

2006 SHAREHOLDER RESOLUTION TO CHEVRON CORPORATION ON ENVIRONMENTAL STANDARDS

**Submitted by Domestic and Foreign Missionary Society of the Episcopal Church.
Co-filed by Catholic Health Care Partners and Bon Secours Health Care Systems.**

WHEREAS:

Chevron is “committed to excellence in everything” it does and aims “to be admired for world-class performance” in protecting people and the environment. (*The Chevron Way*)

Our company’s policy places the highest priority on the safety of its staff, community members and the environment where it operates. Corporate Policy 530 “commits Chevron to comply with the spirit and letter of all environmental, health and safety laws and regulations, regardless of the degree of enforcement.” (*Chevron Business and Ethics Code*)

However, our company operates in 180 countries including developing countries of Africa, Asia and Latin America where environmental regimes may be less protective of human health and the environment than in North American and European countries where Chevron operates.

Chevron CEO David O’Reilly has recognized the importance of our company’s relationships with oil producing nations of in Africa and Latin America. (*International Petroleum Finance*, 9 March 2005, “Chevron Chief Believes the Surplus is Over.”)

Notwithstanding Chevron’s efforts to comply with environmental laws and regulations in developing countries, our company has repeatedly been singled out for practices that, allegedly, have caused environmental damage and harmed the health and welfare of local communities.

- Chevron is accused of polluting land and water resources in its on-going operations in the Niger Delta. According to observers, these persistent environmental problems have fueled protests against our company and contributed to civil unrest in the area.
 - Duruigbo, Emeka, “Oil Development in Nigeria: A critical investigation of Chevron Corporation’s performance in the Niger River Delta,” http://www.n-h-i.org/Publications/Pubs_pdf/Nigeria_CorpAccount.pdf
- In 2002, the Angolan government fined Chevron \$2 million for oil spills from a pipeline that polluted beaches and damaged fishing in the Cabinda region.
 - *BBC News*, 1 July 2002, “Angola Fines Chevron for Pollution,” <http://news.bbc.co.uk/1/hi/business/2077836.stm>
- Texaco’s legacy in Ecuador has embroiled our company in major litigation that has damaged the company’s reputation in the international media and led to a regional boycott of its products.

- *The New York Times*, 20 October 2005, “Rain Forest Jekyll and Hyde.”
L’Express, 8 August 2005, “Jivaro contre petroleros,”
<http://www.lexpress.fr/formatimp/default.asp?idarticle=434318&url=http://www.lexpress.fr>

Chevron has undertaken to strengthen its environmental strategy and improve performance, placing priority on “defining operating standards, measuring and communicating performance” in an effort to meet its goal of being “recognized for environmental excellence.” (*Chevron 2004 Corporate Responsibility Report*, 41.)

RESOLVED: that the shareholders request the Board to establish a policy of applying, in all of its worldwide operations, environmental standards no less stringent than those established under the laws and regulations of California, the state where Chevron is headquartered and where (among all states and foreign countries) it has its greatest crude oil production and largest refinery capacity.

Supporting Statement:

A commitment by Chevron to abide by the highest environmental standards wherever it operates would further its goal of being recognized for environmental excellence, establishing our company as an industry leader and enhancing its reputation. Adoption of a consistent, worldwide operating standard would also facilitate measurement and reporting of our company’s environmental performance.