

CALL TO THE NATIONAL SWISS BANK TO USE ITS PROXYVOTES AT THE ANNUAL MEETING OF CHEVRON CORPORATION MAY 31, 2017 TO DEFEND THE RESPECT OF HUMAN AND ENVIRONMENTAL RIGHTS

We, the undersigned organizations and institutions of civil society, call upon the Swiss National Bank (SNB) to support - through its voting rights at the Annual Meeting of Chevron on May 31, 2017 Chevron in the United States - the stockholders' proposals in the perspective of mitigating climate change and for the respect for human and environmental rights.

A recent report of the "Artisans de la Transition"¹ stressed the importance of investments in the fossil fuel industry in the US-equity portfolio of the SNB regarding companies quoted on the stock exchange in the United States. However, these investments are not compatible with SNB's investment guidelines concerning environmental and human rights violations² nor with the Paris Climate Agreement signed by Switzerland. In this portfolio, Chevron represents an important percentage of shares.

Chevron Corporation is well known in Switzerland for its appalling record regarding environmental and human rights violations related to the oil operations of Texaco (bought by Chevron) in the Ecuadorian Amazon, one of the most important environmental contaminations in the world. After 50 years of pollution and 23 years of legal proceeding and despite having been sentenced to pay US\$9.5 billion in repair and mitigation costs to compensate for the damages affecting livelihoods and the health of the inhabitants, the UDAPT - Union of people affected by the oil operations of Texaco (now Chevron), representing 30,000 peasants and natives, still has to fight, via lawsuits in several countries, in order to get Chevron to enforce the judgment and pay-up. Meanwhile, the toxics continue to spread and impact the ecosystems of the Amazonian forest, which plays a central role in the fight against climate change.

In the margins of the Davos World Economic Forum (WEF), Chevron received twice (in 2006 and 2015) the Public Eye award of the Declaration of Berne (today Public Eye) and Greenpeace. This shaming award highlights Chevron as being the most irresponsible corporations as far as environmental and human rights are concerned³. In Geneva, the Ecuadorian case is regularly referred to as emblematic example within the Intergovernmental Working Group on TNC's and Human Rights at the Human Right Council of the United Nations as well as in the International Campaign against Corporate Impunity, representing more than 200 organizations of the civil society⁴. Moreover in 2016, on the occasion of the International Anti-Chevron Day, several organizations have established a global map of the conflicts related to Chevron⁵.

On its proposals for the Annual Meeting of the SNB the 28th April 2017, the shareholder group AAA+ requests that the SNB should comply with its ethical criteria concerning investments, in particular regarding human and environmental rights⁶.

Regarding climate change, at the initiative of the Climate Alliance, 135 Swiss personalities have sent an appeal to the board of the SNB. They call upon the bank to determine and publish the CO2 emission level that might be attributed to its portfolio and to develop an exit scenario leading to the exclusion of investments in companies owning the largest fossil fuel reserves, including Chevron⁷. However, to achieve these goals, more information on the corporate activities and strategies is desperately needed.

¹ Les investissements de la BNS dans l'industrie fossile aux Etats-Unis: une catastrophe financière et pour le climat, Les Artisans de la Transition, 2016: <http://www.artisansdelatransition.org/rapports/banque-nationale-suisse-carbone.pdf>

² Investment Policy Guidelines of Swiss National Bank, 2015, point 3.2: https://www.snb.ch/fr/mmr/reference/snb_legal_richtlinien/source/snb_legal_richtlinien.fr.pdf

³ Public eye awards, voir: <http://publiceyeawards.ch/fr/case/chevron/>

⁴ CETIM Bulletin 51th, p. 7: <http://www.cetim.ch/wp-content/uploads/Bulletin51VENweb.pdf>

⁵ The worldwide struggle against Chevron, see: <http://www.cetim.ch/the-worldwide-struggle-against-chevron/>

⁶ Propositions du collectif AAA+, see: <http://aaapositifs.ch/pour-une-gestion-ethique-des-actifs-de-la-bns-3a2017-02/>

⁷ Lettre ouverte pour la protection du climat: <http://www.alliance-climatique.ch/blog/lettre-ouverte-pour-la-protection-du-climat-rencontre-avec-la-b>

For several years, Chevron shareholder groups have been demanding greater transparency concerning the decisions of Chevron. However, in its voting recommendations for the Annual Meeting on May 31st, 2017, the board recommends to vote against several proposals aiming a better assessment of the boards' decisions and strategies, especially concerning matters of environment, climate and governance.

In the light of the foregoing, we request the SNB or its proxyholders at Chevron annual meeting on May 31, 2017 in the United States, to vote in favors of the following proposals⁸:

Proposal 8: Stockholder Proposal Regarding Report on Transition to a Low Carbon Economy: Shareholders request that Chevron issue an annual report assessing how it can respond to climate change and the resultant transition to a low carbon economy which might increase financial risks and erode future profitability. The proposal refers to the recent study (2016) « Unconventional risks: the Growing Uncertainty of Oil Investments » of « As You Sow ».

Proposition 9: Stockholder Proposal Regarding Independent Chairman: This proposal requests that the Chair of the Board of Directors be awarded to an independent member. It refers specially to the management of the case in the Amazon which was inadequate, according to the initiators. Investors have requested on several occasions an enquiry to be held in order to find out whether informations on the case provided to the shareholders, were misrepresented or omitted.

Proposition 10: Stockholder Proposal Regarding Independent Director with Environmental Expertise: this proposal requests the appointment of an environmental specialist to the board in order to ensure a better integration of environmental challenges concerning the business strategies.

Proposition 11: Stockholder Proposal Regarding Special Meetings: This proposal grants 10% of the shareholders the ability to call a special shareholders' meeting in order to obtain more detailed information on special matters such as the litigation concerning the remediation of the damages caused in the Ecuadorian Amazon. The initiators of this proposal believe that the management of the case was inadequate. Instead of negotiating an “expedient, fair and comprehensive settlement” with the affected communities, Chevron has pursued a costly legal strategy.



Signatures (on May 24, 2017):

Alliance climatique - Switzerland, AAA+ (Assemblée des actionnaires actifs positifs), Amnesty International - Switzerland, ASK (Groupe de travail Suisse-Colombie), Attac - Switzerland, CADTM - Switzerland, CSSR - Centrale sanitaire suisse romande, CETIM (Europe-Third World Center), Fossil Free Switzerland, Grands-parents pour le climat - Switzerland, Greenpeace - Switzerland, Comundo, World March of Women – Switzerland, Medicus Mundi - Switzerland, Multiwatch, STP (Society for Threatened Peoples) - Switzerland, Solifonds, Stop TiSA - Switzerland, Uniterre.

⁸ 2017 Proxy statement; Notice of 2017 Annual Meeting of Shareholders to be held on May 31, Chevron, p. 70-77: <https://www.chevron.com/-/media/chevron/shared/documents/chevron-proxy-statement-2017.pdf>