



Despite Chevron's Legal Challenge, Shareholder Resolution on Economic Risks of Climate Change Going to Vote

SEC Rules Against Energy Giant, Allows As You Sow/Arjuna Capital Proposal to Proceed

OAKLAND, CA – March 18, 2015 – Just weeks before Chevron's annual meeting, the Securities and Exchange Commission (SEC) ruled in favor of nonprofit As You Sow and wealth manager Arjuna Capital/Baldwin Brothers in their effort to address concerns about the energy giant's vulnerability to climate-related economic risks.

The ruling comes after [As You Sow](#) and [Arjuna Capital](#) filed a shareholder resolution, with co-filer Zevin Asset Management, asking Chevron to distribute capital to shareholders in light of concerns about Chevron's spending on high-cost, high-carbon projects, including Arctic drilling, tar sands, and other 'unconventional' fossil fuels. Chevron challenged the resolution at the SEC to keep it off the shareholder ballot. The SEC rejected Chevron's challenge, recognizing shareholders right to be heard on this important issue and clearing the path for a vote at Chevron's annual meeting.

"Given structural challenges facing the industry – historically high capital expenditures, decreasing and volatile oil prices and profitability, competition from low-cost alternatives, and global climate change – Chevron's continuing to pour shareholder capital into high cost, high carbon projects creates significant risk of unsaleable and stranded assets," said Danielle Fugere, President and Chief Counsel at As You Sow. "It's clear that Chevron doesn't want to face investors on this crucial issue, but the SEC appropriately upheld shareholders' right to vote on this resolution."

The International Energy Agency (IEA) states, "No more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2 degrees Celsius goal needed to avoid catastrophic climate change." Despite this, the largest oil companies collectively spend over \$700 billion annually to find and develop new fossil fuel reserves. Kepler Cheuvreux calculates annual upstream investment for oil has increased 100% since 2005, while crude oil supply has increased 3%. Recognizing these trends, shareholders seek larger dividends, reflecting a lack of confidence in the company's direction.

"This is a critical ruling from the SEC as it upholds investors' right to question business as usual in the face of economically material climate change risks," said Natasha Lamb, Director of Research & Engagement at Arjuna Capital. "Voting in favor of this proposal is a vote to protect shareholder value."

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Arjuna Capital is the sustainable wealth management platform of Baldwin Brothers Inc., an SEC-registered independent financial advisory firm established in 1974. For more information visit www.arjunacapital.com.

As You Sow is a nonprofit organization that promotes environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. For more information visit www.asyousow.org.