

## **CHEVRON CORPORATION**

### **COUNTRY SELECTION CRITERIA (2010-2011)**

**WHEREAS:** Following the Burmese military's 2007 crackdown on peaceful demonstrators, its restrictions on allowing humanitarian relief into Burma after cyclone Nargis and its 2008 sentencing of pro-democracy activists to lengthy prison terms, Chevron has faced government criticism, negative publicity, and a consumer boycott concerning its investment in Burma;

The U.S. government has three times enacted economic sanctions on Burma, including a ban on new investment in 1997, a ban on imports in 2003, and further restrictions on imports in 2008;

Nobel Peace Prize Laureate Aung San Suu Kyi, leader of the National League for Democracy that won more than 80 percent of the seats in the 1990 Burmese elections, has repeatedly called for economic sanctions on Burma, stating that corporations in Burma "create jobs for some people, but what they're mainly going to do is make an already wealthy elite wealthier, and increase its greed and strong desire to hang on to power ... these companies harm the democratic process a great deal;"

Chevron, in partnership with Total of France, the Petroleum Authority of Thailand, and Myanmar Oil and Gas Enterprise, holds equity in one of Burma's largest investment projects: the Yadana gas-field and pipeline that transports gas to Thailand, generating billions of dollars for the Burmese regime;

How the Burmese regime uses the revenue is under scrutiny, according to the *Financial Times*, which obtained a 2009 International Monetary Fund report that found that Burma's rulers add revenues from natural gas exports to the budget at the 30-year-old official exchange rate, causing the gas money to account for under one percent of budget revenue in 2007-08 instead of 57 percent if valued at market rates ("Burma's economic prospects 'bleak,'" *Financial Times*, May 10, 2009);

Human rights organizations have documented egregious human rights abuses by Burmese troops employed to secure the pipeline area, including forcible relocation of villagers and use of forced labor;

In March 2005, Unocal settled a case for a reported multi-million dollar amount in which it was claimed that Unocal was complicit in human rights abuses by Burmese troops hired by the Yadana project to provide security;

By purchasing Unocal, Chevron acquired Unocal's investment in Burma including its legal, moral, and political liabilities;

Chevron does business in other countries with controversial human rights records: Angola, Kazakhstan, and Nigeria;

**BE IT RESOLVED:** The shareholders request the Board to make available by the 2012 annual meeting a report, omitting proprietary information and at reasonable cost, on Chevron's criteria for (i) investment in; (ii) continued operations in; and, (iii) withdrawal from specific high-risk countries, including Burma.

**SUPPORTING STATEMENT:** We believe Chevron's current country selection process is opaque, leaving unclear how Chevron determines whether to invest in or withdraw from countries where:

- The government has engaged in ongoing, systematic human rights violations;
- There is a call for economic sanctions by human rights and democracy advocates; and,
- Chevron's presence exposes the Company to government sanctions, negative publicity, and consumer boycotts.