

# The Climate Accountability Scorecard: Chevron

The Union of Concerned Scientists has conducted an in-depth analysis of the climate change-related positions and actions of several major investor-owned fossil fuel companies.

The eight companies—Arch Coal, BP, Chevron, ConocoPhillips, CONSOL Energy, ExxonMobil, Peabody Energy, and Royal Dutch Shell—were assessed on 30 metrics.

The study focused on the period from January 2015 through May 2016 (except in a few cases; see sources in the tables below).

We scored the companies in four areas, which are discussed below. For each area, we placed each company in one of five scoring bands, ranging from “advanced” (which means that the company is demonstrating best practices) to “egregious” (which means that the company is acting very irresponsibly).

While some companies are making more progress than others, no company scored better than its peers in all areas, and several were relative leaders in some areas and relative laggards in others.


- Renouncing disinformation on climate science and policy scores ranged from fair to egregious.
- Planning for a world free from carbon pollution scores ranged from fair to egregious.
- Supporting fair and effective climate policies scores ranged from good to poor.
- Fully disclosing climate risks had the least differentiation, with four companies scoring fair and four companies scoring poor.

## Scores and Recommendations for Chevron

### HIGHLIGHTS

- Chevron provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (Chevron Corporation 2016e).
- The company’s disclosure, policies, and oversight related to corporate political spending include:
  - A webpage dedicated to political disclosure accessible within three mouse-clicks from the company’s home page and through an internet search;

TABLE 1. Chevron Company Overview

	Global producer, refiner, and marketer of oil and natural gas.
Location of Headquarters	San Ramon, CA
CEO and Executive Chairman	John S. Watson
2015 Annual Revenues	\$138.477B
2015 Annual Profits	\$4.587B

DATA SOURCE: CHEVRON CORPORATION 2016A

- A detailed policy governing its political expenditures from corporate funds;
- Public descriptions of public policy positions that become the basis for its spending decisions with corporate funds;
- A policy requiring senior managers to oversee and have final authority over all of the company’s political spending (CPA 2015).

### LOWLIGHTS

- Chevron is a member of the American Legislative Exchange Council’s (ALEC’s) Energy, Environment and Agriculture Task Force, sponsored the ALEC annual conference in 2015 (CMD 2016), and has not taken any steps to distance itself from ALEC’s climate disinformation.
- CEO John Watson was on the board of directors of the American Petroleum Institute (API) as of 2014, and the company has not taken any steps to distance itself from API’s climate disinformation (API 2015).
- Chevron is a member of the Western States Petroleum Association (WSPA) as of 2016 (WSPA 2016), and Chevron’s President of Global Manufacturing Gary Yesavage was a member of the WSPA board of directors as

of 2014 (Ballotpedia 2015). The company has not taken any steps to distance itself from climate disinformation spread by WSPA.

- The company attempted to block shareholder resolutions calling for two-degree policy planning and returning capital to shareholders due to climate risks in 2015 and 2016, and recommended that shareholders vote against all climate-related shareholder resolutions in 2015 and 2016 (Ising 2016; Lewis 2015).
- The company’s statements on climate policy mention “government” generically and emphasize that global action is necessary, but warn against unintended consequences of an international price on carbon and of unilateral action by any country or jurisdiction. Chevron has not expressed support for US federal or state policy action (Chevron Corporation 2016d).

**RECOMMENDATIONS**

**CHEVRON SHOULD:**

- Definitively acknowledge climate change risks by ceasing to imply that any action at the national or subnational level to reduce emissions of heat-trapping gases would be counterproductive and should not be taken;
- Leave ALEC, publicly citing inconsistencies between the group’s position on climate change and its own. The company should use its leadership roles within API and

WSPA to demand an end to their disinformation on climate science and policy, and speak publicly about these efforts. It should also publicly distance itself from the US Chamber of Commerce’s positions on climate science and policy;

- Provide details about the nature and magnitude of climate-related physical risks Chevron faces and the impacts they may have on the company;
- Lay out a company-wide pathway to align its business model with the new reality established by the international climate agreement reached in Paris in 2015 by:
  - Publicly acknowledging the agreement’s long-term goal and its implications for the swift transition to global net-zero emissions;
  - Disclosing emissions resulting from the company’s operations and the use of its products;
  - Setting and disclosing initial near-term company-wide targets to reduce emissions from its operations and the use of its products;
  - Developing and publicly communicating a clear plan and timeline to deepen emissions reductions consistent with the agreement’s long-term goal;
- Consistently call for US policy action on climate change, identify specific federal and/or state legislation or regulation that it supports, and advocate publicly and transparently for those policies.

**DETAILED SCORING**

More information on scoring can be found at [www.ucsusa.org/climatescorecard](http://www.ucsusa.org/climatescorecard)

TABLE 2. Renouncing Disinformation on Climate Science and Policy

Metric	Score	Rationale
Accuracy and consistency of public statements on climate science and the consequent need for swift and deep reductions in emissions from the burning of fossil fuels	Poor	Chevron downplays the need to reduce greenhouse gas emissions on its company website (Chevron Corporation 2016d).
Affiliations with trade associations and other industry groups that spread climate science disinformation and/or block climate action		

American Legislative Exchange Council (ALEC)	Egregious	Chevron is a member of ALEC's Energy, Environment and Agriculture Task Force and sponsored the ALEC conference in 2015 (CMD 2016). It has not taken any steps to distance itself from ALEC's climate disinformation.
American Petroleum Institute (API)	Egregious	CEO John Watson was on the board of directors of the API as of 2014, and the company has not taken any steps to distance itself from the API's climate disinformation (API 2015).
National Association of Manufacturers (NAM)	Fair	No evidence of membership.
US Chamber of Commerce (US Chamber)	Poor	The company reported contributing \$500,000 in 2015 and \$1,000,000 in 2014 and has not taken any steps to distance itself from climate disinformation spread by the US Chamber (Chevron Corporation 2016c).
Western States Petroleum Association (WSPA)	Egregious	The company is a member as of 2016 (WSPA 2016), and President of Global Manufacturing Gary Yesavage was a member of the WSPA board of directors as of 2014 (Ballotpedia 2015). Chevron has not taken any steps to distance itself from climate disinformation spread by WSPA.
<b>Policy, governance systems, and oversight mechanisms to prevent disinformation</b>	Poor	No policy on record.
<b>Support for climate-related shareholder resolutions</b>	Egregious	The company attempted to block shareholder resolutions calling for two-degree policy planning and returning capital to shareholders due to climate risks in 2015 and 2016, and recommended that shareholders vote against all climate-related shareholder resolutions in 2015 and 2016 (Ising 2016; Lewis 2015).
<b>Area score</b>	<b>Egregious</b>	

DATA SOURCES: COMPANY WEBSITES, PROXY STATEMENTS, PUBLIC STATEMENTS BY COMPANY REPRESENTATIVES, TRADE ASSOCIATION AND INDUSTRY GROUP WEBSITES, AND THIRD PARTY WATCHDOG GROUP WEBSITES IN THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016; TRADE ASSOCIATION FEDERAL FILINGS FROM 2014

TABLE 3. Planning for a World Free From Carbon Pollution

Metric	Score	Rationale
<b>Support for the Paris Climate Agreement</b>	Poor	Chevron has called the Paris Climate Agreement "a good first step," but has not expressed support for global temperature goals (Baker 2016).
<b>Company-wide commitments and targets to reduce greenhouse gas emissions</b>	Poor	The company has a plan for reducing greenhouse gas emissions, but the plan is not in the service of a specific temperature goal; it also has a reduction target for greenhouse gas emissions that expires in the reporting year or earlier (Chevron Corporation 2016b).
<b>Use of an internal price on carbon in investment decisions</b>	Poor	Chevron uses an internal price on carbon, but it pertains only to direct emissions and is not publicly disclosed. The company does not disclose a specific price, stating only that it varies by geographical location depending on existing and expected level of regulation (Chevron Corporation 2016e).
<b>Commitment and mechanism to measure and reduce carbon intensity of supply chain</b>	Poor	Chevron has no public commitment to measure and reduce carbon emissions in its own operations.

Disclosure of investments in low-carbon technology research and development	Poor	The company does not provide an annual breakdown of specific low-carbon investments.
Disclosure of greenhouse gas emissions reduction plans	Poor	Chevron does not disclose details of its company-wide plans for reducing greenhouse gas emissions to shareholders.
Disclosure of how company manages greenhouse gas emissions and associated risks	Fair	Chevron provides a detailed description of efforts to reduce natural-gas flaring and to improve efficiency in its operations, which it identifies as its two primary sources of greenhouse gas emissions. It also provides data on emissions reduced reductions and total emissions from management activities (Chevron Corporation 2016b; Chevron Corporation 2016e).
Disclosure of greenhouse gas emissions	Fair	The company provides information about direct greenhouse gas emissions from operations as well as indirect greenhouse gas emissions from consumption of purchased electricity, heat, or and steam for the current year, and also describes the methodology used to calculate emissions. However, Chevron's disclosure of other indirect emissions, such as purchased goods and services, waste generated in operations, and other transport-related costs, is very limited (Chevron Corporation 2016b).
Area score	Poor	

DATA SOURCES: 2015 AND 2016 SEC 10-KS OR 20-FS, CDP DISCLOSURES, SUSTAINABILITY REPORTS, AND ANNUAL REPORTS; COMPANY WEBSITES AND COMPANY PRESS RELEASES FOR THE PERIOD JANUARY 1, 2015, TO MAY 31, 2016

TABLE 4. Supporting Fair and Effective Climate Policies

Metric	Score	Rationale
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Disclosure	Fair	<p>Chevron publicly discloses:</p> <ul style="list-style-type: none"> <li>Corporate contributions to political candidates, parties, and committees</li> <li>Payments to 527 groups, such as governors associations and super PACs (political action committees)</li> <li>Payments made to influence the outcome of ballot measures</li> <li>The positions and/or titles of the company's senior managers who have final authority over the Chevron's political spending decisions</li> </ul> <p>The company provides partial disclosure or no disclosure of other aspects of political spending (CPA 2015).</p>
CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Policy	Advanced	<p>Chevron publicly describes or makes available:</p> <ul style="list-style-type: none"> <li>Detailed policy governing its political expenditures from corporate funds</li> <li>Public policy positions that become the basis for its spending decisions with corporate funds</li> <li>Policy requiring senior managers to oversee and have final authority over all of the company's political spending</li> <li>Policy that the board of directors regularly oversees the company's corporate political activity</li> </ul> <p>It has a partial policy or no policy in other areas related to political spending (CPA 2015).</p>

CPA-Zicklin Index of Corporate Political Disclosure and Accountability: Oversight	Good	The company has (a) specified board(s) or committee(s) that: <ul style="list-style-type: none"> <li>Review the company's policy on political expenditures</li> <li>Reviews the company's political expenditures made with corporate funds</li> <li>Oversees its political activity (composed entirely of outside directors)</li> </ul> The company has: <ul style="list-style-type: none"> <li>Dedicated political disclosure web page accessible within three mouse-clicks from the homepage and through an internet search</li> </ul> It has partial or no oversight in other areas related to political spending (CPA 2015).
Engagement with Congress on federal climate policies or legislation	Fair	Chevron did not publicly engage Congress on climate policies during the study period.
Consistent support for US policy action to reduce emissions	Poor	The company's statements on climate policy mention "government" generically and emphasize that global action is necessary, but warn against unintended consequences of an international price on carbon and of unilateral action by any country or jurisdiction. The company has not expressed support for US federal or state policy action (Chevron Corporation 2016d).
Engagement on the EPA Clean Power Plan (EPA-HQ-OAR-2013-0602)	Fair	The company did not submit comments to the Environmental Protection Agency (EPA) regarding the Clean Power Plan.
Engagement on the EPA methane rule (EPA-HQ-OAR-2010-0505-4776)	Poor	The company explicitly referenced and endorsed an industry association or trade group's comments that opposed the EPA methane rule and did not present a specific, viable policy alternative that would have equal or greater benefit to the climate (Chevron Corporation 2015).
Company influence through international or national business alliances or initiatives that are supportive of specific climate policies	Fair	The company has not signed on to international or national business alliances or initiatives supportive of specific climate policies.
Area score	Fair	

DATA SOURCES: COMPANY WEBSITES AND MAJOR NEWS SOURCES; 2015 CENTER FOR POLITICAL ACCOUNTABILITY-ZICKLIN INDEX AND SCORING GUIDELINES; CONGRESSIONAL TESTIMONY AND COMPANY COMMENTS FILED WITH REGULATIONS.GOV IN THE PERIOD JANUARY 1, 2014, TO MAY 31, 2016

TABLE 5. Fully Disclosing Climate Risks

Metric	Score	Rationale
Disclosure of regulatory risks	Good	The company provides a detailed analysis of existing and proposed laws and regulations relating to climate change and their possible effects on the company, including potential financial impacts (Chevron Corporation 2016e).
Disclosure of physical risks	Poor	Chevron generally acknowledges physical risks to the company, such as storm frequency and severity, sea level rise, air and water temperature increases, and other factors, but does not include discussion of climate change as a contributor to those risks (Chevron Corporation 2016e).

Disclosure of market and other indirect risks and opportunities	Fair	The company identifies changing consumer preferences and increased competition from renewable energy as risks facing the, but provides limited analysis of their potential financial impacts (Chevron Corporation 2016e).
Disclosure of market and other indirect risks and opportunities	Egregious	The company provides no disclosure of corporate governance on climate issues.
Area score	Fair	

DATA SOURCES: 2015 AND 2016 SEC 10-KS OR 20-FS AND CDP DISCLOSURES, IF DISCUSSED IN SEC FILINGS

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