

The Faculty Senate of the University of Alaska Anchorage, representing over 400 faculty members whose retirement funds are managed by TIAA-CREF, call on the Board of Directors of TIAA-CREF to be accountable to the interests and views of those whose money they manage. Thus, we request that TIAA-CREF take the following actions to help corporations develop practices that are consistent with our belief in the importance of human rights.

1. Publicize how they have voted on socially and environmentally conscious shareholder proposals.
2. Further develop their proxy voting guidelines to explicitly address social, environmental, labor and human rights shareholder proposals.
3. Vote favorably on, and publicly support existing socially and environmentally conscious shareholder proposals of urgent concern.
4. File or co-file socially or environmentally conscious shareholder proposals with companies they own.
5. Increase the array of socially responsible investment offerings for participants.

In addition to these general points, the faculty of The University of Alaska Anchorage would like to draw your attention to two companies of urgent concern—Dow Chemical and Chevron Corporation—both with toxic pollution legacies that have widespread consequences for human rights. Though there are many companies that require concern, we emphasize these companies for two reasons. First, TIAA-CREF is a top ten shareholder of Dow Chemical and Chevron. Second, both companies have shareholder resolutions filed this year that address issues of human rights and environmental responsibility. As investors in TIAA-CREF, we recommend strongly that you vote in support of (or give serious consideration to) these resolutions.

Respectfully submitted by the University of Alaska Anchorage Faculty Senate.

## SHAREHOLDER RESOLUTION REGARDING BHOPAL

**Resolved:** Shareholders request Dow Chemical management to report to shareholders by October 2007, at reasonable cost and excluding confidential information, descriptions of any new initiatives instituted by management to address specific health, environmental and social concerns of Bhopal, India survivors.

### Supporting Statement

On the night of December 2-3, 1984, a Union Carbide plant in Bhopal, India unleashed a gas cloud, which killed at least 7,000 people within days and at least 15,000 more in the years that followed. Records show that Union Carbide decided to store bulk quantities of ultra-hazardous methyl isocyanate in Bhopal and did not equip the plant with certain corresponding safety features.

Dow Chemical has acquired Union Carbide, becoming a focus of both Indian government efforts to remedy environmental contamination, and survivors' ongoing demands for health care and economic relief. Although a civil case over the disaster was settled by Union Carbide and the Indian Government for \$470 million, unresolved legal issues remain regarding Bhopal, with lawsuits pending in an Indian criminal court and on appeal in US courts. The settlement did not eliminate ongoing criminal prosecution related to the disaster, nor remedy environmental contamination from the abandoned Carbide plant, including an estimated 25,000 tons of onsite contaminated soil and drinking water contamination. More than 20,000 Bhopal residents drink water laced with contaminants such as mercury and trichlorobenzene, and many suffer heightened health problems such as chronic stomach problems, joint pains, congenital deformities, particularly among infants and children.

International attention to corporate accountability on human rights is growing. The draft UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, include:

- respecting human rights in international, as well as national, laws of countries in which a company operates, in particular rights of affected local communities, such as rights to life, adequate drinking water and the highest attainable standard of health; and
- assessing the impact of disposal of hazardous and toxic substances on environment and human health and ensuring that the burden of negative environmental consequences does not fall on vulnerable groups.

Amnesty International reports that over a hundred thousand people across two generations still suffer violations of their human rights, and criticizes Dow and Union Carbide for their lack of cooperation in resolving remaining health, economic and environmental issues.

Dow, in its Global Public Report, reports \$5.1 billion in sales from the Asia Pacific region. Proponents believe that, in addition to any legal liability facing our company, Bhopal presents a "moral" liability for Dow that may continue to damage Dow's reputation and may reasonably be expected to affect growth prospects in Asia and beyond.

Dow management has committed more than \$30 million to a global public relations campaign on the "Human Element," asserting our company's engagement and accountability for public health and clean water. Yet in Bhopal, arguably Dow's worst legacy issue, our company's refusal to address health or water contamination contradicts and undermines the public goodwill sought through such campaign.

## SHAREHOLDER RESOLUTION REGARDING ENVIRONMENTAL STANDARDS

### **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 in Africa and Latin America. (*International Petroleum Finance*, 03/09/05, “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 ongoing operations in the Niger Delta. According to observers, these persistent environmental problems have fueled protests against our company and contributed to civil unrest. (*Nigeria Ten Years On: Injustice and Violence Haunt the Oil Delta*, 11/03/06, <http://web.amnesty.org/library/Index/ENGAFR440222005>)
- 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*, 07/01/02, “Angola Fines Chevron for Pollution” <http://news.bbc.co.uk/1/hi/business/2077836.stm>.)
- Texaco is on trial in Ecuador for widespread contamination of Amazonian land and water resources in the 1970s (*The New York Times*, 10/20/05, “Rain Forest Jekyll and Hyde”)
- Unocal’s pipeline operations in Burma contributed to the deforestation of the last primary tropical rainforest on mainland Asia, a recognized ‘biodiversity hot spot.’ (*Environmental News Network*, 4/27/02, “Unocal-Total Oil Pipeline in Burma Threatens Indigenous People, Animals”)

In 2004, Chevron outlined its three strategic priorities for environmental strategy and improve as “defining world-class standards, measuring and communicating performance and demonstrating continual performance improvement” toward “our goal [of being] recognized and admired everywhere for having a record of environmental excellence.”

([http://www.chevron.com/cr\\_report/2005/priorities\\_progress\\_plans/env\\_management](http://www.chevron.com/cr_report/2005/priorities_progress_plans/env_management).)

**Resolved:** The shareholders request that the Board prepare a report by November 2007, prepared at reasonable cost and omitting proprietary information, on the policies and procedures that guide Chevron’s assessment of the adequacy of host country laws and regulations with respect to their adequacy to protect human health, the environment and our company’s reputation.

**Supporting Statement:** A commitment to abide by the highest environmental standards wherever Chevron operates would further our company’s goal of being recognized for

environmental excellence, and enhance the measurement and reporting of our company's environmental performance.