

Two Degree Transition Plan

WHEREAS:

In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius will begin to shape national policy decisions. According to the International Energy Agency, transportation accounts for more than one-fifth of global carbon dioxide emissions and is likely to rise, requiring rapid adoption of new technologies to keep temperatures within limits.

The International Energy Agency and the International Council on Clean Transportation forecast that electrification of transport will play a critical role in achieving required greenhouse gas reductions by 2050. Increased fuel efficiency for internal combustion engines will also play a role: in the U.S., efficiency requirements for light duty vehicles will rise to 54.5 miles per gallon by 2025 and agencies are considering standards leading to significant reductions in fuel consumption for medium and heavy-duty trucks.

In June 2016, the credit rating agency Moody's indicated that they would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the energy sector.

Expansion of electric and hybrid vehicles, growth in autonomous vehicles and ride sharing, innovations in low carbon fuels, and increased fuel efficiency and battery range hold the potential to reduce demand for petroleum-based fuels and transform the marketing and retail business lines for refiners. According to the Sustainable Accounting Standards Board, market changes driven by climate change regulations can provide not only challenges for existing refining and retail business models but also opportunities for growth and brand enhancement. For example, many large corporations are actively seeking to reduce transportation emissions, with significant market opportunities for forward-thinking downstream companies.

According to recent 10-Ks, Marathon Petroleum has spent significant capital resources expanding its crude oil refining capacity; recent Citizenship Reports detail investments in renewable energy projects and increased energy efficiency at Marathon refineries. However, the company has not disclosed how the 2 degree challenge is being accounted for in its short and long term capital investment decisions, predictions of future demand, plans for growth, or strategies to manage risks from climate change regulations or related market changes. Such information would allow investors to better assess the risks that climate change regulations may pose to the company and shareholder value.

RESOLVED:

Shareholders request that Marathon Petroleum issue a report by December 30, 2017 with board oversight, at reasonable cost and omitting proprietary information, on the Company's strategy for aligning its business plan with the well below 2 degree Celsius goal of the Paris Agreement, while continuing to provide safe, affordable and reliable energy.

Supporting Statement: This report could include:

- The impact of a below 2 degree scenario on Marathon Petroleum's current business model, business lines and products; and
- Plans to integrate technological, regulatory and business model innovations such as advanced biofuels, fuel cells, and electric vehicle charging infrastructure.