



Shareholder proposal at the 2023 AGM of Chevron Corporation (“the Company”)

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WHEREAS: The world has declared to drive down greenhouse gas (GHG) emissions this decade, the energy transition presents great opportunities for an integrated energy multinational.

RESOLVED: Shareholders request the Company to set a medium-term reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

The strategy for how to achieve this target is entirely up to the board.

You have our support.

SUPPORTING STATEMENT:

We believe that Chevron could lead and thrive in the energy transition by meeting the increasing demand for energy services while reducing GHG emissions to levels consistent with the global intergovernmental consensus specified by the Paris Accord.

Setting a Paris-aligned medium-term target covering Scope 3 is paramount, because the medium-term is decisive for the Company and the Paris Accord and because Scope 3 accounts for around 90% of total Scope 1, 2 and 3 emissions.^{1,2}

Therefore, we welcomed Chevron’s Portfolio Carbon Intensity (PCI) target, which covers Scope 3, to reduce its carbon intensity by over 5% by 2028.³ However, this target is not Paris-aligned; it will not lead to large-scale (net) reductions in absolute emissions in this decade.

Therefore, this proposal supports Chevron to set a Paris-aligned medium-term target covering Scope 3.

We, the shareholders, understand this support to be our fiduciary duty to secure the long-term interest of the Company and to protect all our assets in the global economy from devastating climate change; limiting global warming is essential to risk management and responsible stewardship of the economy.

Backing from investors determined to achieve Paris remains strong; in 2022, 33% of shareholders in Chevron and up to 39% in other oil majors voted in favour of Follow This climate resolutions requesting Paris-aligned targets.⁴



The current energy crisis and the climate crisis can be addressed simultaneously by investing the windfall profits from high oil and gas prices in other energy sources.⁵ Diversification of the energy supply would foster energy security by reducing dependency on oil and gas fields tied up in geo-political conflict and reduce emissions to address the climate crisis simultaneously.

Changes in demand are as critical as changes in supply, but customers can only change sufficiently when key system players like Chevron offer alternatives at scale.⁶ This would also allow Chevron to decrease emissions without ultimately shrinking business.

It is in the Company's and its shareholders' best interest to pursue the opportunities the energy transition presents; this will also pre-empt risks of losing access to capital markets, policy interventions, litigation, liability for the costs of climate change, disruptive innovation, and stranded assets.⁷

You have our support.

Sources: www.follow-this.org/Chevron-resolution-2023-sources/