



chevron supports well-designed climate policy

Chevron supports the global ambitions of the Paris Agreement and continues to take actions to help lower the carbon intensity of our operations while continuing to meet the world's demand for energy. Chevron believes that broad, market-based mechanisms are the most efficient approach to addressing greenhouse gas (GHG) emissions reductions.

Chevron supports carbon pricing, innovation and efficient policies. Chevron supports:

- **Global engagement:** Build up an integrated global carbon market that creates a level playing field and mitigates trade distortions. Incentivizing the lowest-cost abatement on the widest scale possible is critical to mitigating climate change, as it allocates limited resources as efficiently and effectively as possible to create the greatest opportunity for success.
- **Research and innovation:** Support promising pre-commercial technologies designed to spur innovation and mitigation across all sectors of the economy. Investments in pre-commercial early-stage abatement technologies can lead to commercially viable businesses and ultimately reduce the need for incentives over time.
- **Balanced and measured policy:** A balanced and measured approach aims to meet long-term economic, environmental and energy-security needs; allocates costs in an equitable, gradual and predictable way; and considers both GHG mitigation and climate change adaptation. Involve all sectors, technologies and solutions to maximize efficient and cost-effective reductions and avoid duplicative and inefficient regulations.
- **Transparency:** Strive for transparency and efficiency in measuring and driving the lowest-cost emissions reductions. Transparently communicate policy benefits, costs and trade-offs to the public.

Marginal abatement cost curve, promoting carbon efficiency at the least cost to society

(Quantity, tonnes CO₂e)



innovation support

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carbon pricing

Carbon pricing should be the primary policy tool to achieve GHG emissions reduction goals. It incentivizes the most efficient and cost-effective emissions reductions when applied broadly across the economy while enabling support to affected communities, consumers and businesses.

targeted policies

Direct regulations should be narrowly and efficiently targeted to enable cost-effective lower carbon opportunities not addressed by carbon pricing or innovation policies (e.g., apartment efficiency standards, because the owner pays for efficiency improvements, but the renter pays the utility bill).