Revisit Executive Pay Incentives for Greenhouse Gas Emission Reductions

Whereas: The "scientific consensus"[1] [2] claims anthropogenically-driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans. However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka "plant food") have been greatly overstated.[3] For example:

- Corporate climate policy is often guided by the Paris Agreement, which is heavily informed by the Intergovernmental Panel on Climate Change.[4] These targets are neither legally binding nor legitimized by scientific evidence.
- The IPCC's most extreme scenario unrealistically assumes a return to a previous era of unrestricted fossil fuel usage and heavy reliance on coal power.[5] This extreme scenario is unlikely now that most nations have climate policies in place.[6]
- Regarding catastrophic scenarios that are highly unlikely but are treated as the expectation, "the media then often amplifies this message, sometimes without communicating the nuances. This results in further confusion regarding probable emissions outcomes, because many climate researchers are not familiar with the details of these scenarios in the energy-modeling literature."[7]
- These apocalyptic predictions have been repeatedly proven false.[8] Climate models used to predict future events "may be overly sensitive to carbon dioxide increases and therefore project future warming that is unrealistically high."[9]
- When given historical data, climate models project impossibly high temperatures that are inconsistent with fossil evidence—yet they're still used by the IPCC.
- Hydrocarbons are reliable and cost-efficient. Renewable energy will not replace hydrocarbons in the near future, if ever.[10] ConocoPhillips Company's ("ConocoPhillips" or the "Company") competitors are betting big on continued demand for oil and gas.[11]

Supporting Statement: Despite the evidence that climate alarmism is overstated, ConocoPhillips's executive pay program incorporates unnecessary incentives to assumed combat climate change.

- According to the Company's 2023 Proxy Statement, the Human Resources and Compensation Committee set a Variable Cash Incentive Program target of 14 percent of total compensation for the CEO and 16 percent for other Named Executive Officers.[12]

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[1] https://www.mdpi.com/2225-1154/11/11/215
[2] https://nypost.com/2023/08/09/climate-scientist-admits-the-overwhelming-consensus-is-manufactured/
[3] https://judithcurry.com/2023/03/28/uns-climate-panic-is-more-politics-than-science/
[4] https://www.ipcc.ch/sr15/faq/faq-chapter-1/
[5] https://www.sciencedirect.com/science/article/pii/S0140988317301226
[6] https://www.carbonbrief.org/explainer-the-high-emissions-rcp8-5-global-warming-scenario/
[7] https://www.nature.com/articles/d41586-020-00177-3
[8] https://www.aei.org/carpe-diem/18-spectacularly-wrong-predictions-were-made-around-the-time-of-the-first-earth-day-in-1970-expect-more-this-year/
[9] https://www.sciencedaily.com/releases/2020/04/200430113003.htm
[10] https://www.theguardian.com/environment/2023/nov/27/us-oil-gas-record-fossil-fuels-cop28-united-nations
[11] https://www.wsj.com/articles/chevron-bets-on-peak-green-energy-99e72109
[12] https://static.conocophillips.com/files/resources/conocophillips-2023-proxy.pdf

- “Strategic and ESG Milestones” are one of the five metrics used to determine VCIP for NEOs. These milestones include:
    - “Demonstrated meaningful progress toward our Paris-aligned climate risk framework.”
    - “Progressed our long-term strategy by establishing new methane and flaring targets, executing emission reduction projects, and progressing CCS business development opportunities.”

These VCIP metrics are unscientific and create a breach of fiduciary duty. ConocoPhillips is an oil and gas company and should focus on what it does best. The company cannot afford to be left behind because of misguided executive pay incentives.

Resolved: Shareholders of ConocoPhillips request the Board of Directors’ Human Resources and Compensation Committee to revisit its incentive guidelines for executive pay, to emphasize legitimate fiduciary goals and consider eliminating greenhouse gas reduction targets and other scientifically dubious goals from compensation inducements.