

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

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

Chevron spent \$84,560,000 on federal lobbying from 2010 – 2018. This does not include state lobbying, where Chevron also lobbies but disclosure is uneven or absent. For example, Chevron spent \$35,124,804 lobbying in California from 2010 – 2018. Chevron also lobbies abroad, spending between €1,000,000–1,249,999 on lobbying in Europe for 2018.

We commend Chevron for now disclosing its largest trade associations. Chevron belongs to the Business Roundtable (BRT), Chamber of Commerce and National Association of Manufacturers (NAM), which spent \$127,448,048 on lobbying for 2018. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. Chevron does not disclose its payments to trade associations nor amounts used for lobbying. And Chevron does not disclose its payments to tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

We are concerned that Chevron’s lack of disclosure presents reputational risks when its lobbying contradicts company public positions. For example, Chevron supports the Paris climate agreement, yet a 2019 InfluenceMap report found Chevron has spent millions lobbying to undermine it.¹ And Chevron’s ALEC membership has drawn scrutiny.² Investors participating in the Climate Action 100+ representing \$34 trillion in assets are asking companies to align their lobbying with the goals of the Paris agreement. Peer Shell produced an “Industry Associations Climate Review” report to ensure its trade association participation aligned with its views.³

¹ <https://thehill.com/policy/energy-environment/436117-top-oil-firms-spend-millions-on-lobbying-to-block-climate-change>

² <https://readsludge.com/2019/08/27/these-ceos-promised-to-be-socially-responsible-but-their-companies-are-pushing-alecs-right-wing-agenda/>

³ <https://www.reuters.com/article/us-shell-afpm-idUSKCN1RE0VB>

We believe reputational damage stemming from misalignment between policy positions and actual direct and indirect lobbying efforts harms long-term value creation by Chevron. Thus, we urge Chevron to expand its lobbying disclosure.