pilot programs that tie contractor payments to positive outcomes."¹³⁶

In 2020, CoreCivic announced that it would publicly advocate at federal and state levels for a slate of new policies focused on further reducing recidivism.¹³⁷ Specifically, CoreCivic pledged support for Pell Grant restoration, voting rights restoration, and licensure reform policies.¹³⁸ Also in 2020, CoreCivic partnered and made an investment in Prison Fellowship,¹³⁹ a leading advocate for criminal justice reform serving approximately 550,000 current and formerly incarcerated individuals and their family members each year.¹⁴⁰ CoreCivic also committed to a multi-year partnership in the Prison Fellowship's Warden Exchange program,¹⁴¹ a residency and online professional development program that enables Wardens to share reentry best practices and problem solve amongst a peer group.¹⁴²

F. Lobbying Efforts Around Reentry Programming: As of 2020, CoreCivic also has lobbied in favor of reentry-focused legislation in 31 states and the U.S. Congress.¹⁴³ That year, for example, CoreCivic sent approximately 360 letters of support for 20 bills relating to reentry policy in Congress and 10 different states.¹⁴⁴ CoreCivic included three examples of such bills in its 2020 ESG Report: (1) Michigan House Resolution 234, "call[ing] on [Congress] to repeal the ban on Pell Grants for prison-based education"; (2) Iowa Senate File 2348, "restor[ing] voting rights to former offenders"; and (3) North Carolina Senate Bill 562, "[providing] expungement opportunity to former offenders."¹⁴⁵

G. Participation in the Convergence Center for Policy Resolution and Reentry Ready Project:

Additionally relating to CoreCivic's work around reentry advocacy, in 2018, the Convergence Center for Policy Resolution¹⁴⁶ brought together 24 individual "stakeholders with a broad range of roles and experience in criminal justice and related fields" to examine how to improve the system surrounding formerly incarcerated persons' reentry to their communities to better serve formerly incarcerated persons and reduce recidivism rates (the "Reentry Ready Project").¹⁴⁷ One stakeholder was Daren Swenson, current Vice President of Reentry Partnerships and Innovation for CoreCivic.¹⁴⁸ In June 2019, the Reentry Ready Project released a detailed report "provid[ing] a framework for improving collaboration among actors and integration of systems, with the goal of creating a more integrated and effective support network for currently and formerly incarcerated individuals engaged in the process of reentry . . . [to ultimately] reduc[e] the rate of recidivism."¹⁴⁹ While the report notes that stakeholders "support this set of solutions as individuals" but "[o]ur organizations have not formally endorsed this report,"¹⁵⁰ CoreCivic's efforts generally are in line with many recommendations made in the report (for example, "[c]reat[ing] effective programming and cross-system support for education and employability during incarceration" and "[s]upport[ing] development of high-performing leaders and teams in incarceration and reentry systems,"¹⁵¹ as discussed in more detail above in Section 4, CoreCivic's Impacted Populations: Residents and below in Section 7, CoreCivic's Impacted Populations: Employees, respectively.

H. Partnership with a Washington D.C.-Based Public Policy Research Organization: Further relating to CoreCivic's work around reentry advocacy, in November 2019, CoreCivic approved a \$298,500, two-year grant for a non-profit, public policy research organization headquartered in Washington, D.C., to support the efforts of a campaign working to promote human dignity and excellence in the corrections field. As part of that campaign, the non-profit organized and led trips to various public and private prisons (including some CoreCivic facilities), hosted salon dinners, and published op-ed and blog pieces, as well as policy and research papers, to enhance awareness and empathy around challenges faced by incarcerated individuals and to promote reentry initiatives. Top criminal justice scholars, advocates, and leaders from across the ideological spectrum were invited to and did attend the trips and dinners. Anonymous post-trip feedback from prior trip participants who visited at least one CoreCivic facility commended the non-profit for involving an ideologically diverse group of participants who were able to engage in dialogue despite differences and also included the following:

Participants, some of whom may not have been eager to do so, were able to interact with people from CoreCivic and look under the bed to see there's no bogeyman. They were able to see the valuable role that for-profit actors can play in reentry and interact with and therefore humanize the people administering these programs. I believe that some participants entered the trip cynical of corporations in the criminal justice space, but left with a much more nuanced and favorable opinion of for-profit stakeholders.

I. Engagement with Private Prison Critics, Opponents, and Community Members: The audit team observed, and CoreCivic representatives agreed, that additional dialogue with community leaders and critics could be beneficial to the Company's residents. To that end, CoreCivic has partnered

with the Fredrick Douglass Project for Justice (the “**Douglass Project**”), an organization seeking “to create a multi-state Prison Visitation Program that enables community members around the country to visit local correctional facilities and engage in open, face-to-face conversations with the incarcerated”—the goal of which is to “spur understanding and empathy—for both the visitor and the prisoner—that will, in turn, drive meaningful personal and systemic change.”¹⁵² Specifically, beginning in the summer of 2021, CoreCivic and the Douglass Project kicked off such a partnership visitation program at CoreCivic’s Bent County Correctional Facility in Las Animas, Colorado, initially structured with four correctional residents in each of three virtual breakout rooms meeting weekly with twelve to fifteen external program participants. Since the partnership is so new and is in a pilot phase, ultimate outcomes have not been tracked. Nevertheless, on February 22, 2022, an internal interviewee shared that following two “in-person sessions engaging 35 local community leaders” plus 16 virtual sessions “engaging . . . 221 external community participants,” so far there have been a total of “256 [external] participants.” While this program is not specifically directed to persons of color, it demonstrates some interest and willingness to engage with community members for the benefit of CoreCivic’s residents. More such engagement efforts, large and small, could be constructive.

Despite engaging in efforts like the above at Bent County Correctional Facility to promote dialogue and openness with the community, CoreCivic receives much criticism given its existence as a private prison and for-profit system. Some external individuals to whom the audit team reached out for comment refused to speak with us in light of their strong oppositional views that all CoreCivic does is perpetuate mass incarceration and detention and human suffering. Others did speak with us, but were highly critical or went so far as to say that CoreCivic could make *no* changes that could improve outcomes for communities of color or justify CoreCivic’s continued existence. CoreCivic is well aware that “contracting for correctional, detention, and [community] facilities and related services has not achieved complete acceptance,” noting in its 2020 Annual Report:

The operation of correctional, detention, and [community] facilities by private entities has [outright] encountered resistance from certain groups, such as immigration advocates, labor unions, prison reform organizations and other special interest groups that believe correctional, detention, and [community] facilities should only be operated by governmental agencies, or that alternatives to immigrant detention should be utilized to enforce the nation’s border policies.¹⁵³

When asked about these criticisms, internal interviewees cited writings of other individuals who believe:

[P]erhaps [society’s] biggest misconception about private prisons . . . is that they are somehow uniquely pernicious. At the end of the day, the public prisons are . . . close to identical. The tendency to single out the private ones risks obscuring the similarities between the two institutions, which in turn means that we are likely to overlook their similar problems – and the problems of public prisons occur on a much greater scale.”¹⁵⁴

Internal interviewees also noted CoreCivic’s longstanding policy not to “draft, lobby, promote, or in any way take a position on policies that determine the basis or duration of an individual’s incarceration or detention,” which applies to all CoreCivic employees and to external government relations professionals working on behalf of CoreCivic.¹⁵⁵ While the audit team views this commitment as both significant and commendable, CoreCivic has engaged in other activity that critics have argued may undermine the impact of this commitment. For example, CoreCivic is a founding member of the Day 1 Alliance (“D1A”), a trade association formed in 2019, “representing private sector contractors helping address corrections and detention challenges in the United States”¹⁵⁶—which some critics argue advocates in favor of policies or contracts that ultimately perpetuate the country’s current system of mass incarceration and detention, which disproportionately affects people of color.

CoreCivic maintains two spots on D1A’s board and has publicly supported D1A. In its 2020 ESG Report, CoreCivic stated that “through D1A, CoreCivic and other member companies are educating the public, the media, decision-makers and many other stakeholders on the facts about our industry. In doing so, D1A also adds an industry voice and perspective to the ongoing, national dialogue around the solutions that public-private partnership offers to meet ongoing correctional and detention challenges.”¹⁵⁷ Internal interviewees told the audit team that the Company values its relationship with D1A because, from their perspective, D1A serves an important role in fact-checking public statements, correcting misconceptions from critics, and otherwise educating the public on issues which relate to CoreCivic and the private prison industry as a whole. The same individuals stated that they believe D1A’s role is important to the Company because it is critical for the Company and the industry to not let factually incorrect information stand without issuing a response containing correct information. Internal interviewees further contended that D1A does not lobby or otherwise take a position on issues relating to the basis or duration of an individual’s incarceration or detention. Notably, the audit team’s review was consistent with that contention; the audit team did not find that D1A has lobbyists working towards such ends. Finally, internal interviewees stated their views that D1A seeks to engage in constructive dialogue with people and organizations with differing viewpoints, but that many critics are hesitant or outright unwilling to engage CoreCivic in direct dialogue.

Critics contend that D1A’s approach to advocacy hampers constructive dialogue. The audit team did find that D1A has, on multiple occasions, published press releases and other statements responding to opponents of private correctional and detention facilities, in which D1A, at times, focuses on and denounces its critics rather than simply addressing the underlying substantive arguments. Examples of D1A’s negative focus on critics rather than substance include:

“As the protesters at President Biden’s event in Georgia made clear, this is all about advancing a political agenda to ‘abolish ICE’ and oppose any federal immigration detention, rather than finding solutions to the current challenges facing the federal government at the border.” (emphasis added).¹⁵⁸

“This is the height of hypocrisy. By trying to block the construction of new, modern facilities and ‘cancel’ financial institutions, these activists are perpetuating the

deplorable conditions that Alabama’s incarcerated men and women live in today. They would rather have the state’s prison population remain trapped in unsafe, dangerous conditions in order to make an ideological and political statement. It’s an outrageous, illogical position, and they ought to be held accountable for it These activists, and businesses that caved to their pressure, are not helping Alabama’s incarcerated men and women – they’re doing the opposite, perpetuating the awful conditions that led the Justice Department to sue the state just last year.” (emphasis added).¹⁵⁹

To be clear, the audit team does not take issue with D1A defending the position of private prison companies, or even D1A doing so assertively in certain situations. But there are consequences that flow from denouncing or maligning individual protestors while defending a position, rather than simply responding to the core substantive critique articulated by those protestors. These critics and protestors are often the very same people who CoreCivic wants to bring to the table to engage in dialogue for the benefit of residents and communities. Given CoreCivic’s public support for D1A, such statements which directly address, and at times attack, its critics rather than their substantive critiques may be creating the impression that dialogue between CoreCivic and those who protest against ICE or other corrections-related policies is a futile undertaking. In addition, CoreCivic’s involvement with D1A may be contributing to a false public perception that CoreCivic is itself taking positions on policies that impact incarceration and detention. (As previously stated, CoreCivic does not take positions on these topics.) Given that issues of race are indelibly intertwined with issues relating to corrections, detention and immigration, the audit team urges CoreCivic to continue to be sensitive and vigilant about these issues.

J. Engagement Across the Political Spectrum: CoreCivic also influences government decision-making and local communities through its own direct political engagement and contributions. Annually, CoreCivic publishes a lobbying report on its political and government relations activities. CoreCivic’s 2020 Political Activity and Lobbying report states:

[C]orporate funds are used to make political contributions where allowed by law and where management has determined that such contributions will be an effective use of funds. CoreCivic also sponsors a political action committee (PAC) [i.e., CoreCivic’s Political Action Committee] that makes contributions to federal candidates and to candidates in certain jurisdictions where contributions with corporate funds are not allowed.

CoreCivic’s political contributions and lobbying activities are subject to robust oversight, approval, and compliance procedures. Political contributions using corporate funds require approval by our Chief Executive Officer, Chief Development Officer or a Vice President Partnership Relations and, for compliance purposes, the Office of General Counsel

Our government relations activities focus on legislative, regulatory, and executive actions that may impact the construction, operation and leading of privately owned or managed prisons, detention facilities, and [community] centers.¹⁶⁰

While internal interviewees reported that CoreCivic attempts to engage with politicians across the political spectrum, they also stated that Republicans tend to hold a more favorable view of the Company's business operations. CoreCivic also donates significantly more to Republicans. In 2020, 79% of all CoreCivic political contributions (\$608,000) were made to Republicans.¹⁶¹ At the same time, due to the nature of CoreCivic's operations as a private prison company, there have been numerous organizations which, and individuals who, either do not wish to directly engage with CoreCivic or to accept donations from it for political or ideological reasons. These organizations and individuals are predominantly, but not exclusively, identified as left-leaning. Sometimes, CoreCivic will seek to engage with such organizations or candidates indirectly through, for example, donations to third-party entities supported by such organizations or candidates.

Internal interviewees also stated that when determining candidates to support, CoreCivic evaluates a candidate's position on reentry programs and reducing recidivism but does not necessarily consider an individual candidate's support for policies which may impact the basis or duration of incarceration or detention or a candidate's race. The same internal interviewees stated that CoreCivic considers committee membership, with membership in the Appropriations, Homeland Security, and Judiciary Committees weighing the most favorably.

K. Engagement with Political Candidates or Representatives of Color: Based on the audit team's analysis of publicly available reference sources, in 2020, around 9.6% (or \$9,500.00 out of \$98,950.00) of CoreCivic's political contributions went to political candidates or representatives of color. Additionally, CoreCivic maintains a registered Political Action Committee ("PAC"). In 2020, again based on the audit team's analysis of publicly available reference sources, approximately 12.15% (or \$12,000.00 out of \$98,710.00) of CoreCivic PAC contributions went to political candidates or representatives of color. Notably, the 117th U.S. Congress, which took office in January of 2021, is "the most racially and ethnically diverse in history" with "[a]bout a quarter of voting members (23%) of the U.S. House of Representatives and Senate [identifying as] racial or ethnic minorities[.]"¹⁶²) Again, internal interviewees stated that when determining candidates to support, CoreCivic does not necessarily consider race or ethnicity, and that candidates, including one known candidate of color, have declined donations from CoreCivic for political or ideological reasons. While this latter dynamic is relevant, the fact that CoreCivic does not consider the race and ethnicity of candidates to whom it donates when making donations may play more of a role in accounting for the Company's current level of contribution to candidates and representatives of color.

Another internal interviewee told the audit team that CoreCivic joined the Congressional Black Caucus Institute ("CBCI") as a member of CBCI's 21st Century Council in mid-2018 and has remained a member since that time. CBCI describes the 21st Century Council as a "membership-based business council . . . comprised of government relations and policy professionals who are actively engaged in drafting policy recommendations for major issues . . . that affect the lives of

all without respect to race, religion, political views or socioeconomic status.”¹⁶³ CoreCivic has made three separate payments of \$25,000 to CBCI in each of 2019, 2020, and 2021 for the cost of the annual membership and made connections with members of Congress and their staff who also are members and attend various events that CBCI holds each year.

L. Concluding Thoughts: During the audit, a theme emerged from interviews and review of relevant data indicating that CoreCivic generally seeks to uplift individuals who have been involved in the criminal justice system without regard to race or ethnicity. In addition, while CoreCivic has attempted to maintain relationships with organizations supporting communities and candidates and representatives of color, internal and external interviewees both acknowledge that CoreCivic does not intentionally seek to donate money to a racially diverse set of candidates; it also does not track the race or ethnicity of the candidates to whom it donates. Similarly, internal stakeholders could not readily identify nonprofits specifically serving communities of color which benefit from CoreCivic’s charitable giving or grant process (whether through the Foundation or otherwise). Thus, while at least one external interviewee stated that “[i]t appears to [him] there is a genuine desire [for CoreCivic] to become a trusted community partner,” and the audit team perceived a genuine desire on the part of many CoreCivic employees to positively impact their local communities, including residents of color, we also conclude CoreCivic could do better in terms of seeking to benefit communities of color *specifically* and tracking specific impacts of its actions on communities of color.

In addition, while true that CoreCivic itself does not lobby in favor of policies which would increase potential bases for or duration of incarceration or detention, some external groups perceive that CoreCivic does advocate for policies perpetuating mass incarceration or detention, based in part on the Company’s involvement in D1A. Currently, CoreCivic and external advocacy groups are missing a key opportunity to work together to improve circumstances for residents. By increasing engagement between the two opposing groups, they may well find some common ground and discover ways to improve the situation for CoreCivic residents, employees, and communities of color.

- Moore & Van Allen recommends that CoreCivic make greater efforts to support a more diverse and inclusive pool of initiatives, organizations, and political candidates, and, relatedly, begin tracking the race and ethnicity of the individuals to whom it donates, as well as which organizations it donates to specifically serve communities of color.
- Moore & Van Allen also recommends that CoreCivic stay vigilant and sensitive to ensure that its activities, including but not limited to the Company’s association with organizations like the D1A, lobbying activities, and political contributions, are aligned with its ultimate mission and DEI values.

- For both CoreCivic and external advocacy groups, Moore & Van Allen recommends greater communication, open dialogue, and engagement so that mutual learning can occur, even in the face of initial, significant disagreement.

CoreCivic's Impacted Populations: Employees

Several internal interviewees told the audit team that it is challenging for CoreCivic to attract and retain employees due to the nature of the jobs in the prison industry, and that these challenges have been exacerbated in 2020 and 2021 due to the COVID-19 pandemic. And there can be operational issues that arise when there is turnover at a facility. Given these challenges and considerations, CoreCivic's DEI efforts have, to date, been focused on employee hiring and retention. Without a doubt, CoreCivic has marshalled significant resources through its Operations, Human Resources ("HR"), and other functions that recently have been focused on improving aspects of employment from a DEI perspective. Moreover, as previously noted above in Section 2, Background on CoreCivic, the Audit, and the Moore & Van Allen Audit Team, CoreCivic facilities housing residents from federal government entities are periodically audited by the Office of Federal Contract Compliance Programs ("OFCCP") of the United States Department of Labor. External government partners and CoreCivic's internal quality assurance division ("QA") also regularly audit Company facilities to ensure compliance with contractual, regulatory, and other obligations and requirements. In connection with such audits, data around employee hiring, promotions, demotions, terminations, and other outcomes is regularly analyzed for disparate impacts across race, ethnicity, and gender.

While CoreCivic was able to provide comprehensive data relating to employees during this audit, there is room for CoreCivic to improve in terms of tracking employee demographics, particularly across outcomes and for multiple years, so that current and historical trends can be analyzed, and overall outcomes improved. Notably, much of the data provided to the audit team and cited throughout this section is data as of a particular snapshot in time, and CoreCivic has not yet conducted mature, statistical analyses of certain outcome data broken out by racial and ethnic demographics across the full enterprise over periods of time to determine relevant trends. A significant exception here, however, relates to employee compensation data. In 2017 and 2018, CoreCivic conducted a privileged, enterprise-wide pay equity review across racial demographics (and plans to conduct similar reviews on a go-forward basis). This review involved exactly the type of data capture and analysis that the audit team recommends CoreCivic engage in with respect to other outcome data across racial and ethnic demographics.

As CoreCivic has already determined, it should continue focusing on DEI efforts as they affect the Company's workforce to foster better outcomes for *all* of its impacted communities. Former U.S. Attorney General Alberto Gonzales aptly put it this way in an interview:

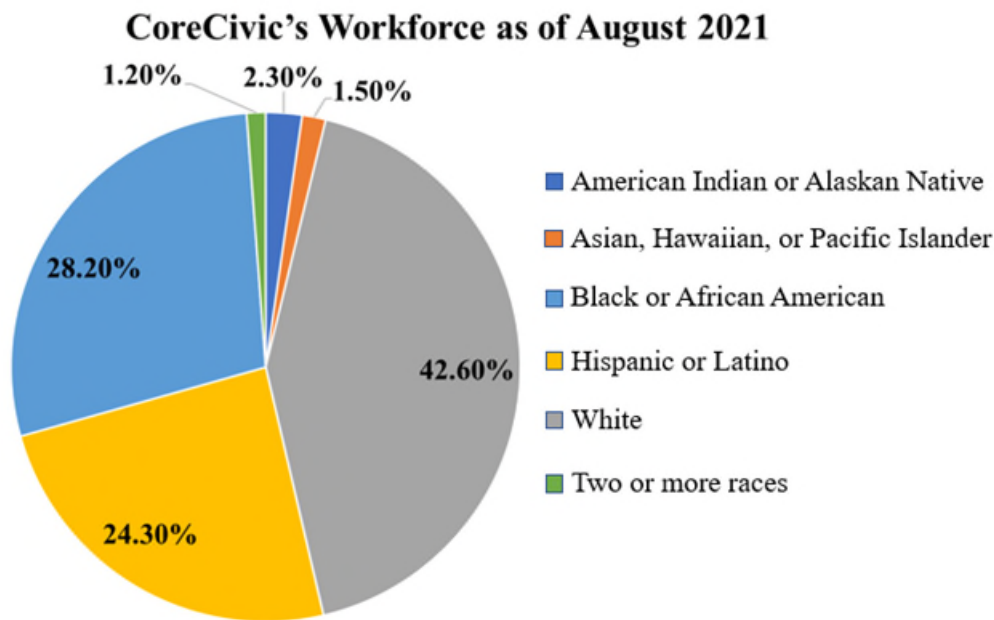
CoreCivic is a public company. It would only be good business to actively promote diversity within its workforce We live in a diverse country and there is talent in every segment of our society. Because much of the prison population is diverse, it is good in my opinion for [residents] to see people who look like them, and probably have the same life experiences, who now hold positions of authority and influence because of education and training. Employees can become role models and mentors. The potential to inspire [residents] to dream bigger and to do better is very real. Efforts to improve racial diversity among the workforce is a challenge

for every public company. In order to be successful, CoreCivic will have to convince potential employees that the [C]ompany provides fair compensation and benefits, real advancement is possible and the workplace is safe and, to the extent possible, stress free. Finally, employees should feel they are engaged in something bigger than themselves, that they are helping to reshape someone's life, and collectively reshaping a community.

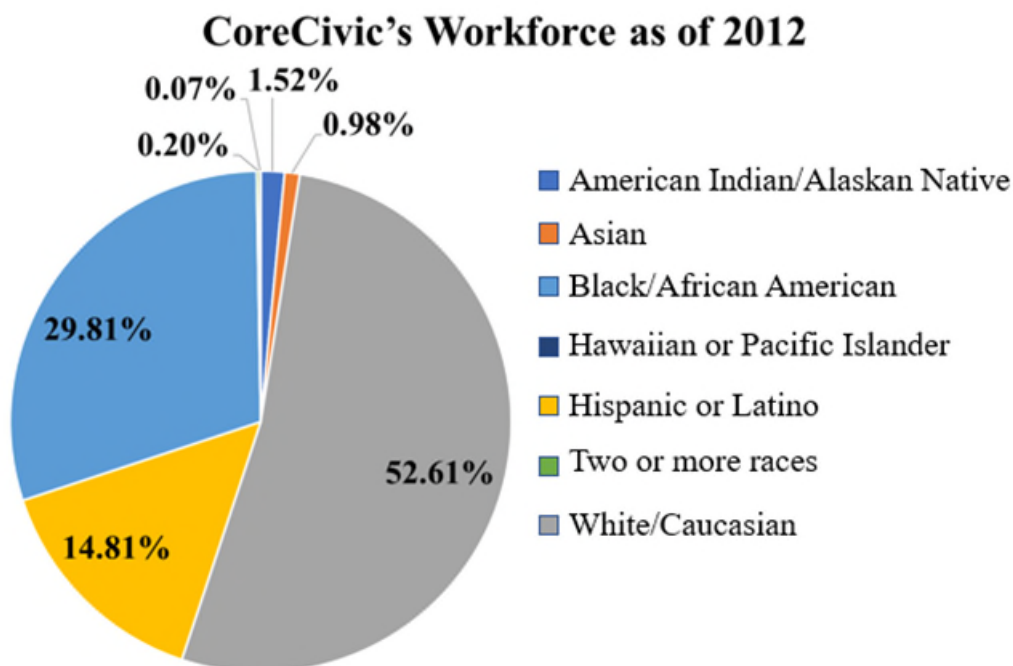
This section begins with a discussion of the diversity of CoreCivic's workforce and hiring and recruiting efforts. Next, it discusses certain DEI-related initiatives of CoreCivic's DEI Advisory Council, and finally it covers employee retention—including topics such as turnover, promotions, compensation, benefits, demotions, terminations, and employee issue resolution processes. Interviewees stated that despite demonstrated commitment in this arena, achieving diversity within the Company's leadership ranks *and* retaining employees regardless of racial or ethnic background are areas of opportunities for CoreCivic—both of which observations are borne out in CoreCivic's data, as discussed in more detail below.

A. Diversifying CoreCivic's Human Capital: In order to fulfill CoreCivic's mission of providing high quality services and care to residents, CoreCivic strives to develop and retain a diverse workforce. For years (likely since the 1980s), and in accordance with federal contract requirements, CoreCivic has maintained affirmative action plans designed to retain and advance underrepresented groups.¹⁶⁴ CoreCivic policy also states that the Company provides equal opportunity employment to all candidates and follows the OFCCP's equal employment opportunity guidelines for hiring.¹⁶⁵ Indeed, CoreCivic's Equal Employment Opportunity Policy ("**Policy 01-05**") states that it is CoreCivic's policy to "take positive steps to provide equal employment opportunity for all employees without regard to race, color, sex, sexual orientation, gender identity, national origin, citizenship, religion, age, disability, pregnancy, genetic information, veteran status, or any other status or characteristic in compliance with applicable federal, state or local law." Similarly, other CoreCivic policies focus on the Company providing equitable career opportunities. For example, both CoreCivic's Career Opportunities (Internal Applicants) Policy ("**Policy 3-20-1**") and (External Applicants) Policy ("**Policy 3-20-2**") ensure CoreCivic provides equal opportunity employment to all candidates without regard to protected class such as race, color, sex, sexual orientation, or other protected characteristics.

In 2020¹⁶⁶ and 2021,¹⁶⁷ respectively, CoreCivic employed approximately 12,415 and 10,348 employees, of which approximately 56% and 57% identified as people of color or as underrepresented minorities. According to point-in-time data provided by CoreCivic to the audit team to give a sense of CoreCivic’s employee base on a particular day (as of August 20, 2021), CoreCivic employed approximately 10,575 individuals of the following racial and ethnic demographics:



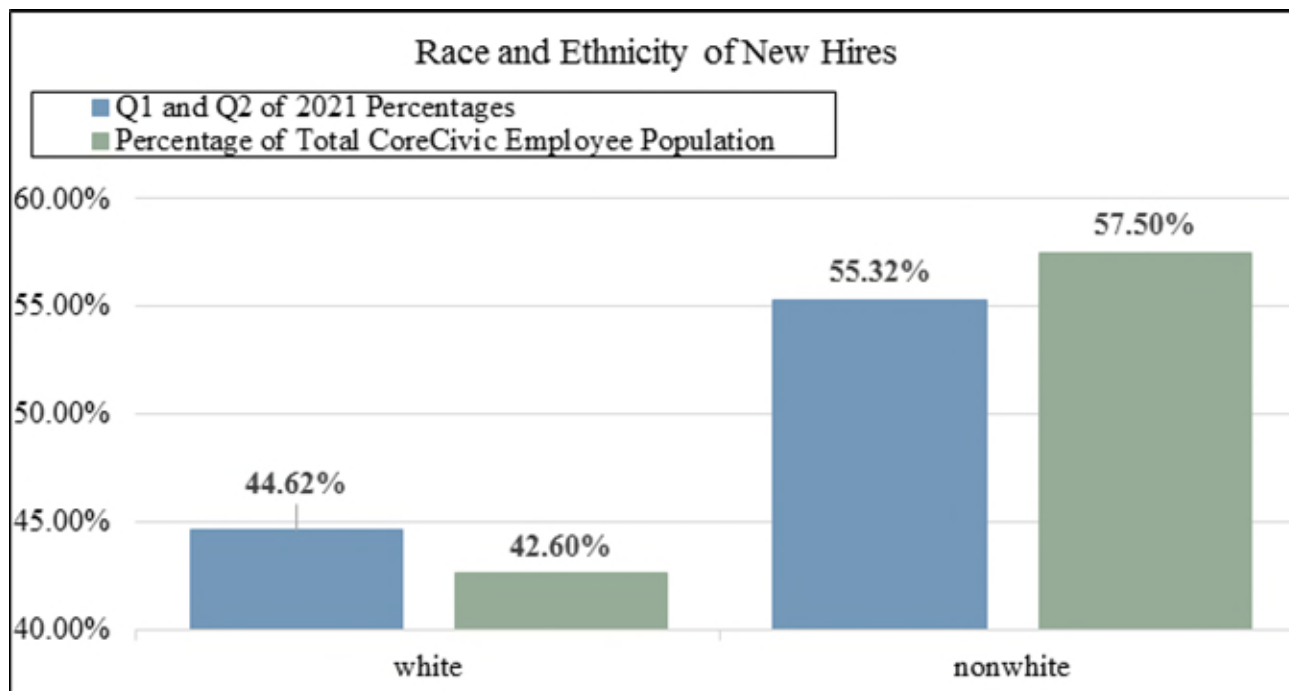
The racial and ethnic demographics of CoreCivic’s workforce in 2012 (i.e., nearly a decade ago) are shown in the chart below. As evidenced by comparing the two charts, CoreCivic has made significant strides in diversifying its workforce in that time.



B. Preliminary Notes Regarding Employee-Related Data Discussed Herein: The audit team requested certain employee-related data for Q1 and Q2 of 2021 in Q3 of 2021 prior to drafting this report in Q4 of 2021 and Q1 of 2022. Throughout this Section 7, CoreCivic’s Impacted Populations: Employees, a number of charts display data provided by the Company to the audit team. Those charts compare the percentages of employees identifying as white and nonwhite in Q1 and Q2 of 2021 (hereinafter referred to as the “**Relevant Review Period**” in this section of the report) to the percentages of employees identifying as such as of a specific date close in time (August 20, 2021). Note that percentages may not always add up exactly to 100.00% due to rounding.

As noted previously, the comparisons shown in the charts in this section are based on data as of a specific, narrow timeframe (i.e., the Relevant Review Period) and on snapshot data as of a particular day—which may or may not be representative of data over different periods of time or data as of a different date. Indeed, data as of a different period of time or a different day potentially could be vastly different given the fluctuating number of individuals employed by CoreCivic on even a day-to-day basis, especially during a global pandemic. Thus, the audit team cannot determine definitively whether the data reviewed for purposes of this audit shows reliable trends. Nor has CoreCivic previously conducted mature, statistical analyses of DEI-related, enterprise-wide data broken out by racial and ethnic demographics over periods of time to determine relevant trends (with the exception of employee compensation data, as described in more detail below). Doing so in the future would be beneficial. And, as internal interviewees pointed out, certain employee-related data of the Company is regularly analyzed in connection with OFCCP, other external governmental, and other Company audit processes for disparate impacts across race, ethnicity, and gender. If problematic trends existed in the data provided in connection with those audits, those trends should have presented themselves in those audits.

C. Employee Hiring and Recruiting Efforts: Several internal interviewees described the challenges CoreCivic has faced attracting employees due to the nature of the jobs in the prison industry and, more recently, the COVID-19 pandemic. They also explained that there can be operational consequences for residents and staff when there is turnover at a facility. Consequently, CoreCivic invests many resources into hiring and recruiting efforts. During the Relevant Review Period, there were a total of 2,120 new hires, and more than 50% identified as nonwhite. The chart below compares the percentages of employees identifying as white and nonwhite during the Relevant Review Period to the percentages of employees identifying as such as of a date within the same general timeframe (August 20, 2021). As can be seen in the chart below, CoreCivic hired a higher percentage of employees identifying as white and a lower percentage of employees identifying as nonwhite over the Relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021. Appendix F, Additional CoreCivic Employee Data, contains a chart with additional detail regarding the numbers and percentages of CoreCivic new hires during the Relevant Review Period. Per the corresponding chart of hiring data in Appendix F, although individuals identifying as Hispanic or Latino comprised 24.3% of CoreCivic’s workforce on August 20, 2021, approximately 20.03% of new hires identified as such over the Relevant Review Period.



** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

D. 2020 Culture Survey and Diversity and Inclusion Module: As previously noted, in 2020, the year CoreCivic established its DEI Advisory Council, the Company undertook a number of initiatives designed to assess where CoreCivic was in terms of DEI and then to promote DEI at CoreCivic through ongoing programs and efforts. One of those initiatives was hiring a leading, national consultant to conduct a culture survey of the Company across all employee levels, which, relevant for purposes of this report, included a diversity and inclusion module. The purpose of the module was to measure how effectively the Company fosters: (1) diversity (i.e., diverse representation of people); and (2) inclusion (i.e., an inclusive and supportive work environment). The module included four areas: (1) perceptions of inclusion and respect; (2) a workplace free of discrimination; (3) fair and equal access to opportunities; and (4) leadership commitment to diversity values. Statements were responded to on a scale from “strongly agree,” “agree,” and “neutral,” to “disagree” and “strongly disagree” and included statements around, for example, whether people of different backgrounds are treated respectfully, feel welcome to be fully themselves at work, and feel that they are treated equitably.

The consultant concluded that there were “[o]verall favorable responses” to the diversity and inclusion-related statements, but nearly a quarter to around a third of responses in the “neutral” to “strongly disagree” spectrum “suggest[ed] opportunities for improvement.” For example, while 64% of respondents had favorable responses to a statement about people with different backgrounds being treated with respect, 20% had neutral responses and 16% had unfavorable responses. The consultant also concluded that compared to overall diversity scores at other companies of CoreCivic’s size, CoreCivic’s overall diversity scores were “below average.” For

example, in terms of responses to the statement described above regarding people with different backgrounds being treated with respect, CoreCivic ranked in the 2nd percentile.

After the consultant issued the results of the culture survey and diversity and inclusion module, management shared the results with CoreCivic's Board of Directors. Management also shared result summaries with facility leaders to serve as the foundation for action planning around improving culture and promoting DEI. Facility leaders were then responsible for sharing data as they saw fit at their specific facilities. Facility leaders also were instructed to create "action plans" and to share a number of specific objectives with CoreCivic corporate. CoreCivic corporate advised that concentrating "on a few items" would be "best"—i.e., on "at least one (1) area of improvement and one (1) area of a strength to be leveraged." The Company also recommended focusing on "no more than three action planning items."

Ultimately, facility leaders at only three out of the 61 facilities which CoreCivic said were active in Q4 of 2021 (or 5%) reported developing DEI-specific objectives. The audit team also spoke with Wardens and Facility Directors at the exemplar facilities regarding their action planning coming out of the culture survey work. None of the exemplars incorporated specific DEI-related objectives into their reported action planning, and only a couple of exemplar facility leaders stated that they had created a DEI-focused group or position at their facility as a result. These outcomes may have been because facility leaders did not consider DEI issues to fall within their specific facility's greatest "area[s] of improvement" or "strength to be leveraged." Again, the diversity and inclusion module was just one part of the comprehensive culture survey, which covered numerous topics and areas. And several senior leaders theorized that due to employee staffing and retention challenges, particularly during the pandemic, facility leaders may have issues relating to employee hiring and turnover top of mind, instead of DEI. After further discussing the work with management, in January of 2022, an internal interviewee assured the audit team:

As of December, 2021, there [has] been a renewed focus on supporting the . . . action plans with more direct involvement of the Senior Director, Organizational Development. This includes participating in and providing guidance during divisional calls, more direct line of communication with [facility leadership], holding them accountable to the process and additional training as requested by champions We continue to encourage and recognize the work of our culture champions, facility influencers and facility leaders on the importance of their engagement with the action plans, and how this directly influences retention at their facility.

The audit team commends CoreCivic for engaging a nationally-recognized expert to perform this culture survey and for specifically including a diversity module. The survey was a significant undertaking, requiring months of effort. We encourage CoreCivic to take steps to ensure that the Company is effectively leveraging the takeaways from the consultant's work to improve DEI outcomes for all of CoreCivic's impacted populations, including those of color, on a going forward basis.

E. 2020 Conscious Inclusion Training: Coming out of the culture survey work in 2020, CoreCivic began equipping its DEI Advisory Council, executive leadership team, senior leaders, facility leaders, and employees within Ethics and Compliance, Legal, and HR with training and strategic planning on conscious inclusion in conjunction with training offered by an expert in the field. Management noted that these trainings were intended to be rolled out from the top down. The goal of this training was to learn about how unconscious bias occurs, what individuals can do to be aware of how it impacts decisions and interactions, and how individuals can replace unconscious bias with actions of conscious inclusion to increase engagement and sense of belonging. Participant feedback included:

I think it's important in this company because we still have some leaders, at several levels, that preach one thing, but do another, whether it be intentionally or unintentionally. There are some that have some practices that totally contradict diversity, equity and inclusion and that has to be corrected. We, as a company, should not be making the same mistakes we were making 10-15-years ago and as of right now, we are. And, educating all of our leaders (including me) on why not being inclusive isn't beneficial to us as leaders or to the company as a whole is absolutely necessary. Awareness [and] information is paramount. Once we gain a better understanding of these concepts and teach everyone from the same book then, we can all help each other to be better in this aspect of our professional development.

Though the issues surrounding DEI live in the hearts and minds of individuals, making it difficult to measure and change DEI challenges, I do believe portions of the [culture] survey provided objective measurement of our current state that evidenced our cultural challenges, including equal respect for one another and treating one another with dignity The survey results, other objective measurements, and my personal experience, indicate to me there is meaningful opportunity for growth. I look forward to continued objective measurement that will help us course correct when our efforts lack traction, but will also help us to appreciate and celebrate the gains we make. I value having a culture of constant learning and the opportunity to get smarter and better at changing hearts and minds. I believe learning is a prerequisite to achieving greater alignment with our values and that alignment is necessary to generate the substantial energy needed to purposefully shape our culture.

CoreCivic intends to offer all iterations of the training on a go-forward basis for new and current employees, including conscious inclusion eLearning training for people leaders and for individual contributors. CoreCivic also plans to update the training, as appropriate and as necessary, and to incorporate a broader perspective of DEI over time. Similarly, CoreCivic has engaged with a consulting company to provide micro-learnings and leadership briefings so that CoreCivic can provide monthly blasts throughout the organization, further building CoreCivic's capabilities around DEI.

F. DEI-Related Training: CoreCivic also provides other DEI-related training to employees, and has been doing so for decades. Through the late 1990s, CoreCivic offered a training called True Colors based on Myers-Briggs work, which identified different personality traits and discussed how various personalities bring something to a team and should be celebrated, respected for their uniqueness and differences, and valued for what they bring to an organization. From the 1990s through 2016, the Company offered a “Cultural and Ethnic Sensitivity” training as individuals joined the Company and thereafter annually via in-person learning opportunities and in eLearning settings. In 2016, the Company added updated content and the training was renamed “Cultural Awareness.” That training is still delivered to employees today both pre- and in-service (i.e., when individuals join the Company and annually each year thereafter) along with the following other trainings:

Code of Ethics and Human Rights;

Promoting a Respectful Workplace;

Creating a Harassment-Free Workplace;

Conscious Inclusion Training (first offered in October of 2020 through a consultant partnership for Executives, Officers, Managing Directors, Facility Leaders, Senior Directors, Ethics and Compliance, Legal, HR, and the DEI Advisory Council);

eLearning on DEI for People Leaders (first offered in July of 2021); and

eLearning on DEI for Individual Contributors (first offered in January of 2022).

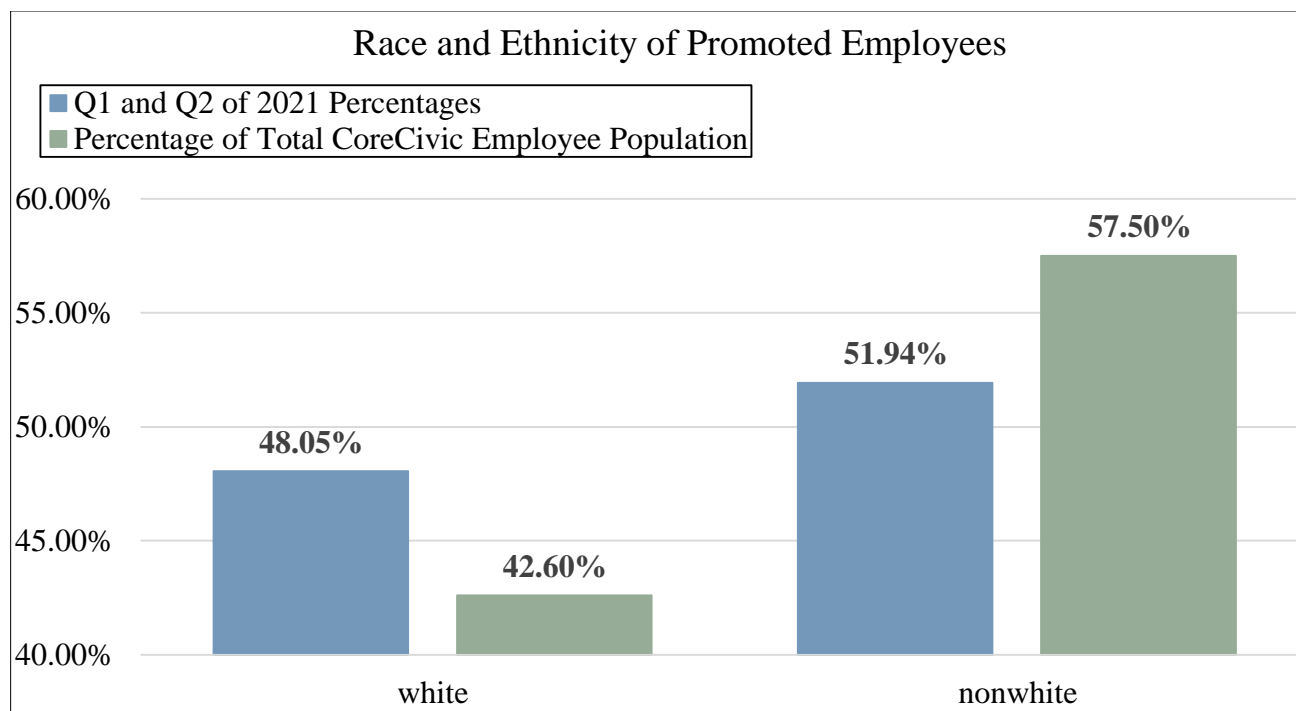
According to CoreCivic management, in 2021, the Company’s continuing employees had a 97% completion rate for its Code of Ethics and Promoting a Respectful Workplace trainings, and a 97.2% completion rate for the other DEI-related trainings described above. In 2022, CoreCivic plans to launch a micro learning system offering monthly lessons around, for example, racial equality in the workplace; empathy, allyship, and belonging; collaborating across cultures and generations; understanding intersectionality and neurodiversity; and more.

G. Business Resource Groups (“BRGs”): Later in 2022, the Culture work stream of CoreCivic’s DEI Advisory Council plans to establish BRGs for the following employee groups, which may one day be expanded to have chapters at the facility level: (1) People of Color; (2) Women; and (3) Military (of note, the Company’s first BRG, a Veterans’ Task Force, launched in January of 2017 and has been in existence since). Once established, employees then will have the opportunity to join these new BRGs, which will be voluntary and employee-led, to further engage in DEI work at CoreCivic. An internal interviewee stated that the Company also intends to spin off from the People of Color BRG additional, individualized racial and ethnic BRGs in the future.

All in all, CoreCivic estimates that it has invested approximately \$375,000 in HR-estimated costs from Q4 of 2020 through Q4 of 2021 in DEI efforts, of which approximately \$150,000 has likely been spent in strategic partnerships and training costs, and additional spend is estimated on DEI headcount and strategic partnerships for CoreCivic's anticipated BRGs.

H. Employee Retention: CoreCivic leadership realizes that fostering DEI is integral to the Company's performance and drives quality of operations. Consequently, retaining employees, including employees of color, is particularly important. CoreCivic began tracking diversity turnover metrics in 2012, incorporating diversity data into its talent management program in 2014, reporting leadership-level diversity data in talent management reports to executive management and its Board of Directors in 2017, and including diversity data in an enhanced "talent scorecard" reported to executive management and its Board of Directors in 2020. In 2021, CoreCivic had turnover rates exceeding 25% across *all* racial and ethnic demographic categories. CoreCivic's lowest turnover rate was 29.7% for Asian employees, and the Company's highest turnover rate was 87.6% for employees identifying as being of two or more races (approximately 1.1% of CoreCivic's workforce). Turnover rates exceeded 50% for employees identifying as American Indian or Alaskan Native and Black or African American, and were just under 50% for employees identifying as Hawaiian or Pacific Islander (at 48%) and white (at 47.8%). The turnover rate was 34.1% for employees identifying as Hispanic or Latino. Please see Appendix F, Additional CoreCivic Employee Data, for more detail on CoreCivic's 2021 turnover rates.

I. Employee Promotion: In order to retain talent and prevent turnover, including of employees of color, CoreCivic must show those employees that they have room to grow within the Company, and that it is serious about promoting them. During the Relevant Review Period, approximately 614 employees were promoted and more than 50% identified as nonwhite. As can be seen in the chart below, CoreCivic promoted a higher percentage of employees identifying as white and a lower percentage of employees identifying as nonwhite over the Relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021. Appendix F contains a chart with additional detail regarding promotion of CoreCivic employees during the Relevant Review Period. CoreCivic promoted a lower percentage of individuals identifying as Hispanic or Latino over the relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021.



** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

J. Employee Compensation: CoreCivic also must show employees that it is equitable in how it compensates them in order to retain them. The audit team requested, but CoreCivic was unable to provide because the Company had not compiled, employee compensation data for 2021 broken out by grades and employee race and ethnicity. An internal interviewee stated, however, that the Company does routinely collect and review such data.

In addition, according to CoreCivic senior management, in August of 2017, CoreCivic sought the advice of, and ultimately retained, highly-specialized outside counsel at a prominent national law firm to conduct an attorney-client privileged pay equity review. CoreCivic indicated that the law firm conducted a series of multiple regression analyses performed by an economist employed by the firm. Ultimately, the firm prepared three different statistical models: (1) one analyzing compensation of facility employees; (2) another analyzing FSC employees (at corporate headquarters); and (3) a third focusing on employees covered by the Service Contract Act (“SCA”). Each model controlled for factors that appropriately determine differences in base pay such as organizational branch, business unit, pay grade, facility, geography, exempt status, performance, and tenure with CoreCivic. The studies included a comprehensive review of differences in base salary by certain demographic categories (African American or Black, Asian, and Hispanic and Latino), and the average pay by job title or grade for each of these demographic groups were compared to average pay of white employees, controlling for the factors above. These studies were completed in March and April of 2018.

The pay equity review was conducted under the attorney-client privilege (and other potential legal privileges), so our audit team did not have the opportunity to independently analyze the underlying data or ultimate findings. As such, the audit team is relying on representations from CoreCivic's management regarding the pay equity review process and findings. Senior management summarized the results of the pay equity review to the audit team as follows:

For [f]acility employees, approximately 35 job titles were populous enough to permit a statistical review, covering approximately 6,700 employees. Only one job title showed a pay gap between African American and Caucasian employees that was statistically significant, and for which further review and/or remediation was suggested. Two job titles showed gaps in which either African American or Hispanic employees were paid more than Caucasian employees to a statistically significant degree. All other job titles were statistically neutral, meaning that any differences fell within the range of random chance.

For the SCA non-exempt population, we were able to analyze approximately 15-18 job titles based on race, covering approximately 3,800 employees. Of these, one job title showed a statistically significant pay difference for African-American employees, and one job title showed a statistically significant pay difference for Hispanic employees. Two other job titles showed Hispanic employees were paid more than Caucasian employees to a statistically significant degree, and all other job titles were statistically neutral.

There were no meaningful differences by race [identified] for FSC employees.

Following receipt of the results, CoreCivic evaluated and remediated specific instances indicated for remediation by the study, where appropriate.

The audit team commends CoreCivic for deciding to analyze compensation data broken out by employee demographics. CoreCivic management further indicated the Company's intention to conduct a similar pay equity review in 2023, and periodically thereafter. The audit team does recommend that future CoreCivic pay equity audits look for differences in base salary for employees across *all* racial and ethnic demographics, and not just for differences in base salary for employees identifying as African American or Black, Asian, Hispanic or Latino, and white.

K. Employee Benefits: Relatedly, CoreCivic offers medical and wellness benefit plans, dental, vision, and disability income insurance, flexible spending accounts, and life and accidental death and dismemberment insurance. CoreCivic also provides employees with paid time off and paid holidays and provides retirement benefits through a 401(k) retirement plan. However, to be eligible for most benefit plans, employees must be in a full-time position *and* work 30 or more hours per week.¹⁶⁸ (Part-time employees also may meet the requirements for the 401(k) plan depending on length of service and number of hours worked, and part-time employees at some locations may be eligible for some, but not all, benefit plans on a prorated basis.) In January of 2021, approximately 98% of nonwhite employees were in full-time positions. As with

its compensation data, the audit team recommends that CoreCivic monitor its benefits data by employee demographics so that trends may be analyzed.¹⁶⁹

L. Facility Support Center (“FSC”) and Administrative Duty Officer (“ADO”) Leadership Diversity:

There is opportunity for CoreCivic to improve in terms of diversifying, and promoting diverse individuals into, FSC and ADO leadership positions. The FSC is CoreCivic’s term for its headquarters and main corporate office. At individual facilities, ADO positions include the following job titles: (1) Warden; (2) Assistant Warden; (3) Senior Warden; (4) Deputy Warden; (5) Complex Warden; (6) Facility Administrator; (7) Assistant Facility Administrator; (8) Facility Director; (9) Assistant Facility Director; (10) Chief of Security; (11) Complex Chief of Security; (12) Chief of Unit Management; (13) Complex Chief of Unit Management; (14) Program Manager; and (15) Operations Supervisor.

In October of 2021, only 13.3% of FSC leaders identified as nonwhite. There was more diversity within ADO leadership ranks, with 46.6% of ADO staff across all facilities identifying as nonwhite. The audit team learned from interviews that there is often much variability in the diversity of leadership at the facility level; for instance, at some facilities, leadership may be comprised of a greater or fairly equal percentage of individuals identifying as people of color than the general employee base and resident populations; at other facilities leadership may be comprised of a greater percentage of individuals identifying as white than the general employee base and resident population at that facility.

In 2020, CoreCivic began evaluating certain application and hire data to determine leadership positions with low diversity and to determine where constriction of diversity occurs. CoreCivic then began the process of reassessing the Company’s hiring practices and diversity policies to determine areas for improvement or modification. For instance, CoreCivic determined that leaders at all levels within facilities can be supported and developed to promote into facility leader positions, and work around this is now underway. According to an internal interviewee in December of 2021:

[CoreCivic] just completed an organizational redesign process across our candidate experience for both internal and externals. In this work we are considering how to centralize processes to ensure there is less [subjectivity] and more objectivity in the selection process. However, this work just started last month and will not be completed until at least Q2 2022. We are also looking at our job descriptions in 2022 to ensure the minimal qualifications are actual bona fide occupational qualifications, in particular looking at educational requirements. And we also have a more structured development focus in our new performance management rollout. In 2022, there will be an additional [m]id-[y]ear check-in added to our performance cycle that will be centered around the [i]ndividual [d]evelopment [p]lan.

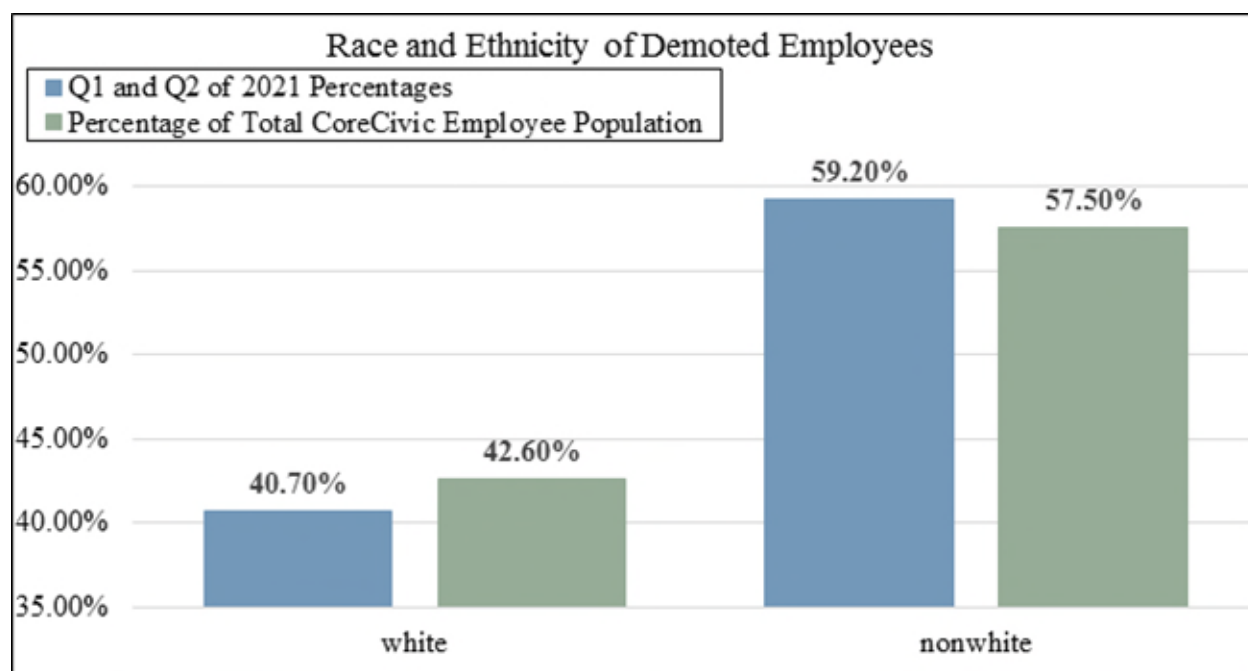
M. Employee Performance and Career Advancement: Each year, CoreCivic employees undergo annual performance and career development reviews. CoreCivic also facilitates talent review discussions annually to help identify developmental opportunities within its leadership pipeline.¹⁷⁰ For employees who are not currently equipped to step into advanced leadership responsibilities, programs like the CoreCivic Leadership Experiences and Rotations program (“CLEAR”) are designed to assist in their development.

CLEAR is a 24-month rotational development program designed to provide individuals with accelerated opportunities to advance their careers through short-term, hands-on rotational assignments.¹⁷¹ The first CLEAR cohort is comprised of three participants, two of whom identify as employees of color. These employees began their rotations in November of 2021 and are focused on developing into department head-level staff in facility operations management, with the expectation that they will be prepared to step into an ADO level position (for example, as a Warden, Assistant Warden, or Chief of Unit Management position) in one to two years following completion of the program. Participants will gain experience progressing up to supervisory responsibilities in each rotation and will work closely with facility leaders and an advisor who will serve as the program sponsor. Rotations will last between two to four months at each designated facility.

Additionally, CoreCivic employees may participate in various leadership and operational offerings. For example, through CoreCivic University, employees can learn new skills and improve current skills.¹⁷² As of November 3, 2021, approximately 4,272 employees completed programs within CoreCivic University.¹⁷³ An internal interviewee advised, however, that perhaps “95%” of all programming in CoreCivic University is within what is known as CoreCivic’s College of Leadership, and only employees of certain levels of seniority can participate in such programs. He also reiterated that there is opportunity for CoreCivic to improve in terms of diversifying, and promoting diverse individuals into, those leadership positions (as we also have noted previously in this report). Consistent with this information, the audit team reviewed data indicating that individuals identifying as white made up a higher percentage (51.27%) and individuals identifying as nonwhite made up a lower percentage (48.72%) of individuals completing programs through CoreCivic University over the Relevant Review Period than comprised CoreCivic’s workforce as of August 20, 2021 (42.60% and 57.50%, respectively). Appendix F, Additional CoreCivic Employee Data, contains a chart with additional detail showing, for example, that while approximately 24.3% of individuals in CoreCivic’s workforce as of August 20, 2021 identified as Hispanic or Latino, only approximately 17% of the employees who completed programs within CoreCivic University through November 3, 2021 identified as Hispanic or Latino.

N. Employee Demotion: CoreCivic also will have a tougher time retaining employees, including employees of color, if it involuntarily demotes and terminates them disproportionately. Importantly, for this subsection, data relating to demotions provided by CoreCivic to the audit team includes percentages of employees *voluntarily* choosing to take a demotion. CoreCivic was unable to provide the audit team with data relating only to involuntary demotions because the Company has not previously collected such data separate from data relating to voluntary demotions and also broken out by racial and ethnic demographics.

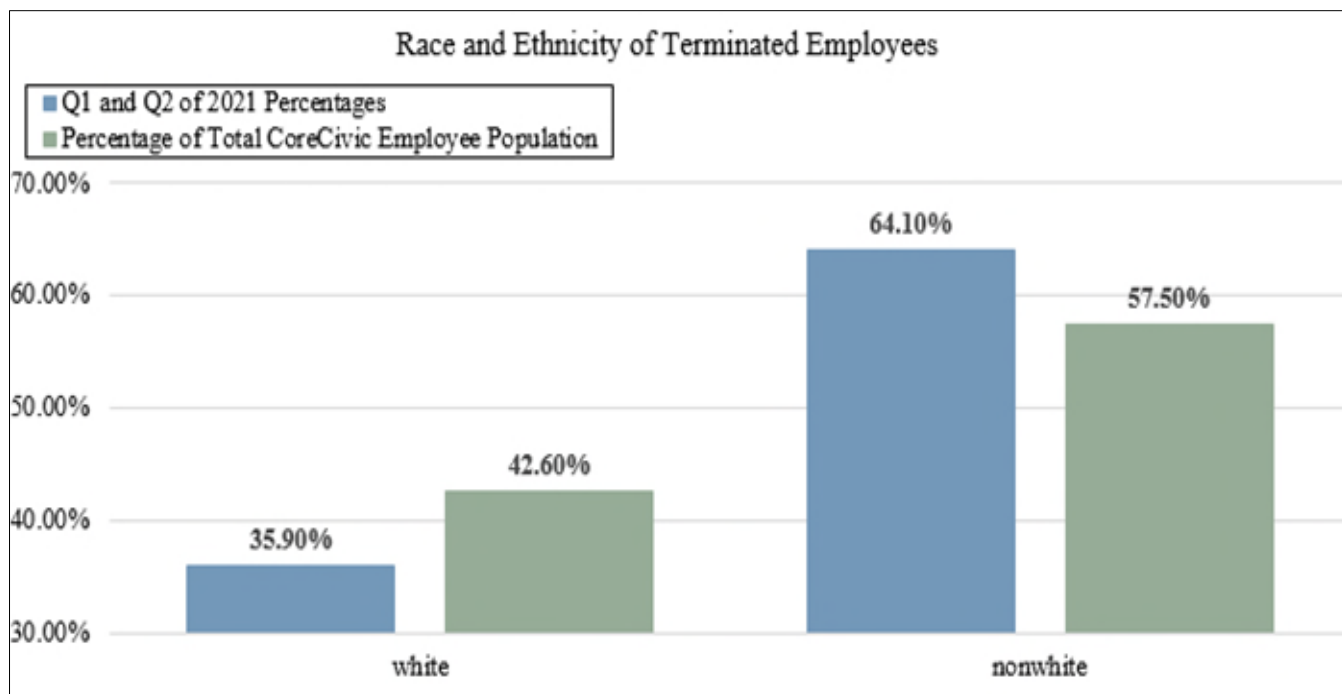
The chart below compares the percentages of all demoted employees identifying as white and nonwhite during the Relevant Review Period to the percentages of employees identifying as such as of a date within the same general timeframe (August 20, 2021). As can be seen in the chart below, during the Relevant Review Period, more than 50% of all demoted employees identified as nonwhite (approximately 135 employees were demoted during the Relevant Review Period). Additionally, a lower percentage of employees identifying as white and a higher percentage of employees identifying as nonwhite were demoted for any particular reason over the Relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021. Appendix F, Additional CoreCivic Employee Data, contains a chart with further employee demotion data and shows that CoreCivic demoted a higher percentage of employees identifying as Black or African American and a lower percentage of employees identifying as Hispanic or Latino over the Relevant Review Period than comprised CoreCivic's workforce on August 20, 2021.



** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

O. Employee Termination: In contrast to the data described above relating to demotions, the data relating to terminations provided by CoreCivic to the audit team and discussed in this subsection only includes percentages of employees whose employment with CoreCivic was *involuntarily* terminated. Over the Relevant Review Period, approximately 443 employees were involuntary terminated, and more than 50% of involuntarily terminated employees identified as nonwhite. As can be seen in the chart below, a lower percentage of employees identifying as white and a higher percentage of employees identifying as nonwhite were involuntary terminated over the Relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021. Appendix F, Additional CoreCivic Employee Data, contains a chart with further employee termination data showing that CoreCivic involuntarily terminated a higher percentage of individuals identifying as

Black or African American and a lower percentage of individuals identifying as Hispanic or Latino or white over the relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021.

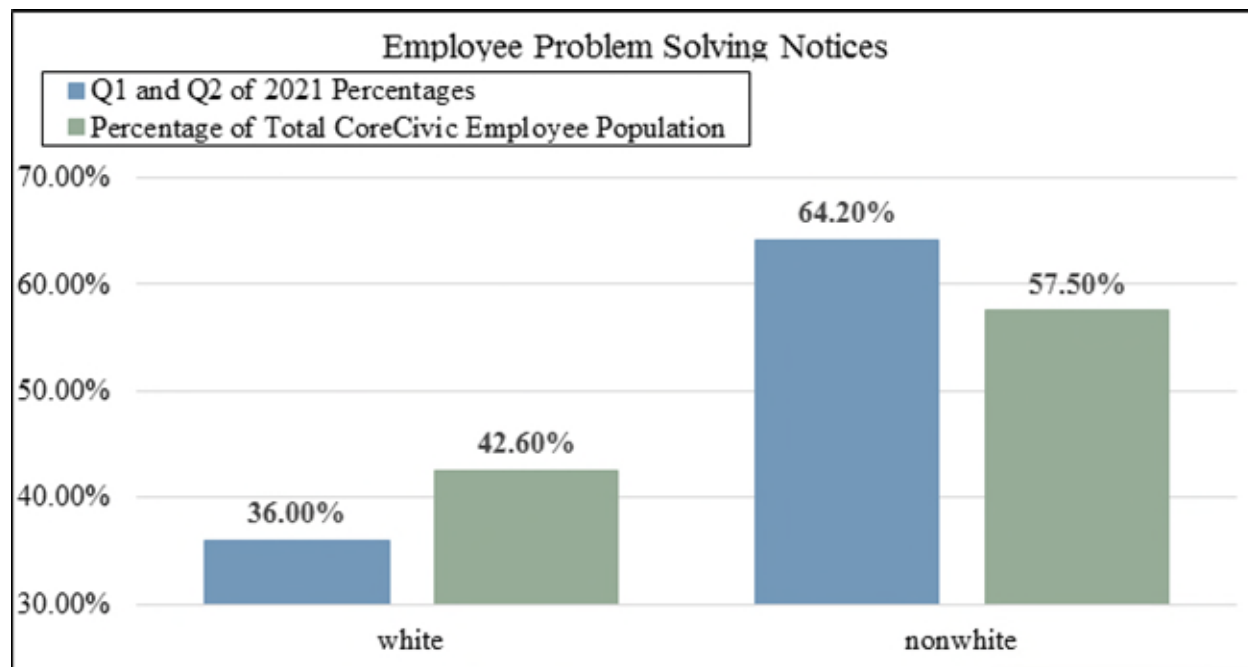


** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

P. Employee Discipline: CoreCivic also will have a tougher time retaining employees, including employees of color, if the Company disproportionately disciplines them. At CoreCivic, employee disciplinary action is documented via Employee Problem Solving Notice (“PSN”) forms. The PSN form initially includes a recommendation for discipline usually generated by a first-line supervisor, but any supervisor can recommend discipline even if not the employee’s immediate supervisor. Next, the PSN is sent to a reviewer, an HR manager or designee who is supposed to review the document for grammatical errors, misspelled words, and proper content. Afterwards, the reviewer sends the PSN to an upper-level manager for approval of disciplinary action or to make further changes in the wording, as necessary, and potentially to a secondary approver, usually the Assistant Warden or Warden, if recommended disciplinary action is a demotion, suspension or termination. After this review phase, a service supervisor meets with the employee and serves the PSN.

Over the Relevant Review Period, approximately 4,653 PSNs were issued to employees.¹⁷⁴ As can be seen in the chart below, CoreCivic issued PSNs to individuals identifying as white in a lower percentage and to individuals identifying as nonwhite in a higher percentage over the Relevant Review Period than comprised CoreCivic’s workforce as of August 20, 2021. Appendix F, Additional CoreCivic Employee Data, contains a chart with additional detail regarding the numbers and

percentages PSNs issued to CoreCivic employees during the Relevant Review Period. As can be seen in that chart, CoreCivic issued PSNs to a higher percentage of individuals identifying as Black or African American and to a lower percentage of individuals identifying as Hispanic or Latino or white over the relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021.



** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

Q. Employee Discrimination and Harassment Complaint Processes: Another factor impacting CoreCivic’s ability to retain employees likely includes whether the Company is perceived by its employees to have fair and successful employee issue resolution processes. In particular, employees often want to know how harassment and discrimination complaints are typically handled. Notably, people of color, and particularly women of color, suffer disproportionate numbers of harassment and discrimination incidents at work compared to white counterparts.¹⁷⁵ CoreCivic’s Harassment Policy (“**Policy 03-17**”) sets out the Company’s prohibition on harassment on the basis of protected classes such as race and sex and provides a detailed retaliation prohibition. CoreCivic’s Human Rights Policy, Diversity and Inclusion Plan Policy, and Code of Ethics have language regarding promoting human dignity, showing respect, and preventing discrimination and harassment. Additionally, CoreCivic’s Equal Employment Opportunity Policy (“**Policy 01-05**”) states that it is CoreCivic’s policy to “take positive steps to provide equal employment opportunity for all employees without regard to race, color, sex, sexual orientation, gender identity, national origin, citizenship, religion, age, disability, pregnancy, genetic information, veteran status, or any other status or characteristic in compliance with applicable federal, state or local law.” But, as discussed previously, CoreCivic does not have a distinct, standalone, anti-discrimination policy (similar to the BOP’s Anti-Discrimination Policy).¹⁷⁶ The

Company should consider implementing a standalone, anti-discrimination policy which addresses discrimination on the basis of all protected classes. Having such a standalone anti-discrimination policy would be powerful.¹⁷⁷

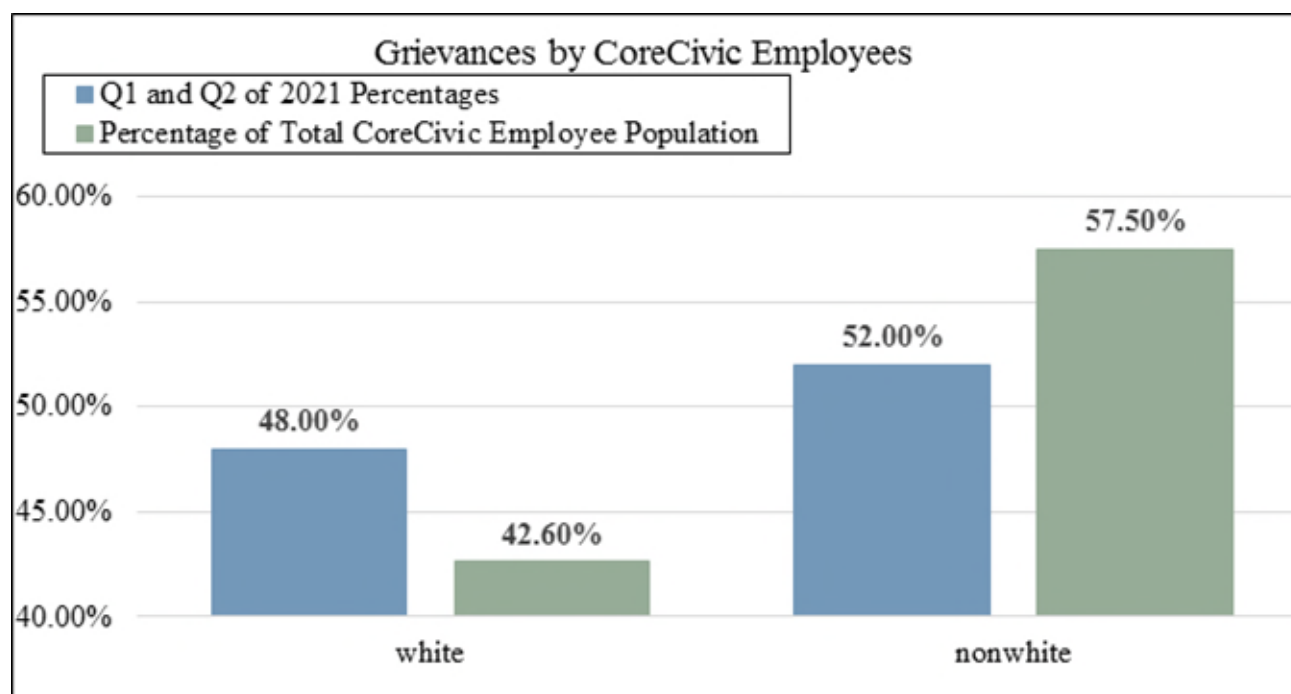
CoreCivic maintains three formal employee dispute resolution processes to be utilized when an issue arises. First, certain types of matters must be escalated to the General Counsel Office of Investigations (“GCOI”), within CoreCivic’s Legal Department, for investigation including, for example, when the person against whom an allegation is made is an FSC employee, a Warden or Facility Administrator, or an employee holding one of certain positions; the allegation involves FSC operations or activity, operations or activity at more than one facility, or a potential violation of the Company of certain federal or state law; or the allegation could, if substantiated, be deemed to constitute employee discrimination based on one or more protected classes (including race and national origin or ancestry). Unless the race and ethnicity of a complainant is relevant to the allegations (for instance, in a matter involving racial discrimination) or volunteered by the complainant, they are not typically captured during the GCOI process. CoreCivic is working to build a custom report that will allow the Company to pull such demographics if the reporting person is identifiable.

Second, HR provides a grievance process for employees to raise employment-related issues when informal means of problem solving have failed or, because of the nature of the dispute, may be inappropriate. Internal interviewees said that most grievances constitute appeals of management disciplinary decisions, and this is generally borne out by the data provided and discussed further below. An internal interviewee informed the audit team that in 2022, the Company plans to operationalize more robustly looking for trends (e.g., relating to adverse impacts) in HR grievance data.

Third and finally, CoreCivic maintains a 24-hour Ethics Line maintained by Ethics and Compliance for asking questions, raising concerns, and reporting misconduct via phone call (1-800-461-9330) or website submission (www.corecivic.com/ethicsline).¹⁷⁸ Generally, all matters not more appropriately handled by GCOI or HR are resolved via the Ethics Line process. Matters may be submitted for resolution by both current or former employees and anonymously. As with GCOI data, unless the race and ethnicity of a complainant is relevant to the allegations or volunteered by the complainant, they are not typically captured during the Ethics Line process. If an issue comes through one channel but is more appropriately handled through a difference process, GCOI, HR, or Ethics and Compliance, as applicable, may work with other departments, as necessary, to address or resolve the matter or refer an employee to another process.

The audit team requested GCOI data to include the racial and ethnic demographics of employee complainants but CoreCivic noted that racial and ethnic demographic information would not have been uniformly available (as explained above, because it is not consistently captured for GCOI matters). Senior management represented that CoreCivic is working with a vendor to track this data going forward.

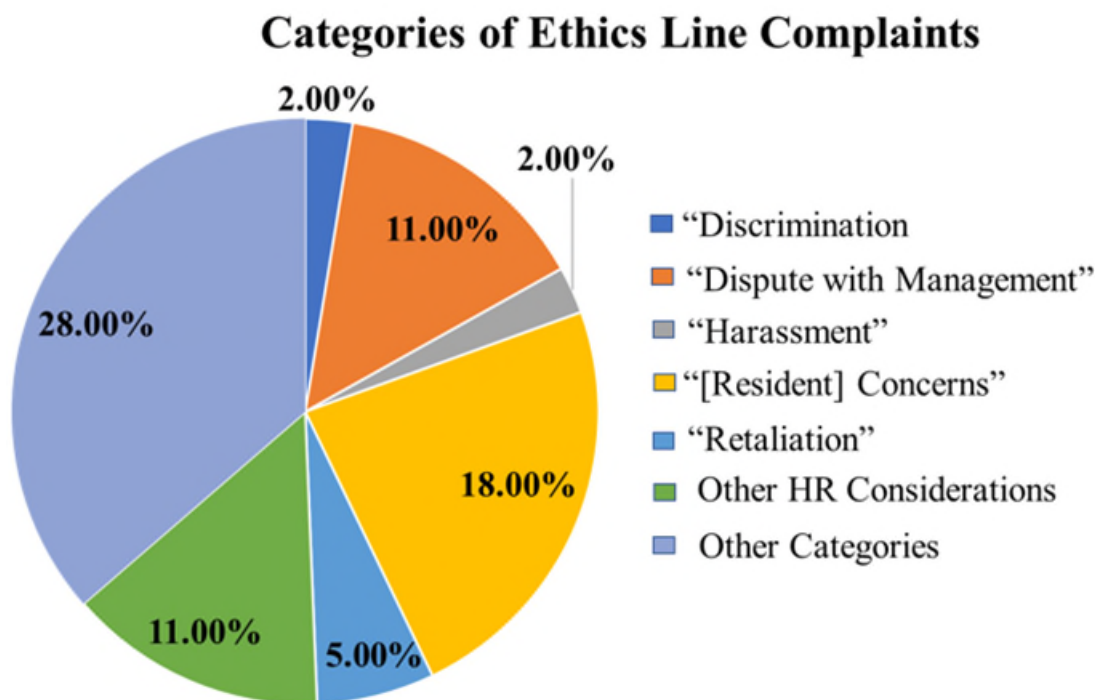
Over the Relevant Review Period, approximately 578 HR grievances were submitted by employees. As can be seen in the chart below, whereas individuals identifying as white made up approximately 42.60% of CoreCivic's workforce on August 20, 2021, they submitted a higher percentage (48%) of grievances over the Relevant Review Period. In contrast whereas individuals identifying as nonwhite made up approximately 57.50% of CoreCivic's workforce on August 20, 2021, they submitted a lower percentage (52%) of grievances over the Relevant Review Period. Appendix F, Additional CoreCivic Employee Data, contains a chart with further detail. Per the corresponding chart of HR grievance data in Appendix F, a lower percentage of individuals identifying as Hispanic or Latino submitted HR grievances over the relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021. (Appendix F also contains more detail on the categories into which HR grievances submitted by employees fell over the Relevant Review Period).



** This chart is provided for illustrative purposes only and does not purport to show statistically-significant trends.*

Additionally, CoreCivic provided the audit team with data showing that approximately 200 Ethics Line complaints were submitted by named reporters (including non-employees and former and current employees) over the Relevant Review Period. (Although employees represented that Ethics Line complaints anonymously submitted by individuals "represent[] approximately 50% of total reports," CoreCivic did not provide the audit team with data relating to such complaints because no racial or ethnic demographic data could be provided in relation to anonymous reporters.) The 200 Ethics Line complaints submitted by named reporters over the Relevant Review Period typically fell into the categories shown in the chart below. Because demographics

were not reliably captured across the data, we are unable to determine any trends relevant to this audit.



In early 2021, senior management began considering potential process enhancements for the Company's complaint processes. The enhancements were designed to increase collaboration between HR, Legal, and Ethics and Compliance relating to complaint processes, add HR resources to support the grievance processes, develop policy and process flows to improve handling and documentation of informal complaint procedures, and, where appropriate, encourage the use of formal complaint procedures. Senior management also proposed the development of detailed communication plans to enhance employee trust in the complaint processes by improving engagement with reporters and monitoring for retaliation. Leadership reports that these enhancements are currently in development.

R. Concluding Thoughts: CoreCivic leadership is taking steps to promote diversity within CoreCivic's workforce and to invest in the Company's employees. Going forward, as it relates to improving outcomes for employees of color, the area where the most progress can be made is with employee retention. Enhanced tracking of employee demographics across outcomes and for multiple years will help CoreCivic make strides in that and other areas.

- CoreCivic should continue to diversify and invest in its workforce, at all levels.
- Moore & Van Allen recommends that CoreCivic enhance its tracking of employee racial and ethnic demographics across outcomes, and particularly over time, so that current and historical trends can be analyzed, and overall

outcomes improved (as has been done with respect to employee compensation data).

- CoreCivic should continue to implement enhancements to its employee complaint processes as proposed in connection with senior management's review of those processes in 2021.

CoreCivic's Response to the COVID-19 Pandemic

As acknowledged by the Centers for Disease Control and Prevention (“CDC”) and others, the COVID-19 pandemic “has brought social and racial injustice and inequity to the forefront of public health” in part because “COVID-19 has unequally affected” people of color.¹⁷⁹ And “while racial, ethnic, and economic disparities in the justice system are well documented, the pandemic revealed additional layers of stress and inequality” within that system.¹⁸⁰ Given that approximately 65% of CoreCivic residents and 57% of CoreCivic employees identify as people of color, analyzing CoreCivic’s policies, protocols, and procedures with respect to COVID-19 is a critical part of analyzing CoreCivic’s impact on its stakeholders of color.

CoreCivic implemented a substantial, centralized response to COVID-19. This response included issuing a number of policy directives applicable to all CoreCivic facilities and sharing education materials with residents and employees. Although CoreCivic acknowledged that senior management did not formally monitor whether facilities implemented one such directive regarding a commissary incentive for resident vaccinations, the Company’s overall pandemic response effort has entailed considerable effort and management by the Company. And the pandemic has been everchanging, requiring CoreCivic to remain alert and flexible. In this light, the audit team analyzed CoreCivic’s COVID-19 policies, protocols, and data. The audit team not only analyzed this information and data on its own merits, but also compared it to COVID-19-related statistics of the BOP, as appropriate.

The audit team also considered three planned federal vaccine mandates pertaining to: (1) federal employees; (2) federal contractors; and (3) businesses with over 100 employees. Two such proposed mandates—for federal contractors and businesses with over 100 employees—potentially would have been applicable to CoreCivic. Now there is substantial, pending litigation regarding both. A senior management employee told the audit team that, prior to the commencement of litigation regarding the mandates, CoreCivic began to undertake significant measures to ensure compliance with potentially applicable federal vaccine mandates (and added that CoreCivic has always worked to comply with applicable state and local mandates). That employee also stated that CoreCivic would comply with any applicable vaccine mandates going forward. But it should come as no surprise that CoreCivic, along with many other affected businesses across the country, is waiting for litigation to be resolved before taking further action relating to compliance with federal vaccine mandates as of the date of this report. Given the substantial uncertainty regarding whether federal vaccine mandates are enforceable, this section does not evaluate the impact of those mandates on CoreCivic’s operations.

This section starts by describing CoreCivic’s centralized response to the COVID-19 pandemic. Next, after providing required context, the section compares CoreCivic’s COVID-19-related statistics, including rates of hospitalization, death, and vaccination, to those of the BOP.

A. CoreCivic’s Pandemic Response Generally: CoreCivic senior management told the audit team that CDC guidance was the most significant influence on how CoreCivic mobilized its response to the COVID-19 pandemic and the Company resolved to, at a minimum, follow applicable CDC guidance with respect to COVID-19. The CDC issued significant guidance regarding COVID-19 in correctional and detention facilities, including its “Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities” (the “**CDC Guidance**”).¹⁸¹ The audit team concluded that CoreCivic’s policies, protocols, and overall response conform to the CDC Guidance, and at least one federal court has made a similar finding.¹⁸² Facility leaders additionally coordinated with state and local health departments to ensure the Company remained in compliance with their applicable requirements.

Quickly after learning of the outbreak of COVID-19, CoreCivic began to mobilize its response. On March 12, 2020, CoreCivic published the “CoreCivic Statement on COVID-19 Prevention”, reassuring the public that “CoreCivic is working hard to protect our employees, those entrusted to our care, and our communities during the COVID-19 pandemic.”¹⁸³ CoreCivic also created a centralized Coronavirus Response Committee, which includes its Chief Medical Officer, to coordinate the Company’s response to COVID-19.¹⁸⁴ Initially, CoreCivic management issued directions to facilities via e-mail regarding recommended actions and protocols in response to the pandemic on a periodic basis. Then, on April 13, 2021, CoreCivic instituted its “COVID-19 Pandemic Outbreak Operations and Management Control Plan” (the “**Control Plan**”). The Control Plan represents a formalization of centralized guidance applicable to all CoreCivic facilities, and states that the FSC Emergency Operations Center (“**EOC**”) will identify, collect, and report data necessary to track the spread of the virus throughout CoreCivic facilities and establishes mitigation procedures to prevent the further spread of the virus to the extent possible.

The Control Plan states that, as necessary, CoreCivic will provide residents with face coverings, gloves, and gowns. In addition, the Control Plan sets out that facilities should continue to encourage enhanced hygiene practices, enforce social distancing protocols, decrease unnecessary resident movement throughout the facility, house one individual per room “whenever possible,” establish a resident quarantine unit where new residents are to stay for 14 days before being exposed to the general resident population, and quarantine residents who have either tested positive for COVID-19 or are suspected to have been exposed to COVID-19. The Control Plan further instructs that high-risk residents should be placed in a separate housing area, that a consistent team of staff should supervise the unit, and that “COVID-19 vaccinated clinical staff” should be used to care for individuals either suspected or confirmed to be infected with COVID-19 and high-risk patients. Fully vaccinated¹⁸⁵ staff are directed to continue to follow the same protocols as staff who are not fully vaccinated, including those relating to social distancing and mask-wearing, but are not directed to self-isolate if exposed to COVID-19 unless they begin to experience symptoms. The Control Plan also dictates that “vaccination will be offered to [residents] in accordance with federal, state, and local guidelines, to include current guidance from the CDC,” and an internal interviewee indicated that CoreCivic has made vaccination available to anyone—residents or staff—who desires it across all CoreCivic facilities. CoreCivic additionally issued a “Staff COVID Vaccination Tracking Playbook”, which “outlines the process and tools

[facilities] will use to track staff vaccinations at your facility” and “includes suggestions on how [facilities] can setup the management of the process for your specific facility.”

CoreCivic instituted a program by which all employees are eligible for up to 80 hours of paid leave per calendar year if they test positive for COVID-19. A CoreCivic employee additionally told the audit team that all employees are eligible for up to one hour of paid leave in order to receive each dose of COVID-19 vaccine. CoreCivic has also altered its hiring process in light of COVID-19: In July 2021, CoreCivic issued guidance applicable to all facilities recommending that each facility use a “blended in-person/virtual hiring approach for events and interviewing” and that each facility “should continue to be flexible with candidates if a virtual approach is needed.” For example, this guidance recommends that “all candidates and facilities elect to do virtual (video or phone) interviews, where possible” and to give candidates “the choice of a virtual interview or an onsite interview, where possible.”

CoreCivic has strongly encouraged residents and staff alike to become vaccinated against COVID-19. For example, CoreCivic provided the audit team with guidance it issued to all staff and facilities pertaining to exposure to COVID-19 during business travel. The guidance prominently indicates that it is “HIGHLY recommended that all travelers become fully vaccinated before business travel begins” (emphasis in original). With respect to formalized vaccination incentives for staff, a CoreCivic employee advised the audit team that CoreCivic leadership “had multiple discussions throughout 2021” in which CoreCivic seriously considered whether to offer vaccination incentives for staff, but ultimately decided not to do so because the Company was concerned that offering a high-value incentive could be seen as coercive or otherwise contradict its stance that the vaccination was voluntary. For these reasons, CoreCivic opted not to institute a formal vaccination incentive program for employees and instead relied on education and encouragement programs.

In relation to resident vaccination incentives, a CoreCivic employee advised the audit team that the Coronavirus Response Committee issued a directive to all CoreCivic facilities that each facility should “execute on [a] commissary incentive at many facilities unless the partner disallowed it” and should further encourage residents to get vaccinated against COVID-19, including by distributing materials prepared by the Coronavirus Response Committee in connection with a company-wide “Vaccine Education Week.” When asked, the same CoreCivic employee told the audit team that CoreCivic management did not formally record data detailing whether facilities actually followed through with this directive to issue a commissary incentive. Additionally, CoreCivic management told the audit team that the Company routinely conducts facility audits, which include evaluations with respect to COVID-19, and executives and members of management made facility visits, and that medical personnel and other employees would report back on important issues relating to COVID-19, including but not limited to mask usage and vaccinations.

On balance, the audit team concluded that CoreCivic did not track whether facilities actually followed through with this vaccination incentive directive partly due to two reasons: (1) differing, and sometimes conflicting, guidance from federal and state governmental agencies, thus compelling CoreCivic to take action to comply with that guidance and (2) the pandemic necessitating that CoreCivic make a number of critical decisions within a short timeframe.

B. A Note About CoreCivic and BOP COVID-19-Related Statistics: Prior to listing relevant COVID-19-related statistics for CoreCivic and the BOP, it is important to note that CoreCivic and the BOP maintain different systems and thus must consider different sets of circumstances with respect to COVID-19. First, much of the BOP's population consists of individuals who have already been convicted of a crime, whereas a CoreCivic employee told the audit team that over half of CoreCivic's resident population are in detention facilities. This suggests that many of CoreCivic's residents will stay at a CoreCivic facility for a shorter length of time than many of the BOP's residents will stay at a BOP facility, which would impact certain COVID-19-related statistics. For this reason, the audit team elected to only compare CoreCivic's COVID-19-related statistics from its correctional facilities to those of the BOP. Additionally, a substantial majority of CoreCivic's contracts are with state governments, whereas the BOP is a federal agency. Thus, CoreCivic must also consider any potential reaction from many different state governments—whether that be in the form of a state law or regulation, termination of an existing contract with a state entity, or hesitancy from a state government to enter into future contracts with CoreCivic—when deciding whether to implement particular policies or procedures, especially with respect to COVID-19. As referenced above, CoreCivic, by necessity, operates as a more heterogeneous business model, and thus any comparison between the statistical data relating to CoreCivic and the BOP's respective responses to COVID-19 should be viewed with the proper context.

In conversations with the audit team, CoreCivic senior management reiterated their belief that the Company's success in combating COVID-19 is comparable to that of the BOP and individual state correctional and detention systems nationwide.

C. CoreCivic Recovery and Death Statistics: CoreCivic internally reports COVID-19 statistics relating to the number of staff and resident quarantines, hospitalizations, recoveries, and deaths due to COVID-19 on a daily basis. Consistent with other aspects of demographic data, the information provided to the audit team in February of 2022 was not broken out by racial or ethnic demographics. As of February 7, 2022, out of 4,451 CoreCivic staff members at correctional facilities, 2,426 (or 54.50%) had recovered from COVID-19 infection and 10 (or 0.22%) had died from COVID-19.¹⁸⁶ Out of 31,395 CoreCivic residents at correctional facilities, 11,334 (or 36.1%) had recovered from COVID-19 infection and 62 (or 0.19%) had died from COVID-19.

D. BOP Recovery and Death Statistics: The audit team submitted a Freedom of Information Act ("FOIA") request in September of 2021 requesting certain BOP COVID-19-related statistics for staff and residents broken out by race and ethnicity for potential comparison purposes. As of the date of this report, however, the BOP has not yet provided the requested data. The BOP does publish certain COVID-19 statistics on its website, but the data is not broken out by racial and ethnic demographics. As of February 7, 2022, out of approximately 36,000 BOP staff, 10,094 (or 28.04%) had recovered from COVID-19 infection and 7 (or 0.02%) had died from COVID-19 infection.¹⁸⁷ As of February 7, 2022, out of approximately 146,270 residents, 50,098 (or 34.25%) had recovered from COVID-19 infection and 284 (or 0.19%) had died from COVID-19.¹⁸⁸ Eleven residents included in this total died from COVID-19 while on home confinement.¹⁸⁹

E. CoreCivic Vaccination Data¹⁹⁰: CoreCivic has made a significant effort to encourage CoreCivic staff, residents, and other individuals who enter CoreCivic facilities to get vaccinated against COVID-19, and CoreCivic management indicated to the audit team that the Company has made vaccinations available to those who want them.¹⁹¹ CoreCivic tracks staff and resident vaccination statistics but that tracking does not include racial or ethnic demographics. As of February 10, 2022, 2,206 out of 4,451 CoreCivic staff members (or 47.80%) at correctional facilities were considered fully vaccinated against COVID-19. Similarly, as of February 10, 2022, 14,307 out of 31,395 CoreCivic residents (or 45.57%) at correctional facilities were considered fully vaccinated against COVID-19.

F. BOP Vaccination Data: The BOP has made the COVID-19 vaccine available to interested staff and residents.¹⁹² As of February 10, 2022, 25,898 out of approximately 36,000 BOP staff (or 71.94%) were fully vaccinated.¹⁹³ Similarly, as of the same date, 120,250 out of approximately 148,590 BOP residents (or 80.93%) were fully vaccinated.¹⁹⁴

G. Concluding Thoughts: CoreCivic has undertaken significant efforts to ensure the health and safety of those who enter its facilities during the COVID-19 pandemic. With that being said, the audit team is unable to determine whether nonwhite CoreCivic stakeholders are suffering disproportionate impacts because CoreCivic does not track key statistics to include racial and ethnic demographics. Additionally, CoreCivic issued a substantial amount of centralized COVID-19 guidance and policies applicable to all CoreCivic facilities. However, in one instance relating to vaccination incentives, CoreCivic did not systematically monitor whether individual facilities implemented its directive to offer a commissary vaccination incentive to residents. Given the ever-evolving nature of the pandemic and uncertainty around the enforceability of COVID-19 vaccine mandates, it will be important for CoreCivic to remain nimble in its approach and to monitor what other public and private institutions are doing as best practices emerge. CoreCivic also should consider publishing its own detailed plans and protocols so that residents, families, communities, and employees have visibility and can share any responsive concerns and feedback.

- Moore & Van Allen recommends that CoreCivic begin tracking statistics relating to stakeholder COVID-19-related infections, hospitalizations, recoveries, deaths, and vaccinations by race and ethnicity so that the Company can determine whether residents and employees of color are suffering disproportionate impacts.
- Moore & Van Allen recommends that CoreCivic continue to evaluate what the BOP and other public and private systems are doing in response to the COVID-19 pandemic, and that the Company reevaluate its own response, as necessary and as appropriate, paying particular attention to ever-evolving best practices.

Conclusion / Final Recommendations

From our observations, CoreCivic is working to provide high-quality services to its customers, all of the residents in its care, and the families of those residents; to invest in its people; and to be a trusted partner in the communities it serves. Despite engaging in significant corporate-level DEI efforts, DEI engagement at the facility level is too often dependent on the personalities and background of leadership in place and individual facility population needs. CoreCivic corporate realizes that fostering DEI is integral to individual and collective performance, drives quality of operations, increases employee engagement, and promotes an inclusive culture of dignity and respect. The Company supports all of these elements both as a matter of good business and because it is the right thing to do. That is why, in the past couple of years, and despite the disruption and challenges caused by the COVID-19 pandemic, CoreCivic has accelerated important work in the DEI space—for example, by establishing a DEI Advisory Council along with a board-level DEI committee to help guide the Company's work, deploying a comprehensive workforce culture survey across all employee levels, and conducting conscious inclusion and other DEI-related trainings. Instilling the Company's DEI Vision Statement and Goals at each of CoreCivic's facilities is rightfully at the top of management's list of priorities.

Improving the quality of data and utilizing data to improve outcomes for the Company's impacted communities, including communities of color, is the second key priority. Across the board, the audit team observed that the Company could pay heightened attention to: (1) obtaining feedback from certain stakeholder populations (e.g., residents, families, and government and community leaders); (2) tracking racial and ethnic demographics compared to outcomes with respect to various initiatives, programs, and efforts; and (3) specifically analyzing the Company's impacts on nonwhite stakeholders and communities of color. Although CoreCivic does have some framework and mechanisms in place to promote DEI, its work is far from over. It will be important to monitor that work on an ongoing basis. Going forward, CoreCivic must make a greater effort to solicit broader feedback, track demographics, and evaluate impacts relevant to its nonwhite stakeholders and communities of color to deliver measurable results and show that it is serious about its commitment to DEI and improving outcomes for its impacted populations.

Specific recommendations for CoreCivic are contained throughout this report but highlights are also reiterated below for ease of reference. While adopting and operationalizing some of our recommendations may not be particularly onerous, we acknowledge that implementing others, to the extent possible, may be extremely costly, time-consuming, and sometimes require partner approval or cooperation to fully implement. Some of our recommendations may exceed current corrections industry practices in terms of aggregating and systemically analyzing outcome metrics by race and ethnicity, thus presenting CoreCivic with an important opportunity to influence the industry as a whole in a way which will benefit a wide swath of stakeholders of color. Management will need to weigh all relevant considerations to determine the best ways to move forward for the Company, its shareholders, and its stakeholders. We look forward to hearing about actions taken by the Company to improve the day-to-day experiences of its stakeholders, and particularly the Company's nonwhite stakeholders and communities of color who continue to face special challenges due to persisting societal inequities. Ideally, CoreCivic will utilize the opportunities

identified in our report to commit to specific, achievable actions to improve policies, practices, and initiatives in the years ahead.

Relating to the DEI Advisory Council and CoreCivic Policies:

- Moore & Van Allen recommends the DEI Advisory Council expand its work to increase the focus on improving DEI outcomes for its residents and residents' family members.
- Moore & Van Allen recommends that CoreCivic continue to periodically review, revise, and update its policies and related metrics, as necessary and as appropriate.
- Moore & Van Allen recommends that CoreCivic: (1) remain aware of the potential for issues to arise as a result of data management and policy implementation failures; and (2) be swift in taking corrective action if any do.

Relating to Residents:

- Although it is standard practice in the corrections industry to use terms like “inmate” and “offender” to refer to someone who is incarcerated, Moore & Van Allen recommends that CoreCivic, and others in the industry, reconsider the use of such terms—which many consider to be derogatory and demoralizing, whenever feasible. The audit team found such terms to be inconsistently used by CoreCivic employees, and at least one external interviewee stated that their use undermines the perception that CoreCivic is genuine about its commitment to DEI. Notably, CoreCivic’s Ethics and Compliance Office already uses “residents” or phrases such as “those entrusted to our care” or “detained or justice-involved persons” in the Company’s Code of Ethics, Human Rights Policy, and ESG reporting, and this is praiseworthy. Other industry entities will need to make a similar linguistic shift for neutral language to become the industry standard.
- Where feasible and productive, many existing resident-centric policies could be improved to provide protections against bias and discrimination on the basis of being of a protected class and could specifically reference CoreCivic’s DEI values. Relatedly, the audit team recommends that CoreCivic enact a single, comprehensive, anti-discrimination towards residents policy (again, to the extent feasible).
- Moore & Van Allen recommends that CoreCivic, to the extent possible and allowed by government partners, begin conducting regular, DEI-focused resident surveys, interviews, and focus groups. While CoreCivic does perform annual resident climate surveys, those surveys are not tracked along demographic lines and do not address DEI considerations. And while CoreCivic has begun conducting resident interviews as part of its annual human rights facility assessment process that touch

on DEI issues, such interviews have only occurred at two facilities to date (one correctional facility and one detention facility in each of Q2 and Q3 of 2021). Speaking with current residents of all backgrounds across facilities and memorializing the DEI-focused learnings of those discussions is critical to fully understanding and analyzing impacts on this significant stakeholder group. Community activists and organizers spoken with echoed this belief and recommended that CoreCivic host regular resident conversations (in various languages) to foster a more open and transparent dialogue; the audit team concurs with that recommendation.

- Moore & Van Allen recommends that CoreCivic plan DEI-focused resident programming and other initiatives across its facilities (to the extent allowed by government partners and not cost prohibitive). CoreCivic should also continue to work towards recruiting volunteers and program administrators who reflect the diversity of the resident population. Further, CoreCivic should consider implementing a voluntary program incentivizing individuals who were formerly incarcerated at CoreCivic facilities to respond to surveys inquiring about the relevance and effectiveness of CoreCivic's programming, to the extent possible.
- CoreCivic should institute accountability mechanisms to ensure facility leaders are leaning into CoreCivic's stated DEI values. While employees are entitled to have their own personal beliefs, when those beliefs are inconsistent with CoreCivic's stated values, employees should make decisions based on CoreCivic's values and not allow personal beliefs to interfere with decision-making.
- Moore & Van Allen recommends that even though CoreCivic's grievance process has been upheld by courts across the country, CoreCivic work towards enhancing its resident grievance process so that complaints can be readily submitted, tracked and analyzed in a consistent manner Company-wide.
- CoreCivic should consider working with government partners and other industry players to develop norms and tools to aggregate and report outcomes across demographics and to track those data over time, including data relating to programming and the racial and ethnic demographics of residents, so that CoreCivic and others can conduct related statistical analyses of such data over periods of time to determine relevant trends.

Relating to Families:

- Moore & Van Allen recommends that CoreCivic begin conducting family interviews, focus groups, or satisfaction surveys, including covering DEI issues, and track voluntarily-provided racial and ethnic demographics of interviewees, participants, and respondents, to the extent possible.

- Moore & Van Allen understands that CoreCivic management is reexamining the Company's process for handling IRCL matters. The audit team recommends that CoreCivic continue to identify and implement enhancements, to the extent feasible, to provide an improved, highly-responsive, and potentially best-in-class resource for all residents' families, including families of color.
- Moore & Van Allen recommends that CoreCivic continue to benchmark what the BOP and other public and private systems are allowing in terms of in-person visitation to identify best practices, as well as other ways that the Company can promote family connectivity.

Relating to Communities:

- Moore & Van Allen recommends that CoreCivic make greater efforts to support a more diverse and inclusive pool of initiatives, organizations, and political candidates, and, relatedly, begin tracking the race and ethnicity of the individuals to whom it donates, as well as which organizations it donates to specifically serve communities of color.
- Moore & Van Allen also recommends that CoreCivic stay vigilant and sensitive to ensure that its activities, including but not limited to the Company's association with organizations like the D1A, lobbying activities, and political contributions, are aligned with its ultimate mission and DEI values.
- For both CoreCivic and external advocacy groups, Moore & Van Allen recommends greater communication, open dialogue, and engagement so that mutual learning can occur, even in the face of initial, significant disagreement.

Relating to Employees:

- CoreCivic should continue to diversify and invest in its workforce, at all levels.
- Moore & Van Allen recommends that CoreCivic enhance its tracking of employee racial and ethnic demographics across outcomes, and particularly over time, so that current and historical trends can be analyzed, and overall outcomes improved (as has been done with respect to employee compensation data).
- CoreCivic should continue to implement enhancements to its employee complaint processes as proposed in connection with senior management's review of those processes in 2021.

Relating to CoreCivic's COVID-19 Pandemic Response:

- Moore & Van Allen recommends that CoreCivic begin tracking statistics relating to stakeholder COVID-19-related infections, hospitalizations, recoveries, deaths, and vaccinations by race and ethnicity so that the Company can determine whether residents and employees of color are suffering disproportionate impacts.
- Moore & Van Allen recommends that CoreCivic continue to evaluate what the BOP and other public and private systems are doing in response to the COVID-19 pandemic, and that the Company reevaluate its own response, as necessary and as appropriate, paying particular attention to ever-evolving best practices.

As previously noted, the work put into this racial equity audit was substantial, both on the part of Moore & Van Allen and CoreCivic. That work included conducting discussions with more than 50 internal and external individuals, as well as collecting and reviewing vast amounts of data and information. Throughout the process, CoreCivic employees were cooperative and willing to assist with all inquiries. Despite significant data-related limitations uncovered along the way and the number of opportunities for CoreCivic to improve highlighted above and elsewhere in the report, the audit team commends CoreCivic for committing to undertake this racial equity audit, for being willing to have a light shined on its operations, and for engaging in this important work.

Throughout this process, CoreCivic has been committed to transparency, and that is why the Company is publishing this report on its website. We understand that CoreCivic expects to provide periodic updates on its progress in delivering on its DEI commitments, and we recommend that the Company consider future reviews like this audit to test its progress. We believe there are many steps ahead to achieve the Company's DEI goals and to improve outcomes for impacted communities of color, where needed.

Appendix A: Key Concepts and Definitions

Key Concepts and Definitions: Certain important terms used throughout the report are defined in this Appendix A.

Diversity: the presence of differences (ex: race, gender, religion, sexual orientation, socioeconomic status, etc.). *See What is Diversity, Equity, and Inclusion (DEI)?*, EXTENSION FOUND. IMPACT COLLABORATIVE, <https://dei.extension.org/> (last visited Feb. 1, 2022).

Equity: recognizes each person's unique circumstances and promotes the fair and proportional allocation of resources and opportunities. *See George Wash. Univ. Online Master of Public Health Program, Equity v. Equality: What's the Difference?*, GEORGE WASH. UNIV. (Nov. 5, 2020), <https://onlinepublichealth.gwu.edu/resources/equity-vs-equality/#:~:text=Equality%20means%20each%20individual%20or,to%20reach%20an%20equal%20outcome>.

Inclusion: an outcome to ensure that those who are diverse actually feel welcome and are able to participate fully in decision-making and development opportunities. *See What is Diversity, Equity, and Inclusion (DEI)?*, EXTENSION FOUND. IMPACT COLLABORATIVE, <https://dei.extension.org/> (last visited Feb. 1, 2022).

Correctional Facility: a CoreCivic facility housing individuals convicted of crimes and currently serving sentences that is typically of medium or higher security with its primary government customer or customers being one or more local or state government entities or departments of corrections or the BOP.

Correctional Resident: an individual held in custody in one of CoreCivic's correctional facilities.

Detention Facility: a CoreCivic facility housing individuals who: (1) are awaiting trial or sentencing; (2) have already been convicted and sentenced but are awaiting transfer to a correctional facility; or (3) are awaiting immigration status case completion or deportation. The primary government customer or customers for these facilities typically are one or more local or state government entities, the BOP, ICE, or the USMS.

Detention Resident: an individual held in custody in one of CoreCivic's detention facilities.

ICE Resident: a specific type of detention resident housed in a CoreCivic detention facility pursuant to a contract with ICE.

USMS Resident: a specific type of detention resident housed in a CoreCivic detention facility pursuant to a contract with the USMS.

Community Facility: a CoreCivic facility differing from other CoreCivic facilities in that it is specifically focused on providing transitional housing, programs, and services designed to help individuals successfully “reenter” society following incarceration. The BOP refers to such facilities as “residential reentry centers” (or “RRCs”).

Community Resident: an individual whose release is pending and who temporarily resides in, or is checking in with, one of CoreCivic’s community facilities.

Appendix B: Biographical Information of Audit Team Members

As noted, the team conducting this racial equity audit was led by Valecia M. McDowell and supported by a diverse team of lawyers and professional staff highly experienced in conducting internal investigations and evaluating DEI-related issues. Professional biographies of the audit team members follow in this Appendix B.



Valecia M. McDowell is Co-Head of Moore & Van Allen's White Collar, Regulatory Defense and Investigations practice, Co-Chair of the firm's Diversity Committee, and a member of the firm's Management Committee. Ms. McDowell is a thought leader in the areas of conduct risk management and internal investigations, as reflected in her rankings in Chambers USA and Best Lawyers, as well as her inclusion in national publications such as Bloomberg, American Banker, Corporate Compliance Insights, and Inside Counsel. She is known for her experience conducting internal investigations across the U.S., Europe, Asia, and South America, and she has developed particularized investigative expertise in the areas of employee misconduct and risk management, including issues relating to discrimination, harassment, disparate impact, and corporate ethics.

DEI Highlights:

Ms. McDowell has demonstrated a lifelong commitment to DEI, which has been recognized regionally and nationally by her peers in law and business.

- Ms. McDowell is the former Board Chair for the Community Building Initiative, a regional non-profit working to give people and organizations tools needed to fight bias, remove barriers to opportunity, and build a more equitable and just community. *See About Us*, COMMUNITY BUILDING INITIATIVE, <https://cbicharlotte.org/about-us/> (last visited Feb. 3, 2022).
- Ms. McDowell has served as a leader in the Mecklenburg County Bar with respect to DEI issues, for which she received the Julius L. Chambers Diversity Champion Award in 2017. *See Valecia M. McDowell – 2017 Diversity Champion Award Winner*, MECKLENBURG CNTY. BAR, <https://www.meckbar.org/?pg=2017-julius-l-chambers-diversity-champion-valecia-> (last visited Feb. 3, 2022). Other recipients of this award include civil rights lawyer James L.

Ferguson, who served as General Counsel for the ACLU for 15 years, and the Honorable Albert Diaz, the first Hispanic judge to serve on the United States Court of Appeals for the Fourth Circuit.

- A frequent speaker on the importance of DEI in regional and national forums, Ms. McDowell served as one of five panelists at the Securities Industry and Financial Markets Association's keynote diversity program. She spoke on innovative ways to address diversity and inclusion in the financial services sector alongside Eric Grossman, General Counsel of Morgan Stanley, Ken Miller, Deputy General Counsel of Bank of America, and Michelle Oroschakoff, Chief Legal Officer of LPL Financial. See *SIFMA C&L Annual Seminar*, SECS. INDUS. AND FIN. MARKETS ASS'N, <https://www.sifma.org/wp-content/uploads/2019/04/2019-SIFMA-CL-Annual-Seminar-Program-PDF.pdf> (last visited Feb. 3, 2022).
- Ms. McDowell was named to the 2020 Lawyers of Color Power List by the Diverse Partners Network. *Moore & Van Allen Members Joseph Fernandez and Valecia McDowell Named To Lawyers of Color Power List*, MOORE & VAN ALLEN PLLC (Jan. 2020), <https://www.mvalaw.com/news-Moore-Van-Allen-members-Joseph-Fernandez-and-Valecia-McDowell-named-to-Lawyers-of-Color-Power-List>.
- Ms. McDowell was named Charlotte Woman of the Year and was a North Carolina Women of Justice honoree in 2019. See, e.g., *Valecia McDowell Honored As A Women of Justice 2019*, MOORE & VAN ALLEN PLLC (Sept. 2019), <https://www.mvalaw.com/news-Valecia-McDowell-honored-as-a-Women-of-Justice-2019>.

For information on Ms. McDowell's personal experiences and DEI perspectives and how they impact her work, please see:

- *Dynamic Diversity: The changing look of N.C. executive power*, BUS. NORTH CAROLINA (Feb. 1, 2021), <https://businessnc.com/dynamic-diversity-the-changing-look-of-n-c-executive-power/>;
- *Shedding Light (Without the Spotlight)*, SUPER LAWYERS (Apr. 7, 2020), <https://www.superlawyers.com/north-carolina/article/shedding-light-without-the-spotlight/c5e0b0b3-7403-4eb4-a8ac-02595b7f8172.html>; and
- *Leading "Connected,"* CORP. COMPLIANCE (Aug. 14, 2018), <https://www.corporatecomplianceinsights.com/leading-connected/>.

For more on Ms. McDowell generally, please see her professional biography on Moore & Van Allen's website. *Valecia M. McDowell*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-ValeciaMMcDowell>.



Edward P. O'Keefe is Co-Head of Moore & Van Allen's Financial Regulatory Advice and Response practice and the former Global General Counsel of Bank of America Corporation. His experience includes investigations, litigation, regulatory compliance, governance, cybersecurity, compensation, and risk management. Mr. O'Keefe also advises on law department management, including effective legal engagement with regulators and control functions.

DEI Highlights:

- At Bank of America, Mr. O'Keefe led a department of 1,100-plus attorneys, paralegals, and support staff in 40 U.S. and 20 international cities that managed the Bank's legal affairs and legal risks. He served as a key leader for the Bank in diversity, equity, and inclusion. In his role as General Counsel, Mr. O'Keefe won numerous awards, including Law 360's Innovative Corporate Counsel Award and multiple International Financial Law Review awards. As an industry leader, he served on the Leadership Council for Legal Diversity.
- In 2012, Mr. O'Keefe was the recipient of the Thurgood Marshall Award of Excellence. Other recipients of this honor include Holly Robinson Peete, actress, activist, and philanthropist, and Nicholas Katzenbach, former U.S. Attorney General. Award recipients are to exemplify Thurgood Marshall's passion for justice and civil rights by continuing his principles, promoting diversity initiatives, addressing education issues across different disciplines, and serving as significant role models to the next generation. *See 4 Local Leaders Will Be Honored at the 9th Annual Thurgood Marshall College Fund "Awards of Excellence,"* THURGOOD MARSHALL COLL. FUND (Sept. 11, 2012), <https://news.cision.com/thurgood-marshall-college-fund/r/4-local-leaders-will-be-honored-at-the-9th-annual-thurgood-marshall-college-fund--awards-of-excellen,c9303854>.

For more on Mr. O'Keefe generally, please see his professional biography on Moore & Van Allen's website. *Edward P. O'Keefe*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-EdwardOKeefe>.



Elena F. Mitchell is an Associate at Moore & Van Allen whose practice focuses on complex litigation involving a wide variety of business and employment matters, including torts, commercial contracts, mortgage loan disputes, antitrust litigation, and estate litigation. Ms. Mitchell also frequently assists clients with financial regulatory and compliance issues and represents clients in corporate and government investigations, including providing guidance to employers seeking to prevent discrimination and harassment and to promote diversity, equity, and inclusion in their workplaces. Ms. Mitchell earned her bachelor's degree in broadcast journalism at the University of South Carolina and her J.D. from the University of Virginia School of Law.

DEI Highlights:

- Active in pro bono work, Ms. Mitchell supports the firm's Domestic Violence, Human Trafficking, and Wills Pro Bono Projects. Ms. Mitchell also has handled cases for the Charlotte Center for Legal Advocacy and the International Refugee Assistance Project and litigated civil rights claims under 42 U.S.C. § 1983 in federal court.
- Ms. Mitchell is a member of the Hispanic National Bar Association, the Mecklenburg County Hispanic Latino Lawyers Bar, the firm's Lawyers of Color and Women of Moore & Van Allen affinity groups, and the firm's Young Professionals Sub-Committee.
- In 2018, Ms. Mitchell took part in the Community Building Initiative's Leaders Under 40 leadership program. See *About Us*, COMMUNITY BUILDING INITIATIVE, <https://cbicharlotte.org/about-us/> (last visited Feb. 3, 2022).

For more on Ms. Mitchell generally, please see her professional biography on Moore & Van Allen's website. *Elena F. Mitchell*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-ElenaMitchell>.



Jamea Richardson practices as Discovery and Investigations Counsel at Moore & Van Allen. Ms. Richardson provides data analytics, legal strategy, and workflow solutions in a variety of matters. She also manages document review and discovery projects across diverse industries and supports clients with matters involving various regulatory agencies. Ms. Richardson's experience includes regulatory investigations for publicly traded financial institutions, cross-border data collection, and investigations and review of consumer sales practices for national financial institutions. She has consulted clients in all areas of the discovery life cycle, including data retention and preservation, data collection, document review, and document production, with a focus on efficient and defensible discovery practices. Ms. Richardson has extensive knowledge and experience working with various discovery and litigation support systems.

DEI Highlights:

- Ms. Richardson is a member of Charlotte's Women in eDiscovery group, the firm's Black Affinity Resource Group, Lawyers of Color, and Women of Moore & Van Allen affinity groups.



Kaitlin M. Price is an Associate at Moore & Van Allen with experience in white-collar criminal actions and complex business litigation matters, including complicated disputes involving partnerships and limited-liability companies. Recently, she participated in a seven-week federal criminal jury trial involving allegations of violating the Sherman Act. Ms. Price's practice also focuses on conducting internal investigations for financial institutions and private companies pertaining to a wide range of issues. She has worked with a client to evaluate its internal allegation reporting process and managed over seventy resources as a part of conducting that investigation. In addition, she has assisted in representation of a North Carolina-based conglomerate of businesses related to U.S. Department of Justice investigations into federal bribery and financial crimes, including working with third-party forensic consultants.

DEI Highlights:

- Ms. Price is a member of the firm's Women of Moore & Van Allen affinity group.

For more on Ms. Price generally, please see her professional biography on Moore & Van Allen's website. *Kaitlin M. Price*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-KaitlinPrice>.



Sarah Negus is a Member of Moore & Van Allen’s Labor and Employment Team with experience counseling employers on policies and procedures, personnel decisions, and other workplace challenges. She litigates employment disputes in state and federal courts and has broad experience in discrimination and retaliation claims under Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, as well as state and federal wage and hour matters. Ms. Negus also regularly defends employers before federal and state administrative agencies, including the Equal Employment Opportunity Commission and the North Carolina and U.S. Departments of Labor.

DEI Highlights:

- Ms. Negus routinely counsels clients in developing, maintaining, and enforcing anti-discrimination and harassment policies and frequently performs training for employers on discrimination and implicit bias.
- Ms. Negus is also a board member of the Council for Children’s Rights, Mecklenburg County’s leading advocacy group for at-risk children, and a member of the firm’s Women of Moore & Van Allen affinity group.

For more on Ms. Negus generally, please see her professional biography on Moore & Van Allen’s website. *Sarah H. Negus*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-SarahNegus>.



Jonathan D. Gilmartin is an Associate at Moore & Van Allen whose practice focuses on complex commercial litigation, regulatory matters, including financial regulatory compliance issues, and internal investigations. Mr. Gilmartin has assisted in representing large financial institutions in responding to inquiries and enforcement actions from federal agencies. He also assists with conducting internal investigations. Prior to joining Moore & Van Allen, Mr. Gilmartin served as a law clerk to a U.S. District Court Judge for the Southern District of Texas.

For more on Mr. Gilmartin generally, please see his professional biography on Moore & Van Allen's website. *Jonathan "Jon" D. Gilmartin*, MOORE & VAN ALLEN, <https://www.mvalaw.com/people-Jonathan-Jon-Gilmartin>.



Jordyn McAtee is a Litigation Document Clerk at Moore & Van Allen with experience assisting in white-collar criminal actions, risk management, and government and internal investigatory and enforcement matters. Ms. McAtee is a 2019 graduate of Elon University, where she studied Criminal Justice and Human Service Studies.

DEI Highlights:

- Prior to joining Moore & Van Allen, Ms. McAtee served as an intern with the Alamance County, North Carolina District Attorney's office, working as a Victim and Witness Assistant to individuals experiencing domestic violence conflicts. During her internship, she conducted and presented research on how Alamance County can increase the rates of reported cases of domestic violence within the county's Hispanic and Latinx population through the analysis of existing barriers and action planning.
- Ms. McAtee was the recipient of Elon University's 2018-2019 Outstanding Criminal Justice Student Award for her research on the correlation of criminal justice encounters, race, and legal cynicism within the African American population.

Appendix C: Biographical Information of External Interviewees

The audit team interviewed 15 external individuals specifically identified by the SEIU Fund or CoreCivic as likely to have helpful insights, in addition to representatives of the SEIU Fund itself. This Appendix C provides biographical information on the external individuals interviewed. One external individual identified by the SEIU Fund and interviewed by the audit team requested not to be identified by name in this report. Lengths of interviews ranged from approximately 25 minutes to an hour depending on external interviewees' willingness to engage in discussion and dialogue regarding relevant issues.

Discussions with Representatives of the SEIU Fund

Edgar Hernández is the Assistant Director for the Department of Strategic Initiatives at the SEIU, an organization focused on promoting access and equity for individuals and communities related to issues such as health care, politics, immigration, retirement security, voting rights, and racial and economic justice. Mr. Hernández also serves as a Deputy Trustee for the SEIU Fund, which has approximately \$2.5 billion in assets under management. Mr. Hernández received his Master's in Urban Planning and Policy with a concentration in Community and Economic Development from the University of Illinois at Chicago. See *Edgar Hernández*, LINKEDIN, <https://www.linkedin.com/in/edgar-hern%C3%A1ndez-23b1244/> (last visited Feb. 3, 2022).

Renaye Manley is an international representative for the SEIU and works with pension fund trustees and Taft Hartley funds to integrate best practices on investments and corporate governance. She also leads team efforts on diversity and inclusion with a specific focus on financial services. Ms. Manley is a graduate of Indiana University. See *Renaye Manley*, LINKEDIN, <https://www.linkedin.com/in/renaye-manley-8ab52ba/recent-activity/posts/> (last visited Feb. 3, 2022).

Maureen O'Brien is a Vice President in the Chicago office of Segal Marco Advisors. Ms. O'Brien has extensive experience in shareholder advocacy and specializes in engaging companies on behalf of investors. Ms. O'Brien received her BA in International Studies at the University of Missouri and her MS in International Conflict Resolution from American University in Washington, D.C. See *Maureen O'Brien*, LINKEDIN, <https://www.linkedin.com/in/maureen-o-brien-18364ab/> (last visited Feb. 3, 2022).

Other External Individuals Interviewed

Marcus Bullock is the Founder of the Flikshop app dedicated to the reduction of recidivism through letter writing and positive communicative reinforcement. At the age of 15, Mr. Bullock was sentenced to eight years in adult maximum-security prison for stealing a car. Thereafter, Mr. Bullock spent time in various facilities, including one operated by CoreCivic (then named CCA). Following release, Mr. Bullock created Flikshop, an app that allows family members to connect with prisoners via short messages and photos. See *Marcus Bullock*, LINKEDIN, <https://www.linkedin.com/in/flikshop/> (last visited Feb. 3, 2022).

Kenny Cobbin is the Founder of Gifted Paws, a dog training and boarding business that allows him to hire individuals who have been previously imprisoned. In 1985, Mr. Cobbin was sentenced to life in prison but was released in 2015 after serving time in several different facilities, including one operated by CoreCivic (then named CCA). When Mr. Cobbin was released, he learned how difficult it can be to secure employment with a criminal record, which inspired him, in part, to create Gifted Paws. See Karen Morfitt, *On ‘Dolphin Tank,’ Nonprofit Cross Purpose Helps Coloradans Pitch Great Business Ideas*, CBS DENVER (Sept. 19, 2019, 7:55 AM), <https://denver.cbslocal.com/2019/09/19/dolphin-tank-nonprofit-crosspurpose-helps-colorado-pitch-business-ideas/>.

Adam Gelb is the President and Chief Executive Officer of the Council on Criminal Justice. Mr. Gelb has been working for a more just and effective criminal justice system throughout a 32-year career as a journalist, congressional aide, senior state government official, and nonprofit executive. Previously, Gelb led the Pew Charitable Trusts’ criminal justice work, helping 35 states adopt sentencing and corrections reforms. He has staffed the U.S. Senate Judiciary Committee, led development of public safety initiatives for governors in Georgia and Maryland, and covered crime as a reporter in Atlanta. See Adam Gelb, COUNCIL ON CRIM. JUST. <https://counciloncj.org/adam-gelb-2/> (last visited Feb. 3, 2022).

Alberto Gonzales is a former Attorney General of the United States (2005-2007) and the Dean of Belmont University’s College of Law. After attending the United States Air Force Academy, he received a Bachelor of Arts degree from Rice University and a Juris Doctor degree from Harvard University. Subsequently, he was nominated by President George W. Bush and confirmed by the United States Senate as the 80th Attorney General of the United States in February 2005 and served in that capacity until September 2007. Former U.S. Attorney General Gonzales has worked as a partner at a major Houston law firm (Vinson & Elkins) and held government positions as a Justice on the Texas Supreme Court, Texas Secretary of State, General Counsel to the Governor of Texas, and Counsel to the President of the United States. His work in the Hispanic community and his achievements have also earned him recognition as Hispanic American of the Year by HISPANIC Magazine and one of The 25 Most Influential Hispanics in America by TIME Magazine. Presently, he teaches Constitutional Law, First Amendment Law, National Security Law, and Separation of Powers at Belmont Law. See Alberto Gonzales, BELMONT UNIV. COLL. OF LAW <https://www.belmont.edu/law/facultyadmin/faculty-alberto-gonzales.html> (last visited Feb. 3, 2022).

Jacinta Gonzalez is a senior campaign organizer with Mijente, an organization dedicated to Latinx and Chicanx people seeking racial, economic, gender, and climate justice. See *An Introduction to Mijente*, MIJENTE, <https://mijente.net/2019/04/an-introduction-to-mijente/> (last visited Feb. 3, 2022); Jacinta Gonzalez, THE CTR. FOR INVESTIGATIVE JOURNALISM, <https://tcij.org/person/jacinta-gonzalez/> (last visited Feb. 3, 2022).

Marc Levin is Chief Policy Counsel at the Council on Criminal Justice. Mr. Levin began the Texas Public Policy Foundation's criminal justice program in 2005 and in 2010 developed the concept for the Right on Crime initiative, to which he serves as Senior Advisor. Mr. Levin was named to the "Politico 50" and has testified frequently on criminal justice policy before Congress and state legislatures. Mr. Levin received his undergraduate and law degrees with honors from the University of Texas and clerked on the Fifth Circuit Court of Appeals. *See Marc Levin*, COUNCIL ON CRIM. JUST., <https://counciloncj.org/marc-levin/> (last visited Feb. 3, 2022).

Dan Mistak is the Acting President and Director of Health Care Initiatives for Justice-Involved Populations at Community Oriented Correctional Health Services ("COCHS"), an Oakland, California-based non-profit organization working to build connectivity between jails and community health care providers and dedicated to improving the lives of justice-involved individuals by improving health outcomes and reducing reliance on incarceration. Prior to joining COCHS, Mr. Mistak obtained his Juris Doctorate at The University of California, Berkeley, School of Law. He also holds Master's degrees in Genetics/Cell Biology and Philosophy and Bachelor's degrees in Biology and Chemistry. He is admitted to practice law in California and Hawai'i. *See Acting President and Director of Health Care Initiatives for Justice-Involved Populations - Dan Mistak*, CMTY. ORIENTED CORR. HEALTH SERVS., <https://cochs.org/team-director-health-justice-initiative-dan-mistak/> (last visited Feb. 3, 2022).

Arthur Rizer is the Vice President for the Program on Technology, Criminal Justice, and Civil Liberties at the Lincoln Network. Previously, Mr. Rizer was the founding director of the R Street Institute's program on criminal justice and civil liberties and, before that, he served as a prosecutor for the U.S. Department of Justice, a police officer, a law professor, and an army lieutenant colonel. *See Arthur Rizer and Zach Graves, Announcing the Program on Technology, Criminal Justice, and Civil Liberties*, LINCOLN NETWORK (Jan. 27, 2021), <https://lincolnpolicy.org/2021/announcing-the-program-on-technology-criminal-justice-and-civil-liberties/>.

Allessandra Rose is the Administrative Director of the Frederick Douglass Project for Justice, an organization dedicated to fostering a greater understanding about the criminal justice system in the United States. Ms. Rose has worked closely on a variety of projects and programs with numerous non-profit providers of services for the incarcerated and formerly incarcerated. Ms. Rose holds a B.A. from Wellesley College and an M.B.A. from the Darden School of Business at the University of Virginia. *See Who We Are*, THE FREDERICK DOUGLASS PROJECT FOR JUST., <https://www.douglassproject.org/team> (last visited Feb. 3, 2022).

Alicia Torres serves as an advocate with Grassroots Leadership, an Austin, Texas-based organization working to decrease mass incarceration, deportation, and criminalization. *See About Us*, <https://grassrootsleadership.org/mission.html> (last visited Feb. 3, 2022).

Dianne Tramutola-Lawson is the President of the Colorado chapter of Citizens United for Rehabilitation of Errants (“CURE”) and has been a public advocate of criminal justice reform for over three decades after assisting in the appeal of her husband’s murder conviction beginning in the 1990s. Ms. Tramutola-Lawson now is a vocal advocate of detention reform issues such as allowing detainees to vote in prison or jail, eliminating arrival and departure calls, and mental health and cultural competency training for facility staff. *See Welcome to CURE National, NAT’L CURE*, <https://curenational.org/> (last visited Feb. 3, 2022); *Dianne Tramutola-Lawson*, LINKEDIN <https://www.linkedin.com/in/dianne-tramutola-lawson-0220137/> (last visited Feb. 3, 2022).

Summary of CoreCivic DEI Strategy

DEI Vision Statement: Diversity, Equity and Inclusion is about creating a culture of respect where we value everyone's differences, appreciate individual contributions, and support people so they reach their highest potential.

Top Business and DEI Priorities Driving DEI Strategy:

1. Manage Talent Risks
2. Drive Diversity, Equity and Inclusion (DEI) Strategy
3. Drive organizational culture improvement
4. Continue to build and accelerate a learning organization
5. Strengthen CoreCivic's Employee Value Proposition (EVP)

DEI Goals:

1. Create a common language and shared understanding of diversity, equity and inclusion at CoreCivic reflected in our policies, practices and procedures and the behavior of our people within and across differences.
2. Create a culture where the value of belonging and respect eliminate the opportunity for isolation and disrespect.
3. Create a pipeline of diverse candidates of leadership talent, so that teams at all levels more broadly reflective of our employees and the larger communities in which we work and serve.

Underlying Beliefs and Assumptions:

1. The organization will fully embrace the DEI strategy.
2. The company will continue to experience major societal and enterprise wide changes emphasizing the need for DEI and collaboration.
3. There will be clear leader expectations and accountability.
4. Key performance indicators will be developed to track progress and success.

Risk Factors & Pitfalls to Avoid:

1. Employees will not see an authentic representation of DEI in the workplace and will lose trust.
2. Overreliance on past people strategies will slow change.
3. People will not see changes in leadership demographics quickly.
4. Resources for DEI will be limited based on other company needs.

The purpose of the **Strategy** work stream is to provide guidance and recommendations on planning and alignment, help in drafting CoreCivic's annual DEI report (the first of which will be published in Q1 of 2022), partner with Reentry and Innovation leadership, and report DBI initiatives and key trends within and external to the Company.

The purpose of the **Communications** work stream is to provide transparency for DEI activities by disseminating DEI information using a common language, in a manner and with a frequency tailored for the intended audience.

The purpose of the **Learning** work stream is to establish a common language and practice for DEI across the organization by providing guidance on CoreCivic's process for learning, ensuring there is greater DEI awareness, leading to accountability, and accountability leading to action.

DEI Advisory Council Work Streams

The purpose of the **Culture** work stream is to promote an environment of respect where everyone's differences are valued, individual contributions are appreciated, and people are supported so they get involved and reach their highest potential.

The purpose of the **Talent Management** work stream is to provide guidance on CoreCivic's process for ensuring equity exists in the Company's talent system, help identify the barriers within the talent lifecycle, and advise on how processes and structures support diverse talent from attraction to transition.

Finally, the purpose of the **Measurement** work stream is to identify key performance indicators ("KPIs") to track the DEI Advisory Council's progress, effectiveness, and success in achieving CoreCivic's DEI goals.

Heritage Celebration Calendar

| | |
|-----------|---|
| January | • MLK Day |
| February | • Black History Month, Presidents' Day |
| March | • Women's History Month, Irish American Heritage Month, 3/6 Intl Women's Day |
| April | • Celebrate Diversity Month, Autism Awareness Month, National Volunteer Month, Second Chance Month, Arab-American Heritage month, Natl Volunteer week |
| May | • Asian Pacific American Heritage Month, Older Americans Month, Jewish American Month, Mental Health Awareness Month, Natl. Correctional EEs week |
| June | • Pride Month, Immigrant Heritage Month, Caribbean American Heritage Month, 6/19 Juneteenth |
| July | • No Assigned Month |
| August | • No Assigned Month |
| September | • 9/15-10/15 Hispanic Heritage Month, National Recovery Month, Natl Suicide Prevention Month |
| October | • National Disabilities Employment Awareness Month, Italian American Heritage Month, Indigenous People's Day |
| November | • Native American Indian/ Alaska Native History Month, National Family Caregivers Month, Veterans' Day |
| December | • Natl Human Rights Month |

Appendix E: Additional CoreCivic Resident Data

As discussed in Section 4, CoreCivic's Impacted Populations: Residents, the photos immediately below are of murals painted at La Palma Correctional Center to encourage cultural awareness in conjunction with the residential treatment program.



The photos immediately below depict “normalization” and “softening” efforts made at various CoreCivic facilities.







The photos immediately below show “softening” efforts at Oklahoma Reentry Opportunity Center.



Below is data relating to program participant demographics for three exemplar facilities over various years: (1) Bent County Correctional Facility; (2) Coffee Correctional Facility; and (3) Lake City Correctional Facility.

| Select Facilities Program Participants for 2016, 2018, 2021 | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Race/Ethnicity | 2016 | 2018 | 2021 | Aggregate Totals 2016 - 2021 |
| | Program Participants | Program Participants | Program Participants | Program Participants |
| White | 32.62% | 36.20% | 30.77% | 33.62% |
| Black | 52.91% | 49.75% | 53.30% | 51.72% |
| Latino | 12.99% | 12.84% | 14.51% | 13.30% |
| Asian/Pacific Islander | 0.44% | 0.40% | 0.30% | 0.39% |
| American Indian Alaskan Native | 0.65% | 0.53% | 0.44% | 0.55% |
| Other | 0.16% | 0.53% | 0.03% | 0.13% |
| Unknown | 0.23% | 0.12% | 0.64% | 0.29% |

| Select Facilities GED Program Participants for 2016, 2018, 2021 | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------------|
| Race/Ethnicity | 2016 | 2018 | 2021 | Aggregate Totals 2016 - 2021 |
| | Program Participants | Program Participants | Program Participants | Program Participants |
| White | 50.53% | 49.17% | 43.70% | 48.98% |
| Black | 43.92% | 44.17% | 45.38% | 44.23% |
| Latino | 5.03% | 6.67% | 10.92% | 6.51% |
| Asian/Pacific Islander | 0.26% | 0.00% | 0.00% | 0.14% |
| American Indian Alaskan Native | 0.00% | 0.00% | 0.00% | 0.00% |
| Other | 0.26% | 0.00% | 0.00% | 0.14% |
| Unknown | 0.00% | 0.00% | 0.00% | 0.00% |

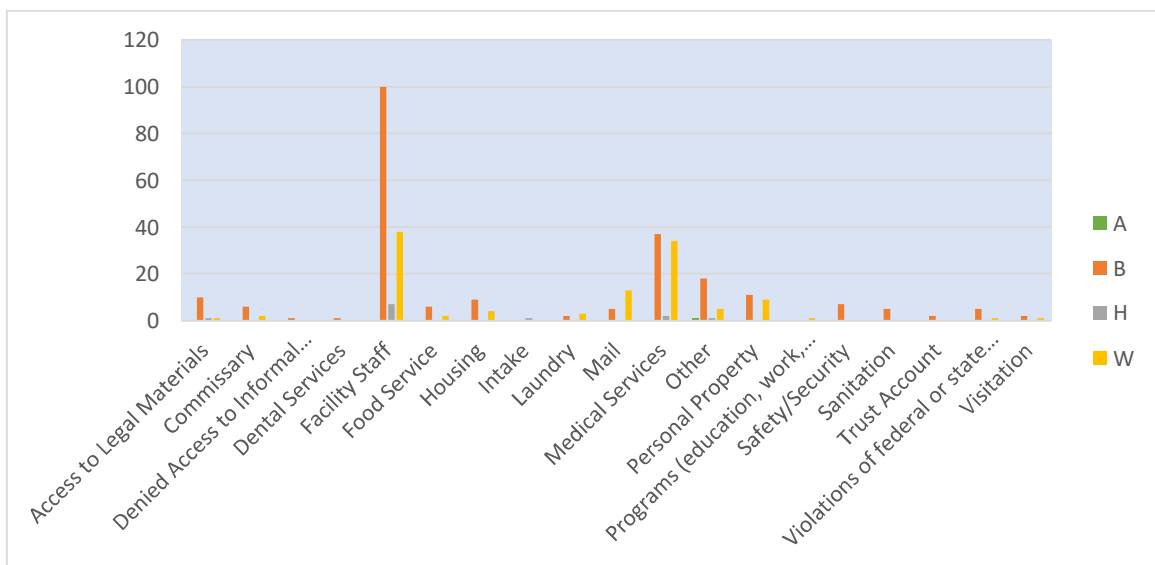
Below is data relating to resident grievances at three exemplar facilities as of November 2021: (1) Bent County Correctional Facility; (2) Coffee Correctional Facility; and (3) Northeast Ohio Correctional Center. (The demographic codes appearing in the legend are explained immediately below before the chart.) “Facility Staff” and “Medical Services” grievances were the categories with the highest numbers of grievances. “Facility Staff” grievances generally are grievances submitted against a staff member who failed to follow policy, procedure, or practice, such as not distributing mail, loss of property during a search, or other staff actions perceived to be a violation of policy. “Medical Services” grievances typically concern matters of medical care and judgment, such as not receiving certain medication, not being seen for a sick call request or follow up, or medical staff not addressing a medical problem.

A = Asian, Hawaiian, or Pacific Islander

B = Black

H = Hispanic or Latino

W = White



Appendix F: Additional CoreCivic Employee Data

Additional employee-related data is provided in this Appendix F.

Q1 and Q2 of 2021 Hiring Data: According to this chart, CoreCivic recruited similar percentages (i.e., within one to three percentage points) of new hires across demographic categories over the Relevant Review Period (i.e., Q1 and Q2 of 2021) as comprised CoreCivic's employee population as of August 20, 2021, except for individuals identifying as Hispanic or Latino. Notably, although individuals identifying as Hispanic or Latino comprised 24.3% of CoreCivic's workforce on August 20, 2021, approximately 20.03% of new hires identified as such over the Relevant Review Period.

| Race and Ethnicity of New Hires | Q1 and Q2 of 2021: Totals | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ¹⁹⁵ |
|-----------------------------------|---------------------------|--------------------------------|--|
| American Indian or Alaskan Native | 56 | 2.64% | 2.3% |
| Asian | 23 | 1.08% | 1.4% |
| Black or African American | 593 | 27.97% | 28.2% |
| Hawaiian or Pacific Islander | 11 | 0.52% | 0.1% |
| Hispanic or Latino | 431 | 20.33% | 24.3% |
| Two or more races | 59 | 2.78% | 1.2% |
| Unknown | 1 | 0.05% | 0% |
| White | 946 | 44.62% | 42.6% |
| Totals: | 2,120 | 100.00% | 100.1% <i>*due to rounding</i> |

2021 Turnover Rates: Additional detail around CoreCivic's 2021 turnover rates is shown below.

| Race and Ethnicity | Total | Percentage | Average Tenure (In Years) | Turnover Rate |
|-----------------------------------|--------|------------|-------------------------------|--------------------------------------|
| American Indian or Alaskan Native | 267 | 2.2% | 4.7 | 53.1% |
| Asian | 170 | 1.4% | 5.5 | 29.7% |
| Black or African American | 3,441 | 28.7% | 6.4 | 51.3% |
| Hawaiian or Pacific Islander | 14 | 0.1% | 5.8 | 48.0% |
| Hispanic or Latino | 2,772 | 23.1% | 5.6 | 34.1% |
| Two or more races | 127 | 1.1% | 2.5 | 87.6% |
| White | 5,203 | 43.4% | 6.2 | 47.8% |
| Totals: | 11,994 | 100.0% | Average Tenure: 6.0 | Average Turnover Rate: 50.23% |

Q1 and Q2 of 2021 Promotion Data: According to this chart, CoreCivic promoted similar percentages (i.e., within one to three percentage points) of employees across demographic categories over the Relevant Review Period, except for individuals identifying as Hispanic or Latino or white. CoreCivic promoted a lower percentage of individuals identifying as Hispanic or Latino and a higher percentage of individuals identifying as white over the relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021.

| Race and Ethnicity of Promoted Employees | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ¹⁹⁶ |
|--|--------------------------------|--|
| American Indian or Alaskan Native | 2.93% | 2.3% |
| Asian | 0.65% | 1.4% |
| Black or African American | 26.38% | 28.2% |
| Hawaiian or Pacific Islander | 0.16% | 0.1% |
| Hispanic or Latino | 20.03% | 24.3% |
| Two or more races | 1.79% | 1.2% |
| Unknown | 0.00% | 0% |
| White | 48.05% | 42.6% |
| Totals: | 100.0% | 100.1% <i>*due to rounding</i> |

CoreCivic University Program Completion Data: The chart below shows percentages of employees across racial and ethnic demographics who have completed programs within CoreCivic University through November 3, 2021.

| Race and Ethnicity of Employees Who Have Completed Programs Within CoreCivic University | Percentages of Participation | Percentages of 2021 CoreCivic Employee Base ¹⁹⁷ |
|---|------------------------------|--|
| American Indian or Alaskan Native | 1.59% | 2.3% |
| Asian | 0.70% | 1.4% |
| Black or African American | 28.91% | 28.2% |
| Hawaiian or Pacific Islander | 0.02% | 0.1% |
| Hispanic or Latino | 16.99% | 24.3% |
| Two or more races | 0.51% | 1.2% |
| White | 51.27% | 42.6% |
| Totals: | 100.00% | 100.1% <i>*due to rounding</i> |

Q1 and Q2 of 2021 Demotion Data: CoreCivic was unable to provide the audit team with data relating only to involuntary demotions because the Company has not previously collected such data separate from data relating to voluntary demotions and also broken out by racial and ethnic demographics. Accordingly, the data relating to demotions shown below includes percentages of employees who were *voluntarily* and *involuntarily* demoted. As shown in the chart, CoreCivic demoted similar percentages (i.e., within one to three percentage points) of individuals across demographic categories over the Relevant Review Period as comprised CoreCivic’s employee population as of August 20, 2021, except for individuals identifying as Black or African American or Hispanic or Latino. CoreCivic demoted a higher percentage of employees identifying as Black or African American over the Relevant Review Period than comprised CoreCivic’s workforce on August 20, 2021 and a lower percentage of employees identifying as Hispanic or Latino over the Relevant Review Period than comprised CoreCivic’s workforce on August 20, 2021.

| Race and Ethnicity of Demoted Employees | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ¹⁹⁸ |
|---|--------------------------------|--|
| American Indian or Alaskan Native | 3.7% | 2.3% |
| Asian | 0.7% | 1.4% |
| Black or African American | 38.5% | 28.2% |
| Hawaiian or Pacific Islander | 0.0% | 0.1% |
| Hispanic or Latino | 14.8% | 24.3% |
| Two or more races | 1.5% | 1.2% |
| Unknown | 0.0% | 0% |
| White | 40.7% | 42.6% |
| Totals: | 100.0% | 100.1% <i>*due to rounding</i> |

Q1 and Q2 of 2021 Termination Data: As shown in the chart below, employees across demographic categories were involuntarily terminated in similar percentages (i.e., within one to three percentage points) over the Relevant Review Period as comprised CoreCivic’s employee population as of August 20, 2021, except for individuals identifying as Black or African American, Hispanic or Latino, or white. CoreCivic involuntarily terminated a higher percentage of individuals identifying as Black or African American and a lower percentage of individuals identifying as Hispanic or Latino or white over the relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021.

| Race and Ethnicity of Terminated Employees | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ¹⁹⁹ |
|--|--------------------------------|--|
| American Indian or Alaskan Native | 2.00% | 2.3% |
| Asian | 0.90% | 1.4% |
| Black or African American | 42.40% | 28.2% |
| Hawaiian or Pacific Islander | 0.50% | 0.1% |

| Race and Ethnicity of Terminated Employees | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ¹⁹⁹ |
|--|--------------------------------|--|
| Hispanic or Latino | 17.40% | 24.3% |
| Two or more races | 0.90% | 1.2% |
| Unknown | 0.00% | 0.0% |
| White | 35.90% | 42.6% |
| Totals: | 100.0% | 100.1% <i>*due to rounding</i> |

Employee Discipline: For more detail on the distribution of the 4,653 CoreCivic Employee PSNs over the Relevant Review Period (i.e., in Q1 and Q2 of 2021), please see the charts below. As can be seen in the first chart, CoreCivic issued PSNs to employees across demographic categories in similar percentages (i.e., within one to three percentage points) over the Relevant Review Period as comprised CoreCivic’s employee population as of August 20, 2021, except for individuals identifying as Black or African American, Hispanic or Latino, or white. CoreCivic issued PSNs to a higher percentage of individuals identifying as Black or African American and to a lower percentage of individuals identifying as Hispanic or Latino or white over the relevant Review Period than comprised CoreCivic’s employee population as of August 20, 2021.

| Race and Ethnicity | Q1 and Q2 of 2021: Totals | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ²⁰⁰ |
|-----------------------------------|---------------------------|--------------------------------|--|
| American Indian or Alaskan Native | 162 | 3% | 2.3% |
| Asian | 61 | 1% | 1.4% |
| Black or African American | 1,715 | 37% | 28.2% |
| Hawaiian or Pacific Islander | 9 | 0.2% | 0.1% |
| Hispanic or Latino | 956 | 21% | 24.3% |
| Two or more races | 98 | 2% | 1.2% |
| White | 1,652 | 36% | 42.6% |
| Totals: | 4,653 | 100% | 100.1% <i>*due to rounding</i> |

Note that in terms of the PSN process, a PSN initially includes a recommendation (abbreviated to “Rec.” in the chart below) for discipline. The recommendation is usually generated by the first line supervisor, but any supervisor can recommend discipline, even if they are not the employee’s immediate supervisor. After the recommendation phase, a PSN goes to a reviewer (abbreviated as the “Review” phase in the chart below), an HR manager or designee who is supposed to review the document for grammatical errors, misspelled words, content, and proper selection of alleged infraction. Afterwards, the reviewer sends the PSN to an upper-level manager/primary approver for approval of disciplinary action or to make further changes in the wording or disciplinary action, as necessary, and potentially to a secondary approver, usually the Assistant Warden or Warden, if recommended disciplinary action is a demotion, suspension, or termination. Post-review, a service

supervisor meets with the employee and serves the PSN (abbreviated as the “Service” phase in the chart below). “Complete” means a service supervisor met with the employee and served a PSN. “Cancelled” means someone in the process decided to cancel the PSN before it was sent to the service supervisor for service on the employee. “Withdrawn” means the PSN was approved and sent to a service supervisor for service on the employee, but the service supervisor withdrew the PSN during the meeting with the employee. Employees at CoreCivic also have the option of challenging disciplinary decisions before a panel of their peers.

| Race and Ethnicity | Rec. | Review | Service | Complete | Cancelled | Withdrawn | Total |
|-----------------------------------|-------------|--------------|--------------|----------------|----------------|-------------|-------------------|
| American Indian or Alaskan Native | 0 | 0 | 0 | 96 | 63 | 3 | 162 (or 3%) |
| Asian | 2 | 1 | 0 | 38 | 19 | 1 | 61 (or 1%) |
| Black or African American | 2 | 1 | 0 | 991 | 659 | 62 | 1,715 (or 37%) |
| Hawaiian or Pacific Islander | 0 | 0 | 0 | 8 | 1 | 0 | 9 (or 0.2%) |
| Hispanic or Latino | 2 | 0 | 1 | 627 | 320 | 6 | 956 (or 21%) |
| Two or more races | 0 | 0 | 0 | 56 | 42 | 0 | 98 (or 2%) |
| White | 0 | 1 | 0 | 969 | 639 | 43 | 1,652 (or 36%) |
| Totals: | 6 (or 0.1%) | 3 (or 0.06%) | 1 (or 0.02%) | 2,785 (or 60%) | 1,743 (or 37%) | 115 (or 2%) | |

By comparison, approximately 4,651 PSNs were issued to employees in Q1 and Q2 of 2020:

| Race and Ethnicity | Rec. | Review | Service | Complete | Cancelled | Withdrawn | Total |
|-----------------------------------|-----------|-----------|-----------|------------------|----------------|---------------|------------------|
| American Indian or Alaskan Native | 0 | 0 | 0 | 114 | 82 | 2 | 198 (or 4.3%) |
| Asian | 0 | 0 | 0 | 31 | 8 | 1 | 40 (or 0.9%) |
| Black or African American | 0 | 0 | 0 | 977 | 658 | 67 | 1,702 (or 36.6%) |
| Hawaiian or Pacific Islander | 0 | 0 | 0 | 1 | 0 | 0 | 1 (or 0.02%) |
| Hispanic or Latino | 0 | 0 | 0 | 631 | 282 | 18 | 931 (or 20%) |
| Two or more races | 0 | 0 | 0 | 23 | 11 | 2 | 36 (or 0.8%) |
| White | 0 | 0 | 0 | 1043 | 635 | 65 | 1,743 (or 37.4%) |
| Totals: | 0 (or 0%) | 0 (or 0%) | 0 (or 0%) | 2,820 (or 60.6%) | 1,676 (or 36%) | 155 (or 3.3%) | |

Employee HR Grievance Data: As can be seen in the chart below, employees across racial and ethnic demographics filed HR grievances in similar percentages (i.e., within one to three percentage points) over the Relevant Review Period as comprised CoreCivic's employee population as of August 20, 2021, except for individuals identifying as Hispanic or Latino or white. A lower percentage of individuals identifying as Hispanic or Latino and a higher percentage of individuals identifying as white filed HR grievances over the relevant Review Period than comprised CoreCivic's employee population as of August 20, 2021.

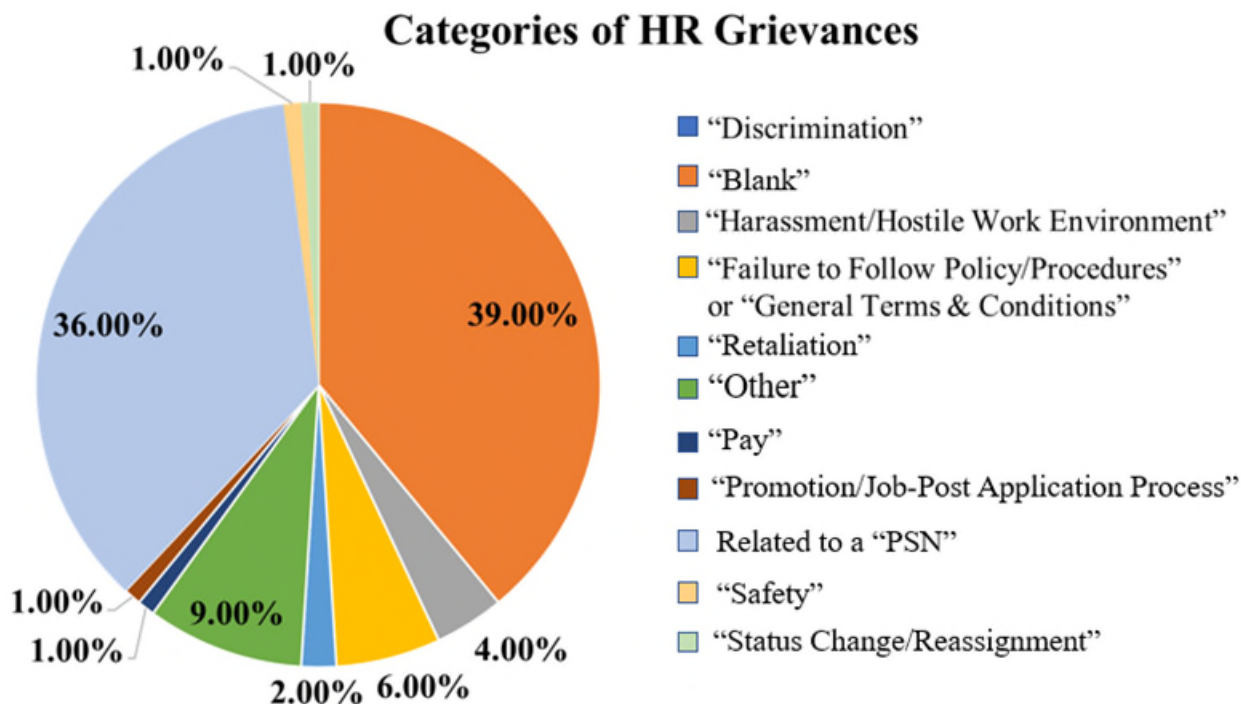
| Race and Ethnicity | Q1 and Q2 of 2021: Totals | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ²⁰¹ |
|-----------------------------------|---------------------------|--------------------------------|--|
| American Indian or Alaskan Native | 23 | 4% | 2.3% |
| Asian | 5 | 1% | 1.4% |
| Black or African American | 153 | 26% | 28.2% |

| Race and Ethnicity | Q1 and Q2 of 2021: Totals | Q1 and Q2 of 2021: Percentages | Percentage of Total CoreCivic Employee Population ²⁰¹ |
|------------------------------|---------------------------------|--------------------------------------|--|
| Hawaiian or Pacific Islander | 0 | 0% | 0.1% |
| Hispanic or Latino | 113 | 20% | 24.3% |
| Two or more races | 7 | 1% | 1.2% |
| White | 277 | 48% | 42.6% |
| Totals: | 578 | 100% | 100.1% <i>*due to rounding</i> |

For more detail on the distribution of the HR grievances submitted by CoreCivic Employees over the Relevant Review Period (i.e., Q1 and Q2 of 2021), please see the chart below:

| Race and Ethnicity | Closed Denied | Closed Partial Remedy | Closed Sustained | Open | Closed Ineligible | Closed Withdrawn | Total |
|---|------------------|-----------------------------|---------------------|-----------------|----------------------|---------------------|------------------|
| American Indian or Alaskan Native | 8 | 2 | 8 | 0 | 2 | 3 | 23 (or 4%) |
| Asian | 4 | 0 | 0 | 0 | 0 | 1 | 5 (or 0.9%) |
| Black or African American | 45 | 13 | 26 | 23 | 6 | 40 | 153 (or 26%) |
| Hawaiian or Pacific Islander | 0 | 0 | 0 | 0 | 0 | 0 | 0 (or 0%) |
| Hispanic or Latino | 34 | 8 | 20 | 14 | 7 | 30 | 113 (or 20%) |
| Two or more races | 1 | 0 | 2 | 1 | 0 | 3 | 7 (or 1%) |
| White | 86 | 18 | 64 | 17 | 26 | 66 | 277 (or 48%) |
| Totals: | 178 (or 31%) | 41 (or 7%) | 120 (or 21%) | 55 (or 9.5%) | 41 (or 7%) | 143 (or 25%) | 578 (or 100%) |

For additional reference, the 578 HR grievances submitted by employees over this period of time fell into the following categories, with over 75% falling into categories relating to a “PSN” or “Other,” and only 4% falling into “Discrimination” or “Harassment/Hostile Work Environment.”

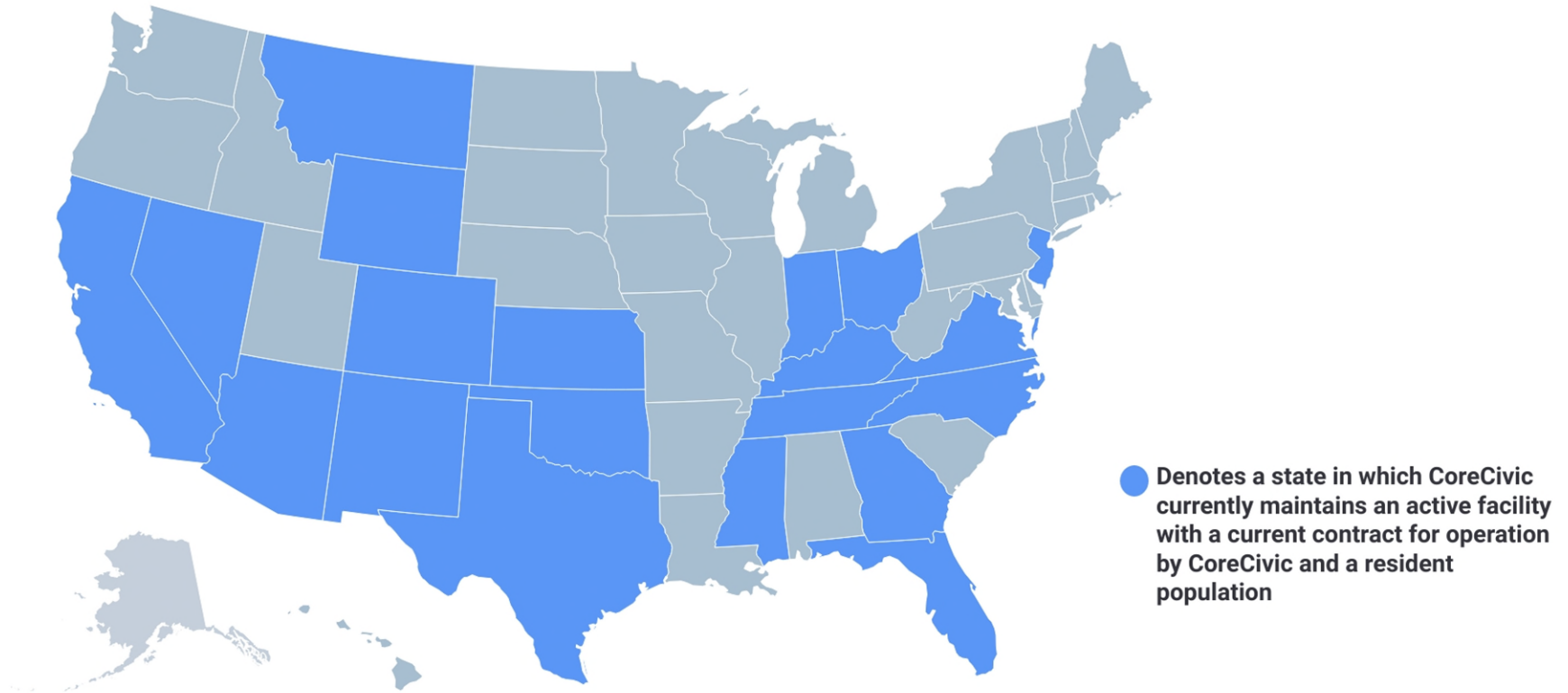


Appendix G: List and Locations of Active CoreCivic Facilities as of Q4 of 2021

- | | |
|---|---|
| 1. Adams County Correctional Center | 33. James River Residential Reentry Center |
| 2. Adams Transitional Center | 34. Jenkins Correctional Center |
| 3. Arapahoe Community Treatment Center | 35. La Palma Correctional Center |
| 4. Austin Residential Reentry Center | 36. Lake City Correctional Facility |
| 5. Austin Transitional Center | 37. Lake Erie Correctional Institution |
| 6. Bent County Correctional Facility | 38. Laredo Processing Center |
| 7. Boston Avenue | 39. Leavenworth Detention Center |
| 8. Ocean View | 40. Lee Adjustment Center |
| 9. Centennial Community Transition Center | 41. Longmont Community Treatment Center |
| 10. Central Arizona Florence Correctional Complex | 42. Marion County Jail |
| 11. Cheyenne Transitional Center | 43. McRae Correctional Facility |
| 12. Cibola County Corrections Center | 44. Nevada Southern Detention Center |
| 13. Cimarron Correctional Facility | 45. Northeast Ohio Correctional Center |
| 14. Citrus County Detention Facility | 46. Oklahoma Reentry Opportunity Center |
| 15. Coffee Correctional Facility | 47. Otay Mesa Detention Center |
| 16. Commerce Transitional Center | 48. Red Rock Correctional Center |
| 17. Corpus Christi Transitional Center | 49. Saguaro Correctional Facility |
| 18. Crossroads Correctional Center | 50. South Central Correctional Center |
| 19. Crowley County Correctional Facility | 51. South Raleigh Reentry Center |
| 20. Dahlia Facility | 52. South Texas Family Residential Center |
| 21. Dallas Transitional Center | 53. Stewart Detention Center |
| 22. Davis Correctional Facility | 54. T. Don Hutto Residential Center |
| 23. Eden Detention Center | 55. Tallahatchie County Correctional Facility |
| 24. El Paso Multi-Use Facility | 56. Torrance County Detention Facility |
| 25. El Paso Transitional Center | 57. Trosdale Turner Correctional Center |
| 26. Elizabeth Detention Center | 58. Turley Residential Center |
| 27. Eloy Detention Center | 59. Webb County Detention Center |
| 28. Fort Worth Transitional Center | 60. Wheeler Correctional Facility |
| 29. Fox Facility and Training Center | 61. Whiteville Correctional Facility |
| 30. Ghent Residential Reentry Center | |
| 31. Hardeman County Correctional Facility | |
| 32. Houston Processing Center | |

As noted elsewhere in this report, the term “active” describes those CoreCivic facilities having both a current government contract (or multiple government contracts) for facility operation by CoreCivic *and* a resident population in place.

CoreCivic Facilities



Appendix H: Endnotes

¹ In particular, the Service Employees International Union Pension Plans Master Trust (the “SEIU Fund”) initially requested that CoreCivic conduct this racial equity audit. The SEIU Fund is a trust for certain pension funds administering retirement, health, and welfare benefits for members of the Service Employees International Union (“SEIU”), its affiliates and staff, and eligible dependents and beneficiaries, which is jointly overseen by union officials and employers of SEIU members. *See About the SEIU Benefit Funds*, SEIU, <https://www.seiufunds.org/about> (last visited Feb. 24, 2022).

² *See* Ron S. Berenblat and Elizabeth R. Gonzalez-Sussman, *Racial Equity Audits: A New ESG Initiative*, HARVARD L. SCH. F. ON CORP. GOVERNANCE (Oct. 30, 2021), <https://corpgov.law.harvard.edu/2021/10/30/racial-equity-audits-a-new-esg-initiative/> [hereinafter *New ESG Initiative*].

³ *CitiGroup*, FORTUNE, <https://fortune.com/company/citigroup/fortune500/> (last visited Feb. 24, 2022).

⁴ *Johnson & Johnson*, FORTUNE, <https://fortune.com/company/johnson-johnson/fortune500/> (last visited Feb. 24, 2022).

⁵ *CoreCivic*, FORTUNE, <https://fortune.com/company/corecivic/fortune500/> (last visited Feb. 24, 2022).

⁶ That is, as far as our audit team has been able to determine from publicly available materials as of the date of publication.

⁷ *See New ESG Initiative*, *supra* note 2.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* (quoting SOC Inv. Grp., *Racial Equity Audits: A Critical Tool for Shareholders*, YOUTUBE (Apr. 13, 2021)).

¹¹ As will be discussed in Section 7, CoreCivic’s Impacted Populations: Employees, the audit team is relying on representations from CoreCivic’s management regarding the pay equity review process and findings. The pay equity review was conducted under the attorney-client privilege (and other potential legal privileges), so our audit team did not have the opportunity to independently review the underlying data or ultimate findings.

¹² *New ESG Initiative*, *supra* note 2 (quoting SOC Inv. Grp., *Racial Equity Audits: A Critical Tool for Shareholders*, YOUTUBE (Apr. 13, 2021)).

¹³ *See About the SEIU Benefit Funds*, *supra* note 1.

¹⁴ CtW Inv. Grp. and SEIU, *Racial Equity Audit Proposal Q&A*, SOC INV. GRP., <https://static1.squarespace.com/static/5d374de8aae9940001c8ed59/t/605cdec4e6861277202f0b46/1616699076603/Racial+Equity+Audit+QA+CtW+SEIU+%28002%29.pdf> (last visited Feb. 24, 2022).

¹⁵ *See* Exec. Order No. 14006, 3 C.F.R. § 7483 (2021).

¹⁶ *See* E. Ann Carson, Ph.D, *Prisoners in 2019*, BUREAU OF JUST. STATS, U.S. DEP’T OF JUST., at 26 (Oct. 2020), <https://bjs.ojp.gov/content/pub/pdf/p19.pdf>.

¹⁷ *ICE Detainees*, TRACIMMIGRATION, https://trac.syr.edu/immigration/detentionstats/pop_agcn_table.html (last visited Feb. 24, 2022).

¹⁸ LAUREN-BROOKE EISEN, *INSIDE PRIVATE PRISONS: AN AMERICAN DILEMMA IN THE AGE OF MASS INCARCERATION* 139 (Columbia Univ. Press, 2018).

¹⁹ See CoreCivic, Annual Report (Form 10-K) (Feb. 18, 2022), at 7 [hereinafter *2021 Annual Report*].

²⁰ CoreCivic typically is compensated for providing bed capacity and correctional, detention, and community services at a per diem rate based upon actual or minimum guaranteed occupancy levels. Alternatively, when CoreCivic owns properties for lease to third parties and use by government agencies, occupancy percentage is based on leased square feet rather than bed capacity. See *id.* at 9.

²¹ *Supplemental Financial Information for the Quarter Ended December 31, 2021*, CORECIVIC, at 14–19 (Feb. 10, 2022), <https://ir.corecivic.com/static-files/8a588c5e-fbc1-4513-a09a-4d64245c1000> [hereinafter *Q4 Supplemental*].

²² The terms “correctional resident,” “detention resident,” “ICE resident,” “USMS resident,” and “community resident” are of Moore & Van Allen’s own terminology. Throughout this report, the audit team opted to use neutral language respectful of human dignity whenever possible in lieu of using words like “inmate,” “offender,” or “detainee”—terms which many find derogatory and demoralizing. Promoting a culture of equity and inclusion includes considering the language one uses and the way one refers to other people. And while CoreCivic can do more to use neutral language internally and be an industry leader in that regard, other industry entities will need to make a similar shift in order for neutral language respectful of human dignity to become the industry standard.

²³ Note that due to rounding, percentages on charts shown throughout this report may not always add up to 100.00%.

²⁴ See *2021 Annual Report*, *supra* note 19, at 13.

²⁵ See also *Q4 Supplemental*, *supra* note 21, at 14–19.

²⁶ See also *2021 Annual Report*, *supra* note 19, at 13.

²⁷ See *The History of the American Correctional Association*, AM. CORRECTIONAL ASS’N, https://www.aca.org/ACA_Member/About_Us/Our_History/ACA/ACA_Member/AboutUs/AboutUs_Home.aspx?hkey=0c9cb058-e3d5-4bb0-ba7c-be29f9b34380 (last visited Feb. 24, 2022); see also *Standards*, AM. CORRECTIONAL ASS’N, https://www.aca.org/ACA_Member/Standards_Accreditation/Standards/ACA/ACA_Member/Standards_and_Accreditation/StandardsInfo_Home.aspx?hkey=7c1b31e5-95cf-4bde-b400-8b5bb32a2bad (last visited Feb. 24, 2022) (explaining there are different standards for different types of facilities, such as adult correctional institutions, jails, juvenile detention facilities, etc., to name a few).

²⁸ *Standards*, AM. CORRECTIONAL ASS’N, https://www.aca.org/ACA_Member/Standards_Accreditation/Standards/ACA/ACA_Member/Standards_and_Accreditation/StandardsInfo_Home.aspx?hkey=7c1b31e5-95cf-4bde-b400-8b5bb32a2bad (last visited Feb. 24, 2022). To achieve accreditation, a facility must comply with 100% of applicable mandatory standards and at least 90% of applicable non-mandatory standards. *Id.* Under some circumstances, the ACA may waive certain accreditation standards. *Id.*

²⁹ *Quality Assurance and Facility Oversight Report*, CORECIVIC, at 2, <https://www.corecivic.com/hubfs/files/2020-ESGReport-QA%20Section.pdf> (last visited Feb. 24, 2022).

³⁰ *Id.*

³¹ An internal interviewee further explained that with respect to CoreCivic data for *safety* facilities specifically (i.e., correctional and detention facilities), approximately 62% of CoreCivic safety facilities use CoreCivic’s own, proprietary resident management system (“OMSe”) to store resident data, whereas the

other 38% must “use some combination” of OMSe and external, government entity systems to manage data. According to that internal interviewee:

This means key data for DEI statistics are stored between multiple systems which limits our ability to report. [Going forward,] CoreCivic can provide these numbers in a better format based on new systems requirements and storing the data differently. There will still be data gaps but we could provide a more clearer picture for most items.

³² Moore & Van Allen did not review *all* CoreCivic policies nor confirm compliance of all reviewed policies with all potentially applicable local, state, and federal laws. Such a review is beyond the scope of this audit.

³³ See *An Introduction to Mijente*, MIJENTE (Apr. 30, 2019), <https://mijente.net/2019/04/an-introduction-to-mijente/>.

³⁴ See *About Us*, GRASSROOTS LEADERSHIP, <https://grassrootsleadership.org/mission.html> (last visited Feb. 24, 2022).

³⁵ Moore & Van Allen requested interviews with *all* external individuals specifically identified by the SEIU Fund, as well as others identified by CoreCivic, as likely to have relevant knowledge. The only institution with which we were requested to get in touch by the SEIU Fund but ultimately were unable to secure an interview was the National Association for the Advancement of Colored People (“NAACP”). Additionally, more detail around CoreCivic’s engagement with private prison critics and opponents specifically can be found in Section 6, CoreCivic’s Impacted Populations: Communities.

³⁶ See, e.g., *CEO Update from Damon Hininger*, CORECIVIC (Sept. 3, 2020), <https://www.corecivic.com/news/ceo-update-from-damon-hininger>.

³⁷ CoreCivic, Annual Report (Form 10-K) (Feb. 22, 2021), at 35 [hereinafter *2020 Annual Report*].

³⁸ Although CoreCivic’s approach to DEI has become more formalized in recent years, CoreCivic was making efforts in the space previously. Relevant to this report, for example, in 2009, CoreCivic launched what became its Diversity Business Inclusion (“DBI”) program, discussed in more detail in Section 6, CoreCivic’s Impacted Populations: Communities. In 2018, CoreCivic began issuing environmental, social, and governance (“ESG”) reports and rolled out a list of its “B8” leadership principles to which it holds employees accountable, including to: (1) be communicative; (2) be respectful; (3) be a good decision-maker; (4) be positive; (5) be humble; (6) be a situational leader; (7) be an active participant; and (8) be aware. These are just a couple of examples of CoreCivic’s historical efforts around DEI.

³⁹ See, e.g., *2021 Annual Report*, *supra* note 19, at 34 (“We believe that DEI improves safety and security, drives quality, increases employee engagement and provides greater accountability . . .”).

⁴⁰ *Human Rights*, CORECIVIC, at 1, <https://www.corecivic.com/about/human-rights> (last visited March 5, 2022) (click on link entitled “Human Rights Policy”) [hereinafter *Human Rights Policy Statement*].

⁴¹ *Id.*

⁴² *Id.* at 5.

⁴³ *Id.* at 1.

⁴⁴ *2020 ESG Report*, CORECIVIC (May 12, 2021), at 29, https://www.corecivic.com/hubfs/_files/2020-ESG%20Report.pdf [hereinafter *2020 ESG Report*].

⁴⁵ *CEO Update from Damon Hininger*, *supra* note 36.

⁴⁶ This language comes from the DEI Committee’s internal charter.

⁴⁷ *Vice Presidents*, CORECIVIC, <https://www.corecivic.com/about/vice-presidents> (last visited Feb. 24, 2022).

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ See *Executive Leadership*, CORECIVIC <https://www.corecivic.com/about/executive-leadership> (last visited Feb. 24, 2022).

⁵¹ *Id.*

⁵² See Section 7, CoreCivic's Impacted Populations: Employees, for more detail on the demographics of CoreCivic's workforce.

⁵³ See CoreCivic, Inc., Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Schedule 14A), at 18 (March 30, 2021); see also *2020 ESG Report*, *supra* note 44; *2019 ESG Report*, CORECIVIC (May 14, 2020), <https://www.corecivic.com/hubfs/files/2019-ESG%20Report.pdf>; *2018 ESG Report*, CORECIVIC (May 16, 2019), <https://www.corecivic.com/hubfs/files/2018-ESGReport.pdf>.

⁵⁴ See Alliance for Board Diversity and Deloitte, *Missing Pieces Report: The Board Diversity Census of Women and Minorities on Fortune 500 Boards*, 6th Edition, DELOITTE, at 19 (June 8, 2021), <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/center-for-board-effectiveness/missing-pieces-fortune-500-board-diversity-study-6th-edition-report.pdf>.

⁵⁵ See *The Growth of Incarceration in the United States, Exploring Causes and Consequences*, Chapter: 6 The Experience of Imprisonment, NAT'L ACADS. PRESS, <https://www.nap.edu/read/18613/chapter/8> (last visited Feb. 24, 2022).

⁵⁶ Lauren-Brooke Eisen, *The Private Prison Experiments: Is There Any Positive In For-profit Imprisonment?*, SALON (Feb. 25, 2019), <https://www.salon.com/2019/02/25/the-private-prison-experiments-is-there-any-positive-in-for-profit-imprisonment/>.

⁵⁷ The audit team reviewed publicly-available data relating to BOP residents, see *Inmate Race*, FED. BUREAU OF PRISONS, https://www.bop.gov/about/statistics/statistics_inmate_race.jsp (last visited Feb. 24, 2022), but given differences in how CoreCivic and the BOP report the racial and ethnic demographics of their residents, the audit team could not reach reliable, meaningful conclusions through comparing the available snapshot data provided by CoreCivic or made publicly-available by the BOP. Additionally, it is worth reiterating here that, on the one hand, CoreCivic operates pursuant to various contracts with different federal government entities (i.e., not only the BOP)—in addition to various contacts with other state and local government entities. On the other hand, the BOP is a monolithic entity. For a more accurate data comparison, one would want to compare available BOP data to demographic data of CoreCivic residents specifically housed in correctional facilities or, better yet, CoreCivic facilities operated pursuant to a contract with the BOP, specifically.

⁵⁸ For an explanation of the PBNDS, see *2008 Operations Manual ICE Performance-Based National Detention Standards*, U.S. IMMIGR. AND CUSTOMS ENF'T, <https://www.ice.gov/detain/detention-management/2008> (last visited Feb. 24, 2022).

⁵⁹ See *Immigration Detention Quick Facts*, TRACIMMIGRATION, <https://trac.syr.edu/immigration/quickfacts/> (last visited Feb. 24, 2022).

⁶⁰ See also *Q4 Supplemental*, *supra* note 21, at 14–19.

⁶¹ See *2019-ESGReport-QA Section*, CORECIVIC, <https://www.corecivic.com/hubfs/files/2019-ESGReport-QA%20Section.pdf> (last visited Feb. 24, 2022).

⁶² *Coffee Correctional Facility*, CORECIVIC, <https://www.corecivic.com/facilities/coffee-correctional-facility> (last visited Feb. 24, 2022).

⁶³ *Bent County Correctional Facility*, CORECIVIC, <https://www.corecivic.com/facilities/bent-county-correctional-facility> (last visited Feb. 24, 2022).

⁶⁴ *Lake City Correctional Facility*, CORECIVIC, <https://www.corecivic.com/facilities/lake-city-correctional-facility> (last visited Feb. 24, 2022). A “youthful offender” is defined by Florida statute as “any person who is sentenced as such by the court or is classified as such by the [Florida Department of Corrections].” Fla. Stat. § 958.03. To be eligible to be sentenced as a youthful offender, an individual must: (1) be at least 18 years of age; (2) have been found guilty or pled guilty or nolo contendere to a non-capital or non-life felony which was committed before the individual turned 21 years of age; and (3) not have been previously classified as a youthful offender. Fla. Stat. § 958.04(1)(a)-(c). If a sentencing court does not exercise its discretion to sentence an individual as a youthful offender, the Florida Department of Corrections may classify an individual as a youthful offender if: (1) the individual is no more than 24 years of age, meets the other eligibility criteria found in § 958.04(1)(a) and (c), and has a sentence with a total length of less than 10 years; or (2) if the individual is no more than 19 years of age and is not otherwise eligible under § 958.04 but the Florida Department of Corrections “determines [the individual’s] mental or physical vulnerability would substantially or materially jeopardize [their] safety in a nonyouthful offender facility.” Fla. Stat. § 958.11(7), (9).

⁶⁵ *South Raleigh Reentry Center*, CORECIVIC, <https://www.corecivic.com/facilities/south-raleigh-reentry-center> (last visited Feb. 24, 2022).

⁶⁶ *Oklahoma Reentry Opportunity Center*, CORECIVIC, <https://www.corecivic.com/facilities/oklahoma-reentry-opportunity-center> (last visited Feb. 24, 2022).

⁶⁷ *Northeast Ohio Correctional Center*, CORECIVIC, <https://www.corecivic.com/facilities/northeast-ohio-correctional-center> (last visited Feb. 24, 2022).

⁶⁸ *Tallahatchie County Correctional Facility*, CORECIVIC, <https://www.corecivic.com/facilities/tallahatchie-county-correctional-facility> (last visited Feb. 24, 2022).

⁶⁹ *La Palma Correctional Center*, CORECIVIC, <https://www.corecivic.com/facilities/la-palma-correctional-center> (last visited Feb. 24, 2022).

⁷⁰ *South Texas Family Residential Center*, CORECIVIC, <https://www.corecivic.com/facilities/south-texas-family-residential-center> (last visited Feb. 24, 2022).

⁷¹ *Human Rights Policy Statement*, *supra* note 40, at 1.

⁷² See *The CoreCivic Code of Ethics*, CORECIVIC, [https://www.corecivic.com/hubfs/files/Code%20Of%20Conduct%20\(CoreCivic\).pdf](https://www.corecivic.com/hubfs/files/Code%20Of%20Conduct%20(CoreCivic).pdf) (last visited Feb. 24, 2022).

⁷³ See *Program Statement 1040.04, Non-Discrimination Toward Inmates*, FED. BUREAU OF PRISONS, at 1 (Jan. 29, 1999), https://www.bop.gov/policy/progstat/1040_004.pdf.

⁷⁴ See *Gang and Security Threat Group Awareness*, NAT’L INST. OF CORRECTIONS, <https://nicic.gov/gang-and-security-threat-group-awareness-0> (last visited Feb. 24, 2022).

⁷⁵ See *Policy 14-2 Section G*, CORECIVIC (Apr. 2, 2020), <https://www.corecivic.com/hubfs/files/PREA/CoreCivic%2014-2.pdf> (last visited Feb. 24, 2022).

⁷⁶ See *Assessment*, GA. DEP’T OF CORRECTIONS, <http://dcor.state.ga.us/Divisions/InmateServices/RiskReduction/Assessment> (last visited Feb. 24, 2022).

⁷⁷ See *Oklahoma Reentry Opportunity Center*, CORECIVIC, <https://www.corecivic.com/facilities/oklahoma-reentry-opportunity-center> (last visited Feb. 24, 2022).

⁷⁸ See 2021 Annual Report, *supra* note 19, at 9–10.

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.* at 11.

⁸² The increased focus on programming generally along with the thoughtful consideration of DEI issues may, in part, be a result of the unique resident population; Lake City Correctional only houses residents ranging from ages 18 to 24. See *supra* note 64 and accompanying text.

⁸³ The Volunteer Code of Ethics (“**Policy 22-01C**”) requires volunteers to agree that they will “provide equal treatment to those [they] serve without regard to race, creed, religion, nature of conviction, or sexual orientation.” This language is important and should be expressly added to the standard form Volunteer Agreement (“**Policy 22-01B**”), which currently only references but does not incorporate the exact language from Policy 22-01C.

⁸⁴ See Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934, *supra* note 53, at 44 (explaining that CoreCivic has adopted a “Strategic Business Goals” modifier which can raise or lower named executive officers’ (“**NEOs**”) annual short-term incentive bonus, and stating that in 2020, there were three goals that formed the modifier: (1) success or failure at achieving a group of human rights objectives; (2) saturation rate of leadership development programs for CoreCivic’s workforce; and (3) resident General Educational Development (“**GED**”), high school equivalency (“**HSE**”), and similar program completions and resident attainments of industry-recognized job skills training certificates (“**IRC**”).

⁸⁵ See 2020 Annual Report, *supra* note 37, at 9.

⁸⁶ See 2021 Annual Report, *supra* note 19, at 9.

⁸⁷ See Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934, *supra* note 53, at 42–46 (explaining CoreCivic’s adoption of a “Strategic Business Goals” modifier comprised of three goals which can impact executives’ bonuses, and stating that because of the pandemic, resident classrooms, resident vocational shops, and employee trainings were frequently curtailed (usually per the instruction of a local health agency or our government partner). Consequently, CoreCivic did not meet certain goals in 2020, and executives’ bonuses were reduced.

⁸⁸ See BOP Modified Operations, FED. BUREAU OF PRISONS (Nov. 25, 2020), https://www.bop.gov/coronavirus/covid19_status.jsp.

⁸⁹ CoreCivic informed the audit team that the facilities providing health care services to their populations include: Adams, Bent, Central Arizona Florence, Cimarron, Cibola, Citrus, Coffee, Crossroads, Crowley, Davis, Eden, Hardeman, Jenkins, Lake City, La Palma, Laredo, Leavenworth, Marion County Jail II, McRae, Nevada Southern, Northeast Ohio, Lake Erie, Otay Mesa, Red Rock, Saguaro, South Central, Stewart, Torrance, Tallahatchie, Trousdale, Webb, West Tennessee, Wheeler, Whiteville.

⁹⁰ A CoreCivic employee advised the audit team that all CoreCivic employees, including those at community facilities, receive training annually to include, for example, how to perform cardiopulmonary resuscitation (“**CPR**”), use an automated external defibrillator (“**AED**”), and render emergency first aid services.

⁹¹ See Brent Gibson, LINKEDIN, <https://www.linkedin.com/in/brent-r-gibson-md-mph-cchp-p-14139511/> (last visited Feb. 24, 2022).

⁹² See, e.g., *Briskin v. Griego*, No. CV 16-02434-PHX-JJT, 2019 U.S. Dist. LEXIS 43425, at *42 (granting CoreCivic’s motion for summary judgment in an action brought by a CoreCivic resident pursuant to 42 U.S.C. § 1983 because the CoreCivic facility “had an administrative grievance process available to Plaintiff and Plaintiff failed to exhaust his administrative remedies.”).

⁹³ See *2021 Annual Report*, *supra* note 19, at 9.

⁹⁴ See *6.2 Grievance System*, U.S. IMMIGR. AND CUSTOMS ENF'T (Dec. 2016), <https://www.ice.gov/doclib/detention-standards/2011/6-2.pdf>.

⁹⁵ See *About Us*, *supra* note 34.

⁹⁶ See *T. Don Hutto Detention Center*, CORECIVIC, <https://www.corecivic.com/facilities/t-don-hutto-detention-center> (last visited Feb. 24, 2022).

⁹⁷ Emily Mooney & Nila Bala, *The Importance of Supporting Family Connections to Ensure Successful Re-Entry*, R STREET (Oct. 2018), <https://www.rstreet.org/wp-content/uploads/2018/10/Final-Short-No.-63-1.pdf> (incidentally, more on R Street is discussed in Section 6, CoreCivic's Impacted Populations: Communities); see also Adiah Price-Tucker, et al., *Successful Re-Entry: A Community-Level Analysis*, HARV. UNIV. INST. POLS. POL'Y PROG. at 16–19 (Dec. 2019), https://iop.harvard.edu/sites/default/files/sources/program/IOP_Policy_Program_2019_Reentry_Policy.pdf.

⁹⁸ See *CoreCivic for Families*, CORECIVIC, <https://www.corecivic.com/for-families> (last visited Feb. 24, 2022).

⁹⁹ *Id.*

¹⁰⁰ The audit team noticed that there is variability in terms of the detail provided about a particular facility on CoreCivic's website. For instance, a virtual tour of CoreCivic's South Texas Family Residential Center is available online, which we imagine family members of residents housed at that facility have found valuable. See *Virtual Reality Tour*, CORECIVIC, <https://www.corecivic.com/south-texas-family-residential-detention-center-tour> (last visited Feb. 24, 2022). The audit team did not find similar virtual tours recorded and posted online of other CoreCivic facilities.

¹⁰¹ See *CoreCivic for Families*, *supra* note 98.

¹⁰² *BOP Modified Operations*, *supra* note 88.

¹⁰³ See *Video Visiting and Telephone Calls Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act*, FED. BUREAU OF PRISONS (June 22, 2021), https://www.bop.gov/policy/om/002_2021.pdf.

¹⁰⁴ *BOP Modified Operations*, *supra* note 88.

¹⁰⁵ *Id.*

¹⁰⁶ A CoreCivic employee told the audit team that CoreCivic's detention and community facilities generally are located in more urban areas while CoreCivic facilities with contracts with state and local government entities are more likely to be located in rural areas.

¹⁰⁷ See *2021 Annual Report*, *supra* note 19, at 35.

¹⁰⁸ Relatedly, a CoreCivic employee advised that each and every CoreCivic facility may engage in its own outreach efforts through its own community relations board.

¹⁰⁹ A CoreCivic employee advised the audit team that ICE Health Service Corps typically administers and manages health care for ICE residents.

¹¹⁰ See *Who We Are*, THURGOOD MARSHALL COLL. FUND, <https://www.tmc.org/about-us/who-we-are/> (last visited Feb. 24, 2022).

¹¹¹ Lauren Leatherby, *Coronavirus Is Hitting Black Business Owners Hardest*, N.Y. TIMES (June 18, 2020), <https://www.nytimes.com/interactive/2020/06/18/us/coronavirus-black-owned-small-business.html>.

¹¹² See *Humble Ventures*, LINKEDIN, <https://www.linkedin.com/company/humble-ventures/> (last visited Feb. 24, 2022).

¹¹³ See *Our Story*, FLIKSHOP, <https://www.flikshop.com/about-us> (last visited Feb. 24, 2022).

¹¹⁴ See *Fox Facility*, CORECIVIC, <https://www.corecivic.com/facilities/fox-facility> (last visited Feb. 2, 2022).

¹¹⁵ See *Who We Are*, U.S. HISPANIC CHAMBER OF COM., <https://www.usbcc.com/about-usbcc.html> (last visited Feb. 24, 2022).

¹¹⁶ See *CoreCivic Proudly Supports Minority, Women and Veteran-Owned Businesses*, CORECIVIC (Sept. 19, 2018, 12:57 PM), <https://www.corecivic.com/news/corecivic-proudly-supports-small-minority-women-and-veteran-owned-businesses>.

¹¹⁷ *CoreCivic's Diversity Business Inclusion Program Plays Important Role During COVID-19*, CORECIVIC (Feb. 11, 2021), <https://www.corecivic.com/news/corecivics-diversity-business-inclusion-program-plays-important-role-during-covid-19>.

¹¹⁸ *CoreCivic Proudly Supports Minority, Women and Veteran-Owned Businesses*, *supra* note 116.

¹¹⁹ Note that the Federal Acquisition Regulation ("FAR"), 48 C.F.R. § 1 *et al.*, is the primary regulation governing the federal government's purchasing process. See *Federal Acquisition Regulation (FAR)*, U.S. GEN. SERVS. ADMIN. (July 2, 2021), <https://www.gsa.gov/policy-regulations/regulations/federal-acquisition-regulation-far>.

¹²⁰ *CoreCivic Proudly Supports Minority, Women and Veteran-Owned Businesses*, *supra* note 116.

¹²¹ As of Q4 of 2021, CoreCivic employees represented that the Company was operating 61 facilities. See *also Q4 Supplemental*, *supra* note 21, at 14–19. However, CoreCivic currently owns 113 active and *other* facilities (e.g., facilities that CoreCivic leases out to other entities for operation and which CoreCivic itself does not actually operate, or facilities that are shuttered and have no resident populations in place). See *Find a Facility*, CORECIVIC <https://www.corecivic.com/facilities> (last visited Feb. 24, 2022).

¹²² *CoreCivic Proudly Supports Minority, Women and Veteran-Owned Businesses*, *supra* note 116.

¹²³ See *Centers of Excellence*, NAT'L MINORITY SUPPLIER DEV. COUNCIL, <https://nmsdc.org/programs/centers-excellence/> (last visited Feb. 24, 2022).

¹²⁴ See *About*, TRISTATE MINORITY SUPPLIER DEV. COUNCIL, <https://tsmsdc.com/about/> (last visited Feb. 25, 2022).

¹²⁵ See *TSMSDC Education Foundation*, TRISTATE MINORITY SUPPLIER DEV. COUNCIL, <https://tsmsdc.com/education-foundation/> (last visited Feb. 25, 2022).

¹²⁶ See *About WBENC*, WBENC, <https://www.wbenc.org/about-wbenc/> (last visited Feb. 25, 2022).

¹²⁷ *About WBEC South*, WBEC SOUTH, <https://www.wbecsouth.org/> (last visited Feb. 25, 2022).

¹²⁸ *Enterprising Women of Color: About*, WBEC SOUTH, <https://brojure.com/wbec-south/enterprising-women-of-color/a/318516/about> (last visited Feb. 25, 2022).

¹²⁹ See *2020 ESG Report*, *supra* note 44, at 20.

¹³⁰ See *CoreCivic Foundation*, CORECIVIC, <https://www.corecivic.com/corecivicfoundation> (last visited Feb. 25, 2022).

¹³¹ *Id.*

¹³² Brentwood, Tennessee, where CoreCivic maintains its headquarters or Facility Support Center ("FSC"), see *Headquarters & Facility Support Center*, CORECIVIC, <https://www.corecivic.com/facilities/headquarters->

[facility-support-center](#) (last visited Feb. 25, 2022), is a suburb of Nashville, and included in the Nashville metropolitan area.

¹³³ CoreCivic raises money for its Foundation through an annual golf tournament—the only charitable event the Foundation hosts. The 2020 version of the golf tournament raised approximately \$575,000.

¹³⁴ See *2021 Annual Report*, *supra* note 19, at 12.

¹³⁵ “Ban the box” legislation, such as the Fair Chance to Compete for Jobs Act of 2007 (the “**Fair Chance Act**”), Pub. L. No. 116-92, Div. A, Title XI, Subtitle B, 133 Stat. 1605 (2007), is legislation which prohibits employers from inquiring about a prospective applicant’s criminal history on a job application. CoreCivic supported passage of the Fair Chance Act. *CoreCivic Statement on Passage of Fair Chance Act*, CORECIVIC (Dec. 23, 2019), <https://www.corecivic.com/corecivic-statement-on-passage-of-fair-chance-act>.

¹³⁶ *2021 Annual Report*, *supra* note 19, at 12.

¹³⁷ *Id.*

¹³⁸ *CoreCivic Announces Support for Pell Grant Restoration, Voting Rights Restoration and Licensure Reform Policies*, CORECIVIC (Oct. 21, 2020), <http://ir.corecivic.com/news-releases/news-release-details/corecivic-announces-support-pell-grant-restoration-voting-rights>.

¹³⁹ PRISON FELLOWSHIP, <https://www.prisonfellowship.org/> (last visited Feb. 25, 2022).

¹⁴⁰ See *2021 Annual Report*, *supra* note 19, at 12.

¹⁴¹ *Warden Exchange*, PRISON FELLOWSHIP, <https://www.prisonfellowship.org/about/warden-exchange/> (last visited Feb. 25, 2022).

¹⁴² See *2021 Annual Report*, *supra* note 19, at 12.

¹⁴³ See *2020 ESG Report*, *supra* note 44, at 16.

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Reentry Ready: Improving Incarceration’s Contribution to Successful Reentry*, CONVERGENCE CTR. FOR POL’Y RESOL. (June 26, 2019), <https://www.convergencepolicy.org/wp-content/uploads/2019/06/Reentry-Ready-Full-Report-FINAL-6.24.pdf> [hereinafter *Reentry Ready: Improving Incarceration’s Contribution to Successful Reentry*].

¹⁴⁷ *Unlikely Allies Announce Transformational Plan for Successful Reentry from Prison*, CONVERGENCE CTR. FOR POL’Y RESOL. (June 26, 2019), <https://www.convergencepolicy.org/wp-content/uploads/2019/06/Reentry-Ready-Press-Release-FINAL-4.pdf>.

¹⁴⁸ *Reentry Ready: Improving Incarceration’s Contribution to Successful Reentry*, *supra* note 146, at 3; see also Daren Swenson, LINKEDIN, <https://www.linkedin.com/in/daren-swenson-74676831> (last visited Feb. 25, 2022).

¹⁴⁹ *Reentry Ready: Improving Incarceration’s Contribution to Successful Reentry*, *supra* note 146, at 8.

¹⁵⁰ *Id.* at 3.

¹⁵¹ See *id.* at 18.

¹⁵² See *What We Do*, <https://www.douglassproject.org/about> (last visited Feb. 25, 2022).

¹⁵³ *2021 Annual Report*, *supra* note 19, at 56.

¹⁵⁴ See, e.g., John Pfaff, *Private Prisons Aren't Uniquely Heinous. All Prisons Are Abusive*, WASH. POST (Feb. 3, 2021), <https://www.washingtonpost.com/outlook/2021/02/03/private-prisons-executive-order/>.

¹⁵⁵ 2021 Annual Report, *supra* note 19, at 45, 56; see also *What We Do*, CORECIVIC, <https://www.corecivic.com/hubfs/files/What%20We%20Do%20Card.pdf> (last visited Feb. 25, 2022).

¹⁵⁶ *Who We Are*, DAY 1 ALLIANCE, <https://day1alliance.org/about/> (last visited Feb. 25, 2022). D1A represents that it recently has been involved in activities including, for example: (1) publishing opinion editorials, letters to the editor, and news releases; (2) coordinating a letter-writing campaign regarding industry de-banking issues, see e.g., Dymond Green and Tala Hadavi, *Why Big Banks Could Be Killing Private Prisons*, CNBC (Jan. 2, 2020), <https://www.cnbc.com/2020/01/02/why-private-prisons-geo-group-and-corecivic-are-struggling-under-trump.html> (“Industry de-banking issues” refer to banking organizations refusing to provide banking services for particular industries or companies based on moral or other objections to the industry or company in question); (3) launching an ad campaign in Denver, Colorado attempting to “dispel misinformation from industry critics and educate the public on facts about the industry”, see 2020 ESG Report, *supra* note 44, at 16.; and (4) filing an amicus brief in *Nielsen, et al. v. Shinn*, No. 2:20-cv-01182, GMS-JZB (D. Ariz. Nov. 23, 2020), a lawsuit brought by a resident of the Arizona Department of Corrections, Rehabilitation, & Reentry under 42 U.S.C. § 1983 alleging that incarceration in private prisons violates the Constitution. The lawsuit was dismissed with prejudice on January 31, 2022.

¹⁵⁷ 2020 ESG Report, *supra* note 44, at 16.

¹⁵⁸ D1A Statement on “Abolish ICE” Protesters At President Biden’s Event in Georgia, DAY 1 ALLIANCE (Apr. 30, 2021), <https://day1alliance.org/resource/d1a-statement-on-abolish-ice-protesters-at-president-bidens-event-in-georgia/>.

¹⁵⁹ D1A on Activists Against Replacing Dilapidated Corrections Facilities & Improving Conditions in Alabama, DAY 1 ALLIANCE (Apr. 19, 2021), <https://day1alliance.org/resource/d1a-statement-on-activists-opposed-to-replacing-dilapidated-correctional-facilities-and-improving-conditions-for-alabamas-incarcerated-population/>.

¹⁶⁰ *Political Activity and Lobbying Report 2020*, CORECIVIC, at 2 (June 2021), <http://ir.corecivic.com/static-files/6dacc3c0-85b9-4a93-b89d-92485b1c5a43>.

¹⁶¹ The audit team primarily analyzed CoreCivic’s political activity in 2020 because, as a presidential election year, that data is likely more indicative of CoreCivic’s political engagement than 2021, a year in which no major federal elections took place.

¹⁶² Katherine Schaeffer, *Racial, Ethnic Diversity Increases Yet Again With The 117th Congress*, PEW RESEARCH CENTER (Jan. 28, 2021), <https://www.pewresearch.org/fact-tank/2021/01/28/racial-ethnic-diversity-increases-yet-again-with-the-117th-congress/>.

¹⁶³ See 21st Century Council, CBCI, <https://www.cbcinstitute.org/21stcenturycouncil> (last visited Feb. 25, 2022).

¹⁶⁴ See 2021 Annual Report, *supra* note 19, at 34.

¹⁶⁵ *Id.* at 35.

¹⁶⁶ See 2020 Annual Report, *supra* note 37, at 34.

¹⁶⁷ See 2021 Annual Report, *supra* note 19, at 33.

¹⁶⁸ See *id.* at 35.

¹⁶⁹ An internal interviewee also told the audit team that CoreCivic is also working on building out a tuition reimbursement or scholarship program. In 2021, CoreCivic awarded \$50,600 in tuition scholarships, approximately \$18,600 of which (or 37%) went to individuals of color.

¹⁷⁰ See 2021 Annual Report, *supra* note 19, at 33.

¹⁷¹ Nine rotational experiences have been identified as critical to gaining the knowledge needed to succeed in an ADO position. Those functional areas are: (1) Security; (2) Unit Management; (3) Community; (4) Quality Assurance; (5) Business Office; (6) Foodservice; (7) Health Services; (8) Human Resources; and (9) FSC.

¹⁷² An internal interviewee advised that CoreCivic University was shut down for much of the COVID-19 pandemic but is currently up and running again.

¹⁷³ Note that CoreCivic's 2021 Annual Report provides data as of a different date. See 2021 Annual Report, *supra* note 19, at 34 ("To date, over 4,075 employees have completed programs within CoreCivic University.")

¹⁷⁴ For more color, additional data regarding the resolution status (or current status as of the end of Q2) of Q1 and Q2 of 2021 PSNs (and Q1 and Q2 of 2020 PSNs) is provided in Appendix F, Additional CoreCivic Employee Data.

¹⁷⁵ For example, data from the Equal Employment Opportunity Commission ("EEOC") shows that "Black women are three times as likely as non-Hispanic white women to experience sexual harassment at work." Trina Jones and Emma E. Wade, *Me Too? Race, Gender, and Ending Workplace Sexual Harassment*, 27 DUKE J. GENDER L. & POL'Y 203, 209 (2020).

¹⁷⁶ See Program Statement 1040.04, *Non-Discrimination Toward Inmates*, FED. BUREAU OF PRISONS, at 1 (Jan. 29, 1999), https://www.bop.gov/policy/progstat/1040_004.pdf.

¹⁷⁷ See Bureau of Prisons Anti-Discrimination Policy, FED. BUREAU OF PRISONS (June 16, 2014), https://www.bop.gov/policy/progstat/3713_025.pdf.

¹⁷⁸ See *The CoreCivic Code of Ethics*, *supra* note 72, at 16.

¹⁷⁹ *Health Equity Considerations and Racial and Ethnic Minority Groups*, CENTERS FOR DISEASE CONTROL AND PREVENTION (Jan. 25, 2022), <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>.

¹⁸⁰ *Experience to Action: Reshaping Criminal Justice After COVID-19*, COUNCIL ON CRIM. J. (Dec. 2020), https://assets.foleon.com/eu-west-2/uploads-7e3kk3/41697/final_report_-_designed.83f2289da58b.pdf.

¹⁸¹ *Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities*, CENTERS FOR DISEASE CONTROL AND PREVENTION (Feb. 15, 2022), <https://www.cdc.gov/coronavirus/2019-ncov/community/correction-detention/guidance-correctional-detention.html>.

¹⁸² *Ibarra-Perez v. Howard, et al.*, No. CV-20-00739-PHX-DWL, Doc. No. 23, at 20 (D. Ariz. June 23, 2020) (dismissing a resident's claims alleging CoreCivic failed to implement reasonable policies and practices to reduce the risk of COVID-19 transmission in part because the facility's "practices appear broadly compliant with CDC guidance.").

¹⁸³ *CoreCivic Statement on COVID-19 Prevention*, CORECIVIC (March 12, 2020), <https://www.corecivic.com/en/corecivic-statement-on-covid-19-prevention>.

¹⁸⁴ *Inside CoreCivic’s Coronavirus Response Committee: Combining Experience and Data to Combat COVID-19*, CORECIVIC (Dec. 10, 2020), <https://www.corecivic.com/news/inside-corecivics-coronavirus-response-committee-combining-experience-and-data-to-combat-covid-19>.

¹⁸⁵ For purposes of this report, “fully vaccinated” means someone who received the second dose of a two-dose vaccine (Pfizer or Moderna) more than two weeks prior to the relevant date, or someone who received one dose of a single-dose vaccine (Johnson & Johnson) more than two weeks prior to the relevant date.

¹⁸⁶ CoreCivic counted all deaths “specifically determined to be related to the COVID-19 virus” as deaths resulting from COVID-19. A CoreCivic employee also stated that contract employees are not included in this vaccination data.

¹⁸⁷ *COVID-19: Coronavirus*, FED. BUREAU OF PRISONS, <https://www.bop.gov/coronavirus/> (last visited Feb. 25, 2022).

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ Information and analysis pertaining to COVID-19 vaccinations in this report does not include information or data around COVID-19 “booster shots” unless otherwise noted.

¹⁹¹ *CoreCivic’s COVID-19 Updates*, CORECIVIC, <https://www.corecivic.com/covid-19-response/weekly-updates> (last visited Jan. 6, 2022).

¹⁹² Federal Bureau of Prisons, *COVID-19 Vaccine Guidance: Federal Bureau of Prisons Clinical Guidance* (Oct. 13, 2021), https://www.bop.gov/resources/pdfs/covid_19_vaccine_guidance_v14_0_2021.pdf.

¹⁹³ *Id.*

¹⁹⁴ *COVID-19: Coronavirus*, FED. BUREAU OF PRISONS, <https://www.bop.gov/coronavirus/> (last visited Feb. 10, 2022).

¹⁹⁵ The data in this column is as of August 20, 2021.

¹⁹⁶ *Id.*

¹⁹⁷ *Id.*

¹⁹⁸ *Id.*

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

²⁰¹ *Id.*