Climate Change Board Committee

RESOLVED: Shareholders request the Board of Directors charter a new Board Committee on Climate Change to evaluate Chevron's strategic vision and responses to climate change. The charter should require the committee to engage in formal review and oversight of corporate strategy, above and beyond matters of legal compliance, to assess the company's responses to climate related risks and opportunities, including the potential impacts of climate change on business, strategy, financial planning, and the environment.

Supporting Statement: The proponent believes an independent committee would better provide for focused fiduciary oversight of climate related risks and opportunities and should include board members with climate change expertise in areas such as climate policy, carbon pricing, renewable energy, climate change adaptation, and climate science.

WHEREAS: Major oil companies face unprecedented disruption to their business driven by global imperatives to limit global warming to well below 2 degrees Celsius as well as competition from non-carbon-emitting technologies and energy sources. The Intergovernmental Panel on Climate Change projects dramatic shifts in emissions are necessary with "CO2 emissions from industry in pathways limiting global warming to 1.5°C…projected to be about 65–90%... lower in 2050 relative to 2010, [or] 50–80% for global warming of 2°C."

Board oversight of climate change strategy and planning is essential to address the existential threat of climate change to the fossil fuel industry and our Company. 84 percent of companies in the energy sector have adopted some level of board oversight of climate change, but only 6 percent provide board incentives (monetary and non-monetary) for managing this critical threat, the lowest percentage of all industries.

Effective governance related to the issue of climate change risk, opportunity, adaptation and transition is essential to the long-term success of Chevron. Investors believe a commitment to good climate change governance should be formalized.

As fiduciaries, our Board of Directors is responsible for the stewardship of Chevron's strategy and business planning process and management's implementation of them, as well as reviewing more specific risk factors like geopolitical/legislative topics and overseeing sustainability. Yet while the Public Policy Committee lists environmental and public policy among its approximately 15 other duties listed, climate change specifically is absent as an area of board oversight. Most critically, there is no committee to help the Board carry out its responsibility for Climate Change oversight like there is for the Audit, Board Nominating and Governance, Management Compensation, and Public Policy Committees, despite the existential nature of climate change for our Company.

A failure to plan for a low carbon transition, including climate change policy, competition from renewables, peak oil demand, and unburnable fossil fuel reserves, may place investor capital at substantial risk. It vital that our Company adopt board level oversight of climate change strategy to remain successful in an increasingly decarbonizing economy.