Chevron Corp. Shareholder Proposal:
Evaluate a policy of not doing business with governments believed to be complicit in genocide

To Chevron Shareholders:


The proposal, item 6, asks the Chevron Board of Directors to evaluate a policy of not doing business with governments believed to be complicit in genocide or crimes against humanity. In particular, it focuses on Chevron’s contract with a government entity in Burma/Myanmar, where state-sanctioned violence and discriminatory policies targeting an ethnic minority have reached a level that international observers say amounts to crimes against humanity and alarming steps toward genocide.

Resolved clause
Shareholders request the Board to publish a report six months following the 2017 annual general meeting, omitting proprietary information and prepared at reasonable cost, evaluating the feasibility of adopting a policy of not doing business with governments that are complicit in genocide and/or crimes against humanity.

Supporting statement
As shareholders, we believe that our company has the duty to avoid the moral, legal, financial, reputational, and operational risks posed by doing business with governments complicit in genocide or crimes against humanity.

Summary of arguments in favor
In March 2015, Chevron subsidiary Unocal Myanmar Offshore Company entered a production sharing contract with the Myanmar Oil and Gas Enterprise (MOGE) to explore for oil and gas in the Rakhine Basin of Burma (Myanmar).

The Rakhine state is home to Burma’s ethnic minority of some 1.1 million Rohingya people, who have been subject to a government-sanctioned campaign of forced relocation, violence, and persecution. Although they have lived in Myanmar for generations, the Rohingya are not among the 135 ethnic groups recognized by law in Myanmar, and most of the country’s 1.1 million Rohingya are denied citizenship and freedom of movement.

While this systemic discrimination has been in place for decades, in 2012, Burmese military forces moved more than 120,000 Rohingya from their homes into detention camps where their access to basics such as food, healthcare, and education is severely restricted.
The United Nations human rights arm has said that the widespread human rights violations carried out by Myanmar’s government security forces against the Rohingya people “very likely” amount to crimes against humanity. These crimes include beating and killing people, including children and elderly people, mass gang-rape, and burning homes and other buildings with families trapped inside.¹

The U.N. High Commissioner on Human Rights said: "The Government of Myanmar must immediately halt these grave human rights violations against its own people, instead of continuing to deny they have occurred. …"²

The U.S. Holocaust Memorial Museum stated that the Rohingya are “at grave risk of additional mass atrocities and even genocide,” reporting that “outbreaks of violence have cemented a system of apartheid in Rakhine State.”³

U.S. lawmakers, including Sen. John McCain and former Sen. Joseph Lieberman, described MOGE’s operations as "overly influenced by the Burmese military."

**Reputational risk**

As shareholders of Chevron stock, we are concerned by the reputational risk posed by Chevron’s partnership with an agency of a government believed to be currently engaged in grave human rights abuses. Global concern about the violent actions of the Burmese military is growing as new atrocities come to light or are committed. The reputational risk of doing business with such a government grows proportionally.

Chevron has emphasized that its on-the-ground presence in Myanmar is minimal, with drilling not currently in progress. We maintain that the mere fact of having an active production sharing contract with such a government agency serves as a tacit endorsement of the actions of that government. If its business in Myanmar is so minimal, why not consider ending it entirely, thereby ending the reputational risks?

As shareholders, this human rights issue concerns us deeply. We believe that doing business with Burma is ultimately a risk to Chevron and its shareholders.

**Response to management arguments against the proposal**

In a telephone conference and in its formal response to the proposal, Chevron drew attention to its human rights policy. Like many companies, Chevron defers to local governments to uphold human rights. However, the situation of the Rohingya in Burma is one in which the local government is not just not upholding human rights, but is complicit in grave and systemic human rights abuses.

While it is admirable to ensure the rights of local workers, our concern in this situation is not about protecting locals involved in Chevron’s operations. We are concerned that any eventual drilling operations in that region would provide revenue to a government that is engaged in crimes against humanity.

*We therefore urge you to vote FOR item 6 on the proxy card.*

² *Ibid*, UN News Centre