

Shareholder Proposal

Occidental Petroleum Corporation Review Public Policy Advocacy on Climate

Co-filed proposal

Lead filer – The Needmor Fund

Occidental Petroleum has gone through a major transition, having spun off its California oil and gas business. In an October 2014 press release, the company emphasizes Occidental Petroleum is “committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company’s worldwide operations.”

We believe public policy advocacy by Occidental should be carefully scrutinized to assess the impact on the environment as well as our company’s reputation and to insure that our company’s lobbying and political spending is consistent with our environmental and social standards. Occidental spent over \$24 million on lobbying from 2013-2015 which does not include lobbying expenditures in states not requiring disclosure.

Occidental Petroleum decided to withdraw from the American Legislative Exchange Council (ALEC) which aggressively campaigns against renewable energy regulation at the state level. We commend the company for this decision. Renewable energy is a very important tool to combat climate change.

However, Occidental is a prominent member of the U.S. Chamber of Commerce which spent \$1.2 Billion on lobbying since 1998, has sued the EPA for its climate leadership and is actively campaigning against the new EPA Clean Power Plan. We urge management to use its voice in the Chamber to call for more climate sensitive policies.

Investor concern about climate lobbying is growing. The Principles for Responsible Investment (PRI) published a set of Investor Expectations on climate lobbying endorsed by investors with \$4 Trillion in assets calling on companies to insure their public policy advocacy supports efforts to mitigate and adapt to climate change.

The public perception is that oil and gas companies, including Occidental, often oppose laws and regulations addressing climate change or renewable energy. Thus we are urging this review. This resolution received 28% vote in 2016.

RESOLVED: Shareholders request that the Board of Directors initiate a comprehensive review of Occidental’s public policy advocacy on climate including an assessment of the organizations in which Occidental Petroleum is a member, or otherwise supports financially, regarding their lobbying on legislation at federal, state, or local levels. A summary report of this review, prepared at reasonable cost and omitting proprietary information, should be reviewed by the Board Governance Committee and made available to shareholders.

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Supporting Statement:

We propose the review:

1. Examine the philosophy, objectives and actions taken by trade associations or organizations Occidental supports and review their public positions and lobbying related to the environment and climate change.
2. Assess the consistency between our company's stated policies, principles, and Code of Conduct with those organizations;
3. Determine if the relationship carries reputational or business risk with a potential negative impact on the company and its shareholders;
4. Evaluate management's rationale for its involvement in and financial support of the trade association or organization;
5. Review the Board's oversight procedures;
6. Assess how management analyzes climate research highlighting risks and opportunities pertinent to oil companies.

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