WHEREAS: Plastic, with a lifecycle social cost at least ten times higher than its market price, actively threatens the world's oceans, wildlife, and public health.[1] Concern about the growing scale and impact of global plastic pollution has elevated the issue to crisis levels.[2] Of particular concern are single-use plastics (SUPs)[3] which make up the largest component of the 11 million metric tons of plastic ending up in waterways annually.[4] Without drastic action, this amount could triple by 2040.[5]

In response to the plastic pollution crisis, countries and major packaging brands are beginning to drive reductions in virgin plastic use.[6,7]

Several studies demonstrate that a shift away from virgin plastic production is critical to curbing the flow of plastic into oceans.[8] One of the most robust pathways is presented in the widely respected *Breaking the Plastic Wave* report, which finds that plastic leakage into the ocean can be reduced 80 percent under its System Change Scenario (SCS), which includes a significant absolute reduction of virgin SUPs.[9,10]

BP has recognized the potential disruption that global SUP reductions could have on the oil industry in its *2019 Outlook*, finding that a global SUP ban by 2040 would reduce oil demand growth by 60%.[11]

The future under the SCS – built partially on recycled plastics and circular business models – looks drastically different than today's linear take-make-waste production model. Several implications of the SCS, including a one-third absolute demand reduction (mostly of virgin SUPs) and immediate reduction of new investment in virgin production, are at odds with the Company's planned investments.

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[1] https://wwfint.awsassets.panda.org/downloads/wwf_pctsee_report_english.pdf
[2] https://www.unep.org/resources/pollution-solution-global-assessment-marine-litter-and-plastic-pollution
[3] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0904&from=EN#page=8
[4] https://www.minderoo.org/plastic-waste-makers-index/findings/executive-summary/
[5] https://www.nationalgeographic.com/science/article/plastic-trash-in-seas-will-nearly-triple-by-2040-if-nothing-done
[6] https://www.pbs.org/newshour/science/bold-single-use-plastic-ban-kicks-europes-plastic-purge-into-high-gear
[7] https://www.edie.net/news/5/Ellen-MacArthur-Foundation--Plastic-use-by-big-businesses-likely-to-peak-in-2021/
[8] https://www.theguardian.com/environment/2021/jul/01/call-for-global-treaty-to-end-production-of-virgin-plastic-by-2040
[9] https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf
[10] https://www.science.org/doi/full/10.1126/science.aba9475
[11] https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019.pdf#page=18

Chevron Phillips Chemical Company ("CPChem"), jointly owned by Chevron and Phillips 66, is estimated to be the 15th largest global producer of SUP-bound polymers, with 1.8 million metric tons produced in 2019, an estimated 42 percent of total production.[12] Its core business model of producing virgin plastics from fossil fuels is rapidly expanding. As partial owner of CPChem, Chevron faces growing risk from CPChem's continued investment in virgin plastic production infrastructure.

BE IT RESOLVED: Shareholders request that Chevron issue an audited report addressing whether and how a significant reduction in virgin plastic demand, as set forth in *Breaking the Plastic Wave*'s System Change Scenario to reduce ocean plastic pollution, would affect the Company's financial position and assumptions underlying its financial statements. The report should be at reasonable cost and omit proprietary information.

SUPPORTING STATEMENT: Proponents recommend that, at Board discretion, the report include:

- Quantification of the Company's polymer production for SUP markets;
- A summary of the Company's existing and planned investments that may be materially impacted by the SCS;
- Plans or goals to shift the Company's business model from virgin to recycled plastics and use recycling technologies that are cost-effective, process and energy efficient, and environmentally sound.

[12] https://www.minderoo.org/plastic-waste-makers-index/data/flows/#/sankey/global/10