



Dale A. Walsh
Vice President, Corporate Affairs

November 25, 2019

Dr. Wanda M. Austin, Chair
Dr. Alice P. Gast
Mr. Enrique Hernandez, Jr.
Ms. Debra Reed-Klages

Public Policy Committee Meeting
December 3, 2019

A meeting of the Public Policy Committee is scheduled for Tuesday, December 3, 2019, from 3:15 p.m. to 4:15 p.m. PST, in Room A4330 at Chevron's offices in Chevron Park.

The topics to be discussed during the meeting are as follows:

- Global Issues Committee update and topics;
- ESG investor engagement update and 2020 proxy outlook;
- PPC executive session.

I am enclosing an agenda and pre-read materials for the meeting. You may also access these materials through Chevron's Diligent Boards website.

Please let me know if you have any questions about the enclosed materials. I look forward to seeing you next week.

Best regards,

Enclosures

cc: Michael K. Wirth
Mary A. Francis

Corporate Affairs
Chevron Corporation
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**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE**

**DECEMBER 3, 2019, 3:15 – 4:15 P.M.
ROOM A4330, CHEVRON PARK**

AGENDA

Time	Topic (Presenters)	Tab
3:15 - 3:20 pm	Minutes * (Chair) Review and approve the following minutes from: <ul style="list-style-type: none"> July 30, 2019 Public Policy Committee meeting July 30, 2019 Joint Board Nominating and Governance Committee and Public Policy Committee meeting 	1
3:20 - 3:25 pm	Global Issues Committee (GIC) update (Dale Walsh)	2
3:25 - 3:55 pm	GIC Topics: (Dale Walsh & Michael Rubio highlights/PPC group discussion) <ul style="list-style-type: none"> Climate Change ESG Reporting Human Rights Financial Transparency Human Capital Management 	
3:55 - 4:05 pm	ESG Investor Engagement update and 2020 proxy outlook (Michael Rubio and Dr. Austin) <ul style="list-style-type: none"> GIC supporting material for each issue topic Summary of shareholder proxy proposals received to-date 	3
4:05 - 4:15 pm	PPC Executive Session	
4:15 pm	Adjourn	

* Items needing motion, second, and approval.

Tab 1

Minutes

**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE
JULY 30, 2019**

MINUTES

A regular meeting of the Public Policy Committee of the Board of Directors of Chevron Corporation (“Corporation”) was held at Casa Palmero, Pebble Beach, California, on July 30, 2019, at 9:46 a.m.

Members Present:

Wanda M. Austin, Chairperson
Alice P. Gast
Enrique Hernandez, Jr.
Debra Reed-Klages

Also present were Dale A. Walsh (Secretary), Ronald D. Sugar, Mary A. Francis, Lloyd F. Avram, Maria Pica Karp, Michael Rubio, and Kari H. Endries.

Ms. Austin called the meeting to order and the Committee proceeded with the agenda. The minutes of the regular meeting of the Committee held on March 26, 2019, were reviewed and, on motion duly seconded, unanimously approved.

The Committee discussed a revision to the charter of the Public Policy Committee which memorializes current Committee practices, provides consistency across all Board committee charters, and makes clarifying changes. The Committee determined to recommend that the Board adopt the revised Public Policy Committee charter at the September Board meeting and directed the Chief Governance Officer and Corporate Secretary to prepare a resolution for the Board’s consideration.

Mr. Avram discussed the 2018 and 2019 corporate political budgets. He discussed direct lobbying at the state and federal levels in 2018 and 2019 and highlighted key industry issues lobbied by jurisdiction. He discussed indirect lobbying in 2018 and 2019 and the Corporation’s participation in trade and industry groups. Mr. Avram reviewed the Chevron Employee Political Action Committee’s revenue and growth plan, as well as a comparison of employee participation against peer companies. Mr. Avram reported on results of political investments made in support of Corporation’s business. Questions and discussion ensued.

Ms. Karp presented an update on U.S. legislative, regulatory, and policy developments at the state and federal level. Her report also included the Corporation’s priorities, including engaging on key issues and leveraging internal and industry resources. Ms. Karp discussed the international environment, focusing on sanctions on Venezuela and Russia and geopolitical risk. Ms. Karp and Mr. Walsh responded to comments and questions throughout the presentation.

There being no further business, the meeting was adjourned.

Secretary

**CHEVRON CORPORATION
JOINT MEETING OF THE
BOARD NOMINATING AND GOVERNANCE COMMITTEE
AND THE
PUBLIC POLICY COMMITTEE
JULY 30, 2019**

MINUTES

Members present: Wanda M. Austin, Chairwoman
 Ronald D. Sugar, Chairman
 Alice P. Gast
 Enrique Hernandez, Jr.
 Debra Reed-Klages
 D. James Umpleby III

Also present: Charles W. Moorman IV

Dr. Austin and Dr. Sugar co-chaired the meeting. Mary Francis, Dale Walsh, Chris Butner, Kari Endries, and Michael Rubio were also present.

The Committees discussed the results of the 2019 proxy season and the Corporation's annual meeting of stockholders. The Committee discussed the stockholder proposals received by the Corporation and reviewed the voting results for each proposal as well as voting results of similar proposals at other companies. In particular, the Committees discussed the stockholder proposals seeking a report on the human right to water, a report on reducing the Corporation's carbon footprint, and a report on lobbying that was withdrawn by the proponents. After a thorough discussion, the Committees directed staff to continue engaging with the Corporation's institutional investors as well as the proponents of the stockholder proposals and report back to the Committees in advance of the next annual meeting of stockholders.

There being no further business, the meeting was adjourned.

Secretary of the Board Nominating and Governance Committee

Secretary of the Public Policy Committee

Tab 2

Global Issues Committee update & topics

Privileged – ACP/WP

Privileged – First Amendment

Privileged – First Amendment

Privileged – First Amendment

Privileged – First Amendment

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Privileged – First Amendment

Privileged – First Amendment

Privileged – First Amendment

Privileged – First Amendment

Privileged – ACP/WP

Privileged – First Amendment

Privileged – First Amendment

Tab 3

ESG Investor Engagement update and 2020 proxy outlook

OFF-SEASON ESG UPDATE

Introduction

During the May 30, 2019 (date after ASM) to November 15, 2019 portion of the off-season period, we held 40 ESG engagements, including with 28 of our top 100 investors, representing an aggregate of 26% of our outstanding stock.

Key ESG engagements included a meeting on May 16, 2019 with State Street and our Lead Director focused on proxy issues and meetings on October 3, 2019 with BlackRock, Vanguard and several other of our top 50 investors with Drs. Sugar and Austin.

Key takeaways from the October 3 meetings were:

1. Investors have a strong desire and interest in general engagement with our independent Directors.
2. Investors have a strong interest in understanding how our independent Directors oversee culture and risk management.
3. Vanguard and BlackRock praised Chevron's governance around climate risks, opportunities and capital discipline.

Climate Change

Climate continues to be the primary ESG topic for Chevron investors. In particular, investors want to understand Board oversight in more detail, as well as management's approach regarding risks and opportunities related to climate change.

Our three climate reports have been very well received. The GHG-intensity metrics established in 2018 for flaring and methane intensity with ties to compensation have also been well received by investors who see it as responsive to their feedback.

Likewise, initial reactions to Chevron's October 2019 announcement of a carbon intensity goal for reduction for oil production (5-10%) and one for gas production (2-5%) have been positive. This most recent step is generally perceived as a proactive response by the Board to the 2019 ASM vote on Item 5: Climate Report Aligned with the Paris Agreement, which received a vote of 33.2% in support.

Nevertheless, Chevron is likely to face continued pressure from investors for more information about Chevron's outlook for the energy transition; our strategy to manage the risks and opportunities; and what steps we are taking to be ready for a potential

lower carbon future. Additionally, investors appear very interested in knowing more about how our GHG-related targets tie to compensation and how we will disclose progress against those targets.

It is likely that the proxy advisory firms will again recommend voting for any Paris Agreement-related proposals. Chevron's four GHG-related metrics, commitment to climate disclosure and engagement, and continued pursuit of ever-cleaner energy solutions may persuade key investors that support for such proxy proposals is not warranted in 2020 because of Chevron's continued responsiveness.

In addition to climate, investors generally want to know more about Chevron's lobbying practices, plastic waste, and human capital management (HCM). During this portion of the off-season, there have been very few questions or concerns about executive compensation in general.

In October, Pierre Breber spoke at a Task Force for Climate-related Financial Disclosure (TCFD) Conference hosted by the government of Japan, where ESG and sustainable finance issues are gaining traction. The TCFD is an organization that develops recommendations for voluntary climate-related financial disclosures. Chevron leveraged the TCFD's disclosure framework in its Climate Change Resilience reports. Key investors at the conference, like JP Morgan and CalPERS, noted Chevron's thought leadership on climate disclosure, and the head of Japan's Government Pension Fund, the world's largest pension fund, was very appreciative that our CFO attended their conference. Chevron has also been invited to ESG summits for portfolio managers at Vanguard and Wellington to discuss our approach to ESG.

Proxy Season Outlook

The deadline for the filing of any proxy proposals is December 17, 2019. For reference, a summary of key historical vote results is attached as **Appendix A**.

As of October 31, 2019, two proxy proposals have been filed. The first proponent, the National Center for Public Policy Research, requests an annual report on Chevron's lobbying and related expenditures. It is notable that the National Center for Public Policy Research is supportive of Chevron's lobbying and trade association memberships. We received a second lobbying proposal from the Philadelphia Public Employees Retirement System ((PhilPERS)

OFF-SEASON ESG UPDATE

proponents of the 2019 lobbying proposal) that has an identical resolution as the first lobbying proposal but a different supporting statement that criticizes Chevron's lobbying activities. If PhilPERS does not withdraw its proposal, we intend to exclude the second duplicative proposal through the SEC No-Action relief process.

Last year, the lobbying disclosure report proposal was withdrawn by PhilPERS based on positive engagement and a modification to our trade association disclosure threshold (from \$500,000 to \$100,000 annual fees).

To further enhance our disclosure around lobbying, we will improve the accessibility of existing political activities information on chevron.com by making it easier to find relevant information on the site (e.g., explore replacing currently buried links to required political filings with an interactive map that takes a user to those same filings).

In October, the ESG engagement team met with the Sisters of Saint Francis. They indicated plans to re-file the same proposal as last year for a report on the human right to water; the 2019 vote was 32.2% in favor. They maintain that Chevron does not adequately disclose and mitigate water risks to human rights.

In 2019, Azzad Asset Management filed a proposal about doing business with conflict complicit governments, but Azzad withdrew the proposal after Chevron agreed to support an Azzad hosted event on the topic. Given Chevron's agreement and support of the planned event in January 2020, it seems unlikely that Azzad will file a similar proposal before the December 2019 deadline.

Other likely proposal topics include: climate change, special meetings, and independent chair. A proposal regarding plastic waste is also possible.

Once all proxy proposals are filed, the ESG Engagement Team will meet with each proponent and explore opportunities for withdrawal. In addition, the Team will reach out to top investors to discuss any questions they might have about the proposals and to explain Chevron's point of view. In early 2020, meetings will be held with the proxy advisory firms of ISS and Glass Lewis to discuss the proposals as well. As a reminder, a recommendation of support from ISS typically sways a vote around 20%.

OFF-SEASON ESG UPDATE

Appendix A

Proposal	Most Recent Lead Proponent	Vote Results	Most Recent Year ISS/Glass Lewis Recommendations
Independent Chairman	Diane Turner represented by Investor Voice, a Seattle based advocacy organization	2019 – 26.0% 2018 – 24.0% 2017 – 38.7% 2015 – 21.5% 2014 – 22.2% 2013 – SEC relief 2012 – 38.2% 2008 – 14.7% 2007 – 35.5%	AGAINST/ FOR
Director with Environmental Expertise	New York State Common Retirement Fund	2018 – 26.5% 2017 – 19.6% 2016 – 18.8% 2015 – 19.9% 2014 – 21.4% 2013 – 21.7% 2012 – 21.5% 2011 – 24.8% 2010 – 26.8%	FOR/ AGAINST
Special Meetings (10% threshold)	Eric Rehm, a retail investor represented by Investor Voice, a Seattle based advocacy organization	2019 – 35.3% 2018 – 33.9% 2017 – 31.9% 2016 – 29.5% 2015 – 30.3% 2014 – 34.3% 2013 – 32.6% 2012 – 30.8% 2010 – SEC relief	FOR/ AGAINST
Lobbying Disclosure	City of Philadelphia Board of Pensions and Retirement	2019 – Withdrawn 2018 – 31.5% 2017 – 29.1% 2016 – 27.4% 2015 – 27.9% 2014 – 24.1% 2013 – 24.4% 2012 – 23.2%	FOR/ FOR
Not Doing Business with Conflict-Complicit Governments	Azzad Asset Management	2019 – Withdrawn 2018 – 7.3% 2017 – 5.7%	AGAINST/ AGAINST
Report on Methane Emissions	As You Sow	2018 – 45.0%	FOR/ FOR

OFF-SEASON ESG UPDATE

Appendix A (cont.)

Proposal	Most Recent Lead Proponent	Vote Results	Most Recent Year ISS/Class Lewis Recommendations
Climate Change: Report on Reducing Carbon Footprint	As You Sow on behalf of the Park Foundation	2019 – 33.2%	FOR/ AGAINST
Climate Change: Report on short, medium, long term GHG Reduction Targets	Andrew Behar represented by Arjuna Capital	2019 – SEC relief (duplicative of As You Sow)	n/a
Climate Change: Low Carbon Transition	As You Sow / Arjuna Capital	2018 – 8.1% 2017 – 26.0%	AGAINST/ AGAINST
Create a Board Committee on Climate Change	Adam Setchik represented by Arjuna Capital	2019 – 7.6%	AGAINST/ AGAINST
Report on Human Right to Water	The Sisters of St. Francis of Philadelphia (Sister Nora Nash)	2019 – 32.2%	FOR/ AGAINST
Report on Plastic Waste Pollution	Curtis Overway and Marcelina Cravat-Overway represented by As You Sow	2019 – Withdrawn	n/a