

**Whereas:** Petroleum development in ecologically sensitive and biologically rich protected areas poses material financial, climate, and reputational risks.

The Arctic National Wildlife Refuge, for example, is home to over 200 bird species, 42 types of fish, and 45 mammals, including four threatened species protected under the Endangered Species Act. The Bureau of Land Management calculated that burning all the oil in the Arctic Refuge would release over 4.3 gigatons of CO<sub>2</sub>e.

At its 2020 Annual Meeting of Stockholders, Chevron declared its support for exploration and development in the Arctic National Wildlife Refuge Coastal Plain. Chevron and BP have the first and only test well in the Refuge.

Pursuit of drilling and related activities in the Arctic Refuge could expose Chevron to considerable material financial risk:

- **Regulatory:** The political landscape creates uncertainty for developing the Refuge; any developments could become stranded assets. The Biden administration plans to ban new oil and gas permitting and leasing on public lands and waters, and to permanently protect the Arctic Refuge from drilling. Federal agencies under Biden may reject any new leases. Leases could be overturned in the courts: four separate lawsuits have been filed against the Department of the Interior over plans to open the Refuge for drilling.
- **Liability:** In its 2019 10-k, Chevron identifies liability for “accidental, unlawful discharge” even “without regard to the company’s causation of or contribution to the asserted damage” as a risk, and acknowledges it is self-insured “to a substantial extent” for potential liabilities. The Trans-Alaska Pipeline will transport oil from the Arctic Refuge. There have been dozens of oil spills along the pipeline and around Prudhoe Bay, the pipeline’s northern terminus, including a 3-week long spill in 2020.
- **Price risk:** Oil spills negatively affect stock prices. Chevron’s share price declined 8.5% in the weeks after a public announcement of an 800,000 gallon spill at a Chevron oil well. BP’s stock dropped 54% as a result of the Deepwater Horizon oil spill.
- **Constrained access to capital:** Chevron may face difficulty securing funding for Arctic Refuge projects. Six major US banks, which have provided \$637,575,000,000 to Chevron since 2016, now refuse to finance oil and gas exploration in the Arctic Refuge.
- **Reputational:** Reputationally damaging events have financial consequences. BP lost 38% of its American clients after the 2010 oil spill. 67% of Americans oppose drilling in the Arctic Refuge. 259 organizations, representing more than 27 million members, have launched a campaign against Chevron regarding Arctic drilling.

Beyond the Arctic Refuge, drilling anywhere in the Arctic threatens Indigenous rights, impacts fragile ecosystems, and exacerbates climate-related risks.

**Resolved:** Shareholders request that the Board of Directors issue a public report, within a reasonable time, assessing the benefits and drawbacks of committing to not engage in oil and gas exploration and production in the Arctic, particularly in the Arctic Refuge, as well as the financial and reputational risks to the company associated with such development.