

By Overnight Mail

December 1, 2016

Ms. Mary A. Francis
Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Rd.
San Ramon, CA 94583-2324

Re: Shareholder proposal

Dear Ms. Francis:



Timothy Brennan
Treasurer and
Chief Financial Officer

The Unitarian Universalist Association (UUA), a holder of 193 shares in Chevron Corporation, is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. The resolution requests that Chevron, with board oversight publish an annual assessment of long-term portfolio impacts to 2035 of plausible climate change scenarios, at reasonable costs and omitting proprietary information. The report should explain how capital planning and business strategies incorporate analyses of the short- and long-term financial risks of a lower-carbon economy. Specifically, the report should outline impacts of multiple, fluctuating demand and price scenarios on the company's existing reserves and resource portfolio—including the International Energy Agency's "450 Scenario," which sets out an energy pathway consistent with the internationally recognized goal of limiting global increase in temperature to 2 degrees Celsius.

We are joining with Wespeth Investment Management and Hermes EOS, which are co-lead filers, and we delegate to Wespeth Investment Management and Hermes EOS, the authority to act on behalf of the UUA in all aspects with regard to this filing up to and including withdrawal.

The Unitarian Universalist Association (UUA) is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$172 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an

opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting.

Verification that we are beneficial owners of the requisite shares of Chevron Corporation will be provided upon request. If you have questions or wish to discuss the proposal, please contact Anita Green at 847-866-5287 or agreen@wespath.org.

Yours very truly,



Timothy Brennan

Enclosure: Shareholder resolution

CHEVRON CORPORATION - CLIMATE CHANGE STRESS TESTING AND SCENARIO IMPACT ASSESSMENT

RESOLVED: Shareholders request that by the Annual Meeting of Stockholders in 2018, Chevron Corporation (Chevron), with board oversight publishes an annual assessment of long-term portfolio impacts to 2035 of plausible climate change scenarios, at reasonable cost and omitting proprietary information. The report should explain how capital planning and business strategies incorporate analyses of the short- and long-term financial risks of a lower-carbon economy. Specifically, the report should outline impacts of multiple, fluctuating demand and price scenarios on the company's existing reserves and resource portfolio—including the International Energy Agency's "450 Scenario," which sets out an energy pathway consistent with the internationally recognized goal of limiting global increase in temperature to 2 degrees Celsius.

SUPPORTING STATEMENT

Climate change, and actions to mitigate and adapt to it, will meaningfully affect the demand for, and costs associated with, finding, extracting, refining and selling carbon-based fuels, therefore impacting shareholder value.

Recognizing the economic and political risks associated with climate change, the probability of strong climate change-related policy action has increased since the Paris Agreement reached at the United Nations Framework Convention on Climate Change Conference of the Parties (COP21) in December 2015. COP21 concluded with 195 countries agreeing to keep global temperature increase "well below" 2 degrees Celsius, and pursuing efforts to limit it to 1.5 degrees Celsius. Significantly, the two largest greenhouse gas emitters globally, the United States and China, ratified this agreement in 2016.

Investors require better transparency on the resilience of Chevron's portfolios under different scenarios based on these and likely future developments.

Chevron has recognized in its Securities and Exchange Commission filings and sustainability reporting that policies, regulations and actions that place a price on greenhouse gas emissions—or affect the supply and demand for hydrocarbons—could have a significant impact on its business. The increasing likelihood of public policy action and viability of technological advancements aimed at addressing climate change make it vital that Chevron provide investors with more detailed analyses of the potential risks to its business, under a range of scenarios. While Chevron provides some indication that "consideration of greenhouse gas issues, climate change related risks and carbon pricing risks are integrated into its strategy, business planning, risk management tools and processes," it has not presented sufficiently detailed analyses of how it stress tests its portfolio of new and existing projects under various carbon-constrained scenarios.

This contrasts with Chevron's competitors, including:

- Ten oil and gas companies announcing their shared ambition to limit the global average temperature rise to 2 degrees Celsius (Oil and Gas Climate Initiative);
- Shell, BP, and Statoil endorsing the "Strategic Resilience for 2035 and Beyond" shareholder resolutions that received almost unanimous support in 2015; Suncor endorsing a similar resolution with overwhelming support in 2016;
- ConocoPhillips and Total testing capital planning decisions against multiple carbon-constrained scenarios and disclosing the results.

Publication of the requested report will demonstrate that Chevron is strategically planning to remain competitive in a carbon-constrained future and generate continued value for shareholders.