

Community Accountability

2008 – ConocoPhillips

Proposed by the Church Pension Fund

RESOLVED, that the shareholders request the Board of Directors to report to shareholders, at reasonable cost and omitting proprietary information, on how the corporation ensures that it is accountable for its environmental impacts in all of the communities where it operates. The report should contain the following information:

1. how the corporation makes available reports regarding its emissions and environmental impacts on land, water, and soil both within its permits and emergency emissions to members of the communities where it operates;
2. how the corporation integrates community environmental accountability into its current code of conduct and ongoing business practices; and
3. the extent to which the corporation's activities have negative health effects on individuals living in economically poor communities.

Supporting Statement

ConocoPhillips (COP) ranked 3rd on a 2002 list of the worst U.S. corporate air polluters in terms of the amount and toxicity of pollution, and the numbers of people exposed to it.

<http://www.peri.umass.edu/Toxic-100-Table.265.0.html>

Most of this pollution is from COP's refinery operations. In January 2005, COP entered a voluntary settlement with U.S. EPA in which our company agreed to pay a \$4.5 million fine and spend \$525 million to cut harmful air emissions from nine of its U.S. petroleum refineries in seven states. This was the largest of 13 EPA settlements with oil refiners.

Refineries account for 5 percent of the country's dangerous air pollution, releasing sulfur dioxide and nitrogen oxide linked to lung and heart disease through stacks as well as cancer-causing benzene in wastewater. As a former EPA official explained, refinery pollution affects local communities more than power plants because it is released from short smokestacks and does not dissipate readily. "People are living cheek by jowl with refinery pollution." (Washington Post 1/28/05) <http://www.washingtonpost.com/wp-dyn/articles/A43014-005Jan27.html?referrer=email>

We believe that corporations have a moral responsibility to be accountable for their environmental impacts not just effects on the entire ecosystem, but also direct effects on the communities that host their facilities. Communities are often the forgotten stakeholders in terms of corporate activities and impact. No corporation can operate without the resources that local communities provide, but it is often these communities that bear the brunt of corporate activities.

The proponents of this resolution are also particularly concerned about the effects of corporate activities on low-income areas and communities of color. At several COP refineries, the majority of the residents in the “fence-line communities” are African American. One study has found that facilities like oil refineries operated in more heavily African-American counties “seem to pose greater risk of accident and injury than those in counties with fewer African-Americans.” Environmental Justice: Frequency and Severity of U.S. Chemical Industry Accidents and the Socio-economic Status of Surrounding Communities, 58 *Journal of Epidemiology and Community Health*, 24-30 (2004).

The report requested in this resolution would do much to assure shareholders and other stakeholders that the corporation takes seriously its ethical responsibilities to all of the communities that host its facilities.