

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.)

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.