

Lobbying Expenditures Disclosure - Climate 2018 – Chevron Corp.

WHEREAS, we believe in full disclosure of Chevron’s direct and indirect lobbying activities and expenditures to assess whether Chevron’s lobbying is consistent with its expressed goals and in the best interests of stockholders.

RESOLVED, the stockholders of Chevron request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Chevron used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Chevron’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision making process and oversight for making payments described in sections 2 and 3 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Chevron is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Public Policy Committee and posted on Chevron’s website.

Supporting Statement: We encourage transparency and accountability in Chevron’s use of corporate funds to influence legislation and regulation. Since 2010, Chevron has spent over \$70 million on federal lobbying. These figures do not include lobbying expenditures to influence legislation in states, where Chevron also lobbies but disclosure is uneven or absent. For example, Chevron has spent over \$28 million lobbying in California since 2010, and Chevron’s lobbying on California’s cap and trade bill has attracted media attention (“Businesses Spent Millions Lobbying Before Cap-and-Trade vote,” E&E News, July 26, 2017).

Chevron is a member of the American Petroleum Institute (API), Business Roundtable and National Association of Manufacturers, which together spent over \$64 million lobbying in 2015 and 2016, and belongs to the Chamber of Commerce, which has spent over \$1.3 billion on lobbying since 1998. Chevron does not disclose its payments to trade associations nor amounts used for lobbying. We are concerned that Chevron’s lack of trade association lobbying disclosure presents reputational risks. For example, API and Chevron have drawn scrutiny for lobbying on benzene regulation (“Oil Companies Leaking Benzene Lobbied against Pollution Rules,” International Business Times, September 6, 2017).

And Chevron does not disclose membership in or contributions to tax-exempt organizations that write and endorse model legislation, such as belonging to the American Legislative Exchange Council (ALEC). Chevron's ALEC membership has drawn scrutiny ("More Oil Companies Could Join Exxon Mobil as Focus of Climate Investigations," New York Times, November 6, 2015). Over 100 companies have publicly left ALEC, including BP, ConocoPhillips, Occidental Petroleum and Shell.