UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 15, 2022

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP

Re: Occidental Petroleum Corporation (the "Company")
Incoming letter dated January 4, 2022

Dear Ms. Ising:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Benta B.V. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the Company set and publish targets that are consistent with the goal of the Paris Climate Agreement, and to report on the strategy and underlying policies for reaching these targets and on the progress made.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's public disclosures do not substantially implement the Proposal.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Mark van Baal
Follow This

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

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January 4, 2022

VIA E-MAIL
Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Occidental Petroleum Corporation*
Shareholder Proposal of Benta B.V.
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Occidental Petroleum Corporation (the "Company"), intends to omit from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the "2022 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof (the "Supporting Statement") received from Follow This on behalf of Benta B.V. (the "Proponent").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2022 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponent that if they elect to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

> RESOLVED: Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.
>
> These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3).
>
> Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(10) upon confirmation that the Company has published on the Company's website a report disclosing the Company's short-, medium- and long-term targets in support of the Company's "Pathway to Net-Zero" initiative, through which the Company has committed to a pathway to achieve net-zero emissions for its total emissions inventory including product use (Scope 1, 2 and 3) before 2050 (the "Report").

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(10) As Substantially Implemented.

A. Background.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has "substantially implemented" the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and concurred with the exclusion of a proposal only when proposals were "'fully' effected" by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the "previous formalistic application of [the Rule] defeated its purpose" because proponents were successfully avoiding exclusion by submitting proposals that differed from existing company policy in minor respects. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) ("1983 Release"). Therefore, in the 1983 Release, the Commission adopted a revised interpretation of the rule to permit the omission of proposals that had been "substantially implemented," and the Commission codified this revised interpretation in Exchange Act Release No. 40018, at n.30 (May 21, 1998). Applying this standard, the Staff has noted that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Walgreen Co.* (avail. Sept. 26, 2013); *Texaco, Inc.* (avail. Mar. 28, 1991).

At the same time, a company need not implement a proposal in exactly the same manner set forth by the proponent. In *General Motors Corp.* (avail. Mar. 4, 1996), the company observed that the Staff has not required that a company implement the action requested in a proposal exactly in all details but has been willing to issue no-action letters under the predecessor of Rule 14a-8(i)(10) in situations where the "essential objective" of the proposal had been satisfied. The company further argued, "[i]f the mootness requirement [under the predecessor rule] were applied too strictly, the intention of [the rule]—permitting exclusion of 'substantially implemented' proposals—could be evaded merely by including some element in the proposal that differs from the registrant's policy or practice." For example, the Staff has concurred that companies, when substantially implementing a shareholder proposal, can address aspects of implementation on which a proposal is silent or which may differ from the manner in which the shareholder proponent would implement the proposal. *See, e.g.*, *The Dow Chemical Company* (avail. Mar. 18, 2014, *recon. denied* Mar. 25, 2014) (proposal requesting that the company prepare a report assessing short- and long-term financial, reputational and operational impacts that the legacy Bhopal disaster may reasonably have on the company's Indian and global business opportunities and reporting on any actions the company intends to take to reduce such impacts was substantially implemented because the company had provided the requested information on its website); *Hewlett-Packard Co.* (avail. Dec. 11, 2007) (proposal requesting that the board permit shareholders to call special meetings was substantially implemented by a proposed bylaw amendment to permit shareholders to call a special meeting unless the board determined that the special business to be addressed had been addressed recently or would soon be addressed at an annual meeting); *Johnson & Johnson* (avail. Feb. 17, 2006) (proposal requesting the company to confirm the legitimacy of all current and future U.S. employees was substantially implemented because the company had verified the legitimacy of over 91% of its domestic workforce). Therefore, if a company has satisfactorily addressed both the proposal's underlying concerns and its "essential objective," the proposal will be deemed "substantially implemented" and, therefore, may be excluded as moot. *See, e.g.*, *Quest Diagnostics, Inc.* (avail. Mar. 17, 2016); *ConAgra Foods, Inc.* (avail. July 3, 2006); *The Gap, Inc.* (avail. Mar. 8, 1996).

B. Anticipated Publication Of The Report Will Substantially Implement The Proposal.

The Proposal requests that the Company set and disclose quantitative short-, medium- and long-term targets covering the Company's Scope 1, Scope 2 and Scope 3 emissions, and issue a report on the strategy and policies for achieving such targets. The Report will substantially implement the Proposal because, as described above, the Report will address the Proposal's underlying concerns and essential objective consistent with Rule 14a-8(i)(10).

C. Supplemental Notification.

We submit this no-action request now to address the timing requirements of Rule 14a-8(j). We supplementally will notify the Staff and the Proponent after publication of the Report on the Company's website, which is expected to occur by January 31, 2022. The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff of the actions expected to be taken that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after those actions have been taken. *See, e.g.*, *Chevron Corporation (Stewart Taggart)* (avail. Mar. 30, 2021); *Marriott International, Inc.* (avail. Mar. 22, 2021); *United Continental Holdings, Inc.* (avail. Apr. 13, 2018); *United Technologies Corporation* (avail. Feb. 14, 2018); *The Southern Co.* (avail. Feb. 24, 2017); *Mattel, Inc.* (avail. Feb. 3, 2017); *The Wendy's Co.* (avail. Mar. 2, 2016); *The Southern Co.* (avail. Feb. 26, 2016); *The Southern Co.* (avail. Mar. 6, 2015); *Visa Inc.* (avail. Nov. 14, 2014); *Hewlett-Packard Co.* (avail. Dec. 19, 2013); *Starbucks Corp.* (avail. Nov. 27, 2012); *DIRECTV* (avail. Feb. 22, 2011); *NiSource Inc.* (avail. Mar. 10, 2008); *Johnson & Johnson* (avail. Feb. 19, 2008) (each granting no-action relief where the company notified the Staff of its intention to omit a shareholder proposal under Rule 14a-8(i)(10) because shortly thereafter the company was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of the action).

CONCLUSION

Based upon the foregoing analysis and further details to be provided supplementally regarding how the Report compares favorably to the Proposal, we believe that upon confirmation of publication of the Report, the Proposal will have been substantially implemented. Thus, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2022 Proxy Materials in reliance on Rule 14a-8(i)(10).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, Nicole E. Clark, the Company's Vice President, Deputy General Counsel and Corporate Secretary, at (713) 215-7550 or Brittany A. Smith, the Company's Senior Counsel and Assistant Corporate Secretary, at (713) 871-6448.

Sincerely,

Elizabeth Ising

Elizabeth A. Ising

Enclosures

cc: Nicole E. Clark, Occidental Petroleum Corporation
Brittany A. Smith, Occidental Petroleum Corporation
Mark van Baal, Follow This

EXHIBIT A

From: Mckenzie Ursch [redacted]
Sent: Tuesday, October 26, 2021 1:41 PM
To: Clark, Nicole Nicole_Clark@oxy.com>
Cc: Mark van Baal | Follow This [redacted]; [redacted]
Subject: [EXTERNAL] Shareholder Proposal for 2022 AGM

Dear Ms. Clark,

I hope this finds you well.On behalf of Benta B.V., Follow This hereby submits the attached shareholder resolution for inclusion in the proxy materials of the 2022 AGM of Occidental Petroleum.

Attached to this email are:

-
- Cover Letter
-
-
- Shareholder Proposal
-
-
- A letter authorizing Follow This to
- act as representative of Benta B.V.
-
-
- Digital signature logs for verification
- of the signed documents.
-

Proof of share ownership to be sent separately.

Follow This and Benta B.V. fully support Occidental as they navigate the energy transition. We are open to a conversation to discuss the resolution.

I look forward to hearing from you soon.

Kindly confirm receipt of this email.

Sincerely,

Mckenzie Ursch
Legal Counsel | Follow This
[redacted]

26 October 2021

<u>Via electronic mail</u>

Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas
77046
Attn: Ms. Nicole. E. Clark, Corporate Secretary
Nicole_Clark@oxy.com

Re: <u>Shareholder proposal for 2022 Annual Shareholder Meeting</u>

Dear Ms. Clark,

Follow This is filing a shareholder proposal on behalf of Benta B.V. ("Proponent"), a shareholder of Occidental Petroleum Corporation(the "Company"), for action at the Company's next annual meeting. The Proponent submits the enclosed shareholder proposal for inclusion in the Company's 2022 proxy statement, for consideration by shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

Benta B.V. has continuously beneficially owned, for at least one year as of the date hereof, at least $25,000 worth of the Company's common stock. Verification of this ownership will be sent under separate cover. Benta B.V. intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders.

A letter from the Proponent authorizing Follow This to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available to meet with the Company via teleconference on November 8th, 9th, 10th, 11th, or 12th between 9:30 a.m. and 12:30 p.m. Central Time (UTC-6).

We are available to discuss this issue and appreciate the opportunity to engage and seek to resolve the Proponent's concerns. I can be contacted on [redacted] or by email at [redacted] to schedule a meeting and to address any questions. Please address any future correspondence regarding the proposal to me at this address.

Sincerely,

Mark van Baal

Mark van Baal
Founder Follow This

McKenzie Ursch
Legal Advisor

Encl: Authorization letter

18 October 2021

Follow This
Anthony Fokkerweg 1
1059 CM
Amsterdam, The Netherlands

I hereby authorize Follow This to file a shareholder resolution on my behalf for the Occidental Petroleum 2022 annual shareholder meeting. The specific topic of the proposal is requesting that the company reduce the emissions of their operations and products.

I support this proposal as a means to mitigate the harmful effects of climate change and specifically give Follow This full authority to engage with the company on my behalf regarding the proposal and the underlying issues, and to negotiate a withdrawal of the proposal to the extent the representative views of the company's actions as responsive.

I understand that I may be identified on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

YdeRijcke

Yvonne de Rijcke
Director
Benta B.V.

Shareholder Resolution at the 2022 AGM of Occidental Petroleum Corporation

Coordinated by Follow This

WHEREAS: We, the shareholders, must protect our assets against devastating climate change, and we therefore support companies to substantially reduce greenhouse gas (GHG) emissions.

RESOLVED: Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3).

Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information.

You have our support.

SUPPORTING STATEMENT:

The policies of energy companies - the largest greenhouse gas (GHG) emitters - are crucial to confronting the climate crisis. Therefore shareholders support oil and gas companies to substantially reduce their emissions.

We, the shareholders, understand this support to be essential in protecting all our assets in the global economy from devastating climate change.

We therefore support the Company to set emission reduction targets for all emissions: the emissions of the company's operations and the emissions of its energy products (Scope 1, 2, and 3). Reducing Scope 3 emissions, the vast majority, is essential to limiting global heating.

Scientific consensus

The world's leading international scientific bodies recently released reports which clearly state the need for deep cuts in emissions in order to limit global warming to safe levels.

Financial momentum

A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore limiting global warming is essential to risk management and responsible stewardship of the economy.

Backing from investors that insist on targets for all emissions continues to gain momentum: 2021 saw unprecedented investor support for climate resolutions. In the US, three of these climate resolutions passed with a historic majority. In Europe, support for these climate resolutions continued to build.

Legal risk

In 2021, a Dutch court ordered Shell to severely reduce their worldwide emissions (Scope 1, 2, and 3) by 2030. This indicates that oil majors and large investors have an individual legal responsibility to combat dangerous climate change by reducing emissions and confirms the risk of liability.

We believe that the Company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels consistent with curbing climate change.

You have our support.

From:	Walter, Geoffrey E.
To:	[redacted]
Cc:	[redacted]
Subject:	Occidental Petroleum (Benta B.V.) Correspondence
Date:	Tuesday, November 9, 2021 5:04:33 PM
Attachments:	Occidental Petroleum (Benta B.V.).pdf

Attached on behalf of our client, Occidental Petroleum Corporation, please find our notice of deficiency with respect to the shareholder proposal you submitted on behalf of Benta B.V. A copy of this letter also was sent to you via express mail.

Per Staff Legal Bulletin No. 14L (https://www.sec.gov/corpfin/staff-legal-bulletin-14l-shareholder-proposals), I am requesting you acknowledge receipt of this email, including the attached deficiency notice.

Sincerely,

Geoffrey Walter

Geoffrey Walter
(he/him/his)

GIBSON DUNN

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Elizabeth A. Ising
Direct: +1 202.955.8287
Fax: +1 202.530.9631
Eising@gibsondunn.com

November 9, 2021

VIA EXPRESS MAIL AND EMAIL
Mark van Baal
Follow This
[redacted]

Dear Mr. van Baal:

I am writing on behalf of Occidental Petroleum Corporation (the **"Company"**), which received on October 26, 2021, the shareholder proposal that you submitted on October 26, 2021 (the **"Submission Date**") on behalf of Benta B.V. (the **"Proponent"**) pursuant to Securities and Exchange Commission (**"SEC"**) Rule 14a-8 for inclusion in the proxy statement for the Company's 2022 Annual Meeting of Shareholders (the **"Proposal"**).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that a shareholder proponent must submit sufficient proof of its continuous ownership of company shares. Thus, with respect to the Proposal, Rule 14a-8 requires that the Proponent demonstrate that the Proponent has continuously owned at least:

(1) $2,000 in market value of the Company's shares entitled to vote on the Proposal for at least three years preceding and including the Submission Date;

(2) $15,000 in market value of the Company's shares entitled to vote on the Proposal for at least two years preceding and including the Submission Date;

(3) $25,000 in market value of the Company's shares entitled to vote on the Proposal for at least one year preceding and including the Submission Date; <u>or</u>

(4) $2,000 of the Company's shares entitled to vote on the Proposal for at least one year as of January 4, 2021, and that the Proponent has continuously maintained a minimum investment amount of at least $2,000 of such shares from January 4, 2021 through the Submission Date (each an **"Ownership Requirement,"** and collectively, the **"Ownership Requirements"**).

The Company's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy any of the Ownership Requirements. In addition, to date we have not received proof that the Proponent has satisfied any of the Ownership Requirements.

To remedy this defect, the Proponent must submit sufficient proof that the Proponent has satisfied at least one of the Ownership Requirements. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of either:

(1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that, at the time the Proponent submitted the Proposal (the Submission Date), the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above; or

(2) if the Proponent was required to and has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, demonstrating that the Proponent met at least one of the Ownership Requirements above, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above.

If the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of the Proponent's shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company (**"DTC"**), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent's broker or bank is a DTC participant by asking the Proponent's broker or bank or by checking DTC's participant list, which is available at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx. In these situations, shareholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

(1) If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent's broker or bank verifying that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above.

(2) If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above. You should be able to find out the identity of the DTC participant by asking the Proponent's broker or bank. If the Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by

obtaining and submitting two proof of ownership statements verifying that the Proponent continuously held Company shares satisfying at least one of the Ownership Requirements above: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

In addition, under Rule 14a-8(b) of the Exchange Act, the Proponent must provide the Company with a written statement of the Proponent's intent to continue to hold through the date of Company's 2022 Annual Meeting of Shareholders the requisite amount of Company shares used to satisfy at least one the Ownership Requirements above. We believe that the written statement in your October 26, 2021 correspondence that "Benta B.V. intends to continue to hold such shares through the date of the Company's 2022 annual meeting of shareholders" is not adequate to confirm that the Proponent intends to hold the required amount of the Company's shares through the date of the 2022 Annual Meeting of Shareholders because this statement was not made by the shareholder (the Proponent), and it is not clear whether Follow This is authorized to make this statement on the Proponent's behalf. To remedy this defect, either (1) the Proponent must submit a written statement that the Proponent intends to continue holding the same required amount of Company shares through the date of the Company's 2022 Annual Meeting of Shareholders as will be documented in the Proponent's ownership proof, or (2) you must provide documentation that Follow This is authorized to make such a statement on the Proponent's behalf.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to Nicole E. Clark, the Company's Vice President, Deputy General Counsel and Corporate Secretary, at 5 Greenway Plaza, Suite 110, Houston, TX 77046. Alternatively, you may transmit any response by email to her at nicole_clark@oxy.com.

If you have any questions with respect to the foregoing, please contact me at 202-955-8287. For your reference, I enclose a copy of Rule 14a-8 as amended for meetings that occur on or after January 1, 2022 but before January 1, 2023 and Staff Legal Bulletin No. 14F.

Sincerely,

Elizabeth Ising

Elizabeth A. Ising

cc: McKenzie Ursch, Follow This
Yvonne de Rijcke, Benta B.V.

Enclosures

GIBSON DUNN

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Fax: 202.530.9631
EIsing@gibsondunn.com

February 4, 2022

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Occidental Petroleum Corporation*
Supplemental Letter Regarding Shareholder Proposal of Benta B.V.
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

On January 4, 2022, we submitted a letter (the "No-Action Request") on behalf of Occidental Petroleum Corporation (the "Company") notifying the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") that the Company intends to omit from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the "2022 Proxy Materials") a shareholder proposal and statements in support thereof (the "Proposal") received from Follow This on behalf of Benta B.V. (the "Proponent"). *See* Exhibit A.

The Proposal states:

> **RESOLVED:** Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.
>
> These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3).
>
> Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information.
>
> You have our support.

BASIS FOR SUPPLEMENTAL LETTER

Consistent with the No-Action Request, we hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(10). As discussed below, the Company has published on its dedicated sustainability webpage disclosures regarding its quantitative short-, medium- and long-term Scope 1, 2 and 3 greenhouse gas ("GHG") emission targets (the "Sustainability Disclosure"),[1] which supplement the disclosure set forth in the Company's Climate Report 2020: Pathway to Net-Zero[2] (the "Climate Report" and, together with the Sustainability Disclosure, the "Disclosures"). Together, the Disclosures describe the Company's net-zero pathway, including its emissions strategy and net-zero goals, targets and ambitions, which align with the goals of the Paris Agreement. A copy of the Disclosures is attached hereto as Exhibit B.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because The Company Has Substantially Implemented The Proposal.

A. Background On Rule 14a-8(i)(10).

Rule 14a-8(i)(10) permits the exclusion of a shareholder proposal "[i]f the company has already substantially implemented the proposal." The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *See* Exchange Act Release No. 12598 (July 7, 1976) (the "1976 Release"). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when shareholder proposals were "'fully' effected" by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the "previous formalistic application of [the Rule] defeated its purpose" because proponents were successfully convincing the Staff to deny no-action relief by

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1 The Sustainability Disclosure includes the section "Planet" on the Company's sustainability webpage *available at* https://www.oxy.com/sustainability/planet/. Additional information and resources regarding the Company's sustainability reporting and strategy are available on the Company's sustainability webpage at https://www.oxy.com/sustainability/.

2 *Available at* https://www.oxy.com/Sustainability/overview/Documents/ClimateReport2020.pdf. For additional information and resources regarding the Company's net-zero pathway see "Our Net Zero Pathway" available on the Company's main webpage at https://www.oxy.com.

submitting shareholder proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the "1983 Release"). Therefore, in 1983, the Commission adopted a revised interpretation to the rule to permit the omission of shareholder proposals that had been "substantially implemented." 1983 Release. The 1998 amendments to the proxy rules codified this position. *See* Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"), at n.30 and accompanying text.

Under this standard, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objective of a shareholder proposal, the Staff has concurred that the shareholder proposal has been "substantially implemented" and may be excluded as moot. The Staff has noted that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (avail. Mar. 28, 1991).

In applying this standard, a company need not implement a shareholder proposal in exactly the manner set forth by the proponent or in the manner that a shareholder may prefer. *See* 1998 Release at n.30 and accompanying text. Differences between a company's actions and a shareholder proposal are permitted as long as the company's actions satisfactorily address the shareholder proposal's essential objective.

As a result, the Staff has concurred with the exclusion under Rule 14a-8(i)(10) of numerous shareholder proposals related to climate change where the disclosures made by the company compared favorably with the requested disclosures. For example, in *Chevron Corp. (Stewart Taggart)* (avail. Mar. 30, 2021) ("*Chevron 2021*"), a shareholder proposal requested that the Company issue a report "on Scope Three emissions from Chevron's Liquid Natural Gas operations and how the company plans to offset, pay carbon taxes on or eliminate via technology these emissions to meet post-2050 Paris Accord carbon emission reduction goals." The company asserted that the disclosures published on its website substantially implemented the proposal because the disclosures addressed the proposal's essential objective by providing additional information on the company's Scope 3 Liquid Natural Gas emissions and directly addressed the two elements requested in the proposal's resolved clause. The Staff concurred with the exclusion of the proposal under Rule 14a-8(i)(10).

Similarly, in *Hess Corp.* (avail. Apr. 9, 2020), the shareholder proposal requested that the company issue a report regarding its plans to reduce climate change and align its investments with the Paris Agreement. The company asserted that the disclosures in its 2018 Sustainability Report, its response to the 2019 CDP Climate Change Questionnaire and an investor presentation satisfied the essential objective of the proposal and "adequately described [the company's] plans to, and how it plans to, continue to reduce its contribution to climate change and align its operations and investments with the well below 2° C Goal." The Staff concurred with the exclusion of the proposal under Rule 14a-8(i)(10). *See also Chevron Corp.* (avail. Mar. 20, 2020) (concurring with the exclusion of a shareholder proposal requesting the company issue a report "describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement" where the company addressed the proposal's essential objective); *Exxon Mobil Corp.* (avail. Apr. 3, 2019) (concurring with the exclusion of a shareholder proposal requesting that the company issue a report "on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2 degrees Celsius" where the company addressed the proposal's essential objective even if it did not do so in the format requested (*i.e.*, the company's report did not appear to clearly identify "benefits" and "drawbacks" for each of the actions identified in the supporting statement)); *PNM Resources, Inc.* (avail. Mar. 30, 2018) (concurring with the exclusion of a proposal requesting that the company "prepare a public report identifying all generation assets that might become stranded due to global climate change within the next fifteen years, quantifying low, medium, and high financial risk associated with each asset" where the various company public disclosures made available on its sustainability website "compare[d] favorably with the guidelines of the [p]roposal" despite being in a different format than contemplated by the shareholder proposal); *Anthem, Inc.* (avail. Mar. 19, 2018) (concurring with the exclusion of a shareholder proposal requesting "a sustainability report describing the company's ESG performance including GHG reduction targets and goals" as substantially implemented by the company's existing disclosures); *The Dow Chemical Co.* (avail. Mar. 18, 2014, *recon. denied* Mar. 25, 2014) (concurring with the exclusion of a shareholder proposal requesting that the company prepare a report "assessing the short and long term financial, reputational and operational impacts" of an environmental incident in Bhopal, India, where the company's statements in a "Q and A" document relating to the Bhopal incident substantially implemented the shareholder proposal).

B. Background On The Company's Strategy For Achieving Net-Zero Emissions.

The Company is committed to being part of the climate solution and continues to carefully develop and implement policies and practices to preserve the environment and reduce emissions. In 2020, the Company launched its "Pathway to Net-Zero" initiative, through which the Company has committed to a pathway to achieve net-zero emissions for its operational and energy use emissions (Scope 1 and Scope 2) before 2040, with the ambition to achieve this before 2035, and an ambition to achieve net-zero for its total emissions inventory including product use (Scope 1, 2 and 3) before 2050. The Company is implementing multiple avenues to advance the goals of the Paris Agreement on its net-zero pathway. The Company's approach utilizes four key elements: (1) revolutionizing carbon management by applying its 50 years of leadership in carbon dioxide ("CO_2") transportation, use, recycling and storage to invest in, develop, commercialize and deploy leading-edge, net-zero carbon removal, carbon capture, utilization and storage ("CCUS") and zero-emissions power technologies and associated products; (2) reducing emissions across its operations and energy use through employee-driven innovation and excellence, such as its Find It/Fix It program and state-of-the-art, cost-effective technologies being piloted by its Emissions Technology Team; (3) reusing and recycling CO_2 with technologies and partnerships that use captured CO_2 to enhance existing products and produce new low-carbon or zero-emissions products; and (4) removing existing CO_2 from the atmosphere using innovative direct air capture (DAC) technology in significant amounts for beneficial use and safe, permanent sequestration.

As set forth in the Disclosures, the Company has established quantitative short-, medium- and long-term targets[3] covering the Company's Scope 1, Scope 2 and Scope 3 emissions, which are consistent with and help advance the Company's strategy for achieving net-zero emissions. As discussed in the Company's climate policy positions[4] and in the Climate Report:

- Scope 1 emissions are direct emissions generated from the Company's operations. The Company's pathway to achieving these reductions includes promoting "efficiency and process optimization to reduce or eliminate direct emissions from [the Company's] operations and advancing revolutionary carbon dioxide removal (CDR) technologies like Direct Air Capture (DAC), which serve[s] to balance the emissions that [the Company is] unable to eliminate."

- Scope 2 emissions are indirect reported emissions from the Company's consumption of energy (*e.g.,* power, heat and steam). The Company's pathway to achieving these reductions includes "transitioning to zero-emission power

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[3] The Climate Action 100+ defines the timing for short-term, medium-term and long-term targets as follows: "Long-term (2036-2050)"; "Medium-term (2026-2035)" and "Short-term (up to 2025)." *See* Climate Action 100+ Net Zero Company Benchmark (Mar. 2021), *available at* https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf.

[4] *See* Occidental's Positions on Climate-Related Policies, *available at* https://www.oxy.com/globalassets/documents/publications/oxy-climate-policy-positions.pdf ("Occidental's Positions on Climate-Related Policies").

sources, such as renewables, emissions-free natural gas, advanced small modular reactors and geothermal."

- Scope 3 emissions are indirect reported emissions (not included in Scope 2) that occur in the value chain of the Company, including upstream and downstream emissions. The Company's pathway to achieving reductions of Scope 3 emissions, includes "continuing to lower the carbon intensity of [its] existing products, developing innovative products that use CO_2 as a feedstock and expanding construction of carbon capture and DAC facilities, which will serve to balance the emissions on a net basis from the global use of [the Company's] products that [the Company and its] customers are unable to directly reduce or eliminate."

Finally, in support of the Company's GHG emission reduction goals, the Company is also in the process of developing products and services to support other industries, emitters and governments in their efforts to reduce and eliminate GHG emissions. As a leader in the transportation, use, recycling and storage of CO_2, with five decades of experience, the Company established Oxy Low Carbon Ventures ("OLCV") in 2018 to build upon the Company's carbon management expertise to achieve net-zero.

As part of its net-zero strategy, the Company plans to implement a range of alternatives that utilize both emission reduction targets as well as technological innovation in carbon management to support the goals of the Paris Agreement. The Company's net-zero strategy was recently recognized by the Transition Pathway Initiative for its alignment with the 1.5°C scenario in 2050 under the Paris Agreement.[5]

C. The Company Has Substantially Implemented The Proposal Through Publication Of The Disclosures.

The Proposal's essential objective is for the Company to establish and publicly disclose short-, medium- and long-term Scope 1, Scope 2 and Scope 3 emission targets. As set forth in the Resolved clause, the Proposal specifically requests the Company adopt short-, medium- and long-term quantitative targets covering Scopes 1, 2 and 3 emissions and at least annually report on the Company's strategy, policies and progress made on such targets. As in *Chevron 2021*, *Hess* and the other precedent cited above, the Company has substantially implemented the Proposal—here by publishing the Disclosures, which address the Proposal's essential objective and are directly responsive to the specific

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[5] *See* Management Quality and Carbon Performance of Energy Companies: November 2021 Update, *available at* https://transitionpathwayinitiative.org/publications/91.pdf?type=Publication.

requests set forth in the Resolved clause. The Disclosures set forth the Company's short-, medium- and long-term Scope 1, Scope 2 and Scope 3 targets, as well as how the targets support and advance the Company's net-zero strategy.

In addition, and as specifically requested in the Proposal, the Company already provides updates to the Disclosures at least annually in order to report on developments related to the Company's net-zero strategy and the Company's progress toward achieving its net-zero emission reduction goals. The Company regularly updates the Sustainability Disclosure and related disclosures on its website to provide additional information on the progress made toward the Company's various targets, including those linked to the Company's net-zero pathway.[6] In addition, the Company is committed to providing annual updates to the Climate Report, which will provide additional information regarding the Company's progress toward net-zero and the related targets and technological initiatives that the Company has developed to help it achieve its long-term net-zero strategy. The Climate Report, which was published in December 2020, is the third climate report published by the Company since 2018, and the Company anticipates that the updated climate report for 2021 will be published in the first quarter of this year. Notably, the updated climate report will be accompanied by a stand-alone corporate sustainability report, which will provide complementary disclosure and reporting regarding the Company's overall sustainability program and its progress toward achievement of its sustainability goals.

i. The Disclosures Describe The Company's Short-Term Quantitative Targets.

As described in the Disclosures, the Company has adopted specific short-term Scope 1, Scope 2 and Scope 3 targets that support the Company on its path to achieving net-zero. The Company's net-zero strategy was specifically developed to align with the goals of the Paris Agreement, including its aim to substantially reduce global GHG emissions in an effort to limit the global temperature increase in this century to 2°C above preindustrial levels, while pursuing the means to limit the increase to 1.5°C.[7] With respect to Scope 1 and Scope 2, the Company has established a target to reduce its combined Scope 1 and Scope 2 CO_2 equivalent emissions from its worldwide operated assets by at least 3.68 million metric tons per year by 2024, compared to a 2021 baseline. This target reflects 13.3% of the Company's 2019 emissions and is aligned with its

[6] The Sustainability Disclosure includes the section "Progress Toward Targets," *available at* https://www.oxy.com/sustainability/planet/.

[7] *See* Occidental's Positions on Climate-Related Policies at 2.

sustainability-linked credit facility metrics.[8] These Scope 1 and Scope 2 targets are interim, short-term milestones toward achievement of the Company's long-term net-zero goals.[9]

In addition, the Company has incorporated short-term targets for Scopes 1, 2 and 3 into its executive compensation program. Since 2018, the Executive Compensation Committee (the "Compensation Committee") of the Company's Board of Directors has set annual climate-related targets for executive officers as part of the Company's annual cash incentive ("ACI") award, directly linking compensation to the Company's sustainability performance. The Compensation Committee identifies annual targets to advance the Company's sustainability metrics and evaluates each year's performance in accordance with the Executive Incentive Compensation Plan, with the results reported in the Company's annual proxy statement.[10] In response to shareholder engagement, the Compensation Committee increased the weight on sustainability metrics to 30% of the Company performance portion of ACI compensation for 2021. For 2021, the Compensation Committee adopted two metrics—(1) emission reduction efforts that align with the Company's net-zero goals for its operations and energy use (Scope 1 and Scope 2) and (2) carbon ventures and reduction projects that promote short-term progress toward its 2050 net-zero ambition for its total carbon inventory, including the use of its sold products (Scope 3).[11]

With respect to the Company's Scope 1 and Scope 2 metrics, the Compensation Committee adopted short-term targets as part of the Company's ACI award, including: (1) deploying at least three technologies to advance methane emission surveys and emission controls; (2) retrofitting at least 900 high-bleed pneumatic controllers; and (3)

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[8] *See* "Cumulative 2022-24 Short-Term Target" in the section "Climate Change" included the Sustainability Disclosure.

[9] Notably, as part of the Company's Second Amended and Restated Credit Agreement, which was entered into in December 2021, the interest rate marking and the facility fee rates of the Company's revolving credit facility are subject to adjustments based, in part, on the Company's performance against the short-term Scope 1 and Scope 2 targets described in the Disclosures, with such performance subject to limited assurance verification by a qualified independent external reviewer. *See* the Company's Current Report on Form 8-K filed on Dec. 13, 2021, *available at* https://www.sec.gov/Archives/edgar/data/797468/000095015721001251/form8-k.htm.

[10] *See* the Company's 2021 Proxy Statement and Notice of Annual Meeting of Shareholders at 41-42, *available at* https://www.sec.gov/Archives/edgar/data/797468/000120677421000856/oxy3830511-def14a.htm.

[11] *See* "Annual Sustainability Goals" in the section "Progress Toward Targets" included in the Sustainability Disclosure.

expanding hydrogen recovery for on-site fuel use at a key Occidental Chemical Corporation ("OxyChem") facility.[12]

With respect to the Company's 2021 Scope 3 metrics, the Compensation Committee adopted short-term targets as part of the Company's ACI award, including: (1) maintaining the first commercial-scale DAC project on track for final investment decision in 2022; (2) entering into at least one joint venture for carbon capture, transport and/or sequestration; and (3) entering into at least three low-carbon product development transactions.[13] Each of these short-term Scope 3 targets was designed to advance the Company's progress toward developing low-carbon products or processes that ultimately reduce carbon emissions from products sold by the Company (*e.g.*, oil and natural gas).

For example, the short-term goal to maintain the Company's first-ever commercial scale DAC facility on track for final investment decision by the end of 2022 will be critical to the Company's achievement of its medium- and long-term Scope 3 targets, discussed below. DAC technology extracts CO_2 directly from the atmosphere and makes the oil production process less carbon intensive. In addition, because DAC technology captures atmospheric CO_2, DAC production facilities can be built anywhere. This location flexibility eliminates Scope 3 emissions that are usually generated in transporting CO_2 feedstock to the Company. The goal to enter into at least one joint venture for carbon capture, transport and/or sequestration by the end of 2021 further advanced the Company toward achievement of its medium- and long-term Scope 3 targets. Similarly, the short-term target to enter into at least three low-carbon product development transactions was designed to impact the Company's Scope 3 emissions by providing carbon management solutions to third parties in the Company's value chain. Through the Company's influence and innovation surrounding carbon management solutions, it aims to reduce the Scope 3 emissions from its value chain as well as reduce the GHG emissions of third parties in furtherance of its overall net-zero strategy.

Reducing methane emissions is another way that the Company plans to achieve its net-zero goals. As a member of The Environmental Partnership and the Oil and Gas Climate Initiative, the Company set a short-term target to reduce methane emissions below 0.25% of the Company's total marketed natural gas volume by 2025.

In addition to the Company's enterprise-wide short-term Scope 1 and Scope 2 targets, one of the Company's subsidiaries, OxyChem, has committed to reducing its Scope 1 and

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[12] *Id*.

[13] *Id*.

Scope 2 emissions by 2.33% by 2025.[14] OxyChem plans to achieve this target in part by reducing the GHG intensity of its products by 2.7% by 2025 through enhanced energy efficiency.[15] Both OxyChem's short-term emissions reduction target and its carbon intensity reduction targets advance the Company's overall progress toward its net-zero goals for Scope 1 and Scope 2 emissions.

ii. The Disclosures Describe The Company's Medium-Term Quantitative Targets.

As described in the Disclosures, as part of the Company's net-zero pathway, the Company has established medium-term quantitative targets for Scope 1, Scope 2 and Scope 3 emissions. These targets are medium-term carbon sequestration or utilization targets covering Scope 1, Scope 2 and Scope 3 emissions that are tied directly to developing and deploying CCUS and DAC technology. The Company strongly supports CCUS as a proven solution for reducing CO_2 emissions from third parties in the value chain.[16] Further, as discussed above, the Company believes that DAC technology is necessary to removing atmospheric CO_2, and that it will play a key role in the Company's net-zero pathway. The Company's medium-term target for Scope 1, Scope 2 and Scope 3 emissions is to facilitate at least 25 million metric tons per year of geologic storage or utilization of captured anthropogenic or atmospheric CO_2 in the Company's value chain by 2032 or other means of recognized climate mitigation technologically feasible in that time period.[17] This target reflects the application of the Company's carbon management expertise, infrastructure and CCUS and DAC technologies to advance the Company's 2040 and 2050 net-zero goals, and reflects the Company's aim to help aviation, maritime and other hard-to-decarbonize industries. As discussed in the Disclosures, advancing CCUS and DAC technologies is a core aspect of the Company's medium-term strategy toward achieving net-zero emissions. The Company expects that, as CCUS and DAC technologies and other similar technologies are more widely deployed, they will accelerate the Company's net GHG emissions reductions from Scopes 1, 2 and 3 toward the Company's net-zero goals.

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[14] *See* Climate Report at 16.

[15] *Id*.

[16] *See* Occidental's Position on Climate-Related Policies.

[17] *See* "2032 Medium-Term Target" in the section "Climate Change" included in the Sustainability Disclosure.

Relatedly, the Company has also set a medium-term target of full elimination of routine gas flaring by 2030.[18] Gas flaring occurs when crude oil is extracted from underground and excess natural gas, a by-product of oil production, is burned. This process releases GHGs, including CO_2 and residual methane. Eliminating routine flaring by 2030 will help the Company achieve its net-zero goals. The Company was the first U.S. company to join the World Bank's pledge to achieve Zero Routine Flaring by 2030.[19] As reported in the Sustainability Disclosure, the Company has already achieved its zero routine flaring goal in its DJ Basin operations.[20]

Furthermore, for Scope 1 and Scope 2 emissions, the Company's medium-term ambition is to achieve net-zero before 2035.[21] The Company anticipates being able to achieve this medium-term ambition due to a combination of its GHG emission reduction efforts, its investments in low- or zero-emission power sources, its DAC project, which will remove CO_2 from the atmosphere, and its CCUS projects. The Company's pathway to achieving its ambition for net-zero Scope 1 and Scope 2 emissions by 2035 is detailed in the Disclosures.[22]

iii. The Disclosures Describe The Company's Long-Term Quantitative Targets.

Finally, the Disclosures include the long-term quantitative Scope 1, Scope 2 and Scope 3 emission reduction targets set by the Company. As discussed in the Disclosures, the Company plans to be net-zero for its Scope 1 and Scope 2 emissions before 2040.[23] While the Company's short- and medium-term targets for Scope 1 and Scope 2 emissions will contribute to the Company's progress toward its long-term goals, the Company's pathway to achieve these milestones is focused upon the rapid deployment of CCUS and DAC technologies at scale to reduce emissions and remove CO_2 from the atmosphere. The focal point of the Company's long-term net-zero strategy is OLCV, the Company's

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[18] *See* Climate Report at 16.

[19] *See* The World Bank, Zero Routine Flaring By 2030, *available at* https://www.worldbank.org/en/programs/zero-routine-flaring-by-2030.

[20] *See* "Flaring" in the section "Progress Toward Target" included in the Sustainability Disclosure (stating "[w]e are taking action to reduce flaring in accordance with the World Bank's initiative for Zero Routine Flaring by 2030, and we have already achieved our zero routine flaring goal in our DJ Basin operations").

[21] *Id*.

[22] *See* Climate Report at 8.

[23] *See* Climate Report at 16.

business unit launched in 2018 to sustainably enhance the Company's business while providing impactful solutions for reducing global GHG emissions. OLCV is working to develop and commercialize carbon removal and CCUS technologies, as well as net-zero or low-carbon products and services. OLCV also partners with industrial operators to economically capture, transport and permanently and safely store CO_2 in subsurface reservoirs, commercialize new products using captured CO_2 and economically lower their carbon footprint by utilizing low- or zero-emission power sources.

As discussed in the Disclosures, the Company's long-term Scope 3 ambition is to achieve net-zero before 2050.[24] To achieve this long-term ambition, the Company will rely on its GHG emission reduction efforts, the Company's development and commercialization of CCUS and DAC technologies and the impact of low carbon products and innovation through OLCV to support emission reductions for the Company's customers and other third parties in the value chain. As explained further in the Disclosures, under the Company's net-zero strategy, the Company will calculate the amount of CO_2 emitted each year from its products and intends to develop enough carbon storage or utilization to achieve the Company's net-zero goal by 2050. Collectively, these long-term Scope 1, Scope 2 and Scope 3 targets and technological initiatives are key facets of the Company's net-zero strategy, which was specifically developed to align with the goals of the Paris Agreement.

D. Conclusion.

Based on the information provided in the Disclosures, the Company has substantially implemented the Proposal's essential objective of adopting quantitative short-, medium- and long-term Scope 1, Scope 2 and Scope 3 emission reduction targets and at least annually reporting on the Company's strategy, policies and progress made on such targets. The Company has specifically disclosed its quantitative short-, medium- and long-term Scope 1, Scope 2 and Scope 3 targets. These targets advance the Company's comprehensive net-zero strategy, which was specifically developed to align with the goals of the Paris Agreement. In addition, at least annually the Company provides updates to the Disclosures on the Company's net-zero strategy, its underlying policies and its progress toward achieving its net-zero goals. Thus, just as in *Chevron 2021*, *Hess* and the other precedent discussed above, the disclosure provided in the Disclosures is directly responsive to the specific requests set forth in the Proposal's Resolved clause. As a result, the Company's actions implementing the Proposal present precisely the scenario contemplated by the Commission when it adopted the predecessor to Rule 14a-8(i)(10) "to avoid the possibility of shareholders having to consider matters which

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[24] *Id*.

already have been favorably acted upon by the management." 1976 Release. Accordingly, the essential objective of the Proposal has been satisfied and, for the reasons set forth above, the Proposal may properly be excluded from the 2022 Proxy Materials under Rule 14a-8(i)(10).

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2022 Proxy Materials. In accordance with Rule 14a-8(j), a copy of this supplemental letter and its attachments is being sent on this date to the Proponent.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, Nicole E. Clark, the Company's Vice President, Deputy General Counsel and Corporate Secretary, at (713) 215-7550 or Brittany A. Smith, the Company's Managing Counsel and Assistant Corporate Secretary, at (713) 871-6448.

Sincerely,

Elizabeth Ising

Elizabeth A. Ising

Enclosures

cc: Nicole E. Clark, Occidental Petroleum Corporation
Brittany A. Smith, Occidental Petroleum Corporation
Mark van Baal, Follow This

GIBSON DUNN

EXHIBIT A

Shareholder Resolution at the 2022 AGM of Occidental Petroleum Corporation

Coordinated by Follow This

WHEREAS: We, the shareholders, must protect our assets against devastating climate change, and we therefore support companies to substantially reduce greenhouse gas (GHG) emissions.

RESOLVED: Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C.

These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3).

Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information.

You have our support.

SUPPORTING STATEMENT:

The policies of energy companies - the largest greenhouse gas (GHG) emitters - are crucial to confronting the climate crisis. Therefore shareholders support oil and gas companies to substantially reduce their emissions.

We, the shareholders, understand this support to be essential in protecting all our assets in the global economy from devastating climate change.

We therefore support the Company to set emission reduction targets for all emissions: the emissions of the company's operations and the emissions of its energy products (Scope 1, 2, and 3). Reducing Scope 3 emissions, the vast majority, is essential to limiting global heating.

Scientific consensus

The world's leading international scientific bodies recently released reports which clearly state the need for deep cuts in emissions in order to limit global warming to safe levels.

Financial momentum

A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore limiting global warming is essential to risk management and responsible stewardship of the economy.

Backing from investors that insist on targets for all emissions continues to gain momentum: 2021 saw unprecedented investor support for climate resolutions. In the US, three of these climate resolutions passed with a historic majority. In Europe, support for these climate resolutions continued to build.

Legal risk

In 2021, a Dutch court ordered Shell to severely reduce their worldwide emissions (Scope 1, 2, and 3) by 2030. This indicates that oil majors and large investors have an individual legal responsibility to combat dangerous climate change by reducing emissions and confirms the risk of liability.

We believe that the Company could lead and thrive in the energy transition. We therefore encourage you to set targets that are inspirational for society, employees, shareholders, and the energy sector, allowing the company to meet an increasing demand for energy while reducing GHG emissions to levels consistent with curbing climate change.

You have our support.

EXHIBIT B

Sustainability

Planet

Oxy's environmental stewardship practices and performance focus on climate change, energy use and greenhouse gas emissions management, biodiversity and habitat conservation, and water and waste management.

CLIMATE STRATEGY AND NET-ZERO TRANSITION

Climate Change

Oxy recognizes the significant challenge climate change poses to our society and is fully committed to be part of the solution. Oxy was the first major U.S. oil and natural gas producer to establish net-zero emission goals for its operations and products (Scopes 1, 2 and 3) aligned with the goals of the Paris Agreement. Oxy's overarching climate goals are to achieve net-zero emissions in our operations and energy use before 2040, with an ambition to do so before 2035, and net-zero emissions from our total carbon inventory, including the use of products, with an ambition to do so before 2050.

The Transition Pathway Initiative (TPI) identified Oxy in November 2021 as one of only three oil & gas companies that "have set emissions reduction targets which are ambitious enough to reach Net Zero by 2050 and to align with TPI's 1.5 degree C benchmark." Achieving our climate goals involves a multi-pronged approach to lower both greenhouse gas (GHG) emissions and atmospheric concentrations of carbon dioxide (CO2), and we have established multiple interim goals to ensure sustained progress toward net zero. Our Climate Report "Pathway to Net Zero" underscores this commitment, demonstrated by our efforts to develop and deploy revolutionary technologies to help society achieve net zero while meeting urgent needs for energy and essential products.

Oxy's leading position as the first U.S. producer to endorse international commitments, including the World Bank's "Zero Routine Flaring by 2030" initiative and the Energy Transition Principles, further illustrates our commitment to promote policies that will successfully accelerate a lower-carbon economy while meeting the needs and aspirations of a growing, energy-dependent global population.

Throughout 2021, Oxy listened to and engaged with our shareholders, government leaders, our value chain partners, and community and environmental groups about ways we could strengthen our sustainability program. As a result, we have taken the following actions:

- Presented more details on Oxy's Net-Zero Strategy, comprising investments, technologies and actions to Revolutionize carbon management and Reduce, Reuse/Recycle and Remove CO2 to achieve our net-zero goals by 2040 and 2050.

- Became the first U.S. upstream oil & gas company to enter into sustainability-linked credit facilities, including a Revolving Credit Facility and an Accounts Receivable Securitization Facility, which set target thresholds for absolute reductions in Scope 1 and 2 CO2 equivalent (CO2e) emissions from our worldwide operated assets that could adjust the interest margin and the facility fee rates we pay.

- Endorsed the Oil & Gas Methane Partnership 2.0 as well as the Methane Guiding Principles.

- Published key documents in accordance with the Energy Transition Principles and the Methane Guiding Principles, including Our Climate Policy Positions and Our Climate Advocacy and Engagement.

- Commissioned an independent limited assurance verification for our 2019 and 2020 total greenhouse gas (Scope 1 and 2) CO2e emissions estimates, as reflected in the Independent Assurance Statement.

- Established additional interim short- and medium-term targets to supplement our existing annual, 2025, 2030, 2035, 2040 and 2050 goals and ambitions:

  Cumulative 2022-24 Short-Term Target:* Reduce Oxy's combined Scope 1 and Scope 2 CO2e emissions from our worldwide operated assets by at least 3.68 million metric tons per year by 2024, compared to our 2021 emissions. This target, which reflects 13.3% of our 2019 emissions, aligns with our sustainability-linked credit facility metrics, our existing 2025 carbon intensity target and a trajectory to our 2040 net-zero goal.

2032 Medium-Term Target:* Facilitate 25 million metric tons per year of geologic storage or utilization of captured CO2 in our value chain by 2032 or other means of recognized climate mitigation technologically feasible in that time period. This target aligns with a trajectory to our longer-term goals, and reflects our aim to help aviation, maritime and other hard-to-decarbonize industries.

**These targets would be adjusted for significant transactions or changes in methodology in accordance with the GHG Protocol.*

Greenhouse Gas Emissions, Methane and Flaring

Our commitments and ongoing initiatives to reduce GHG and methane emissions and to eliminate routine flaring will help us to achieve our net-zero goals.

Our workforce is empowered to generate and implement ideas that position us to achieve these GHG emission reduction goals. Oxy Low Carbon Ventures is actively developing projects to permanently store CO2 captured directly from the atmosphere and from industrial sources, and to enable zero or low-carbon production of oil, electricity, fuels, chemicals and other products.

Oxy is also a member of the Oil and Gas Climate Initiative (OGCI), a CEO-led initiative that aims to accelerate the energy industry's response to climate change. In addition to setting collective methane reduction targets, OGCI is focused on reducing the carbon footprints of energy, industry and transportation value chains via engagements, policies, investments and deployment. OGCI Climate Investments is a

$1 billion-plus fund to which Oxy and other OGCI members contribute to invest in technologies, projects and business solutions with potential to significantly reduce emissions in the energy and industrial sectors.

Greenhouse Gas Emissions Estimation and Reporting

Oxy values transparency and discloses key environmental metrics important to our stakeholders. We have adopted 2019 as our baseline since it was the year that Oxy acquired Anadarko Petroleum Corporation and the year before Oxy established our net-zero goals. We report our estimated GHG emissions from operations for 2019 and 2020 on an operated and operated-equity basis in our

Annual Performance Summary Table. Our estimates include CO_2, methane (CH_4) and nitrous oxide (N_2O), with CO_2 constituting the majority of our GHG emissions. Oxy uses industry standards and practices for estimating emissions, including applicable guidance from the U.S. Environmental Protection Agency, American Petroleum Institute (API), IPIECA, the Intergovernmental Panel on Climate Change and the Value Reporting Foundation.

Progress Toward Targets

We are taking action to advance our environmental goals throughout our operations, including:

- **Annual Sustainability Goals**: Oxy's Executive Compensation Committee of the Board of Directors (the Committee) has established annual climate-related goals since 2018 that directly impact the incentive compensation of Oxy's executive officers, focused on advancing carbon capture, utilization and storage projects to meet our net-zero goals. For 2021, the two annual sustainability metrics included:

    1. Net emission reduction efforts that align with our 2040 net-zero goal for our operations and energy use (Scopes 1 and 2), with targets such as deploying at least three technologies to advance methane emission surveys and emission controls, retrofitting at least 900 high-bleed pneumatic controllers, and expanding hydrogen recovery for on-site fuel use at a key OxyChem facility; and

    2. Carbon ventures and reduction projects that promote near-term progress toward our 2050 net-zero ambition for our total carbon inventory, including the use of our sold products (Scope 3), with targets such as maintaining the first commercial-scale Direct Air Capture project on

track for 2022 Final Investment Decision, entering into at least one joint venture for carbon capture, transport and/or sequestration, and entering into at least three low carbon product development transactions.

The Committee identifies annual targets to advance our sustainability metrics and evaluates each year's performance in accordance with the Executive Incentive Compensation Plan, and the results are reported in Oxy's annual proxy statement. In response to shareholder input, the Committee in 2021 increased the weight of sustainability metrics to 30% of the company performance portion of the annual cash incentive award.

- **Air Emissions Mitigation**: Oxy's Find It, Fix It, Measure It and Predict It ("Find It/Fix It") program provides our operations and maintenance personnel and air quality professionals with additional resources to expedite detection, reporting and repair of emissions sources, improve measurement and estimation of methane releases, and perform root cause analysis to prevent recurrence. On a parallel track, we have established an Emissions Technology Team to evaluate and pilot remote sensing technologies that can identify methane emissions rapidly and over a broader geographic area to assist in directing our Find It/Fix It crews to areas with potential emissions.

- **Flaring**: An extended gas gathering system in our New Mexico operations facilitates the transfer of sales gas to multiple third-party midstream companies to reduce flaring during maintenance events or unplanned outages at third-party processing plants and pipelines. We are taking action to reduce flaring in accordance with the World Bank's initiative for Zero Routine Flaring by 2030, and we have already achieved our zero routine flaring goal in our DJ Basin operations.

- **Methane Capture**: We retrofit existing facilities and design new facilities to reduce methane emissions, such as replacing certain flares with vapor recovery units at well sites and tank batteries. As a member of the API-sponsored Environmental Partnership and OGCI, we set a short-term target in 2020 to reduce methane emissions below 0.25% of our total produced and marketed natural gas volume by 2025. We have also endorsed the Oil & Gas Methane Partnership 2.0 to collaborate further on methane reductions across our value chain.

- **Energy Use and Efficiency**: In 2019, Oxy commissioned Texas' first-of-its-kind solar facility to directly power an enhanced oil recovery field operation in the Permian Basin. We are also an investor in NET Power, whose revolutionary natural gas power technology can generate zero-emission electricity while utilizing and capturing CO2.

- **Co-Generation**: OxyChem has continued to optimize our highly efficient combined heat and power (or cogeneration) facilities, which supply electricity and steam to several of our chemical plants and supply surplus power to the grid, further reducing our emissions by 18,500 tons of CO2 equivalent per year.

- **Water Stewardship**: Water is central to Oxy's value chain. OxyChem is a leading manufacturer of water disinfection products used by public agencies across the globe to deliver clean drinking water to protect public health, and its award-winning partnership with Water Mission has supplied clean drinking water to over 1 million people in vulnerable communities. Oxy also co-produces saline water with oil and gas from underground formations, and we view that water as a resource. We have invested in central water treatment and recycling facilities in New Mexico and Texas that enable us to significantly reduce both our need for fresh water by millions of barrels per year and our disposal of surplus produced water. Oxy's focus on water treatment, recycling and conservation helps to sustain fresh water resources for cities, towns, farms or other water users.

Supporting a just transition to a net-zero economy

Oxy has a robust pathway to net zero to meet the goals of the Paris Agreement. Importantly, we believe our pathway supports the four key stakeholder groups of the Just Transition - energy workers, energy-producing communities, communities susceptible to climate impacts, and low-income consumers. We strive to do so in the following manner:

- **Energy Workers**: With nearly 50 years of carbon management experience, the diversity of our workforce makes Oxy uniquely well-suited to achieve net zero before 2050 for our total emissions inventory. Oxy's workforce is essential to our net-zero pathway and includes employees who specialize in geoscience, drilling, well servicing, reservoir engineering, major construction, chemical processes, operations and maintenance, environmental, IT, regulatory, land, supply chain and accounting. Oxy's pathway will require the skills, training and initiative of our workers to build, deploy and operate Direct Air Capture (DAC) and Carbon Capture, Utilization and Storage (CCUS), and to produce low- or zero-emissions power, fuels, plastics, building materials and feedstocks. As reflected in our Diversity, Inclusion and Belonging initiative and our active recruiting and internship programs, Oxy invests in hiring and developing a diverse workforce for the future across our upstream oil and gas, midstream, chemicals and low carbon businesses.

- **Energy-Producing Communities**: Oxy continually strives to maintain our reputation as a Partner of Choice® in the communities where we operate. Oxy's pathway to net zero will leverage our substantial oil and gas technologies, property holdings and infrastructure - from wells and pipelines to CO2 recovery plants, electricity distribution systems and water recycling facilities - to advance safe, permanent handling and storage of captured anthropogenic or atmospheric CO2. Consequently, our focus on a net-zero transition provides for and assumes continued local investments in energy-producing areas that sustain community benefits such as prosperity, public health and safety and enhanced environmental quality.

- **Communities Susceptible to Climate Impacts**: The Intergovernmental Panel on Climate Change and other leading organizations have identified the need for large-scale carbon removal from the atmosphere to avoid global temperatures rising more than 1.5 to 2º Celsius. To achieve the necessary scale of carbon removal, deployment must begin in the near term. Susceptible nations and communities have called for rapid action. Oxy's pathway includes essential near-term actions, such as DAC, that can begin removing CO2 from the atmosphere concurrent with accelerating emissions mitigation. The Transition Pathway Initiative (TPI) has recognized Oxy as one of three oil and gas companies with net-zero plans aligned with TPI's 1.5ºC pathway. Rapid and widespread deployment of DAC, particularly when paired with emissions mitigation technologies in which Oxy has invested like NET Power, can slow the increase of, and ultimately help to reduce, CO2 concentrations in the atmosphere to mitigate climate change.

- **Consumers**: A successful net-zero transition must meet daily human needs, particularly those of disadvantaged communities, for reliable energy and essential products. In addition to Oxy's energy production, OxyChem produces the basic building block chemicals that provide all of us with clean drinking water, and the essential feedstocks for pharmaceuticals and nearly every home-based product that consumers use every day to enjoy a better quality of life. Oxy's pathway to net zero through DAC, CCUS and low carbon energy and products focuses on capturing more CO2 than is emitted from the use of our products. By producing low-carbon or net-zero power, fuels, plastics and other products, the technologies we are deploying can help

CLIMATE REPORT 2020

PATHWAY TO NET-ZERO

At Occidental, we are leveraging our expertise in carbon management and storage to achieve net-zero, with a vision toward total carbon impact leadership that accelerates progress on global climate goals.

OXY Occidental

WE ARE
OCCIDENTAL

Occidental is an international energy company with operations in the United States, Middle East, Africa and Latin America. We are one of the largest oil producers in the U.S., including a leading producer in the Permian and DJ basins, and offshore Gulf of Mexico. Our midstream and marketing segment provides flow assurance and maximizes the value of our oil and gas. Our chemical subsidiary OxyChem manufactures the building blocks for life-enhancing products. Our Oxy Low Carbon Ventures subsidiary is advancing leading-edge technologies and business solutions that economically grow our business while reducing emissions. We are committed to using our global leadership in carbon dioxide management to advance a low-carbon world.

Visit oxy.com for more information.

TESSERACT

The dynamic graphic you see in many forms throughout these pages is a tesseract — an energized structure that exists and moves in four dimensions, transcending the gravity, space and time of our conventional 3D world. The tesseract symbolizes both the spirit and strategic direction of Occidental. We envision a future few others can imagine, and we are going there now, boldly forging our pathway to net-zero.

ABOUT THIS REPORT

The report begins with an introductory letter from Vicki Hollub, our President and CEO, highlighting our climate-related leadership and the actions we are taking to advance our net-zero ambitions. We provide a pathway detailing milestones, as well as an overview of progress on our commitments, climate-related governance and risk management processes and systems, planning and execution of climate strategies, and metrics and targets for reducing greenhouse gas emissions.

The report reflects the four-element framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD).[1] The TCFD's recommendations are structured around four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. This report was prepared in 2020 based on performance in earlier years, and the results of the scenario analysis are based on specific assumptions and estimates. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided. The results are not indicative of, and this report does not represent, a preferred or expected outcome of the future.

[1] The TCFD — established by the Financial Stability Board in response to a request from the G20 Finance Ministers and Central Bank Governors — developed a voluntary disclosure framework for climate-related financial disclosures. The framework is organized around four themes: Governance, Strategy, Risk Management, and Metrics and Targets.

CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

ABOUT THE INTERNATIONAL ENERGY AGENCY SUSTAINABLE DEVELOPMENT SCENARIO

The Sustainable Development Scenario modeled in this report is derived from assumptions contained in the International Energy Agency's 2019 World Energy Outlook. The scenario is not a forecast or prediction of the future. There can be no assurance that the scenario modeling or assessment presented in this report are reliable indicators of the actual impact of climate change on Occidental's asset portfolio or business. Statistics and metrics included in this report are estimates and may be based on assumptions or developing standards.

ABOUT OUR GHG EMISSIONS

The estimated Occidental GHG emissions described in this report are derived from a combination of measured and estimated data using the best reasonably available information. We use industry standards and best practices for estimating GHG emissions from similar sources, including guidance from the U.S. EPA, API and IPIECA. The uncertainty associated with Occidental's emission estimates depends on variation in the processes and operations, the availability of sufficient or equivalent data, the quality of available data or estimations, and the methodologies used for measurement and estimation. The estimates may vary over time as updated data become available, emission estimation methodologies are refined, and to reflect changes to Occidental's assets, operations or emissions boundaries. Occidental's reporting of estimated Scope 2 and 3 emissions from third parties is an evaluation of our products and operations' emission lifecycle to express the magnitude of our emission reduction ambitions and does not in any way indicate an acceptance by Occidental of any responsibility for such emissions.

CAUTIONARY NOTE TO U.S. INVESTORS

"OUR FUTURE DEPENDS ON A WORLD WITH LOWER GREENHOUSE GAS EMISSIONS. AT OCCIDENTAL, WE ARE LEVERAGING OUR EXPERTISE IN CARBON MANAGEMENT AND STORAGE — WITH THE ULTIMATE GOAL OF ACHIEVING NET-ZERO."

CEO LETTER

In 2020, Occidental expanded its vision for a low-carbon future by leveraging its carbon management expertise to achieve net-zero in our operational and energy-use emissions by 2040 and our total emissions inventory by 2050. Amid an unprecedented global pandemic and low oil prices, we made progress in advancing carbon capture, utilization and storage (CCUS) technologies with the potential to benefit our business and the climate. We set new targets to reduce greenhouse gases (GHG), including methane, and remain on track to end routine gas flaring by 2030.

With the acquisition of Anadarko, Occidental increased its portfolio of flexible, high-quality assets and advantageous mix of long- and short-cycle projects. Our industry leadership in enhanced oil recovery (EOR) provides a competitive advantage in carbon management and storage, and the development of carbon-neutral fuels. We have over 40 years of experience injecting, transporting, separating and storing carbon dioxide (CO_2), and are uniquely positioned to build a transformational and sustainable business model — one that will use human-made CO_2 emissions to create solutions and products critical to our low-carbon future.

As a member of the Oil and Gas Climate Initiative (OGCI), a CEO-led effort by the world's most influential energy companies, we continued our efforts to reduce our carbon footprint and invest in economically viable low-carbon technologies. In recognition of the critical role that public policy will play in a low-carbon economy, we are working with the Carbon Capture Coalition and others to expand opportunities created by the U.S. FUTURE Act, which incentivizes CCUS by advancing legislative support for research, development and deployment. I was honored to join the World Economic Forum's stewardship board for the Platform for Shaping the Future of Energy and Materials, which brings together leadership from many industries to accelerate the transition to a more sustainable, secure and affordable energy system.

Oxy Low Carbon Ventures (OLCV), our business unit dedicated to advancing cutting-edge, low-carbon technology solutions, is creating a marketplace for CO_2 and low-carbon fuels. OLCV announced several key partnerships with the potential to grow our business while reducing emissions, including an agreement to build the world's largest direct air capture and storage facility in the Permian Basin.

Simultaneously, we made progress on our ongoing efforts to reduce emissions from our global operations. We were the first U.S. oil and gas company to endorse and commit to the World Bank's "Zero Routine Flaring by 2030" initiative.

Our management and the Board of Directors work together and understand that climate issues, like other business concerns, continuously evolve. In 2019, the Board created the Sustainability and Shareholder Engagement Committee to oversee stakeholder engagement, external reporting on environmental, social and governance (ESG), and sustainability matters.

2020 marks Occidental's 100th anniversary. A constant theme throughout our history has been our ability to respond, adapt and lead through change. Our future depends on a world with lower GHG emissions. At Occidental, we are leveraging our expertise in carbon management and storage so that, over time, the energy and products we produce have a lower net-carbon intensity — with the ultimate goal of achieving net-zero. We will do this with innovation that reduces the impact of our and others' operations in ways that benefit and expand our business, while helping energize our planet and society.

Vicki Hollub
President and Chief Executive Officer

REPORT HIGHLIGHTS

Established a pathway with key milestones to achieving:

- Net-zero for our operational and energy use emissions (Scope 1 and 2) before 2040, with the ambition to accomplish before 2035;
- Net-zero for our total emissions inventory, including product use (Scope 1, 2 and 3) before 2050; and
- Total carbon impact through carbon removal and storage technology and development beyond 2050.

Committed to full elimination of routine gas flaring by 2030.

Set mid-term targets to reduce our upstream oil and gas GHG and methane emissions intensities by 2025; and

Set mid-term targets to reduce the carbon emissions intensity of our chemical products by 2025.

STRATEGY TO ACHIEVE NET-ZERO

Pathway to Achieve Net-Zero

Reducing Operational Emissions

Industry Leadership

STRATEGY TO ACHIEVE NET-ZERO

Occidental is using our industry-leading carbon management expertise to transform into a more sustainable business — one that will help capture and use human-made carbon dioxide (CO_2) emissions to create a variety of solutions and products critical to our low-carbon future. This business model is our pathway to achieve net-zero.

Occidental has the largest CO_2 management operations in the world, safely and permanently storing approximately 20 million tons of CO_2 annually in secure geologic formations as part of our enhanced oil recovery (EOR) operations while providing robust, transparent measurement of the stored carbon. Our current position will allow us to offset the emissions equivalent of over 4 million cars with the capture and use of anthropogenic or human-made CO_2, a greenhouse gas (GHG) component. As we expand our capacity to capture and store carbon emissions through cross-industry partnerships, technology advancements and project development, we will have the opportunity to offset much more. Our subsurface expertise will enable us to broaden our portfolio of storage options to include saline reservoirs.

A key differentiator is our comprehensive, enterprise-wide strategy, which is predicated on our 40 years of experience with integrated carbon management and large-scale carbon separation, transportation, use and storage, obtained from our EOR business. By leveraging this valuable expertise, we are positioned for success in a low-carbon economy with a competitive advantage that enhances our existing business and sets us apart from our peers.

Occidental's strategy for business sustainability builds upon our strengths as an oil and gas company: a deep understanding of the subsurface and the ability to operate older fields at a low cost while maximizing hydrocarbon recovery. We received U.S. Environmental Protection Agency (EPA) approval of two geologic storage Monitoring, Reporting and Verification (MRV) plans for our CO_2 operations in Hobbs, New Mexico, and Denver City, Texas, in the Permian Basin. The MRV plans, which were the first-ever approved by EPA for simultaneous CO_2 EOR and sequestration, provide a credible and transparent framework for assessing the suitability of the reservoir for storage and reporting the amount of CO_2 stored through the process.

With our large-scale CO_2 infrastructure and unmatched core competency in CO_2 management, Occidental is developing new low-carbon business opportunities. These include direct air capture (see DAC, page 09), products from human-made CO_2 and offset solutions, and expanded opportunities for storage that energy-intensive businesses can use to decarbonize. Our asset base and long history and expertise in EOR will allow us to capitalize on new business opportunities as the value of CO_2 increases under low-carbon scenarios beyond EOR.

Our operational emissions will be reduced through efficiency improvements, process changes or switching to less carbon-intensive power and feedstock. Negative emissions and emission-reduction impacts may be achieved through capturing GHG directly from the atmosphere, carbon capture projects that prevent emissions (see White Energy, page 09), enabling zero or low-carbon power production (see NET Power, page 09).

CARBON MANAGEMENT
BY THE NUMBERS

As part of our strategy to achieve net-zero, Occidental is the global leader in the safe and permanent storage of CO_2.

A TOP PRODUCER IN THE PERMIAN BASIN WITH

3 million

NET ACRES

Equivalent of approximately 4700 square miles — about the size of Hawaii's Big Island and Maui combined

CO_2 STORED

20 million

TONS STORED ANNUALLY

Equivalent of over 4 million passenger cars taken off the road, or approximately 23 million acres of forests saved each year

EXISTING CO_2 INFRASTRUCTURE

14 CO_2 plants

2500 miles

OF CO_2 PIPELINES

VERIFICATION

First 2 U.S. EPA-approved

MONITORING, REPORTING AND VERIFICATION (MRV) PLANS

PATHWAY TO ACHIEVE NET-ZERO

01 MILESTONE

ACHIEVE NET-ZERO FOR SCOPE 1 AND 2 EMISSIONS BEFORE 2040, WITH THE AMBITION TO ACCOMPLISH BEFORE 2035

2020-2025 ACTIVATION

- World's 1st commercial scale Direct Air Capture (DAC) facility comes online
- 1st CO_2 storage site receives human-made CO_2
- Emissions-free power facility to support carbon capture
- Operational efficiencies at Occidental facilities
- CO_2 industrial capture project expansion
- Continued methane emissions reduction activities

2025-2030 EXPANSION

- Multiple large volume CO_2 storage sites operational
- DAC expansion
- Routine flaring ended
- Strategic CO_2 pipeline buildout to support broader capture and use
- Increase renewable energy deployment
- Increase emissions-free power deployment
- Unconventional CO_2 storage development
- Industrial 'Clean Campus'

2030-2040 BROAD DEPLOYMENT

- Natural CO_2 replaced with human-made CO_2 in all EOR operations
- Growth of non-EOR CO_2 utilization
- Expansion of CO_2 storage sites
- Broader DAC deployment in U.S. with expansion pilots internationally
- Expanding low-carbon fuel products
- Use of CO_2 as a chemical feedstock

02 MILESTONE

AMBITION TO ACHIEVE NET-ZERO FOR SCOPE 1, 2 AND 3 EMISSIONS BEFORE 2050

2040-2050 GLOBAL MARKET DEVELOPMENT

- Large-scale national and international deployment of DAC and Carbon Capture Utilization and Storage (CCUS) technologies
- Occidental's domestic oil and gas production is carbon neutral
- CO_2 feedstock utilized in domestic manufacturing
- Widespread deployment of industrial capture applications

03 MILESTONE

TOTAL CARBON IMPACT BEYOND OUR OWN CORPORATE INVENTORY OF SCOPE 1, 2 AND 3 EMISSIONS POST 2050

While we recognize the magnitude of our ambitions to achieve net-zero for our operations and products, we believe our pathway and capabilities can extend beyond our own corporate inventory. Through the efforts of Oxy Low Carbon Ventures (OLCV), we will be well placed to partner with other energy and fuel producers, manufacturers and transportation sectors to help provide lower-carbon products through CCUS.

Our pathway to achieve net-zero combines continuous operational upgrades and improvements that lower emissions associated with our oil, gas and chemicals production coupled with industrial-scale carbon management solutions. Ultimately, our goal is leadership in total carbon impact beyond our own corporate inventory of Scope 1, 2 and 3 emissions.*

* Scope 1: Direct reported emissions from our operations
Scope 2: Indirect reported emissions from our consumption of power, heat and steam
Scope 3: All indirect reported emissions (not included in Scope 2) that occur in the value chain of the reporting company, including upstream and downstream emissions

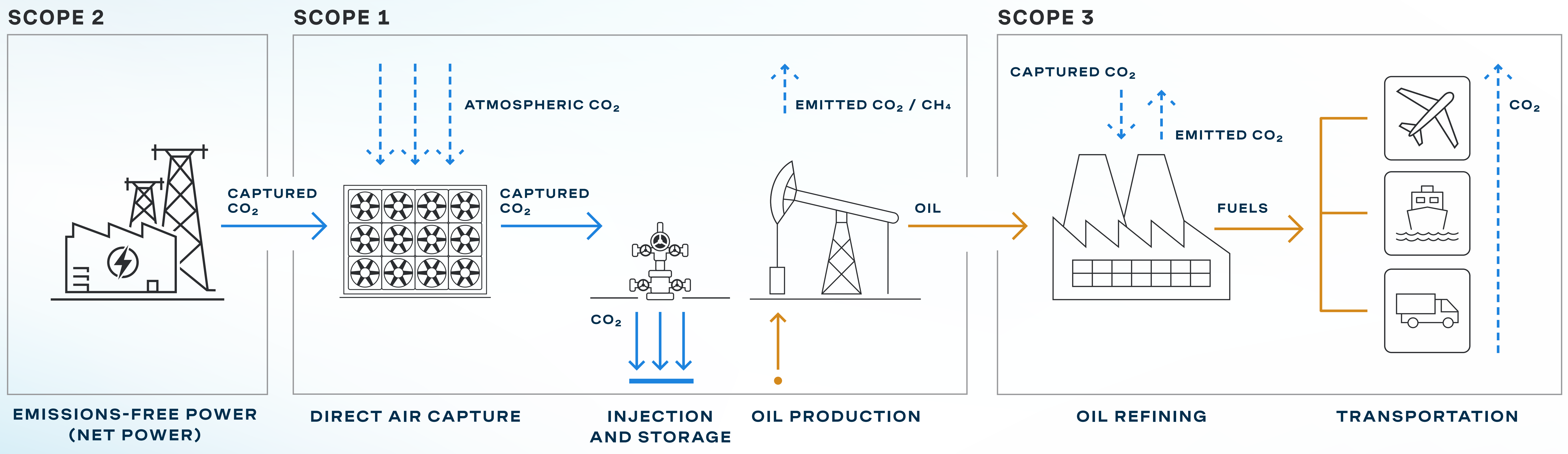
The focal point of our long-term net-zero strategy is Oxy Low Carbon Ventures (OLCV), our business unit launched in 2018 to sustainably enhance our business while providing impactful solutions for reducing global GHG emissions. OLCV principally focuses on developing CCUS technologies to remove human-made CO_2 from the atmosphere for use in manufacturing low-carbon products like bio-fuels, chemicals and concrete, and for geologic sequestration.

Our decades of experience with large-scale CCUS as part of our EOR operations, combined with the recent creation of OLCV, make us uniquely capable of realizing our ambition to achieve net-zero and provide solutions to others looking to do the same. As the largest commercial purchaser and injector of CO_2 for EOR in the Permian Basin, Occidental has insight into the CO_2 marketplace.

To accelerate the global adoption of CCUS and support negative emissions partnerships for energy-intensive industries, OLCV's Technical Advisory Services group shares its knowledge and expertise with third-party businesses to help them assess and develop CCUS and storage projects. These efforts offer powerful, practical initiatives critical to reducing emissions across industries around the globe.

LOW-CARBON OIL PRODUCTION CYCLE

Low-carbon oil is created by using CO_2 emissions that are injected and stored permanently underground. The emissions injected and stored are greater than those generated through the production and use of oil.



Occidental is taking a holistic approach to reducing GHG emissions while helping other third-party organizations implement lower emissions projects. Based on our expertise and experience, we have identified three principal classes of opportunities for us to make the largest GHG-reduction impacts:

DIRECT EMISSIONS REDUCTION

- Improve operational and process efficiencies
- Reduce flaring and fugitive emissions, upgrading equipment to reduce methane and CO_2 emissions
- Implement GHG monitoring and control systems

CCUS PROJECT DEVELOPMENT

- Deploy CO_2 capture facilities and maximize CO_2 storage with new technologies, such as DAC and CCUS
- Utilize CO_2 to create low-carbon fuels and products such as ethylene and polyvinyl chloride
- Provide CCUS technical advisory services

ENERGY EFFICIENCY

- Apply technology to increase energy efficiency
- Utilize combined heat and power (CHP) and renewable energy
- Use hydrogen as a feedstock

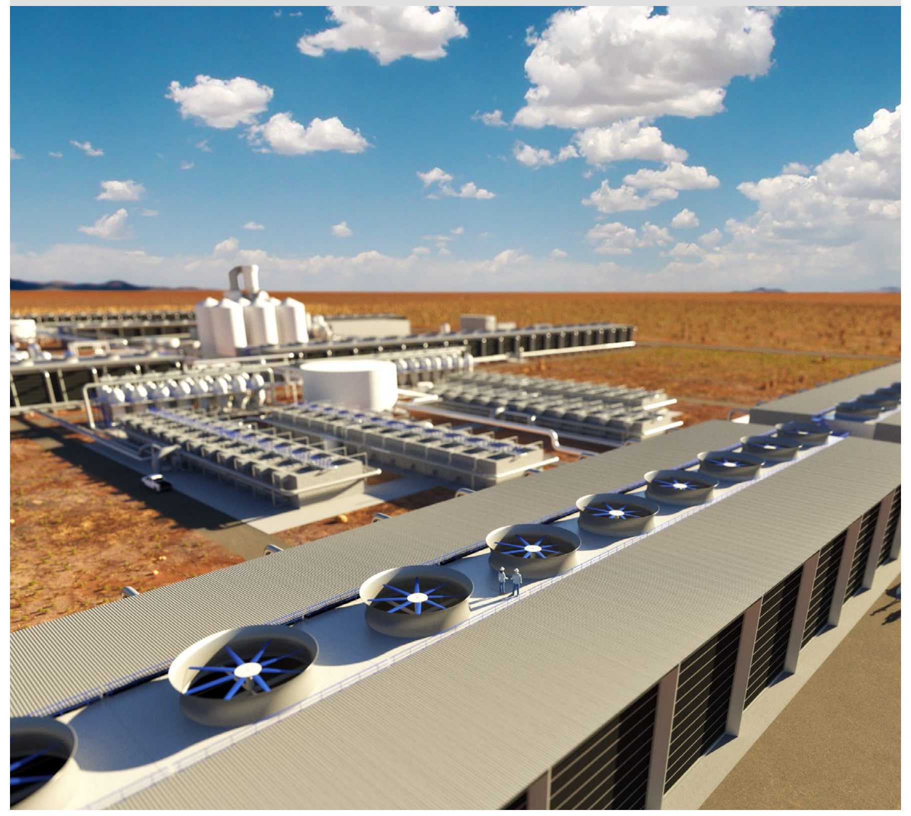
PATHWAY TO ACHIEVE NET-ZERO

OLCV continues to make significant progress with key partners who support our net-zero ambition.

INDUSTRIAL CARBON CAPTURE PARTNERSHIPS

EMISSIONS-FREE POWER

DIRECT AIR CAPTURE



CO_2 AS FEEDSTOCK

INDUSTRIAL CARBON CAPTURE PARTNERSHIPS

An industrial storage partnership, Project Interseqt with White Energy will capture CO_2 emissions from White Energy's ethanol plants in Hereford and Plainview, Texas. Captured CO_2 will then be transported to Occidental's West Seminole EOR field for injection and storage to create lower-carbon oil. The carbon intensity of the ethanol produced by White Energy will also be lowered.

EMISSIONS-FREE POWER

NET Power puts carbon capture technology at the center of its natural gas power plant design, generating electricity with zero-emissions, providing reliable, on-demand and low-cost electricity that requires 80 times less acreage than equivalent solar facilities. The CO_2 captured in a NET Power plant could be used for CCUS or product development for fuels, plastics, chemicals, cement and more.

DIRECT AIR CAPTURE

DAC pulls CO_2 directly from the air, providing a pathway to reduce the amount of CO_2 in the atmosphere. In 2020, OLCV executed a licensing agreement with Carbon Engineering to deploy its DAC technology at the first-of-its-kind Permian Basin facility.

CO_2 COMMODITIZATION AND CARBON TRACKING

As CCUS projects gain scale, there will be a need for defined, accepted and transparent processes of carbon tracking in the emerging carbon commodity and carbon-neutral fuels market. OLCV is partnering with:

- Carbon Finance Labs to leverage information technology, updated regulatory processes and marketplaces to create entirely new high-value carbon products and services and opportunities for Occidental products.
- Xpansiv CBL Holding Group (XCHG) to launch the first carbon-attributed, tradeable oil and gas product that accounts for carbon intensity by incorporating emissions reductions from our CCUS operations.

TERRALITHIUM

A partnership between American Lithium and OLCV, TerraLithium gives manufacturers a more responsible way to source ultra-pure lithium that can be used for lithium-ion batteries in electric vehicles. TerraLithium's patented technology extracts trace lithium from brine, including geothermal brine, a waste product of geothermal power plants. This process is an alternative to conventional lithium production, which has significant environmental challenges, with some facilities using nearly 500,000 gallons of water per ton of lithium. We are leveraging OxyChem and our expertise in the manufacture of chlor-alkali products to scale and commercialize this technology.

CO_2 AS FEEDSTOCK

In collaboration with the Houston-based Cemvita Factory, OLCV is exploring new bio-engineered pathways to use captured CO_2 as feedstock for sustainable production of cement, intermediate chemicals, ethylene and polymers.

Additional information is available at oxylowcarbon.com.

REDUCING OPERATIONAL EMISSIONS

Occidental's longstanding policy is to seek continuous improvement in resource recovery, conservation, pollution prevention and energy efficiency, including ongoing efforts to recycle and reuse water, as well as manage and capture methane and other GHG emissions. Our business decision-making process integrates these principles to advance the corporation's commitment to the low-cost production of oil, natural gas and essential chemical products.

We take a hands-on approach to improve the efficiency and reliability of the equipment and facilities used in our oil and gas activities. To reduce the carbon impact of our operations, Occidental employs different techniques to reduce gas flaring, improve energy efficiency and deploy innovative technologies.

Occidental devotes significant resources to capturing emissions of methane and volatile organic compounds (VOCs) by retrofitting existing facilities and optimizing the design and construction of new facilities. We are minimizing our emissions by using energy-efficient equipment at our oil and gas production facilities and applying standardized designs, for example, where we can consolidate individual field tankage or test stations into larger facilities. We are actively replacing compressors, pumps and other major equipment throughout our Permian Basin operations to operate on electricity or use low-emission engines. We continue to reduce methane emissions with industry best practices, including Leak Detection and Repair (LDAR) systems, optical gas imaging (OGI), forward-looking infrared (FLIR) cameras and green completion practices. Occidental is also increasing the efficiency of its product transportation and distribution chains in order to reduce logistics costs and associated GHG emissions.

As an oil and gas producer, we are concerned when any methane (as the primary component of "natural gas") escapes our equipment and does not make it to market. To limit these losses, we participate in programs including the American Petroleum Institute (API)'s Environmental Partnership and the World Bank's Zero Routine Flaring by 2030 initiative that are committed to continuously improve operational performance and develop best practices and guidelines for application of best available control technologies. Occidental was the first U.S. oil and gas company to join the World Bank's program.

SCOPE 1

REDUCING GAS FLARING IN THE PERMIAN

In Occidental's New Mexico operations, a new gas gathering system has dramatically reduced volumes of flared gas. This gathering system reduces our reliance on third-party takeaway capacity and avoids unscheduled flaring events by facilitating the transfer of sales gas to multiple third-party midstream companies.

Aspects of this system design include a closed loop flowback system that captures gaseous vapors released from flowback fluids directly into the gathering system via vapor recovery units.

Equipment upgrades also included in this system design increase the reliability and redundancy of our production systems, leading to reduced downtime and significantly lower flaring volumes at the facility level.

We estimate that this gathering system reduced 2019 annual carbon dioxide equivalent (CO_2e) flaring emissions by more than 60 percent, relative to flaring emission projections had the gathering system not been constructed.

Occidental secured extra capacity within the different third parties' systems to provide additional natural gas capacity should interruptions from one party occur. Collectively, these actions provide our New Mexico operations the flexibility to move produced gas into the sales-gathering system under a wide variety of scenarios, significantly decreasing the necessity to flare. Notably, this multiple take-away design can be replicated and tailored to other upstream oil and gas projects to reduce flaring.

REDUCING OPERATIONAL EMISSIONS

SCOPE 3

FUEL SWITCHING IN UPSTREAM DRILLING OPERATIONS

Our Colorado operations commenced a trial using three new-generation Tier 4 rigs. These rigs were built to utilize cleaner, lower-carbon natural gas fuel instead of diesel fuel, subsequently reducing air pollutants and greenhouse gases. Using the newer rigs enhanced operational performance and reduced environmental impacts, including noise pollution.

As represented in the chart, our Tier 4 rigs, in direct comparison to the typical Tier 2 diesel fuel-powered rig, have the advantage of replacing diesel usage by approximately 96 percent with compressed natural gas (CNG).

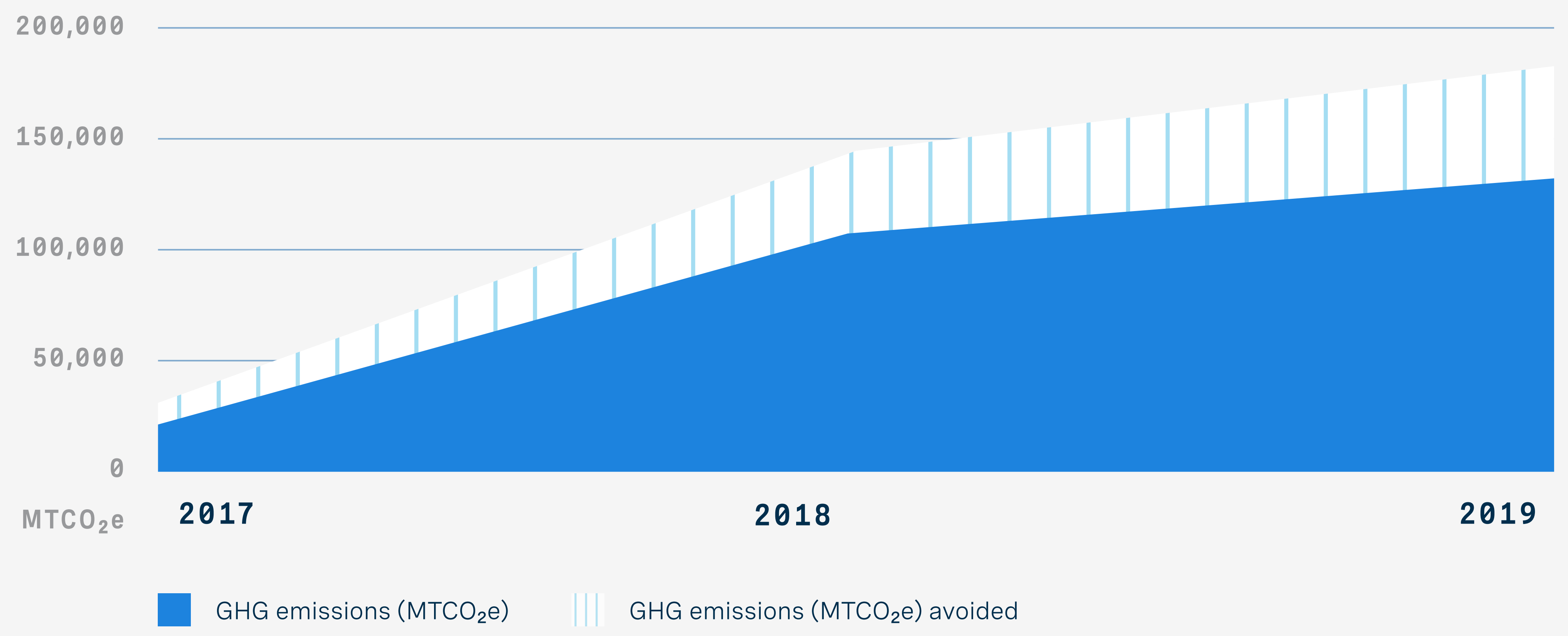
Additionally, the switch to natural gas fuel decreased other environmental air pollutants as follows:

- Nitrogen oxide (a contributor to ground-level ozone) reductions of approximately 75 percent
- Particulate matter reductions of approximately 90 percent and
- Sulfur oxides reductions of approximately 50 percent

Occidental continues to work with our contractors and vendors to evaluate the feasibility of expanding this program to the other basins where we operate.

Occidental also executed a pilot project that used grid electricity to power a drilling rig in the DJ Basin. The pilot project demonstrated equivalent performance as diesel generators with a 50 percent cost savings in energy-related costs, compared to a rig powered by diesel generation, and significant emissions and noise reduction potential. Occidental's DJ Basin operation's recently developed an Electric Rig Project Charter to evaluate additional potential locations with adequate power infrastructure and coordinate with the utility company to execute necessary upgrades.

RIG FUEL SWITCHING: EMISSIONS AVOIDED

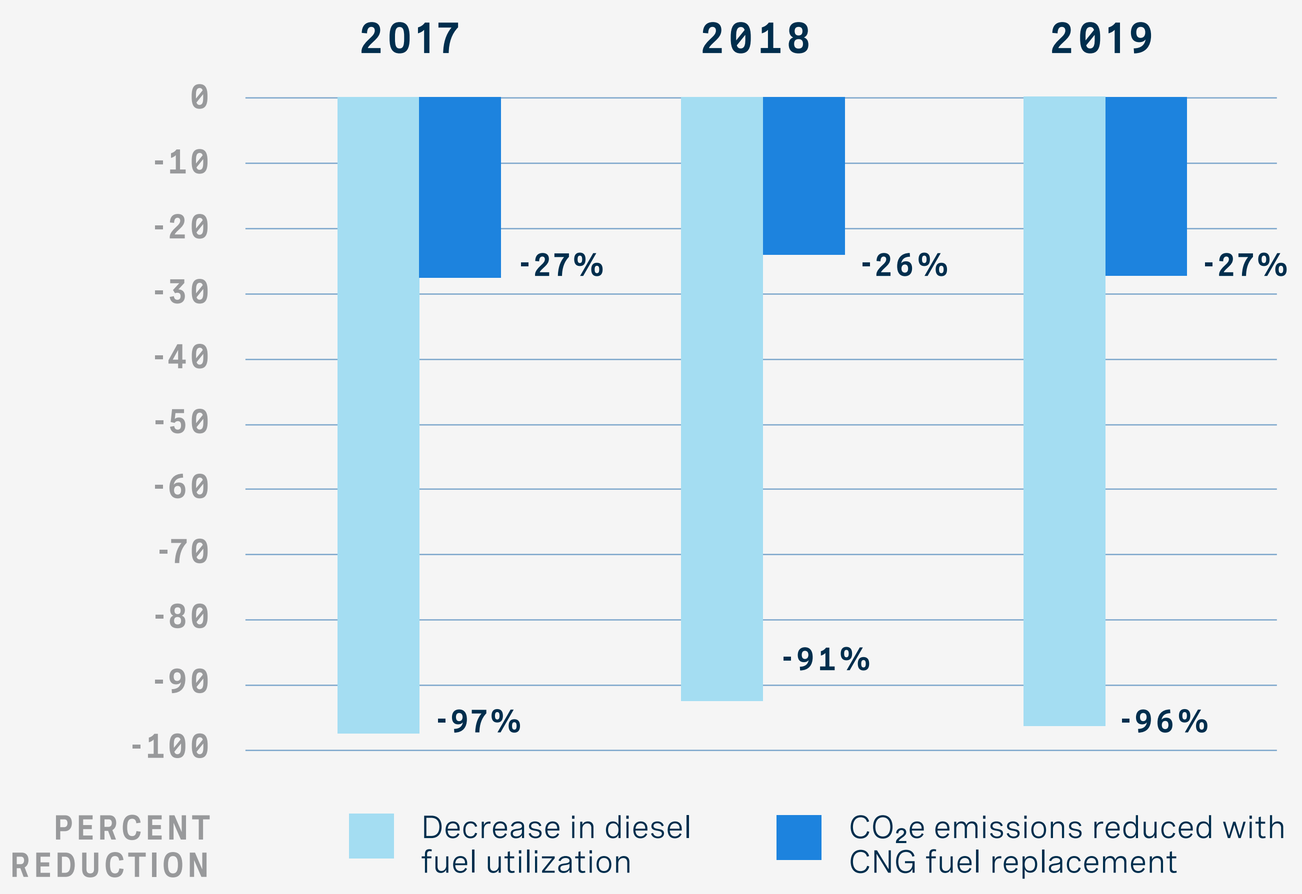


RIG FUEL SWITCHING: EMISSIONS REDUCED

Our Tier 4 rigs, in direct comparison to the typical Tier 2 diesel fuel-powered rig, have the advantage of:

96%
(APPROX.)
REPLACEMENT OF DIESEL USAGE WITH COMPRESSED NATURAL GAS (CNG)

↓15%
ESTIMATED GHG EMISSION DECREASE BY 2019



REDUCING OPERATIONAL EMISSIONS

SCOPE 2

REDUCING INDIRECT EMISSIONS: GOLDSMITH SOLAR PLANT

Our Goldsmith Solar Plant began operating in 2019 and immediately reduced our indirect (Scope 2) GHG emissions for Occidental's Goldsmith EOR field. This project reduces the reliance on power from the electric grid, where power is supplied with non-renewable resources. Total power consumption and the corresponding GHG emissions at the Goldsmith field, measured as CO_2e metric tons ($MTCO_2e$), were reduced by approximately 10 percent. These GHG reductions continued into 2020 and beyond.

Goldsmith, the first large-scale solar facility in Texas that directly powers oil and gas operations, features 174,000 photovoltaic panels with a total capacity of 16 MW — enough to power the operations at the Goldsmith EOR field.

"OCCIDENTAL IS TAKING AN IMPORTANT STEP TOWARD REALIZING OUR ASPIRATION TO BECOME CARBON NEUTRAL THROUGH THE USE OF EMISSIONS-FREE SOLAR ELECTRICITY. USING SOLAR ENERGY IN OUR OPERATIONS IS ANOTHER WAY OXY LOW CARBON VENTURES IS ENHANCING THE PROFITABILITY AND SUSTAINABILITY OF OUR BUSINESS WHILE MEETING THE CHALLENGE OF REDUCING ATMOSPHERIC GREENHOUSE GASES."

VICKI HOLLUB
PRESIDENT AND CEO

GOLDSMITH SOLAR PLANT, PERMIAN BASIN, TEXAS

INGLESIDE COGENERATION CONTROL ROOM, INGLESIDE, TEXAS

REDUCING OPERATIONAL EMISSIONS

REDUCING EMISSIONS AT OXYCHEM: EFFICIENT ENERGY GENERATION AND UTILIZATION

OxyChem develops and manufactures a broad range of life-enhancing chemicals including feed-stocks for low global warming potential refrigerant to advanced chlorine production processes and water disinfection technology products. OxyChem's innovative engineering techniques include designs for high-efficiency emissions control, heat and energy recovery and zero-emissions equipment.

For years, energy efficiency has been a key component to our strategy of being a low-cost operator, including efforts to produce our own energy-efficient or low-carbon-intensity power. Because power consumption is a significant cost of our chemicals manufacturing operations, OxyChem has focused on cogeneration hydrogen fuel usage and new technologies with improved high-efficiency emission control designs.

Cogeneration, or combined heat and power (CHP), significantly increases electrical power generation efficiency and reduces CO_2 emissions by at least 50 percent over traditional methods. OxyChem's cogeneration facilities are highly efficient natural gas-fired power plants that co-produce electricity and steam for adjacent chemical plants, while also providing excess electricity to local markets.

The GHG emission-reduction benefits from CHP are substantial. At OxyChem manufacturing facilities, utilizing CHP is estimated to reduce GHG emissions by 4.3 million $MTCO_2e$ per year compared to equivalent power supplied from the electrical grid.

OxyChem manufacturing facilities utilize the hydrogen byproduct from the chlor-alkali process as a non-carbon fuel source. The hydrogen fuel used in the hydrogen-fired boilers and cogeneration units offset natural gas consumption and lowers our CO_2 emissions by approximately 490,000 $MTCO_2e$. The use of hydrogen fuel reduces our GHG intensity. Recently, OLCV has looked to expand these efforts through opportunistic renewable power projects, industrial partnerships and new technology development.

Cogeneration, or combined heat and power (CHP), significantly increases electrical power generation efficiency and reduces CO_2 emissions by at least 50 percent over traditional methods.

INDUSTRY LEADERSHIP

Occidental's vast experience in managing CO_2, coupled with our carbon management strategy, has enabled us to create solutions and partnerships with a diverse set of key stakeholders that work toward improved business and climate solutions.

Occidental joined the Getting to Zero Coalition, a partnership between the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum. This coalition brings together global decision-makers from across the maritime shipping value chain with key stakeholders from the energy sector and from governments with a goal to reduce shipping-related emissions by at least 50 percent by 2050.

Occidental was the first U.S. oil and gas company to endorse the World Bank's "Zero Routine Flaring by 2030" initiative to reduce greenhouse gas emissions.

OxyChem received the industry's highest Sustainability Leadership Award from the American Chemistry Council (ACC) for its partnership with Water Mission, which facilitates access to clean drinking water for refugees and disaster areas around the world.

OxyChem was a founding board member of the Alliance to End Plastic Waste, an industry coalition to help find solutions to prevent plastics from entering the environment.

OxyChem joined the Vinyl Institute's Vinyl Sustainability Council and achieved the industry's Vantage Vinyl sustainability certification.

Occidental was among the first U.S. companies to join the OGCI, a collaborative effort to reduce the industry's carbon footprint and invest in economically viable low-carbon technologies.

Occidental was a founding member of API's The Environmental Partnership, formed to accelerate environmental improvements, with a focus on reducing methane and VOC emissions.

Occidental collaborates with the Carbon Capture Coalition and other groups outside of the oil and gas industry to progress solution-driven public policies supporting the advancement of a sustainable, low-carbon economy, including the revised CO_2 sequestration tax credit in the United States, which has been critical to incentivizing CCUS projects.

COMMITMENTS AND TARGETS

CLIMATE-RELATED COMMITMENTS AND TARGETS

Occidental has made a series of commitments during the past years, in addition to new commitments and targets declared in 2020. The following page summarizes our progress toward fulfilling these commitments.

Effective 2020, our goals are to accomplish:

- Net-zero for our operational and energy use emissions (Scope 1 and 2) before 2040, with an ambition to achieve before 2035;
- Net-zero for our total emissions inventory including product use (Scope 1, 2 and 3) with an ambition to achieve before 2050; and
- Total carbon impact through carbon removal and storage technology and development past 2050.

These goals and strategic plan to thrive in a low-carbon economy, while responsibly managing climate-related risks, are described in detail in this TCFD-aligned Climate Report and our ongoing history of reporting to CDP and other environmental, social and governance (ESG) ratings organizations.

A summary of Occidental's GHG emissions trend, along with our 2025 targets, are presented on page 18. Additional disclosure of sustainability information and performance metrics are available at: oxy.com/sustainability/performance.

We report performance using the IPIECA Sustainability Reporting Guidance for the Oil and Gas Industry and the Sustainability Accounting Standards Board (SASB) standards and indicators for the oil and gas and chemicals sectors. We will continue to engage with our stakeholders to lead actions and disclose climate-related risks and opportunities associated with our business.

2025 EMISSIONS REDUCTION TARGETS

Occidental has set the following 2025 GHG emissions-reduction targets for operations:

OCCIDENTAL OIL AND GAS*

TOTAL DIRECT AND INDIRECT GHG EMISSIONS INTENSITY	METHANE EMISSIONS INTENSITY	ROUTINE FLARING ELIMINATION
0.02	<0.25%	↓100%
$MTCO_2e$/BOE	OF MARKETED GAS	BY 2030

OXYCHEM

TOTAL SCOPE 1+2 GHG EMISSIONS BY	TOTAL DIRECT AND INDIRECT GHG EMISSIONS	TOTAL DIRECT AND INDIRECT GHG EMISSIONS INTENSITY
↓187,990	↓2.33%	↓2.7%
$MTCO_2e$ BY 2025	BY 2025	BY 2025

* Total GHG (Scope 1 + Scope 2) and Methane Emission Intensity targets are aligned with Oil and Gas Climate Initiative (OGCI) targets. Methane emissions intensity refers to the amount of methane emissions from Occidental's operated oil and gas assets as a percentage of the total gas produced and marketed.

DECARBONIZING OPERATIONS AND REDUCING GHG EMISSIONS

COMMITMENT		ACTION
Monitor and disclose Scope 1 + 2 GHG emissions	⚙	Occidental reports emissions and other climate-related data at oxy.com/sustainability/performance
Monitor and disclose Scope 1 CO_2e emissions intensity	⚙	
Monitor and disclose methane emissions intensity, produced oil and gas	⚙	
Disclose Occidental's 2030 goals for oil and gas operations CO_2e emissions intensity (tonnes/BOE)	★	Aligned with OGCI, Occidental has set a mid-term target to reduce upstream oil and gas emissions intensity from 0.0392 in 2017 to 0.02 $MTCO_2e$/BOE, by 2025.
Disclose Occidental's 2030 goals for oil and gas operations methane emissions intensity (tonnes/BOE)	★	Aligned with OGCI, Occidental has set a mid-term target to reduce methane emissions intensity from 0.39% in 2017 to below 0.25% (based on marketed gas), by 2025.
Limit the upstream CO_2e emissions intensity for new U.S. oil and gas field production activities starting in 2020 to a level that is 10% below the 2018 value	★	Occidental's upstream CO_2 emissions intensity value for 2018 is 0.0352 MT/BOE. For new U.S. oil and gas field production, we have set an average upstream target limit of < 0.0317 $MTCO_2e$/BOE starting from 2020 and progress to 0.02 $MTCO_2e$/BOE by 2025.

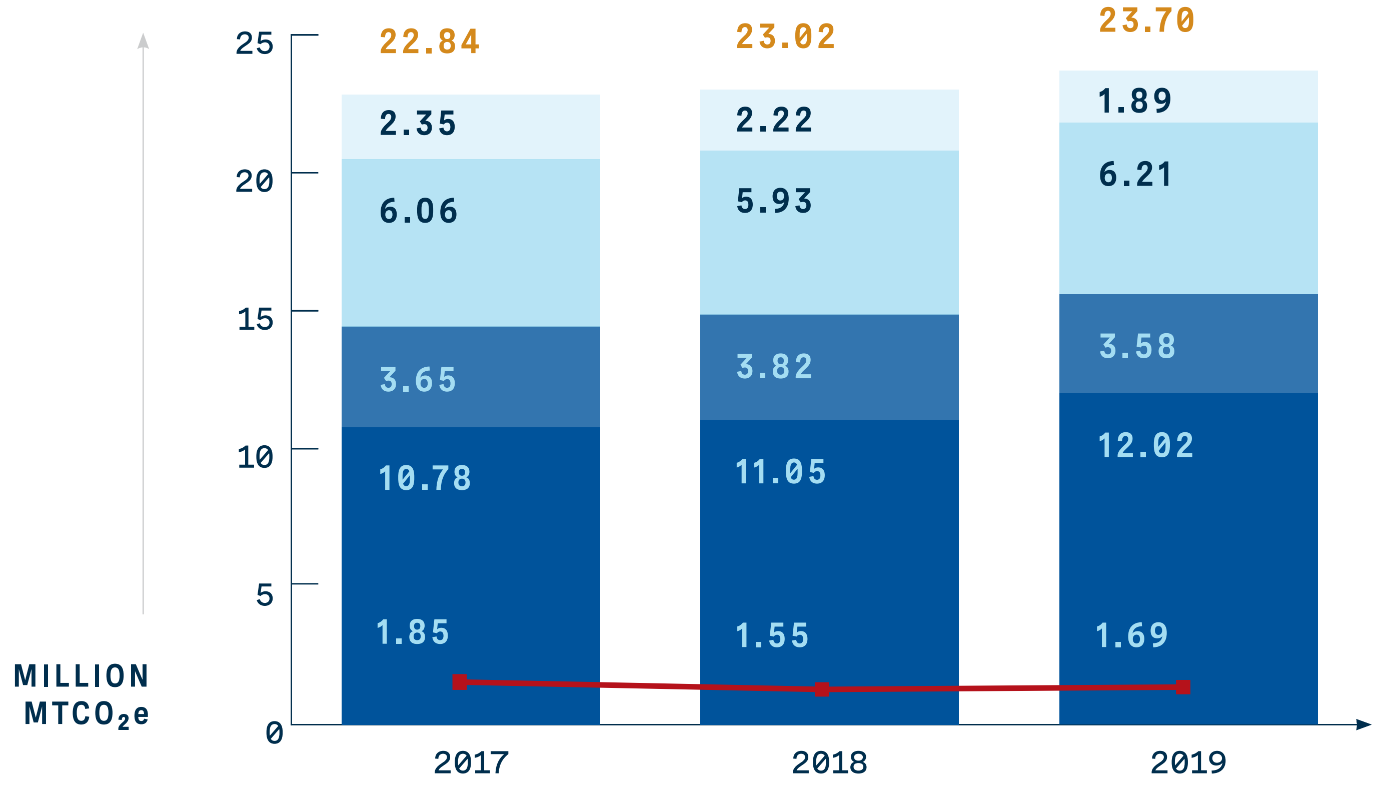
COMMITMENT		ACTION
Reduce GHG emissions (Scope 1+2) associated with chemicals production	★	Beginning in 2020, OxyChem has set a target to reduce total GHG emissions (CO_2e) 2.33% by 2025.
Reduce GHG emissions intensity (Scope 1+2) of chemicals production	★	OxyChem has a target to reduce GHG intensity of its products (CO_2e/ton of product) 2.7% by 2025.
Develop and disclose a metric to account for net-zero	★	In this report, we announced our net-zero aspiration for reported Scope 1, 2 and 3 emissions, and Total Carbon Impact.
End routine gas flaring by 2030	★	In 2020, Occidental endorsed and committed to the World Bank's "Zero Routine Flaring by 2030" initiative. Occidental will eliminate all (100%) routine flaring by 2030.
Fulfill API Environmental Partnership commitments for leak detection surveys and high-bleed pneumatics replacement	⚙	In 2019, Occidental completed more than 900 surveys, exceeding our annual commitment to the API Environmental Partnership.
Community investment supporting Sustainable Development Goals (SDG)	★	Beginning with 2020, social investments data will attribute the amount supporting SDG.

GOVERNANCE AND ENGAGEMENT

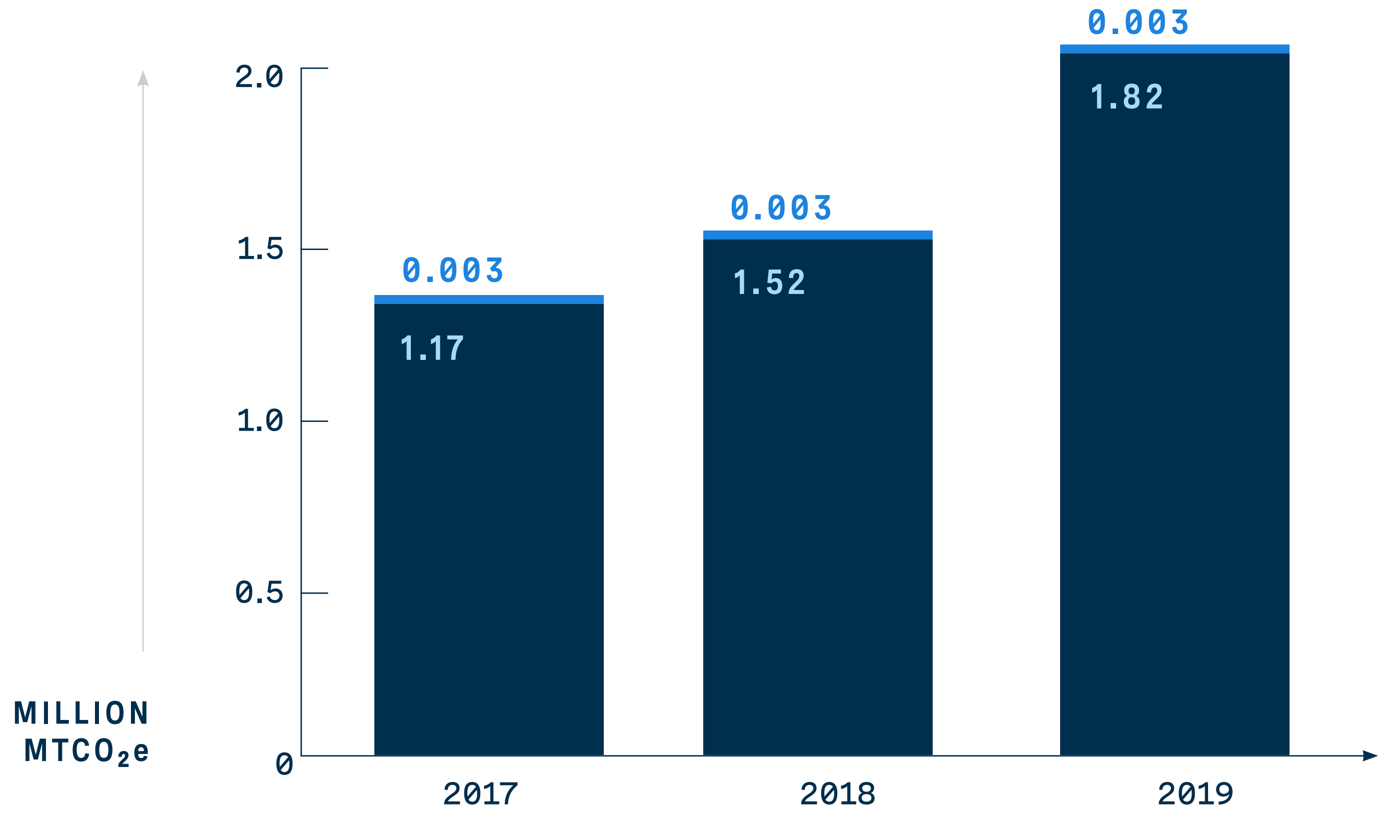
COMMITMENT		ACTION
Board-level committee dedicated to ESG and climate-related issues	★	The Board's newly formed Sustainability and Shareholder Engagement Committee.
Support and investments in CCUS/CO_2 enterprises/partnerships	⚙	Since 2019, executive officer variable compensation has included a sustainability metric associated with the advancement of CCUS activity.
Support OLCV	⚙	OLCV is advancing leading-edge technologies and business solutions that economically grow while reducing emissions.
Support OGCI	⚙	Occidental is a contributing member of OGCI.
Active engagement with investors on ESG issues, including climate	⚙	Occidental routinely engages with its investors and other stakeholders on ESG-related issues, including climate.
Publish TCFD-aligned Climate Report	⚙	Since 2018, Occidental has published a climate-related risks and opportunities report informed by the recommendations of the TCFD.
Engage with and respond to ESG risk ratings and questionnaire	⚙	Occidental responds to several ESG questionnaires, including CDP Climate.

⚙ ONGOING ★ NEW COMMITMENT

GHG EMISSIONS METRICS

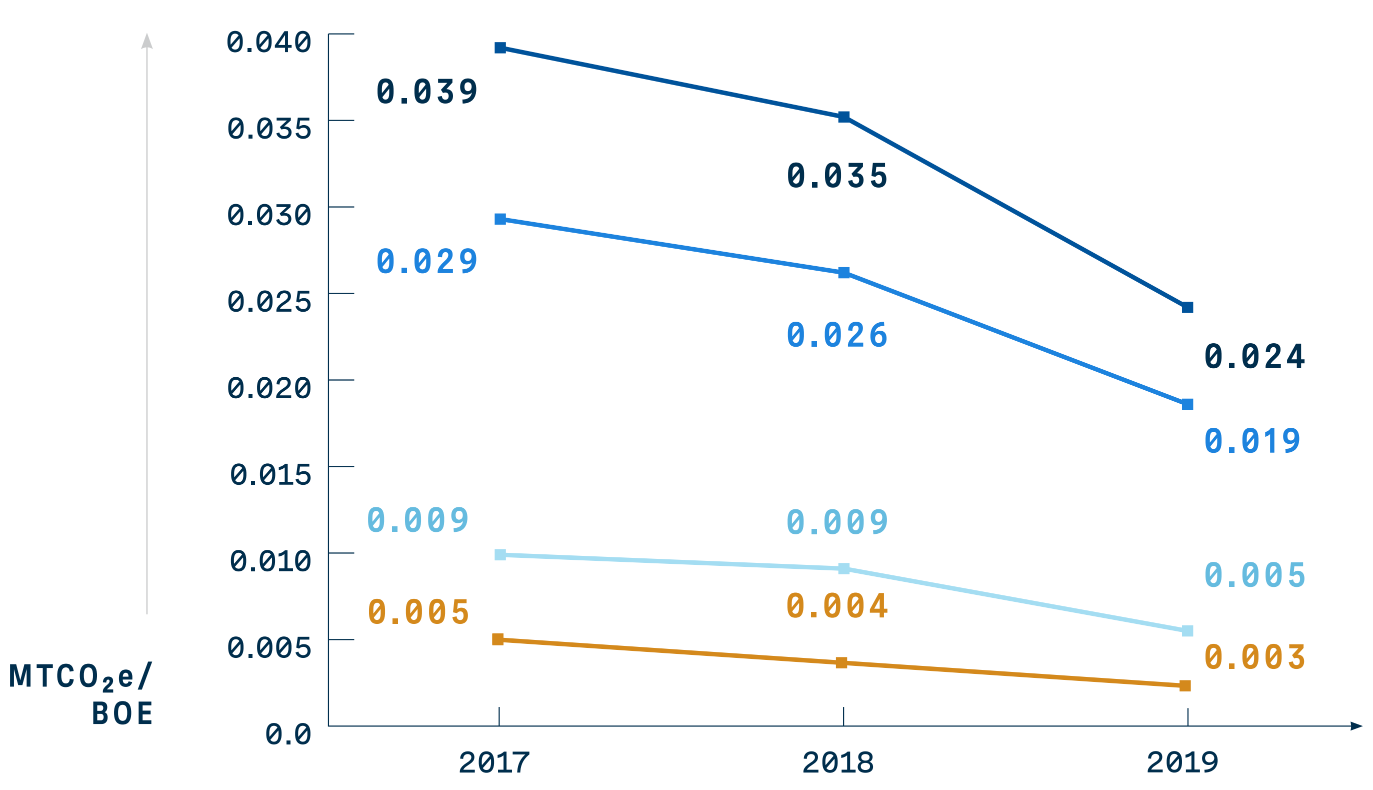


TOTAL DIRECT & INDIRECT GHG EMISSIONS* (SCOPE 1 & 2)

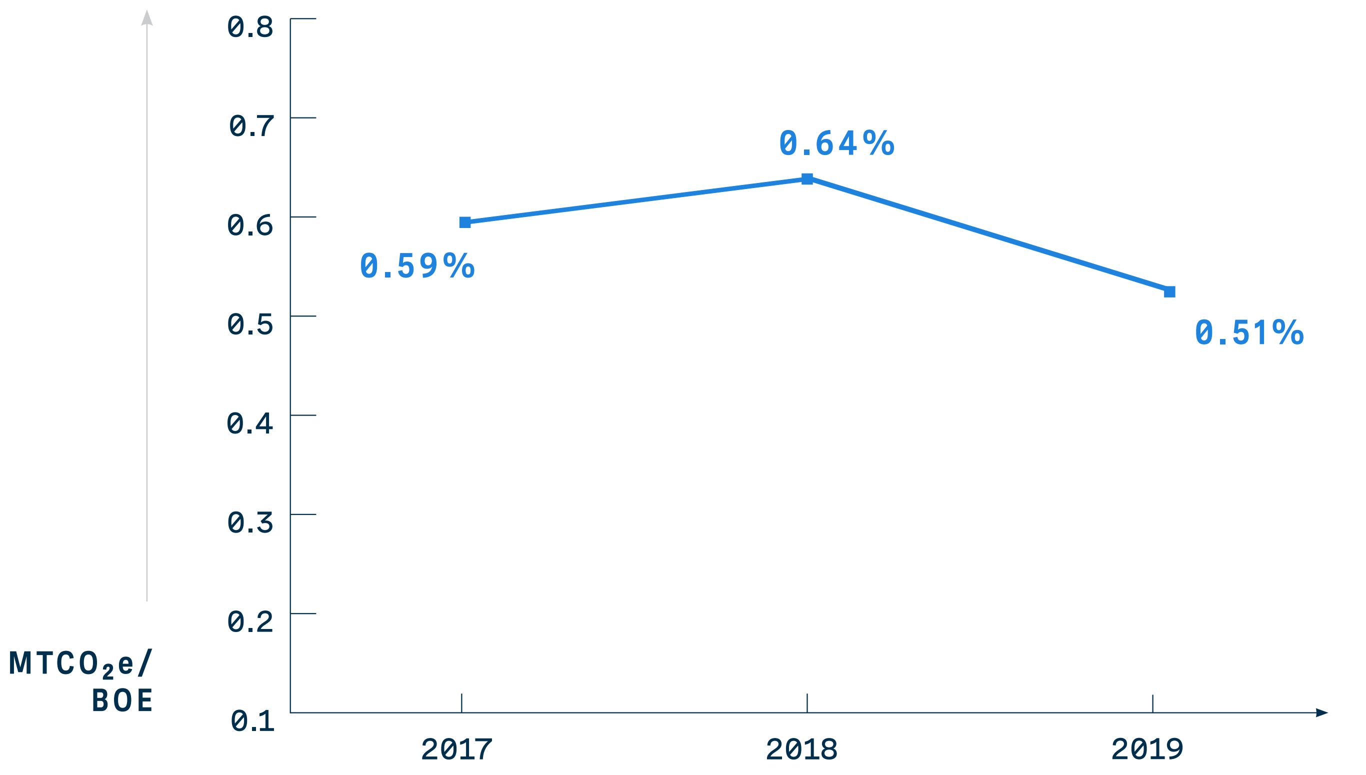


METHANE (CH_4) EMISSIONS*

OCCIDENTAL OIL AND GAS EMISSIONS INTENSITY SUMMARY

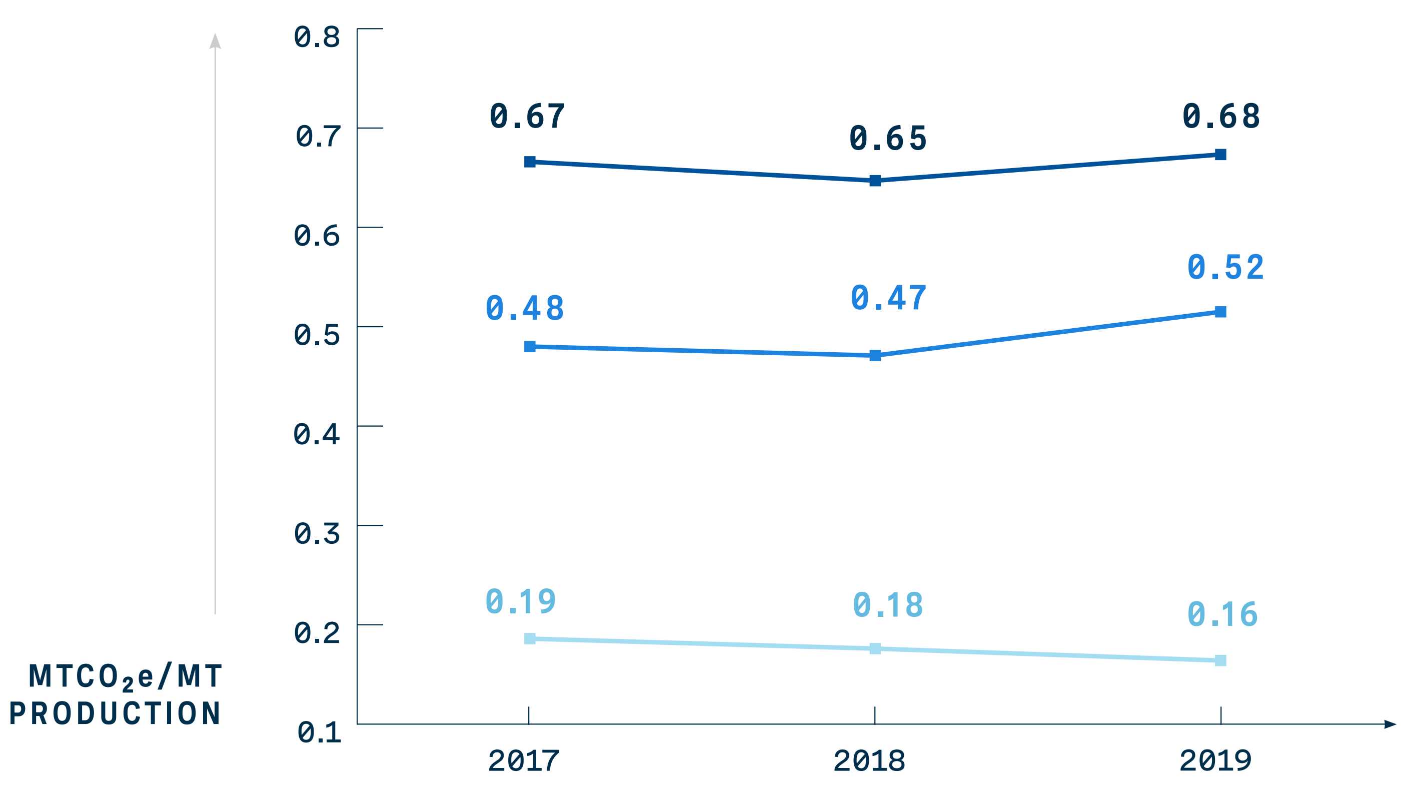


EMISSIONS INTENSITY

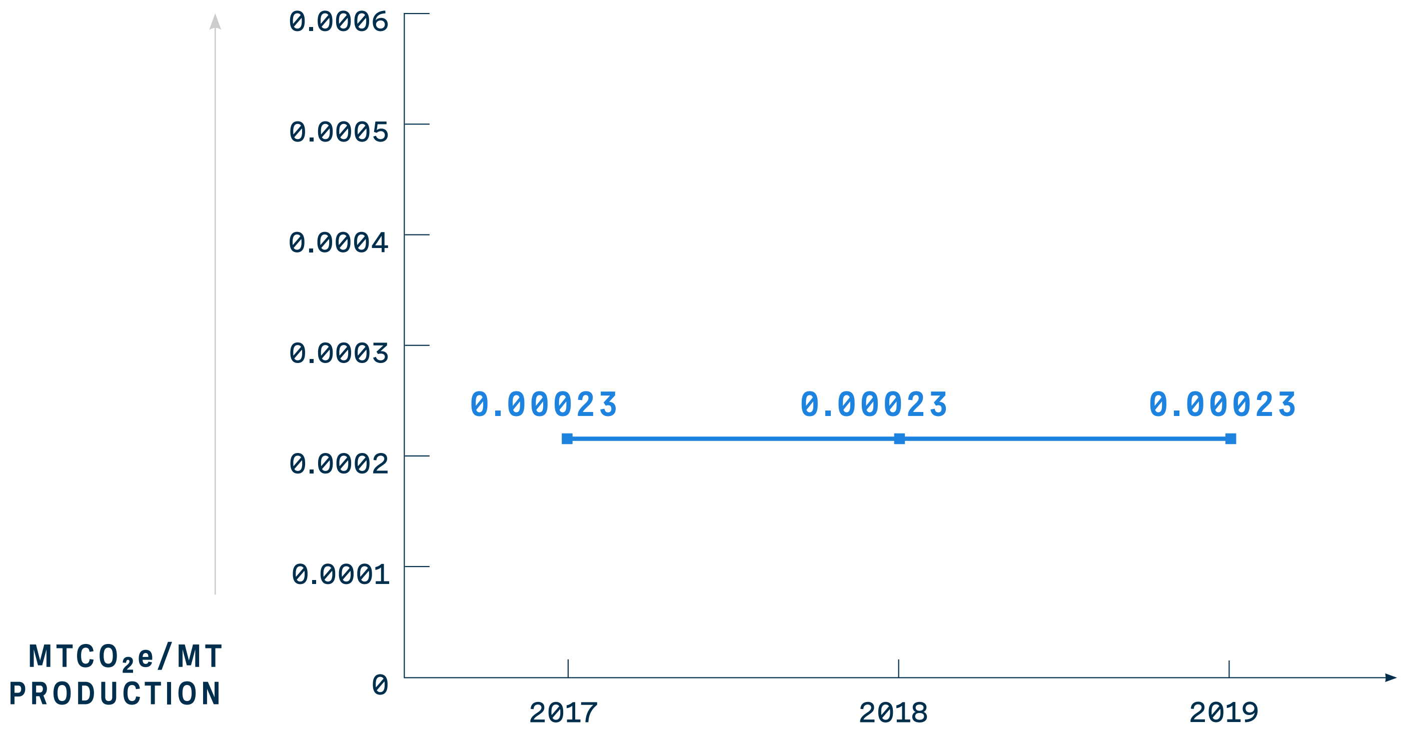


METHANE EMISSIONS* INTENSITY

OXYCHEM EMISSIONS INTENSITY SUMMARY



EMISSIONS INTENSITY



METHANE EMISSIONS* INTENSITY

- Occidental Oil and Gas
- Scope 1 Direct GHG Emissions
- Scope 2 Indirect GHG Emissions
- OxyChem
- Scope 1 Direct GHG Emissions
- Scope 2 Indirect GHG Emissions
- Total Scope 1+2 GHG Emissions*
- Flaring Emissions**

- Total Direct and Indirect GHG (Scope 1 + 2) Intensity
- GHG Scope 1 Intensity
- GHG Scope 2 Intensity
- Flaring Emissions Intensity**

* 2019 Occidental Oil and Gas data includes Occidental and Anadarko operated assets. For GHG emissions, consistent with the U.S. EPA reporting, we included operated GHG emissions for the entire year (2019); however, we have used gross production for the period we owned and operated (i.e., August 2019 onward). 2017 and 2018 data does not include Anadarko operated assets.

** Flare Emissions data for the period 2017-2019 include total of Routine, Non-Routine and Safety flaring. Target for flare emissions reduction is aligned with the World Bank's Zero Routine Flaring initiative.

ACCOLADES AND ACCOMPLISHMENTS

Occidental is meeting the challenges of an acute oil price downturn exacerbated by the global COVID-19 pandemic, and are proud of our progress on ESG commitments and recognition for the following accomplishments:

- We set targets to reduce GHG and methane emissions intensity.
- Occidental was the first U.S. oil and gas company to endorse the World Bank's "Zero Routine Flaring by 2030" initiative to reduce GHG emissions. Occidental, as a member of the OGCI, is committed to advancing the Global Methane Alliance Program, launched by UNEP to support the inclusion of methane emission reduction targets in countries' Paris Agreement-aligned Nationally Determined Contributions.
- OxyChem is a founding member of the Vinyl Sustainability Council and initial participant in the industry's +Vantage Vinyl™ program. The program is the U.S. vinyl industry's first sustainability initiative focused on advancing the industry's contribution to sustainable development.
- OxyChem is a founding member of the Alliance to End Plastic Waste, which aims to invest $1.5 billion over the next 5 years to help eliminate plastic waste in the environment, especially in the ocean.
- OxyChem is also a member of the World Economic Forum Low-Carbon Emitting Technologies workgroup focusing on innovation to help reduce the carbon footprint of the chemical industry.
- Inclusion in the FTSE4Good Index, designed to measure the performance of companies that demonstrate strong environmental, social and governance performance.
- Recognition by the Transition Pathway Initiative for achieving Level 4, under its Management Quality framework.
- Recognition by CDP as a "Legacy Reporter" (10-plus years reporting to CDP).

GOVERNANCE

Board of Directors Engagement

Stakeholder Engagement

Public Policy Engagement and Advocacy

Executive Engagement

GOVERNANCE

The Board of Directors, its committees and senior management work together to implement and promote effective corporate governance with oversight of Occidental's policies and procedures and management of business risks. The Board's risk oversight structure for Environmental, Social and Governance (ESG) and sustainability matters — including climate-related risks and opportunities — follows.

ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE

Reviews environmental, health and safety performance as part of our risk management processes

SUSTAINABILITY AND SHAREHOLDER ENGAGEMENT COMMITTEE

Oversees stakeholder engagement, external reporting on ESG and sustainability matters, and monitors the progress of OLCV

AUDIT COMMITTEE

Oversees our Enterprise Risk Management (ERM) process, which involves a cross-functional team reporting to our ERM Council. This group of senior executives is responsible for identifying, assessing, monitoring, managing and reporting enterprise risks, including client risks

EXECUTIVE COMPENSATION COMMITTEE

Establishes the parameters and goals that determine executive compensation, including elements related to sustainability performance and climate-related targets

VICKI HOLLUB
PRESIDENT AND CEO

BOARD OF DIRECTORS ENGAGEMENT

Senior management reports to the Board of Directors on environmental and sustainability matters, including climate-related risks and opportunities, during regularly scheduled Board and Committee meetings, annual strategy sessions and informally during regular business. During the Board's 2020 session, the OLCV team updated the Board on Occidental's low-carbon strategic process, including a review of objectives, the CO_2 economy and competitive landscape, and low-carbon investment opportunities. These agenda items reflect the Board's engagement and efforts to heighten its understanding of how a low-carbon economy is expected to affect the company while supporting and strengthening Occidental's shareholder value proposition. Future Board strategy sessions will continue to refine and enhance consideration of climate-related risks and opportunities.

The Board is committed to a diversity of thought, background and experience, as well as gender and ethnicity in its membership. Our directors have a wide range of backgrounds and experiences, including in government service, non-governmental organizations and private sector industries. Of our 11 directors, two are diverse based on gender and two are diverse based on ethnicity.

The Board's independent chair coordinates and approves meeting agendas and serves as a liaison with Occidental's stockholders.

STAKEHOLDER ENGAGEMENT

Occidental builds trust through regular and transparent communication and engagement with stakeholders. Our goal is to understand and proactively address issues to develop beneficial outcomes. We look forward to continuing this dialogue on emissions and climate-related risks and opportunities.

PUBLIC POLICY ENGAGEMENT AND ADVOCACY

Ensuring public trust in carbon reduction strategies is essential for advancing CCUS policy and the transition to a low-carbon future. Occidental engages the U.S. EPA, Department of Energy and other federal agencies, as well as state legislative bodies and agencies, such the California Air Resources Board (CARB), to advance CCUS and low-carbon energy solutions. Occidental continues to take a leadership role in engaging key government stakeholders and policy groups by leveraging our proven carbon management expertise.

- Occidental worked with a bipartisan coalition that successfully sought U.S. enactment of the FUTURE Act, which extended the federal tax credit for CCUS and expanded it to include direct air capture and utilization. We continue to work to strengthen the FUTURE Act.
- In collaboration with the EPA, CARB and other stakeholders, Occidental is helping to develop protocols that transparently measure, report and verify CO_2 storage. We recently submitted the first application for Permanence Certification under CARB's CCS Protocol, building upon our expertise as the recipient of the first EPA-approved MRV plan.
- We are an active member of the Carbon Capture Coalition, comprised of over 80 diverse stakeholder members from industries, unions and NGOs working to support federal legislation, regulations and policies to incentivize CCUS.

EXECUTIVE ENGAGEMENT

Occidental President and CEO Vicki Hollub and other senior executives are visible leaders in promoting the role of oil, gas and energy companies in reducing GHG emissions. Our leaders have appeared at numerous industry and climate-related forums in the U.S. and abroad, discussing the role that Occidental, in partnership with other leaders in policy and industry, can play in reducing emissions and ultimately atmospheric concentrations of GHG. Although the COVID-19 pandemic has curtailed travel and resulted in many ESG events being canceled or rescheduled, engagement with our stakeholders remains a top priority.

Occidental is an active member of the OGCI, a voluntary CEO-led initiative by major international oil, gas and energy companies taking practical actions on climate change. OGCI members leverage their collective strength to lower carbon footprints of energy, industry and transportation value chains via engagements, policies, investments and deployment. Occidental executives hold several leadership positions within OGCI, including Ms. Hollub on the CEO Steering Committee and Richard Jackson, U.S. Onshore Resources and Carbon Management - President, Operations, on the Board of OGCI's Climate Investments fund.

Ms. Hollub also serves as Chair of the Secretary of Energy Advisory Board (SEAB). The SEAB provides advice and recommendations to U.S. Secretary of Energy Dan Brouillette on the priorities for the Department of Energy (DOE), including promoting America's energy security and spurring innovation. The DOE has supported various initiatives aimed at advancing and deploying CCUS technologies.

Ms. Hollub and the Board of Directors regularly engage with key ESG investors on issues and opportunities pertinent to Occidental, including our carbon management strategies and those more generally facing the global energy industry.

Representatives from Occidental's investor relations, legal and health, safety and environment teams also meet with ESG stakeholders. Some event highlights since our 2019 climate report include:

- In October 2020, Dr. Robert Zeller, Vice President of Technology for Oxy Low Carbon Ventures, gave a keynote address highlighting Occidental's carbon management and low-carbon projects at the 2020 DOE CarbonX Summit.
- In May 2020, Ms. Hollub joined the CEOs participating in the OGCI in an "Open Letter from the CEOs of the Oil and Gas Climate Initiative" reiterating their commitment to address climate change and the transition to a lower-carbon future. The CEOs also pledged to accelerate emissions reduction efforts in their own companies.
- In January 2020, Ms. Hollub spoke at the "Shaping the Future of Energy and Materials" session at the World Economic Forum Annual Meeting 2020 in Switzerland. Ms. Hollub is on the stewardship board for the Platform for Shaping the Future of Energy and Materials, which brings together leadership from many industries to accelerate the transition to a more sustainable, secure and affordable energy system.
- In December 2019, Dr. Zeller participated in a panel discussion on "CO_2 Capture Project's Survey of CO_2 Storage Regulations" as part of the IETA BusinessHub COP 25 conference in Madrid.
- In September 2019, Ms. Hollub participated in the OGCI CEO Forum and dialogue at NYC Climate Week.
- In May 2019, Mr. Jackson testified before the U.S. Senate Committee on Energy and Natural Resources on the importance of public policy that supports carbon capture and storage and the benefits that would provide to society.

OIL AND GAS CLIMATE INITIATIVE CONFERENCE

Occidental is an active member of the OGCI, a voluntary CEO-led initiative by major international oil, gas and energy companies taking practical actions on climate change.

INTEGRATED RISK MANAGEMENT

Integrating Climate into Occidental's Risk Management Approach

The IEA Sustainable Development Scenario

INTEGRATING CLIMATE INTO OCCIDENTAL'S RISK MANAGEMENT APPROACH

Occidental has long recognized that robust risk assessment and proactive Enterprise Risk Management (ERM) are essential to safe, reliable and efficient operations. Occidental's ERM program identifies and evaluates significant risks, such as those reflecting climate-related regulatory changes and physical, commercial and reputational risks, to inform strategic and capital planning. We consider various energy scenarios, including the performance of our assets and reserves in modeling based on the International Energy Agency (IEA) World Energy Outlook (WEO), to assess potential future climate-related impacts to our business. Larger capital projects require a carbon price-sensitivity analysis before approval.

Integration of climate-related risks into our ERM system and strategic planning process support readiness for emerging opportunities and resilience against potential risks. The outcomes inform our engagement with stockholders, state and national regulators, industry associations, consumers of our chemical products, environmental groups and other stakeholders.

To support strategic planning discussions at senior management and Board levels, Occidental considers various scenarios to assess potential future climate-related impacts on the company's existing assets. We factor carbon pricing and transition risks in a range of scenarios around commodity prices, capital returns and the risks and opportunities of GHG abatement and CO_2 utilization. Our risk evaluation also includes potential physical and social impacts of severe weather events and business disruption in flood-prone and water-stressed areas.

OUR APPROACH TO TRANSITION RISK

Occidental's risk management incorporates analyses of short-, medium- and long-term financial risks of a lower-carbon economy to better understand the resiliency of our current and potential assets and capital investments. It also provides information to target opportunities.

In alignment with the IEA, the UN Intergovernmental Panel on Climate Change and other leading organizations, we believe wide-scale deployment of CCUS is critical to achieving global climate goals, while meeting society's demands for energy and better standards of living. OLCV is focused on advancing CCUS-related business opportunities and policies with a goal of reducing our carbon impact and greenhouse gas emissions. In 2020, we dedicated additional resources and structure to the OLCV team.

Our decades of experience with large-scale carbon CCUS as part of EOR operations and the more recent creation of OLCV make us uniquely capable of realizing our ambition to achieve net-zero and providing solutions to others looking to do the same. As the largest commercial purchaser and injector of CO_2 for EOR in the Permian Basin and a global leader in this technology, Occidental has insight into market-driven CO_2 supply pricing and routinely utilizes this information in our business and strategic planning.

PHYSICAL RISK

Occidental has offshore oil and gas platforms and facilities along the U.S. Gulf Coast that have been in the path of severe weather, which at times resulted in the interruption of some operations. Facilities exposed to physical risks are hardened against severe weather events and are routinely inspected. They have historically weathered such events without casualties or major damage. These facilities have emergency preparedness and response plans initiated in advance of identified storms. Following severe weather events, facilities undergo detailed inspection and recovery protocols to support a safe and timely return to full production. Other potential physical or resource risks that could arise from long-term shifts in climate, including water or raw material scarcity, changes or disruptions in energy markets, geopolitical risks or other supply and logistics challenges, are considered in our business continuity planning and ERM processes.

PORTFOLIO REVIEW

THE IEA SUSTAINABLE DEVELOPMENT SCENARIO

We believe sound, externally developed scenarios benefit stakeholders seeking to compare companies across industries. The Task Force on Climate-related Financial Disclosures (TCFD) recommends organizations use a scenario to test portfolio resilience in which global warming is kept to well below a 2°C increase compared with pre-industrial levels.

In this section, we discuss our carbon pricing assumptions and portfolio review process, including the performance of our assets and reserves in stress-test modeling based on the 2019 IEA Sustainable Development Scenario (SDS). The SDS reflects a pathway to achieving key energy-related components of the U.N. Sustainable Development Agenda, including universal access to modern energy by 2030, urgent action to tackle climate change measures to improve poor air quality, and is aligned with holding temperature increases to well below 2°C and pursuing efforts to limit it to 1.5°C, without any recourse to net-negative emissions.

Occidental used the 2019 SDS as it was issued closest in time to our reserve modeling exercise. To better understand the potential long-term impacts of a lower-carbon economy, we model our internal base planning case against the 2019 SDS.

We recognize that additional climate scenarios are being developed using a spectrum of price and supply and demand assumptions. We believe our strategy for resilience — utilizing and storing CO_2 at a price and volume that adjusts relative to potential economic or regulatory carbon constraints or incentives — is flexible enough to be attractive to investors in various carbon-constrained scenarios while still aligning with the goals of the Paris Climate Agreement. We continue to evaluate new scenarios and reassess our asset portfolio based on material changes in leading market forecasts, carbon pricing regimes and significant changes to our asset mix.

THE IEA SUSTAINABLE DEVELOPMENT SCENARIO

PROCESS AND RESULTS

Across our business segments, Occidental bases its strategic and capital planning processes on a low-capital approach that is intended to maximize the value of our portfolio and execute on our priorities. Key elements of our portfolio review and carbon modeling include:

- Referencing the IEA SDS;
- Developing strategic alternatives expected to maximize shareholder value in a future with uncertain carbon constraints and defined carbon budgets; and
- Developing options for delivering sustainable shareholder value under scenarios with stringent regulation of CO_2 emissions and potentially changing demand for oil and gas, and its derived products.

Portfolio impacts were assessed by applying the SDS outcomes for oil and natural gas prices and CO_2 prices in the regions where we operate. Currently, no carbon tax applies to any of Occidental's oil and gas operations or products. However, as part of our commitment to informed capital planning and risk management, we include an assumed price on carbon in our capital approval process for the purpose of sensitivity modeling. The sensitivity modeling conducted represents the combined portfolio assets of Occidental and Anadarko, which we acquired in 2019. This modeling allows our capital planners and senior management to analyze the long-term risks of carbon price exposure when extending the operating life or reserves of existing fields or entering new projects, while simultaneously instilling a culture of carbon-price sensitivity in capital planning and allocation.

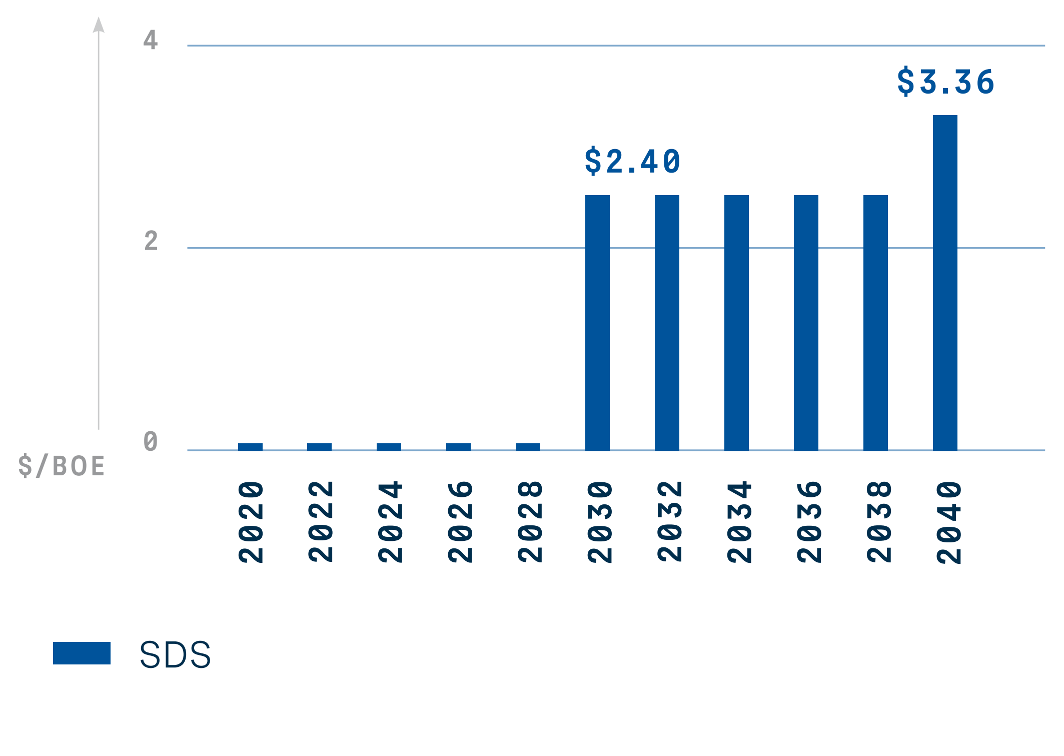
For this report, we conducted sensitivity analysis on our CO_2 burden applying the SDS's carbon price projection, which reaches $100 per metric ton by 2030 and $140 per metric ton by 2040. For our portfolio, we estimate a carbon price of $2.40 per BOE from 2030 until 2040, when we increased the carbon price to $3.36/BOE, based on the emissions intensity for Occidental's worldwide oil and gas operations and the SDS U.S. carbon pricing projections.

For our assessment of potential impacts to proved reserves, Occidental used a reference case model to represent our asset base at year-end 2019. Oil and gas product prices under the SDS are generally higher than our reference case model prices calculated in accordance with Securities and Exchange Commission (SEC) rules for estimating proved reserves. Considering product and CO_2 prices under the SDS, proved U.S. reserves showed an impact of less than 1 percent and the Net Present Value (NPV) 10 valuation showed no negative impact. Similar to the U.S., non-U.S. proved reserves showed an impact of less than 1 percent and the NPV10 valuation showed no negative impact. Occidental's worldwide portfolio of aggregate proved reserves showed an impact of less than 1 percent and the NPV10 valuation showed no negative impact.

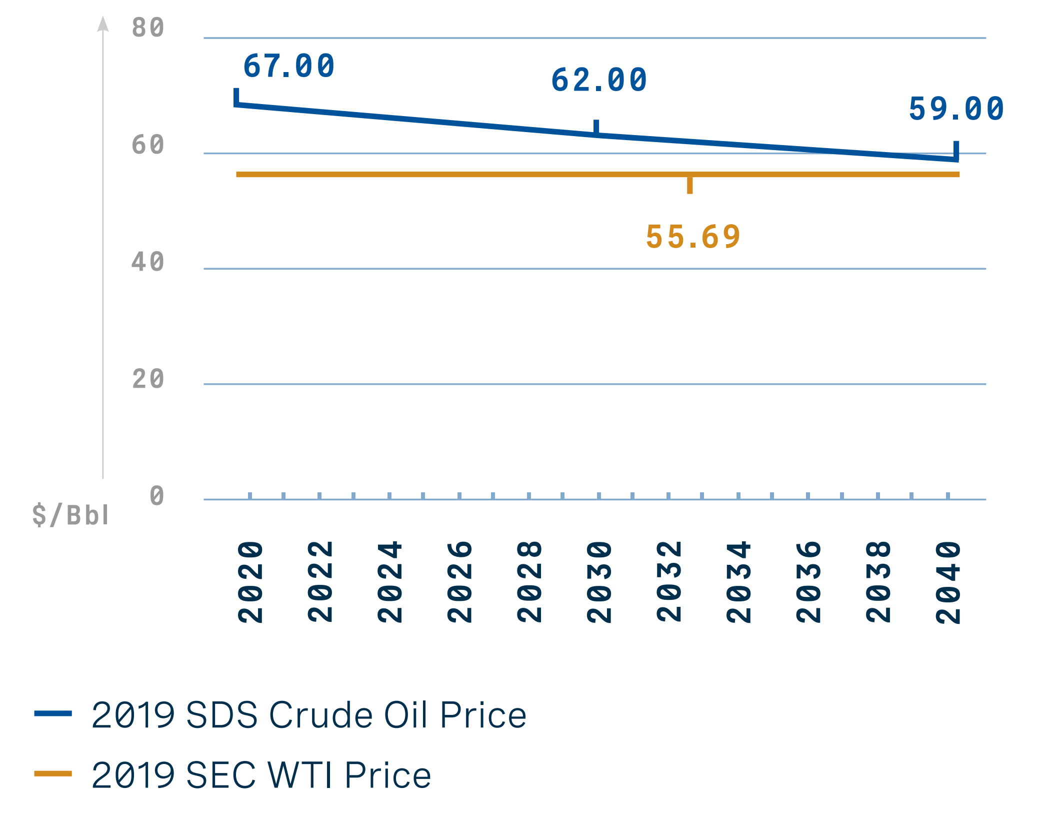
The assessment was based on a representative portfolio of assets that contained a majority of proved reserves from U.S. and non-U.S. oil and gas locations reported in our 2019 Form 10-K. Planned capital spending and expected operating costs from the approved development plans that support the reserves were embedded in the model. Consistent with SEC requirements for estimating proved reserves, we used a calculated average West Texas Intermediate (WTI) oil price of $55.69 and a calculated average Henry Hub gas price of $2.58. We used a $0 price on CO_2 emissions for the reference case model, since none of Occidental's oil and gas operations or products are currently subject to a carbon pricing structure.

The results of the scenario analysis further demonstrate the strength and resiliency of Occidental's assets, including in a lower-carbon economy. We benefit from a high-return, short-cycle upstream portfolio. This allows us to minimize the risk of stranded investments as 1) our assets can generate returns in the low-carbon scenarios generated under the SDS and 2) we have the flexibility to shift capital given any sudden change in policy that would impact project economics.

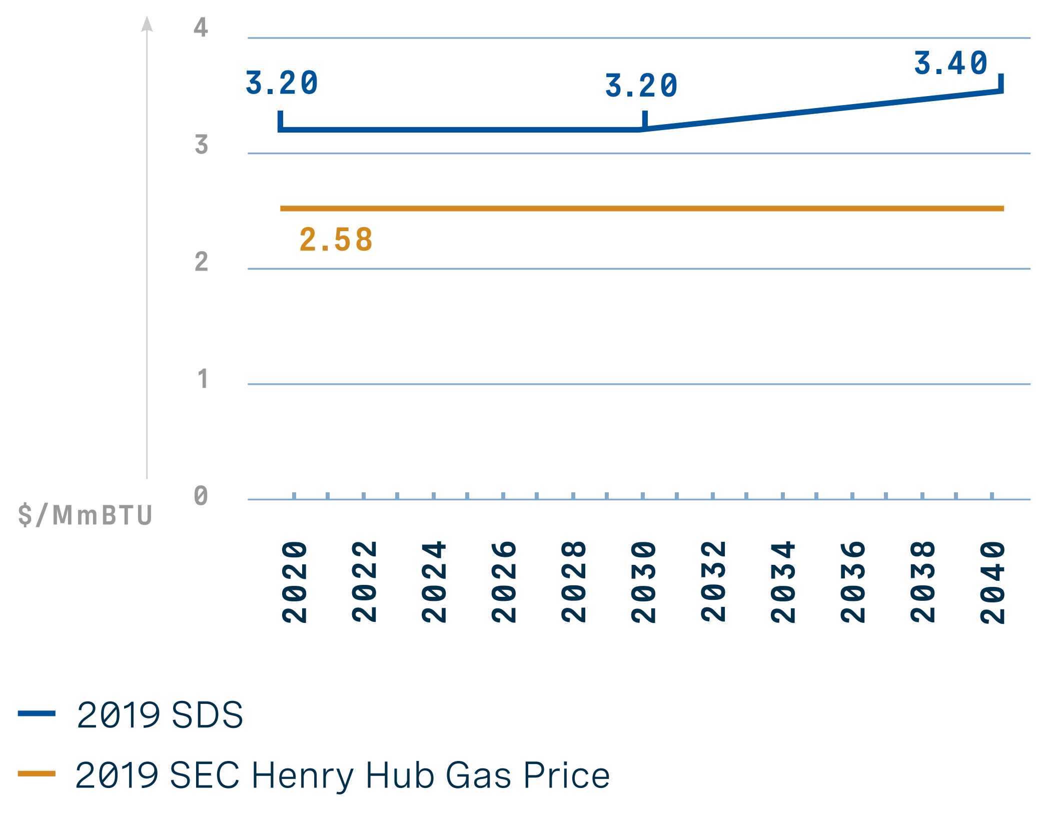
2019 WEO OXY CO_2e PRICE



OIL PRICE FOR PORTFOLIO ANALYSIS



NATURAL GAS PRICES FOR PORTFOLIO ANALYSIS



SUMMARY OF CLIMATE REPORT HIGHLIGHTS

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STRATEGY

OUR PATHWAY TO ACHIEVE NET-ZERO

- Competitive advantage as low-cost producer, EOR capabilities and industry-leading CCUS;
- Net-zero for our operational and energy use emission (Scope 1 and 2) before 2040 with the ambition to accomplish before 2035;
- Net-zero for our total emissions inventory, including product use (Scope 1, 2 and 3) before 2050; and
- Total carbon impact through carbon removal and storage technology and development beyond 2050

METRICS AND TARGETS

TRACKING PERFORMANCE AND PROGRESS

- Progress on our commitments on reducing GHG and methane emissions
- Introduce new time-bound GHG and methane targets
- New approach to account for net-zero
- Commitment to resource OLCV and to link executive compensation to OLCV performance
- Routine reporting of corporate GHG and ESG data

GOVERNANCE

BOARD AND EXECUTIVE OVERSIGHT ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

- Board and Executive level governance structure
- New Board-level Sustainability and Shareholder Engagement Committee
- Management alignment on climate-related goals
- Active engagement with stakeholders and industry

RISK MANAGEMENT

INTEGRATION OF CLIMATE RISKS WITHIN OCCIDENTAL'S ERM

- Expansive approach, grounded in Occidental's ERM system
- Stress testing business and asset resiliency against climate scenarios and carbon price burden
- Agility to respond to emergent climate- and emissions-related regulations

GLOSSARY

GLOSSARY

A

Anthropogenic CO_2 : Human-made CO_2

B

BOE: Barrel of oil equivalent is the energy released by burning one barrel of oil, and is used to express the energy contained in other hydrocarbon streams in barrels — for example, Occidental uses a conversion of 6,000 cubic feet of natural gas = 1 BOE.

C

CARB: California Air Resources Board

CHP: Combined Heat and Power

CNG: Compressed Natural Gas

CO_2: Carbon dioxide

CO_2 EOR: Carbon dioxide Enhanced Oil Recovery. Occidental is an industry leader in applying CO_2 EOR, which can increase ultimate oil recovery by 10 to 25 percent in the fields where it is employed.

CO_2e: Carbon dioxide equivalent — obtained by converting a mixture of GHG to a single number based on the global warming potential of each individual GHG in the mixture.

CCUS: Carbon capture, utilization and storage

CDP: A nonprofit organization that manages a system for disclosing environmental impacts. Formerly known as the Carbon Disclosure Project.

CH_4: Methane

D

DAC: Direct air capture pulls CO_2 directly from the atmosphere and delivers it in a pure, compressed form so it can be used in processes like Enhanced Oil Recovery to create low-carbon fuels and products or permanent carbon removal through carbon sequestration. DAC technology allows for collection of atmospheric CO_2, making it a key solution for addressing difficult to capture, and historical, emissions.

DJ Basin: Denver-Julesburg Basin in the U.S. Rockies region.

DOE: Department of Energy

E

EOR: Enhanced Oil Recovery, a technique to increase oil production through the use of water or carbon dioxide flooding.

EPA: U.S. Environmental Protection Agency

ERM: Enterprise Risk Management

ESG: Environmental, Social and Governance

G

GHG: Greenhouse gases — primarily comprised of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride.

H

Henry Hub: A natural gas pipeline located in Erath, Louisiana, that serves as the official delivery location for futures contracts on the New York Mercantile Exchange.

HSE: Health, Safety and Environment

I

IEA: International Energy Agency

IPIECA: Originally, the International Petroleum Industry Environmental Conservation Association, but since 2002: "IPIECA, the global oil and gas industry association for environmental and social issues."

M

MMCfpd: Million cubic feet per day

Metric Ton or Tonne (MT): 1,000 kilograms (approximately 2,205 pounds)

MRV: Monitoring, Reporting and Verification

N

Net-Zero: For Occidental, net-zero means that our greenhouse gas emissions generated directly from our operations (Scope 1), the emissions generated by creating the power we use to run our operations (Scope 2), and the emissions generated from the products that we sell (material Scope 3 emissions), are either eliminated or offset.

NPV: Net Present Value of revenues minus expenses using an annual discount rate.

O

OLCV: Oxy Low Carbon Ventures

P

Permian Basin: A hydrocarbon-bearing sedimentary basin largely contained in the western part of Texas and the southeastern part of New Mexico.

S

SASB: Sustainability Accounting Standards Board

Scope 1 Emissions: As defined by the Greenhouse Gas Protocol, Scope 1 or direct emissions are emissions from sources that are owned or controlled by the reporting entity.

Scope 2 Emissions: As defined by the Greenhouse Gas Protocol, Scope 2 or indirect emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

Scope 3 Emissions: As defined by the Greenhouse Gas Protocol, Scope 3 or other indirect emissions are emissions from the extraction and production of purchased materials and fuels, transport-related activities not owned or controlled by the reporting entity, electricity-related activities (e.g., transmission and distribution losses) not covered in Scope 2, waste disposal, etc.

Sustainable Development Scenario: IEA scenario that integrates the objectives of three Sustainable Development Goals (SDGs): universal access to modern energy by 2030, stringent control of GHG emissions consistent with the objectives of the Paris Agreement, and a steep reduction in conventional air pollutant emissions.

SEC: U.S. Securities and Exchange Commission

T

TCFD: Task Force on Climate-related Financial Disclosures

W

WTI: West Texas Intermediate — a type of crude oil that is the underlying commodity of the New York Mercantile Exchange's oil futures contracts and a common benchmark for pricing crude oil.

APPENDIX: GHG EMISSIONS SUMMARY

GHG Emissions Summary 2017-2019

GHG EMISSIONS SUMMARY	2017		2018		2019	
	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY	GHG EMISSIONS	INTENSITY
OCCIDENTAL PETROLEUM CORP	**MILLION $MTCO_2e$**	**$MTCO_2e$/BOE**	**MILLION $MTCO_2e$**	**$MTCO_2e$/BOE**	**MILLION $MTCO_2e$**	**$MTCO_2e$/BOE**
Scope 1: Direct GHG Emissions	**16.84**	N/A	**16.98**	N/A	**18.23**	N/A
Scope 2: Indirect GHG Emissions	**6.00**	N/A	**6.04**	N/A	**5.47**	N/A
Total Direct + Indirect GHG Emissions (Scope 1 + 2)	**22.84**	N/A	**23.02**	N/A	**23.70**	N/A
OCCIDENTAL OIL AND GAS*	**MILLION $MTCO_2e$**	**$MTCO_2e$/BOE**	**MILLION $MTCO_2E$**	**$MTCO_2e$/BOE**	**MILLION $MTCO_2e$**	**$MTCO_2e$/BOE**
Scope 1: Direct GHG Emissions	10.78	0.0293	11.05	0.0262	12.02	0.0186
Scope 2: Indirect GHG Emissions	3.65	0.0099	3.82	0.0091	3.58	0.0055
Total Direct + Indirect GHG Emissions (Scope 1 + 2)	**14.43**	**0.0392**	**14.87**	**0.0352**	**15.60**	**0.0242**
Flare Emissions**	**1.85**	**0.00503**	**1.55**	**0.00369**	**1.69**	**0.00262**
Methane Emissions***	**1.17**	**0.59%**	**1.52**	**0.64%**	**1.82**	**0.51%**
OXYCHEM	**MILLION $MTCO_2e$**	**$MTCO_2e$/MT**	**MILLION $MTCO_2e$**	**$MTCO_2e$/MT**	**MILLION $MTCO_2e$**	**$MTCO_2e$/MT**
Scope 1: Direct GHG Emissions	6.06	0.48	5.93	0.47	6.21	0.52
Scope 2: Indirect GHG Emissions	2.35	0.19	2.22	0.18	1.89	0.16
Total Direct + Indirect GHG Emissions (Scope 1 + 2)	**8.41**	**0.67**	**8.15**	**0.65**	**8.10**	**0.68**
Methane Emissions***	**0.003**	**0.00023**	**0.003**	**0.00023**	**0.003**	**0.00023**

* 2019 Occidental Oil and Gas data includes Occidental's and Anadarko's operated assets. For GHG emissions, consistent with the U.S. EPA reporting, we included operated GHG emissions for the entire year (2019); however, we have used gross production for the period we owned and operated (i.e., August 2019 onward).

Not Applicable (N/A)—Intensity is tracked at the business unit level due to different measurement units of production; for Occidental Oil and Gas it is BOE and for OxyChem it is MT.

** Flare Emissions data for the period 2017-2019 include total of Routine, Non-Routine and Safety flaring. Target for flare emissions reduction is aligned with the World Bank's Zero Routine Flaring Initiative.

*** Methane emissions intensity refers to the amount of methane emissions from Occidental's operated oil and gas assets as percentage of the total gas produced and marketed.

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23 February 2022

By Electronic Mail (shareholderproposals@sec.gov)

Office of the Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
CC: Nicole Clark, Corporate Secretary, Occidental Petroleum

Re: Shareholder Proposal to Occidental Petroleum requesting emissions reduction targets

Dear Sir/Madam,

We are writing in response to the no-action letter (the 'Company Letter') sent on 04 January 2022 by Occidental Petroleum (the 'Company') and the supplemental letter (the "Supplemental Letter") sent on 04 February 2022 by the Company. In its letters, the Company asserts that it may exclude the shareholder proposal (the 'Proposal') submitted by *Follow This* on behalf of *Benta B.V.* (the 'Proponent') from the Company's proxy materials on the basis that it contravenes SEC regulations relating to substantial implementation laid out in Rule 14a-8(i)(10) of the Securities Exchange Act of 1934. The Company has requested that the Commission's Division of Corporation Finance (the 'Staff') shall not recommend enforcement action if the Company omits the Proposal from their proxy materials. We respectfully disagree and ask that you do not affirm this request.

In accordance with Staff Legal Bulletin 14D (CF), a copy of this letter is being sent to the Company's corporate secretary, Nicole Clark, by electronic mail.

SUMMARY

The Proposal requests 'emission reduction targets covering the greenhouse gas (GHG) emissions of the company's operations as well as their energy products (Scope 1, 2, and 3).'

The Company's no-action request claims the Proposal may be excluded on the following ground:

- 'Proposal may properly be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(10)' because '...the Company has published on its dedicated sustainability webpage disclosures regarding its quantitative short-, medium- and long-term Scope 1, 2 and 3 greenhouse gas ("GHG") emission targets'

The proposal requests the company to set and publish targets that are consistent with the goal of the Paris Agreement. The Company has not demonstrated that their targets are aligned with the goals of the Paris Agreement. Such alignment is material to the request. Whether or not a company's strategy is aligned with the Paris Agreement determines if that strategy will help society effectuate the energy transition, or push us further down an unsustainable path toward climate peril. The Company's recently released targets include a midterm target to facilitate the capture of 25 million metric tonnes of CO^2 by 2032. The proposal specifically requests that the targets set by the company are aligned with the goals of the Paris agreement; the target published by the Company makes no claim of where they expect the Company's overall emissions to be by 2032. When compared with the company's self-reported 2020 emissions, this amount constitutes approximately 16% of the Company's total emissions.[1] Recent publications by authoritative scientific bodies indicate that global energy related greenhouse gas emissions oil and gas production must decrease by approximately 45% within the next decade.[2] Even if the Company's emissions do not increase, the target provided by the Company falls short of Paris alignment. Should the company grow their emissions, they will move even further from Paris alignment. Barring a commitment by the company to decrease their overall oil and gas emissions, the target provided by the company is not Paris aligned. As such, the proposal has not been substantially implemented.

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[1] https://www.oxy.com/globalassets/documents/sustainability/oxy_cdp_climate_change_2021.pdf

[2] IPCC, 2018: Global Warming of 1.5°C (Summary for Policy Makers) In: Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [V. Masson-Delmotte, P. Zhai, H. O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J. B. R. Matthews, Y. Chen, X. Zhou, M. I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, T. Waterfield (eds.)]. In Press, p.14.

THE PROPOSAL

The Proposal states, in part:

> RESOLVED: Shareholders support the company to set and publish targets that are consistent with the goal of the Paris Climate Agreement: to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C. These quantitative targets should cover the short-, medium-, and long-term greenhouse gas (GHG) emissions of the company's operations and the use of its energy products (Scope 1, 2, and 3). Shareholders request that the company report on the strategy and underlying policies for reaching these targets and on the progress made, at least on an annual basis, at reasonable cost and omitting proprietary information. You have our support.

BACKGROUND

A. The Paris Agreement and investor support

The Paris Agreement was signed in 2015 "...to strengthen the global response to the threat of climate change…" by "...holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change".[3] In 2021, the Intergovernmental Panel on Climate Change (IPCC) released a new report on the physical understanding of the climate system in which it explains the need to immediately reduce human-induced climate change, and how rapid emission reductions are paramount to achieve this.[4] The IPCC is the international organization tasked by the UN to research and understand the nature and potential consequences of climate change; in this report, it provided an updated assessment of the current trajectory of global temperature increase, and indicated that achieving net-zero emissions by 2050 will require significant reductions in CO2 emissions in the short- and medium-term. Notably, they state that CO2 emissions must come down by around 45% within the next decade.[5] With every passing year of delayed or insufficient action, we surpass fatal ecological tipping points and the long-term goal of the Paris agreement becomes harder to reach.[6]

The effects of human-induced global temperature increase are already apparent. Extreme weather events, such as flooding, wildfires, hurricanes and drought are increasing in frequency and intensity in direct

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[3] Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 12, 2015, T.I.A.S. (Article 2)
[4] IPCC, 2021: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press. In Press.
[5] IPCC (Supra n2) p.14.
[6] Schleussner, Carl-Friedrich. "The Paris Agreement – the 1.5 °C Temperature Goal"

correlation with increasing global temperatures.[7] This has not gone unnoticed by shareholders. Many institutional investors have expressed a need for a more clear understanding of how their investee companies are exacerbating the climate crisis, and have begun to demand that the companies driving climate change adopt a strategy to reduce their impact congruent with the goals of the Paris Agreement in order to protect the assets in their portfolio and the world economy at large.

As the effects of climate change intensify, so does the action required to mitigate it. Only a few years ago, companies were hesitant to set net-zero 2050 ambitions. This has now become an industry-wide standard.[8] Nonetheless, net-zero ambitions are seen as meaningless without corresponding short- and medium-term emission reduction targets; investors are now pushing companies to make these far-off ambitions into tangible, actionable emission reduction strategies. They call on companies to commit to a net-zero pathway with absolute interim emission reduction targets in order to stay within the 1.5°C carbon budget and deem a reliance on unquantified abatement technologies insufficient. As an example, one of Europe's largest Pension Funds, PFZW, has begun to hold companies to account, stating that fossil fuel companies must adopt 'convincing and verifiable… short and medium term targets' as part of their net-zero strategy; companies who fail to set such targets are at risk of being divested from PFZW's portfolio.[9] This is emblematic of a paradigmatic shift among investors; investee companies must substantiate their climate strategies with meaningful and tangible emission reductions in the short- and medium-term.

Investors expect investee companies to provide complete and unobfuscated information, and a Paris-aligned strategy. Similar to financial reporting standards which require clear and consistent information, investors desire clear and consistent emission reduction targets. Only with Paris-aligned emissions reductions can investors be assured of the protection of their assets in the medium- and long-term. Important market actors, including large institutional investors, have clarified their understanding and support for Paris-consistent emission reduction targets for Scope 1, 2 and 3. Asset owners and asset managers have committed to transitioning their portfolios to net-zero, taking into account the IPCC's scientific findings. The Net-Zero Asset Owners Alliance ("NZAOA"), a group of 70 institutional investors with 10.4 trillion USD in total assets, has set a 2025 portfolio decarbonisation target to reduce their emissions by 25-30%.[10] The proposal requests the Company to set Paris-aligned targets; this is what investors require to make informed decisions as they aim for Paris-consistent decarbonisation of their portfolios. The Paris-agreement is the benchmark that companies can use to show an unequivocal commitment to cut emissions sufficiently in the coming decades. Investors have a right to vote on the Proposal as the Company has not yet committed to the unambiguous targets which the proposal requests.

B. The Company's Strategy and Targets

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[7] IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M.Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)].Cambridge University Press. In Press. (A.3).

[8] https://carbontracker.org/oil-majors-net-zero-plans-still-far-from-paris-targets/

[9] https://www.responsible-investor.com/pfzw-to-divest-fossil-fuel-companies-unless-they-align-with-paris-agreement/

[10] https://www.unepfi.org/net-zero-alliance/about/

The Company Claims that its net-zero strategy "was specifically developed to align with the goals of the Paris-Agreement".

1. Short-, medium- and long-term targets

In the short-term, the Company has set an emission reduction target of at least 3.68 million metric tons per year by 2024 for Scope 1 and 2. "...the Company has incorporated short-term targets for Scopes 1, 2 and 3 into its executive compensation program."[11] With respect to Scope 3, these targets include maintaining a direct air capture project (DAC), entering into a joint venture ("JV") for carbon capture and/or sequestration; and entering into at least three low-carbon product development transactions. The Company further aims to reduce methane emissions below 0.25% of the Company's total marketed natural gas volume by 2025. In addition, OxyChem, a subsidiary, aims to reduce Scope 1 and Scope 2 emissions by 2.33% by 2025 by reducing its product intensity by 2.7%.

The Company's medium-term efforts consist of "medium-term carbon sequestration or utilization targets covering Scope 1, Scope 2 and Scope 3 emissions that are tied directly to developing and deploying CCUS and DAC technology."[12] The Company relies on these technologies as the core aspect of its medium-term target of facilitating "at least 25 million metric tons per year of geologic storage or utilization of captured anthropogenic or atmospheric CO2 in the Company's value chain by 2032 or other means of recognized climate mitigation technologically feasible in that time period." Additionally, the Company aims to eliminate routine gas flaring by 2030. Finally, the Company has a medium-term *ambition* to achieve net-zero for Scope 1 and 2 emissions by 2035.

In the long-term, the Company plans to be net-zero for its Scope 1 and Scope 2 emissions before 2040 and has the *ambition* to achieve net-zero Scope 3 emissions by 2050. Oxy Low Carbon Ventures (OLCV), a business unit launched in 2018 is working to develop and commercialize carbon removal and CCUS technologies; this is the "focal point of the Company's long-term net-zero strategy".

C. The purpose of Rule 14a-8 and recent developments at the SEC

Rule 14a-8 is an important and effective means for shareholders to engage with companies on significant matters. In Staff Legal Bulletin 14L ("SLB 14L"), the Staff describes the importance of shareholders being able to "bring important issues before other shareholders by means of the company's proxy statement". This bulletin served to overturn an overly expansive application of another provision of rule 14a-8, relating to ordinary business and micromanagement. The previous interpretation of the ordinary business exclusion of Rule 14a-8(i)(7) posed an obstruction to shareholders' ability to request meaningful action from companies. The staff also made special note of shareholders' requests for companies to take action on climate change, indicating that previous applications had severely curtailed proposals which address this issue. This shows an increased awareness by the SEC of the desire for investors to request meaningful action on climate change. It would compromise the SEC's recent efforts if they were to allow one

[11] Company Supplemental Letter p.8.
[12] Company Supplemental letter p.10.

overreaching ground of exclusion to be replaced by another; if they were to equate a patchwork of disparate carbon sequestration initiatives with comprehensive and all-encompassing Paris-aligned emission reduction targets, they will be taking a step backwards.

SLB 14L cites one of the Proponent's previous proposals, submitted to ConocoPhillips in 2020, where the Staff recognized that a request to set emission reduction targets, but does not provide a specific method for doing so, does not justify exclusion under Rule 14a-8(i)(7).[13] This Staff decision has had a broad impact on this year's shareholder proposal correspondences; the proponent has received markedly fewer no-action letters compared to last year. The SEC's recent decisions and bulletins have succeeded in ensuring that proposals with an important societal impact can now be included in companies' proxy statements. Further, this Staff response letter has had an impact on the nature of proposals. Whereas previously proposals primarily requested a report or information from companies regarding their climate strategies, the ConocoPhillips proposal, as well as the current proposal, request the setting of emission reduction targets. A recent decision regarding a proposal submitted to *Autozone (Aug. 06, 2021)*, which requested Paris-aligned targets, has also confirmed that proponents may use these sort of internationally accepted frameworks as an anchoring point from which they request the company to take action. All of these endeavors show a shift at the SEC; they realize the importance of investor action on climate change. If they are to uphold their mission of maintaining fair and orderly markets, of protecting investors, and ensuring public trust, they will continue on this trajectory and protect shareholders' right to request companies take the actions necessary to combat climate change.

ANALYSIS

I. THE PROPOSAL IS NOT SUBSTANTIALLY IMPLEMENTED

To prove substantial implementation under Rule 14a-8(i)(10), the company must show that the actions in question compare favorably with the guidelines and essential objective of a proposal. See, e.g., Exelon Corp. (Feb. 26, 2010).

The Company's claims of substantial implementation are inappropriate. First, the Company's understanding of the Proposal's essential objective on which its claim of substantial implementation is based is misconstrued. Second, the Company's targets do not compare favorably to the targets requested by the proposal. Finally, the Company's argument of substantial implementation is based on an improper understanding and application of the scope of Rule 14a-8(i)(10).

A. Misunderstanding of the essential objective of the Proposal

The Company claims to have substantially implemented the proposal and seeks to exclude the proposal on the basis of rule 14a-8(i)(10). According to this rule, a proposal may be excluded if the company has substantially implemented the proposal; this requires the *essential objective* and the *underlying concerns* to be adequately addressed by the company. The Staff's determination of substantial implementation depends

[13] *ConocoPhillips Company* (Mar. 19, 2021).

on whether a company's particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991).

The Company interprets the Proposal's essential objective as "...adopting quantitative short-, medium and long-term Scope 1, Scope 2 and Scope 3 emission reduction targets and at least annually reporting on the Company's strategy, policies and progress made on such targets."[14] The essential objective of the proposal is that the Company sets short-, medium-, and long-term Scope 1, Scope 2 and Scope 3 emission reduction targets *consistent with the goals of the Paris Climate Agreement.*

The Company's failure to incorporate Paris-consistency in their articulation of the Proposal's essential objective shows their misunderstanding of the essential objective of the proposal. Whether or not society attains the goals of the Paris Agreement is not a trivial matter; scientists and economists have long warned about the devastating consequences of global warming. As such, the inclusion of Paris in the proposal is a deliberate decision by the Proponent; without Paris-consistent targets, the concern of rising global temperatures due to emissions cannot be sufficiently addressed. The distinction is clear. The Company wrongly construes the proposal's essential objective as a request to set emission reduction targets with disregard for the need of those targets to be consistent with the goal of the Paris Climate Agreement.

B. The Company's targets do not compare favorably to the Proposal's request

By merely setting various emission reduction targets in the short-, medium-, and long-term the Company falls short of substantially implementing the Proposal; they do not suffice as the overarching, comprehensive emission reduction targets called for by the Proposal. The targets need to cover all scopes of emissions (1, 2 and 3) for both the company's operations and produce, and need to compare favorably to the targets required to meet the goal of the Paris-agreement.

1. Insufficient short-term target

The Company's absolute emission reduction target to cut emissions by at least 3.68 million metric tons per year by 2024 includes only Scope 1 and Scope 2. For Scope 3 - representing typically the majority of a company's overall emissions - the Company has not set a short-term absolute emission reduction target.[15] SBTi guidelines recommend companies choose the most recent year for which data is available as a base year.[16] The Company's climate report's most recent disclosure is 2019; yet, for its short-term target, the Company has opted for 2021 as their baseline year, which by 2024 will see a yearly reduction of at least 3.68 million metric tons. As there is no disclosure of the Company's overall scope 1 and 2 emissions in 2021, the magnitude of the reductions by 2024 is unclear and the Company's claim that the reduction constitutes a 13.3% of their 2019 emissions is therefore ambiguous. Even if relevant emission levels were clear, the target is devoid of a definitive cut in the Company's total emission portfolio due to the absence of a quantified Scope 3 target. Further, the target sets no yearly absolute emission reduction target for 2022 and 2023, which indicates a possibility to delay cuts in their emissions until 2024 to meet this short-term target. While this does not constitute an incongruence with Paris-consistent targets *ipso*

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[14] *See* Supplemental Letter Section D p.12.

[15] https://www.epa.gov/climateleadership/scope-3-inventory-guidance

[16] Guidance on Setting Science-Based Targets for Oil, Gas and Integrated Energy Companies p.16.

facto, a target that unambiguously reduces emissions per annum from a baseline year would be a more adequate way to demonstrate intent to decrease emissions rapidly to reach the goals of Paris.

The short-term ambitions to reduce Scope 3 emissions are limited to changes in executive compensation plans and non-quantified projects such as entering into carbon ventures, direct air capture ("DAC") and low-carbon product development transactions. The Company describes the reason for the chosen Scope 3 targets and claims they are "critical to the Company's achievement of its medium- and long-term Scope 3 targets" but neglects to lay out the estimated emission reductions arising from each of the reduction projects. As Scope 3 emissions typically represent a vast majority of a fossil fuel company's overall emissions, failure to commit to an absolute reduction of Scope 3 emissions in the short-term is not consistent with the need for rapid, immediate large-scale reductions as required by Paris.

The Company does not demonstrate that their short-term targets are congruent with "immediate, rapid, large-scale reductions" as required for a Paris-consistent pathway.[17]

The Company's vague and questionable Scope 1 and 2 targets, combined with a lack of short-term Scope 3 emission reductions, show the Company has failed to demonstrate that its targets compare favorably to the Proposal's request for Paris-consistent short-term emission reduction targets.

2. *Insufficient Medium-term target*

The Company's disclosures and Supplemental letter describe its medium-term ambitions for Scope 1, 2 and 3. "These targets are medium-term carbon sequestration or utilization targets covering Scope 1, Scope 2 and Scope 3 emissions that are tied directly to developing and deploying CCUS and DAC technology." Stating further that, "[t]he Company's medium-term target for Scope 1, Scope 2 and Scope 3 emissions is to facilitate at least 25 million metric tons per year of geologic storage or utilization of captured anthropogenic or atmospheric CO2 in the Company's value chain by 2032 or other means of recognized climate mitigation technologically feasible in that time period."

The Company has set targets across all scopes in the short-, medium- and long-term. However, their medium-term target does not quantify the Company's planned absolute emission reductions. While the 2032 medium-term target could be a component of the target requested by the proposal, it does not constitute one on its own. The fixed amount of 25 million metric tons of carbon sequestration is meaningless without a predicted baseline of where the company's total emissions will be in 2032. Based on their self-disclosed 2020 emissions, it would equate to at 16% reduction.[18] With this target, the Company has failed to give investor's clarity as regards the security of their assets in the medium- and long-term, as it does not rule out the Company's emissions holding steady or even rising in the coming decade. Without clear disclosure on where the Company's overall emissions will be, fixed amounts of carbon reductions are a red herring; they provide no insight regarding the company's overall emission pathway and render the target a moot point for investors when assessing the company's ability to weather the transition and navigate a decarbonising economy.

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[17] Supra (n4).
[18] https://www.oxy.com/globalassets/documents/sustainability/oxy_cdp_climate_change_2021.pdf

3. Long-term ambition

In their own words, the Company refers to a long-term Scope 3 *ambition* to achieve net-zero emissions before 2050. The Company refers to this as an ambition instead of a target; this is partially due to the fact that their strategy lacks the short- and medium-term targets which will lead to rapid and absolute Scope 3 emission reductions in line with a 2050 net-zero ambition; these are the exact sort of targets requested by the proposal.

4. Targets not consistent with the goals of the Paris Agreement

While the Company makes the case that it has a Paris aligned strategy, it has not demonstrated a comprehensive commitment to bring down its total emission inventory in a manner congruent with the Paris Agreement. With its current targets, overall absolute emissions could stabilize in the coming decade, or even go up. The Company's strategy lacks the required short- and medium-term rapid and absolute Scope 1, 2 and 3 emission reductions for a Paris-consistent pathway.

Perhaps it is the Company's view that increasing its efforts to compensate for its emissions through carbon capture technologies such as CCUS and DAC will achieve the offset of its total emissions consistent with the goal of Pairs, including product emissions. While the Company Report and Supplemental Letter elaborate on the Company's reduction projects and its low carbon ventures, the Company fails to determine the timeline over which such emission abatements will be achieved and to what extent they will bring about the reduction levels needed for Paris-consistent emission reductions.

If the Company will not align its entire emission inventory with these reductions, *it is not Paris aligned*.

When reading the Company's report and letter, shareholders without the resources required to untangle the complexity of climate analysis required to understand the Company's climate strategy might think the Company has a Paris-aligned strategy. Instead of providing the certainty and clarity the proposal requests, the Company uses its existing patchwork of disparate climate mitigation initiatives to construe to shareholders that they are on a Paris-aligned path. Based on the disclosed targets, investors are left to speculate as to where its overall emissions will be at, especially in the medium-term. As the medium term target is essential to the viability of the net-zero strategy, this cannot be left up to chance. By construing its strategy as Paris-aligned while making no commitments to material reductions in the short- and medium-term, the company is not being straight forward with their shareholders.

Without the Company clarifying their total emission levels in this crucial decade, their 2050 net-zero ambition is hollow. The IPCC has stated that in order for the Paris agreement's goals to be met, emissions not only need to reach net-zero in 2050, but need to come down significantly in this decade; "Without increased and urgent mitigation ambition, global warming will surpass 1.5°C in the following decades, leading to irreversible loss of the most fragile ecosystems, and crisis after crisis for the most vulnerable people and societies".[19] Paris-consistent emission reduction targets need to take this issue into account and cannot delay emission reductions in favor of short-term profits. A Paris-consistent pathway needs to unequivocally demonstrate absolute reductions of overall emissions (Scopes 1, 2 and 3). Accordingly, The Company cannot prove Paris-consistency of its targets and overall strategy without disclosing a projection of the overall emissions pathways resulting from its emission reduction efforts. Since the Company fails to explain where its total emissions will be in the short- and medium-term, the targets set by the Company are questionable at best, and therefore cannot be said to be Paris-consistent.

While the Company aims to be net-zero by 2050 for all emissions, the Proposal requests the Company to set Paris-consistent short-, medium- and long-term targets. The Company's short- and medium-term plans do not reflect significant reductions in the Company's overall absolute emissions. The medium-term target in particular is merely a component of the sort of absolute emission reduction target requested by the Proposal. The overall emission reduction resulting from the Company's plan to sequester 25 million metric tons per year will vary depending on the Company's overall emissions during that time.

The company would need to decrease its emissions significantly for its medium-term target to be Paris-aligned. The Company has made no commitment for their overall emissions in the medium term. In the absence of such a commitment, an assessment of the Paris-consistency of the Company's short- and medium-term ambitions is not possible.

The Company failed to prove that its disclosures compare favorably to the Proposal's request. Therefore, the Proposal has not been substantially implemented.

C. Misunderstanding of Rule 14a-8(i)(10)

The Company's claims for substantial implementation may also be rebutted as the Company has misinterpreted or misrepresented the scope of the substantially implemented exclusion. The Company cites the Commission's 1998 release, stating that the Commission does not require implementation in full or exactly as presented by the proponent.[20] However, the Staff has also consistently denied no-action relief when modest differences exist between company policy and the goals of the proposal. For instance, there was a proposal which would have required the names and actual attendance of all outside directors at company meetings.[21] In the no-action letter, the Staff found that the company's requirement to disclose names of directors who attended 75% or fewer meetings did not constitute substantial implementation. Clearly, the differences between the Proposal and the actions of the Company are radically more different than those of the given example.

Further, the Staff has also denied no-action relief when the actions of the Company did not satisfy the proposal's overall objective. In one example, shareholders requested that an independent third party collect and calculate proxies to "insure that all voting materials which identify shareholders be kept permanently confidential." The company argued for substantial implementation by pointing to the existing use of an independent third party to receive and tabulate proxies. The Staff concluded the proposal had not been

[19] https://www.ipcc.ch/sr15/about/foreword/
[20] Amendments to Rules on Shareholder Proposals, Release No. 34-40018 (May 28, 1998).
[21] Playboy Ent., Inc., SEC No-Action Letter, 1983 WL 28578 (Aug. 18, 1983)

substantially implemented because corporate policies did not envision an "overall system of confidentiality."[22] This is analogous to the present instance, as the Proposal requests Paris-aligned Company wide emission reduction targets; simply because the Company has some targets in place to reduce some of their emissions does not serve to constitute substantial implementation.

When first devised and enacted, 14a-8(i)(10) had the unambiguous function of promoting efficiency; it was implemented to exclude proposals which touched upon issues that were moot and hence of no value for inclusion in a company's proxy statement. This served to benefit shareholders and companies alike; shareholders did not need to study and decide upon issues which would have no impact on the company's operations. Companies did not have to expend capital and assets producing proxy statements and tallying pointless votes.

However, as time passed, the Commission changed the purpose of this rule; this is evidenced by the numerous no-action letters cited by the Company as analogous to the relationship between Proposal and the actions of the Company. It is essential to understand that Staff decisions do not serve as binding precedent.[23] A decision taken by the Staff in one instance does not provide a conclusive determination of the outcome of any other proposals. This is delineated in the Commission's 1998 release, where they state that decisions about the excludability of a given proposal 'will be made on a case-by-case basis, taking into account factors such as the nature of the proposal and the circumstances of the company to which it is directed.'[24]

Though superficially based on claims of efficiency, application of this provision has been expanded to exclude proposals with imbricated but differing subject matter. Instead of engendering efficiency, this supersedes shareholders by delivering subjective decisions about the significance of these differences, often in the face of protest or disagreement from the proponent. For instance, the Staff, in place of the shareholders, concluded that the need for an external monitor to be a 'respected human rights organization' was substantially trivial to the point that it permitted exclusion.[25]

This perspective conveys a dismal image of shareholders. A sensible proponent would typically not spend their time or money to request measures already implemented by the Company. Clearly there is a difference between the request of a proposal and the corresponding action, or lack thereof, taken by management. Ignoring this distinction insinuates that the Proponent and their fellow shareholders are not equipped to assess the Company's current policies in comparison with those put forth by the Proposal. An expanded scope of exclusion on these grounds leads to a greater number of challenges as companies request no-action relief based on substantial implementation, serving to hinder shareholders' ability to exercise their right to participate in determining the behavior of the company. This is further impacted by the fact that rule 14a-8 is the only tangible manner for shareholders to collectively engage with and influence corporate policies.

[22] First Bank Sys., Inc., SEC No-Action Letter, 1992 WL 43421 (Feb. 27, 1992)
[23] Supra (n18)
[24] *ibid.*
[25] The Talbots Inc, SEC No-Action Letter, 2002 WL 1058537 (Apr. 5, 2002)

In addition, this paradigm deprives the board of directors of information about the position of shareholders on a given issue. Most resolutions solely recommend, as opposed to compel or demand, a certain course of action from the company; as such, even without majority support, shareholder voting behavior indicates the perspective of shareholders to each other, as well as to the management and the board.

Finally, where material differences do exist between the policies of a company and the essential request of a proposal, shareholders are in a better position than the Staff to decide if the company should consider the proposal. When such differences are manifestly present, the burden of proof rests with the company in terms of establishing the possibility of exclusion. Specifically when shareholders disagree that the company has substantially implemented the proposal, the Staff should favor inclusion in lieu of exclusion; this upholds the right of shareholders, allowing them to be the ones to determine if such differences do, in fact, matter. For these reasons, the Proposal is not excludable pursuant to Rule 14a-8(i)(10).

D. Misapplication of rule 14a-8(i)(10)

In support of its argument that the Proposal has been substantially implemented, the Company discusses past Staff decisions in Section A of the Supplemental Letter. Without exception, all the proposals in the no-action letters discussed in this section are of a fundamentally different nature than the Proposal. Each of the proposals mentioned requests the company to issue a *report*. The fundamental difference between these requests and the request of the Proposal shows why they are insufficient to support the Company's argument that they have substantially implemented the Proposal. In contrast to a **request for a report,** for instance regarding if and how the Company aims to bring its strategy in line with Paris, the Proposal's essential request is for the Company to **set targets** to reduce their emissions consistent with the goals of the Paris Agreement. The Proposal is indifferent to the manner in which those targets are published. Therefore, the Company's claim that the Proposal may be excluded as it mirrored instances where proposals were excluded when the company provided the requested information in a manner different than specified by the proposal are an erroneous analogy to the potential substantial implementation of the Proposal. See for example the Company's references to *Exxon Mobil Corp*. (avail. Apr. 3, 2019) and *PNM Resources, Inc.* (avail. Mar. 30, 2018).

The request for targets as opposed to a request for the publication of a report or information on a company's climate strategy has consequences for the way in which such a proposal can be substantially implemented. The examples of substantial implementation the Company refers to concern, without exception, the request for information in the form of a report.[26] The essential objectives of these proposals were deemed sufficiently addressed by the companies as they disclosed the requested information. For example in *Hess Corp*, a report was requested regarding the company's plans to "reduce climate change and align its investments with the Paris Agreement". A description of the company's plans, regardless of the degree of Paris-alignment stemming from those plans constituted a substantial implementation due to the nature of the proposal's ask. Had the proposal for instance asked for an alignment of investments with the Paris

[26] Section A Supplemental letter: Chevron Corp. (Stewart Taggart) (avail. Mar. 30, 2021); Hess Corp. (avail. Apr. 9, 2020); Chevron Corp. (avail. Mar. 20, 2020); Exxon Mobil Corp. (avail. Apr. 3, 2019); PNM Resources, Inc. (avail. Mar. 30, 2018); Anthem, Inc. (avail. Mar. 19, 2018); The Dow Chemical Co. (avail. Mar. 18, 2014, recon. denied Mar. 25, 2014).

Agreement to be disclosed in a report, the company's disclosures would have had to be measured on the merits of the report's contents. The *Hess* proposal did not ask for such an alignment at risk of exclusion under Rule 14a-8(i)(7). The curtailed exclusionary power of 14a-8(i)(7) reaffirmed in SLB 14L allows the present Proposal to request not just information on the Company's emission, but targets to reduce these emissions. The request for targets in line with the goal of Paris is not sufficiently addressed in the Company's disclosures unless the targets meet the threshold of Paris-consistency. The Proposal thus differs from a proposal where disclosures satisfy a request regardless of how the information is presented, or if the information indicates the company has adopted a strategy aligned with that intended by the proposal. This difference is key to delineate between the way in which the Proposal and past proposals could be substantially implemented.

The Staff's current approach to micromanagement should allow Proponents to craft proposals in a way specific enough to prevent exclusion under Rule 14a-8(i)(10). Allowing companies to say that a patchwork of emission reduction efforts is a substantial implementation of an overarching strategy of Paris-consistent emission reduction targets would set a dangerous standard and would annul the result the Staff achieved through its narrower interpretation of the exclusion basis of 14a-8(i)(7). Accordingly, the Staff's response to the Company's request for no-action will have a severe impact on the ability of investors to exercise their rights as shareholders to ensure that the Company's climate strategy is consistent with the goals of the Paris-agreement.

While past cases provide a point of departure for analysis of similar proposals, the Staff is to address each proposal on a case-by-case basis; it is not bound by decisions taken on no-action requests in the past.[27] Considering the rapidly impending danger of climate change, the decisions rendered over the past years need to be seen in the context of an evolving issue that grows as inaction perseveres.

II. THE PROPOSAL IS APPROPRIATE AND RELEVANT FOR SHAREHOLDER DECISION

In section A of the Supplemental Letter, the Company describes the development of rule 14a-8 and the function that rule has held over the years. It should be recognized that the procedural and substantive thresholds of rule 14a-8 have been amended over the years to ensure that shareholder proposals are not filed impromptu and without due consideration for the Company's time and resources, and for shareholders who bear the costs associated with reviewing, considering and voting on such proposals in the company's proxy statement. The procedural and substantive thresholds of rule 14a-8 were not put in place to deny shareholders the right to vote on matters that concern the present and future security of their investments. The Proposal's underlying concern of limiting global warming addresses a significant social policy issue. The SEC has routinely affirmed that it is not a mere shareholder right, but a shareholder duty to vote on significant social policy issues.[28] To grant the Company's request to exclude the Proposal based on Rule 14a-8(i)10 would be incongruent with the rule's function. Shareholders have a right to vote on the adequacy of the current targets set by the Company.

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[27] Amendments to Rules on Shareholder Proposals, Release No. 34-40018 (May 28, 1998).

[28] Medical Committee for Human Rights v. SEC 432 F.2d 659 United States Court of Appeals, District of Columbia Circuit

Shareholders are in a position to make an informed choice as to whether the Company's current targets are Paris-consistent. Such an evaluation does not require shareholders to consider or direct the Company's day-to-day procedures for achieving these targets, nor does it grant shareholders the power to do so. As the Company's targets have not been shown to be definitively Paris-aligned, shareholders should be able to vote on a request for Paris-consistent targets for the purpose of transparency and certainty. The Proposal merely offers shareholders the possibility to vote on the Company's current strategy, which, in the absence of unequivocal absolute emission reductions (for Scope 1, 2 and 3 emissions) in the short-, medium-, and long-term pose a significant risk to shareholders' stakes in the Company. Neither the Company nor the Staff is better positioned than the shareholders to evaluate the adequacy of the company's current targets.

Barring investors from being able to vote on a request for emission reduction targets would also compromise investor protection and would be contrary to the SEC's mission "to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation…". A Staff decision that would allow a company to decide on the sufficiency of its climate strategy without input from its shareholders frustrates the fact that "...[t]he SEC strives to promote a market environment that is worthy of the public's trust."[29]

With their no-action request, the Company aims to deprive shareholders of the right to vote on the need for Paris-consistent emission reduction targets. This shows a misunderstanding of the purpose of shareholder engagement under Rule 14a-8. Further, the Company has not substantially implemented the Proposal as it has failed to prove that its disclosures compare favorably to the Proposal's request.

For these reasons, the Proposal is not excludable pursuant to Rule 14a-8(i)(10).

CONCLUSION

Based on the aforementioned arguments, the Proposal should not be excluded based on Rule 14a-8(i)(10). We request the Staff not to concur with the Company's no-action request, thereby requiring the Proposal be included in the Company's proxy materials to be distributed in anticipation of their 2022 AGM. If you have any questions, I am available at +31 6 40 16 26 72, or mckenzieursch@follow-this.org.

Sincerely,

McKenzie Ursch

Mark van Baal Founder	McKenzie Ursch Head of Legal	Jesper Vaarwerk Legal Advisor

[29] https://www.sec.gov/about.shtml