

Chevron's Climate Policy Engagement

A Real-World Metric of Chevron's Climate Strategy

May 2023

Executive Summary

- In the run up to Chevron's 2023 Annual General Meeting (AGM) on the 31st of May, concerns have been raised by investors as to the extent to which the company's climate policy engagement is aligned with its stated support of the Paris Agreement. Wespath Benefits and Investments (Wespath) has *announced its intention* to vote against the renewal of two of Chevron's top directors due to these concerns.
- This briefing summarizes InfluenceMap's assessment of Chevron's climate policy positions and engagement, which can be viewed as a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. It is designed as a resource to aid shareholder voting decisions on director re-election, as well as investor discussion and engagement on Chevron's positioning and advocacy on key climate-related policies.
- InfluenceMap's analysis suggests that Chevron's direct climate policy engagement is misaligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C, which entails net-zero emissions globally by 2050. For example, Chevron has opposed proposals to increase the stringency of US methane regulations in *January 2022* and, throughout *2022* and *2023*, has consistently supported a sustained role for fossil gas and oil in the energy mix. Such advocacy appears inconsistent with *IPCC* decarbonization pathways on oil and gas to limit global warming to 1.5°C. InfluenceMap's online company profile of Chevron can be found *here*.
- Chevron is a member of several industry associations displaying highly strategic and negative engagement with climate legislation and regulation both in the US and globally, including the *American Petroleum Institute (API)*, the *Australian Petroleum Production & Exploration Association (APPEA)*, and the *International Association of Oil and Gas Producers (IOGP)*.
- Chevron published its only review of its climate policy engagement in December 2020. The company has not published an update to this review in 2021-23. InfluenceMap analysis indicates that the quality of Chevron's review process falls significantly short of standards put forward by institutional investors as part of the 2022 *Global Standard on Responsible Climate Lobbying*. InfluenceMap's detailed assessment of Chevron's review process can be found on InfluenceMap's *CA100+ Investor Hub* and in *Appendix B*.

Director Accountability for Climate Policy Engagement

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

The *Global Standard on Responsible Climate Lobbying* ('the Global Standard'), launched in March 2022 by a group of investors including AP7, BNP Paribas Asset Management and Church of England Pensions Board, sets out 14 indicators to clarify exactly what investors expect from companies regarding their disclosure, governance and oversight processes to ensure company alignment between their climate policy engagement and the 1.5°C goal of the Paris Agreement.

Indicator 4 of the Global Standard states that companies should “assign responsibility at board level for oversight of its climate change lobbying approach and activities”. The Global Standard further clarifies that this responsibility “should explicitly refer to climate change lobbying, not just general climate change- related activities or general policy lobbying-related activities”.

Following the launch of the Global Standard, InfluenceMap *analyzed* 40 oil and gas companies on the focus list of the Climate Action 100+ process, a voluntary investor initiative made up of 700 investors responsible for over \$68 trillion in assets under management, working to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change. While InfluenceMap’s analysis suggests Chevron has not assigned responsibility for board level oversight of its climate policy engagement, the company does have an environmental committee at board level with oversight for general climate change-related activities:

- The role of Chevron's Public Policy Committee is to "assist the Board of Directors in overseeing environmental, social, human rights, political, and public policy matters, including those related to sustainability and climate change" (*Chevron Public Policy and Sustainability Charter, January 2021*)

As such, the individual directors that are directly accountable for oversight of the company's climate strategy and activities are:

Chevron's Public Policy & Sustainability Committee		
Enrique Hernandez Jr. (Chair)		
Alice Gast	John Huntsman Jr.	D. James Umpleby iii

Chevron's 2023 AGM: Director Re-election

In the run up to Chevron's 2023 Annual General Meeting (AGM) on the 31st of May, concerns have been raised by investors as to the extent to which the company's climate policy engagement is aligned with its stated support of the Paris Agreement. Wespeth Benefits and Investments (Wespeth) has *announced its intention* to vote against the renewal of two of Chevron's top directors due to these concerns.

In its Notice of Exempt Solicitation filed at the company in April 2023, Wespeth urged shareholders to join them in its vote against Chevron's Lead Independent Director, Wanda Austin, and Director Enrique Hernandez, Jr. Wespeth stated that Directors Austin and Hernandez, Jr. "bear responsibility for governance oversight of Chevron's climate policy and lobbying activities", being current and former chairs of Chevron's Public Policy Committee, respectively, as well as senior members of Chevron's board of directors.

Hernandez Jr. has been a Director at Chevron since 2008, and is the current chair of the Public Policy Committee. Austin has been a Director at Chevron since 2016, as well as Lead Director since 2022, and is the former chair of the Public Policy Committee.

At Chevron's 2020 AGM, shareholders voted to approve a proposal requiring additional disclosures related to climate policy engagement. However, Wespeth argued that the subsequent report "did not substantively address multiple elements of the proposal" and "provide(d) insufficient insight into Chevron's governance processes for managing the risks associated with misaligned climate-related lobbying by trade associations".

InfluenceMap's *analysis* of Chevron's 2020 report similarly found that the quality of the company's disclosure on climate policy engagement falls significantly short of standards put forward by institutional investors as part of the 2022 *Global Standard on Responsible Climate Lobbying*. Further details are available on page 7 and Appendix B below.

Summary of Chevron’s Climate Policy Engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the *Climate Action 100+* (CA100+) investor-engagement process, which now has over 700 global investor signatories with a total of \$68 trillion in assets under management.

InfluenceMap’s methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of *IPCC science* or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company’s climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of Chevron, including access to the underlying data which forms this assessment, can be found [here](#). An overview of InfluenceMap's assessment of Chevron is provided in Table 1 below.

Table 1: Overview of InfluenceMap's assessment of Chevron

Chevron		
Performance Band	D-	Performance Band (A+ to F) is a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	41%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment with the Paris Agreement.
Relationship Score	40%	Relationship Score (0 to 100) expresses how supportive or obstructive the company’s industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment with the Paris Agreement.
Engagement Intensity	50%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of Direct Climate Policy Engagement

InfluenceMap's analysis of Chevron's direct climate policy engagement is based on 402 independent data points, 182 of which have been logged since 2020. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in our [methodology](#).

Chevron appears to communicate high-level support for macro-level climate commitments, such as the Paris Agreement, but does not appear to support climate policy action in practice. For example:

- Chevron expressed [broad support](#) for the Paris Agreement in a February 2022 submission to the Australian Government on the proposed Safeguard Mechanism reforms.
- Chevron also stated [support](#) for the Global Methane Pledge in October 2022, which strives to reduce methane emissions to a level consistent with the 1.5°C goal.
- In October 2022, CEO of Chevron Mike Wirth appeared to [oppose](#) ambitious climate policies, stating that climate policies will negatively affect global energy markets.
- Mike Wirth also appeared to favor market-based mechanisms at the expense of regulation to respond to climate change through a [speech](#) relayed on Chevron's website in March 2022.

Chevron has engaged negatively on specific climate-related policies, both in the US and Australia:

- In January 2022, Chevron did not appear to support proposals to increase the stringency of methane regulations by the US Environmental Protection Agency (EPA). In the letter to EPA, Chevron appeared to [advocate](#) for greater flexibility in Leak Detection and Repair requirements, including the frequency of inspections. Further, in a joint letter to the EPA, Chevron [opposed](#) increasing the frequency of optical gas imaging (OGI) surveys to detect methane leaks in upstream oil and gas facilities, suggesting that OGI surveys should not be required more than annually.
- Whilst Chevron did not outline an independent position on Australia's Safeguard Mechanism Reforms, the company expressed [support](#) for the position taken by the Australian Petroleum Production & Exploration Association (APPEA) in February 2023 (available [here](#)). APPEA opposed the reforms and advocated for flexibilities in the law to be applied to oil and gas facilities, which would weaken the overall ambition of the policy. More detail on APPEA's position is available in Table 2 on page 8 below.
- In [comments](#) submitted on the Renewable Fuel Standards (RFS) Program in February 2022, Chevron appeared to oppose the EPA's proposed volume standard for renewable fuel in 2022, instead advocating for a lower volume standard for the year.

Chevron also appears to actively promote a sustained role for fossil fuels in the energy mix, contrary to [IPCC](#) advice on the role of fossil gas and oil in pathways that limit global warming to 1.5°C. For example:

- In comments to the Office of the Commissioner of Lobbying of Canada in April 2022, Chevron appeared to [support](#) the implementation of economic stimuli, such as tax incentives, for the oil and gas industry.
- In an interview broadcasted on Fox Business News in January 2023, CEO of Chevron, Mike Wirth, [advocated](#) for additional investments in oil and fossil gas in the US in place of further investments in renewable energy infrastructure such as charging stations.
- In October 2022, Mike Worth [emphasized](#) the risks involved in "shutting down coal" and "discouraging oil and gas", describing recent global energy transition efforts as 'premature'.
- In August 2022, Chevron [supported](#) a long-term role for fossil gas in the US energy mix, describing it as 'critical', without placing clear conditions on CCS or methane abatement measures.

This messaging conflicts with the [IPCC's 2022 Mitigation of Climate Change report](#), which states that in pathways that limit warming to 1.5°C with no or limited overshoot, the global use of oil and gas is projected to decline by 60% and 45% respectively, compared to 2019 levels. Chevron's advocacy, which appears to entail a continued or increased role for oil and gas in both Australia and the US, also appears to be inconsistent with the IPCC's less ambitious mitigation pathways, including scenarios for 1.5°C warming by 2100 with overshoot (50% reduction in oil and 45% reduction in gas) and 2°C warming (30% reduction in oil and 15% reduction in gas), all compared to 2019 levels.

Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap's platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This gives an assessment of each association's engagement against Paris-aligned benchmarks. This section details InfluenceMap's analysis of Chevron's key industry associations and governance processes.

- Chevron publishes reports on its "lobbying and trade associations" on its corporate website on an annual basis. InfluenceMap has developed a methodology to assess the quality of corporate disclosures on climate policy engagement, benchmarked against standards put forward by institutional investors as part of the 2022 *Global Standard on Responsible Climate Lobbying* and investor statements outlined by the *PRI*, *IIGCC* and *Ceres* (members of the CA100+ secretariat).
- InfluenceMap *analysis* shows that the quality of Chevron's disclosure falls considerably short of these standards, scoring 14/100 under InfluenceMap's methodology. Chevron has not disclosed a complete and accurate account of its direct or indirect climate policy engagement activities, and has not disclosed robust governance processes to assess alignment or address potential cases of misalignment. In addition, the company did not include a review of its direct or indirect (via industry associations) climate policy engagement as part of this report. As a result, Chevron has failed to accurately identify and take action on key industry associations advocating on climate policy in a way that is counter to the Paris Agreement goals. InfluenceMap's detailed assessment of Chevron's disclosure can be found [here](#) and in [Appendix B](#).
- InfluenceMap analysis indicates that Chevron likely holds 19 memberships to industry associations with climate policy engagement misaligned with the Paris Agreement (ranked as a D or below by InfluenceMap's system). These include the *American Petroleum Institute (API)*, the *Australian Petroleum Production & Exploration Association (APPEA)*, the *US Chamber of Commerce*, the *Australian Institute of Petroleum (AIP)*, the *Mexican Association of Hydrocarbons (AMEXHI)*, the *California Chamber of Commerce (CalChamber)* and the *International Association of Oil and Gas Producers (IOGP)*. Chevron's CEO Mike Wirth is a member of the API's board of directors and executive committee.

Detailed profiles for all Chevron's industry associations can be explored via the links in the table below, [Appendix A](#), or the "Details of Relationship Score" tab on Chevron's [company profile](#). Table 3 below gives an overview of seven key industry associations with examples of recent obstructive climate policy engagement.

Table 2: Evidence of recent climate policy engagement by Chevron's key industry associations

Industry Association	Performance Band	Examples of recent climate policy engagement
<p><i>California Chamber of Commerce (CalChamber)</i></p>	<p>F</p>	<ul style="list-style-type: none"> ● March 2023: <i>Opposed</i> California Bill SB 12, which would raise the state's GHG emissions reduction target to 55% below 1990 levels by 2030. ● September 2022: <i>Opposed</i> California Bill AB2133 that would decarbonize transportation. ● June 2022: <i>Advocated</i> for policymakers to support less ambitious decarbonization pathways in the California 2022 Scoping Plan; advocating for increased oil production in the state.
<p><i>American Petroleum Institute (API)</i></p>	<p>F</p>	<ul style="list-style-type: none"> ● February 2023: In a joint letter API <i>advocated</i> for the US Federal Acquisition Regulatory Council to abandon its proposal to require significant and major contractors to set science-based targets to reduce their greenhouse gas emissions. ● August 2022-February 2023: Directly <i>advocated</i> to Congressional leadership to oppose the methane tax in the US' Inflation Reduction Act and <i>opposed</i> major elements of the US EPA's Methane Regulation Supplemental Proposal. ● February 2023: API President, Mike Sommers <i>advocated</i> for policies to expand oil and gas infrastructure in the US.
<p><i>US Chamber of Commerce</i></p>	<p>E-</p>	<ul style="list-style-type: none"> ● April 2023: <i>Advocated</i> for policymakers to rescind the Interim Guidance on considering greenhouse gas (GHG) and climate impacts under the National Environmental Policy Act (NEPA) in the US. ● February 2023: <i>Opposed</i> GHG emissions targets in the proposed Federal Acquisition Regulation in the US, which would direct federal contractors to set science-based targets to reduce their GHG emissions. ● August 2022: <i>Advocated</i> for the Willow Project that would lock oil in the energy mix in the US
<p><i>Australian Petroleum Production & Exploration Association (APPEA)</i></p>	<p>E+</p>	<ul style="list-style-type: none"> ● September 2022-February 2023: <i>Opposed</i> reforms to the Safeguard Mechanism in a September 2022 consultation submission; calling for further analysis before making a decision on the Safeguard Mechanism's share of abatement, stated that headroom removal should be targeted and not implemented across the board, and supported tailored treatment to EITE sectors. APPEA <i>reiterated</i> this opposition in a February 2023 consultation response, advocating for flexibility for oil and gas facilities and for multi-year monitoring periods to be extended on a project-by-project basis, and calling for further price containment measures and special treatment for EITE facilities on top of existing measures. ● November 2022: <i>Emphasized</i> the role of gas in the energy mix and strongly <i>advocated</i> for investment in new gas supply. ● October 2022: <i>Stressed</i> the importance of bringing on new gas supply to Australia's economy.

<p><i>Australian Institute of Petroleum (AIP)</i></p>	<p>E+</p>	<ul style="list-style-type: none"> ● October 2022: <i>Supported</i> a longer-term role of internal combustion engine powered vehicles over the rapid electrification of transportation in Australia in its submission to Australia's National Electric Vehicle Strategy. ● September 2022: Appeared to <i>support</i> a number of measures that risk weakening the climate ambition of the Australian Federal Government's Safeguard Mechanism Reform, including the continuation of multi-year compliance monitoring and the need for comprehensive tailored treatment EITE industries. AIP also appeared to suggest that the proposed baseline-decline rates are unachievable. ● November 2021: <i>Advocated</i> for Australia's petroleum industry to not be competitively disadvantaged by climate policy in Australia.
<p><i>Mexican Association of Hydrocarbons (AMEXHI)</i></p>	<p>D-</p>	<ul style="list-style-type: none"> ● October 2022: <i>Supported</i> increased investment in the exploration, development, and production of hydrocarbons in Mexico. ● August 2022: <i>Stated support</i> for transitioning from other fossil fuels to fossil gas on the basis that it is low-carbon, without placing clear conditions on carbon, capture and storage or methane mitigation measures.
<p><i>International Association of Oil and Gas Producers (IOGP)</i></p>	<p>D-</p>	<ul style="list-style-type: none"> ● December 2022: <i>Supported</i> weaker revision of the EU's Renewable Energy Directive, advocating for less ambitious delegated act on additionality. ● December 2022: <i>Advocated</i> for "favourable regulatory frameworks" to incentivize gas supply in comments to the EU Commission. ● April 2022: <i>Supported</i> the EU's Methane Regulation for the energy sector with major exceptions that threaten to undermine the effectiveness of the policy, including stating that measures for leak detection and repair, and measurement reporting and verification, are unnecessary and would create additional costs.

Appendix A: Chevron's industry association memberships

The table below provides a ranking of Chevron's key industry associations by Performance Band, i.e. a measure of direct climate policy engagement (see [here](#) for more information on InfluenceMap's methodology and metrics). Detailed profiles for all Chevron's industry associations can be explored via the links in the table.

Industry Association	HQ Country	Performance Band	Engagement Intensity
Hydrogen Council	Belgium	C+	10%
European Chemical Industry Council (Cefic)	Belgium	C	56%
International Gas Union (IGU)	UK	C-	19%
Offshore Energies UK (OEUK) (Formerly OGUK)	UK	C-	22%
American Chemistry Council (ACC)	United States	C-	32%
Brazilian Petroleum and Gas Institute (IBP)	Brazil	D+	11%
Business Roundtable	United States	D+	21%
Australian Industry Greenhouse Network	Australia	D+	25%
Japan Chemical Industry Association (JCIA)	Japan	D	18%
International Association of Oil and Gas Producers (IOGP)	Belgium	D-	36%
Chamber of Minerals and Energy of Western Australia (CME)	Australia	D-	26%
International Air Transport Association (IATA)	Canada	D-	50%
Natural Gas Supply Association (NGSA)	United States	D-	33%
Mexican Association of Hydrocarbons (AMEXHI)	Mexico	D-	13%
Australian Petroleum Production & Exploration Association (APPEA)	Australia	E+	43%
Australian Institute of Petroleum (AIP)	Australia	E+	10%
Canadian Association of Petroleum Producers (CAPP)	Canada	E	43%
National Association of Manufacturers (NAM)	United States	E	38%
Western States Petroleum Association (WSPA)	United States	E-	43%

<i>US Chamber of Commerce</i>	United States	E-	28%
<i>Consumer Energy Alliance</i>	United States	E-	35%
<i>Texas Oil & Gas Association (TXOGA)</i>	United States	F	8%
<i>American Petroleum Institute (API)</i>	United States	F	51%
<i>American Fuel & Petrochemical Manufacturers (AFPM)</i>	United States	F	51%
<i>California Chamber of Commerce (CalChamber)</i>	United States	F	46%
<i>American Legislative Exchange Council (ALEC)</i>	United States	F	28%

Appendix B: Detailed assessment of Chevron’s corporate review of climate policy engagement

This Appendix outlines a detailed breakdown of InfluenceMap's assessment of the company's corporate disclosure on industry association lobbying, using the traffic-light assessment framework summarized below. Further details on the assessment methodology are available in our CA100+ Investor Hub [here](#).

Key	Explanation
■	Has broadly met investor expectations in this area.
■	Has made some progress on investor expectations in this area, but with significant deficiencies.
■	Has fallen short of investor expectations in this area.

A summary of Chevron’s disclosures on industry associations is shown below. Chevron has published one review of its industry associations to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
December 2020	14 / 100

This assessment is based on Chevron’s latest disclosure on industry associations and climate lobbying, which can be [found here](#). InfluenceMap's online profile of Chevron, including access to the underlying data which forms this assessment, can be found [here](#).

Applying the traffic-light framework outlined above, the table below summarizes the company’s performance under the seven indicators which form InfluenceMap’s assessment. A more detailed breakdown, along with examples of best practice evidenced by other companies to date, can be found on the following page.

Disclosure & Transparency	Alignment Process
Corporate climate positions	Identify & Assess
Industry group climate positions	Monitor & Review
Alignment assessment method	Act
Framework for misalignment	

Chevron’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Chevron’s assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

Disclosure & Transparency

Corporate climate policy positions and influencing activities	
<p>To meet investor expectations under this indicator: The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.</p>	
Chevron	<p>Chevron has disclosed its climate policy framework which focuses on high-level concepts such as carbon pricing, incentives for new technology and targeted policies such as building efficiency standards. The disclosure lacks detail on specific climate policies or the company's influencing activities on climate policy.</p>
Best Practice	<p>In its review, BP provides a link to a dedicated webpage titled ‘Advocacy activities’ which includes clear and detailed advocacy updates on specific government policy consultations in Europe, Australia and the US. These include specific consultations with climate-related policies under 6 topics, and a link to another webpage which discloses further details on the company’s advocacy activities in the US. BP also includes links to public submissions via the EU Transparency Register, the Scottish Lobbying Register, and the US Lobbying Disclosure Act.</p>
Industry association climate policy positions and influencing activities	
<p>To meet investor expectations under this indicator: The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.</p>	
Chevron	<p>Chevron has disclosed an account of the climate-related positions and influencing activities of each industry association, including examples of engagement on specific climate policies. However, the account appears to overlook the detailed negative lobbying of a number of organizations including American Petroleum Institute and Consumer Energy Alliance.</p>
Best Practice	<p>No companies have met investor expectations in this area, although BASF and Shell exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations’ climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>

Alignment assessment method

To meet investor expectations under this indicator: The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

Chevron	Chevron has not disclosed its alignment assessment methodology as the review does not assess the company's alignment with its industry associations on climate change.
Best Practice	<i>Shell</i> has disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided clear criteria which were used to categorize the degree of alignment of Shell's climate policy positions with the positions of its industry associations.

Framework for addressing misalignment

To meet investor expectations under this indicator: The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

Chevron	Chevron has not disclosed a framework for addressing misalignment with its industry associations, beyond a statement that it believes open engagement and continuous participation is the best way to advance its own opinions and shape positions.
Best Practice	<i>Rio Tinto</i> has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states that it will clarify its own positions with misaligned industry associations, seek common ground, seek leadership positions to influence associations, and consider suspending membership if differences are not resolved after 12 months.

Policy Alignment Process

Identify & Assess

To meet investor expectations under this indicator: The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's *database* on corporate lobbying.

Chevron	Chevron has not assessed alignment with its industry associations. InfluenceMap analysis indicates that Chevron likely has fifteen memberships to industry associations misaligned with the Paris Agreement (American Fuel & Petrochemical Manufacturers, American Petroleum Institute, California Chamber of Commerce, Consumer Energy Alliance, National Association of Manufacturers, US Chamber of Commerce, Western States Petroleum Association, Canadian Association of Petroleum Producers, Chamber of Minerals and Energy of Western Australia, Australian Institute of Petroleum, International Air Transport Association, APPEA, Natural Gas Supply Association, Japan Chemical Industry Association, Australian Industry Greenhouse Network) and eight industry associations potentially misaligned with the Paris Agreement (American Chemistry Council, Business Roundtable, International Association of Oil and Gas Producers, Oil and Gas UK, CEFIC, GasNaturally, International Emissions Trading Association, International Chamber of Commerce).
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Best Practice	<i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap's database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.
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Monitor & Review

To meet investor expectations under this indicator: The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company's alignment and engagement with the industry association concerning these activities.

Chevron	Chevron has stated that the company reviews its industry association memberships on an annual basis to ensure alignment, but does not appear to publicly disclose this information.
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Best Practice	<i>Rio Tinto</i> has published detailed assessments of its industry association memberships every year, with detailed updates on misaligned industry associations each year. Rio Tinto has published six full reviews of its industry associations, annually from 2018 to 2023. The company has committed to continue reviewing its memberships on an annual basis.
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Act

To meet investor expectations under this indicator: The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap's *database* on corporate lobbying. The investor expectations outlined by *PRI*, *IIGCC* and *Ceres* include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.

Chevron	Chevron has shown some evidence of action to address instances where its industry associations are taking positions that differ from its own, although this is not expressed in terms of misalignment. Although the company has not left any industry associations, it has disclosed its engagement on specific climate change policy issues with seven industry associations including details of the results of this engagement. For example, Chevron discloses that its continued engagement with AFPM has helped to create a Carbon Steering Committee and shift the organization from historic opposition to carbon pricing to evaluating proposals on a case-by-case basis. However, the company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap's database (see Identify & Assess).
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Best Practice	No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap's database, although some companies have made more progress. <i>Rio Tinto</i> terminated its membership to Queensland Resources Council in 2022 following findings of misalignment in past reviews, and also outlined detailed actions to be taken at two "partially aligned" industry associations. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>Fortum</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with four industry associations, including details of the results of this engagement in 2022. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.
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