

**CHEVRON CORPORATION  
PUBLIC POLICY & SUSTAINABILITY COMMITTEE**

**AGENDA**

**JULY 27, 2021, 10:00 – 11:15 A.M. PT  
CEDAR CONFERENCE ROOM  
AUBERGE DU SOLEIL, RUTHERFORD, CA**

<b>Time</b>	<b>Topic (Presenters)</b>	<b>Tab</b>
<b>10:00 – 10:30 am</b>	<b>PP&amp;SC Executive Session</b>	
<b>10:30 – 10:35 am</b>	<b>Minutes *</b> (Chair)  Review and approve the minutes from the May 25, 2021 Special PP&SC meeting.	<b>1</b>
<b>10:35 – 10:55 am</b>	<b>Approaches to Greenhouse Gas Emissions reporting and Scope 3 targets</b> (Michael Rubio)  Discuss and review the methods for which companies are reporting greenhouse gas emissions and communicating Scope 3 emissions reduction targets, including Chevron’s proposed response to investor support for a Scope 3 target	<b>2</b>
<b>10:55 – 11:15 am</b>	<b>Emerging climate-related issues</b> (Lisa Epifani)  Discuss issues related to mandatory reporting trends, investor reporting expectations, and the growth of net zero coalitions in the financial sector	<b>2</b>
<b>11:15 am</b>	<b>Adjourn</b>	

\* Items needing motion, second, and approval.

**July 27, 2021**  
**Presentation Slides Shown at Meeting**

# the human energy company™

## Major Capital Projects Update

Jay Johnson  
Executive Vice President, Upstream

Board of Directors  
July 2021

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## FGP / WPMP: current status

### Overall progress – 84%

- Executing summer campaign
- Ramping up construction progress

### Drilling and Completions – 85%

- Drilling 7<sup>th</sup> of 15 injection wells

### Construction – 69%

- ~31k personnel on-site, 28k available to work
- 3GP main substation energized

### Looking ahead

- Complete integration of 3GP and 3GI utility modules
- Ongoing COVID management & vaccination program



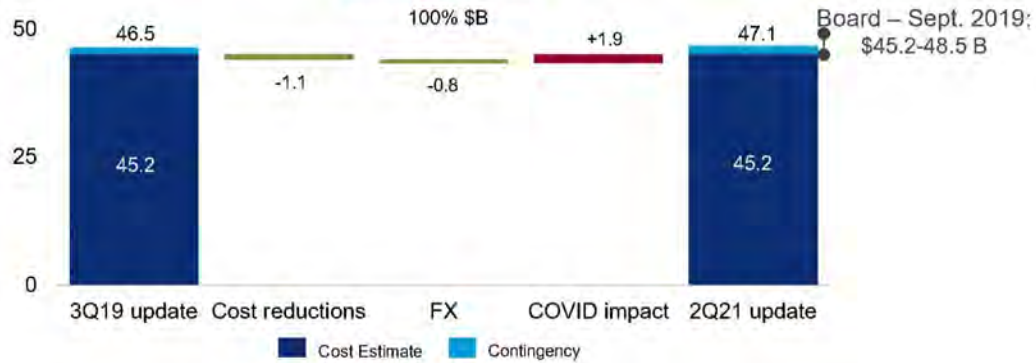
Inside of main substation



Field facilities: anchor blocks at 3GI

# Progressing FGP / WPMP

## Cost outlook

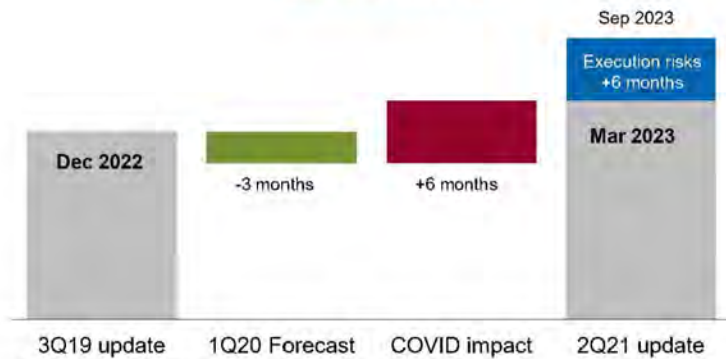


Achieved savings in fabrication, engineering, logistics and D&C

Cost target remains \$45.2 B

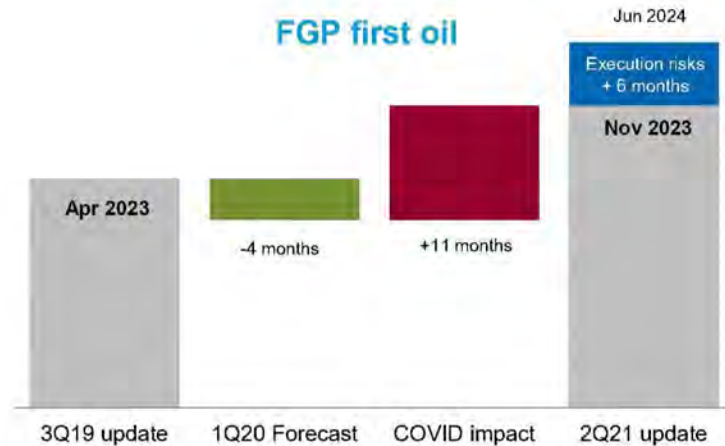
Focus on vaccinations, productivity and work-sequencing

## WPMP first oil



Note: CVX share of TCO is 50%.

## FGP first oil



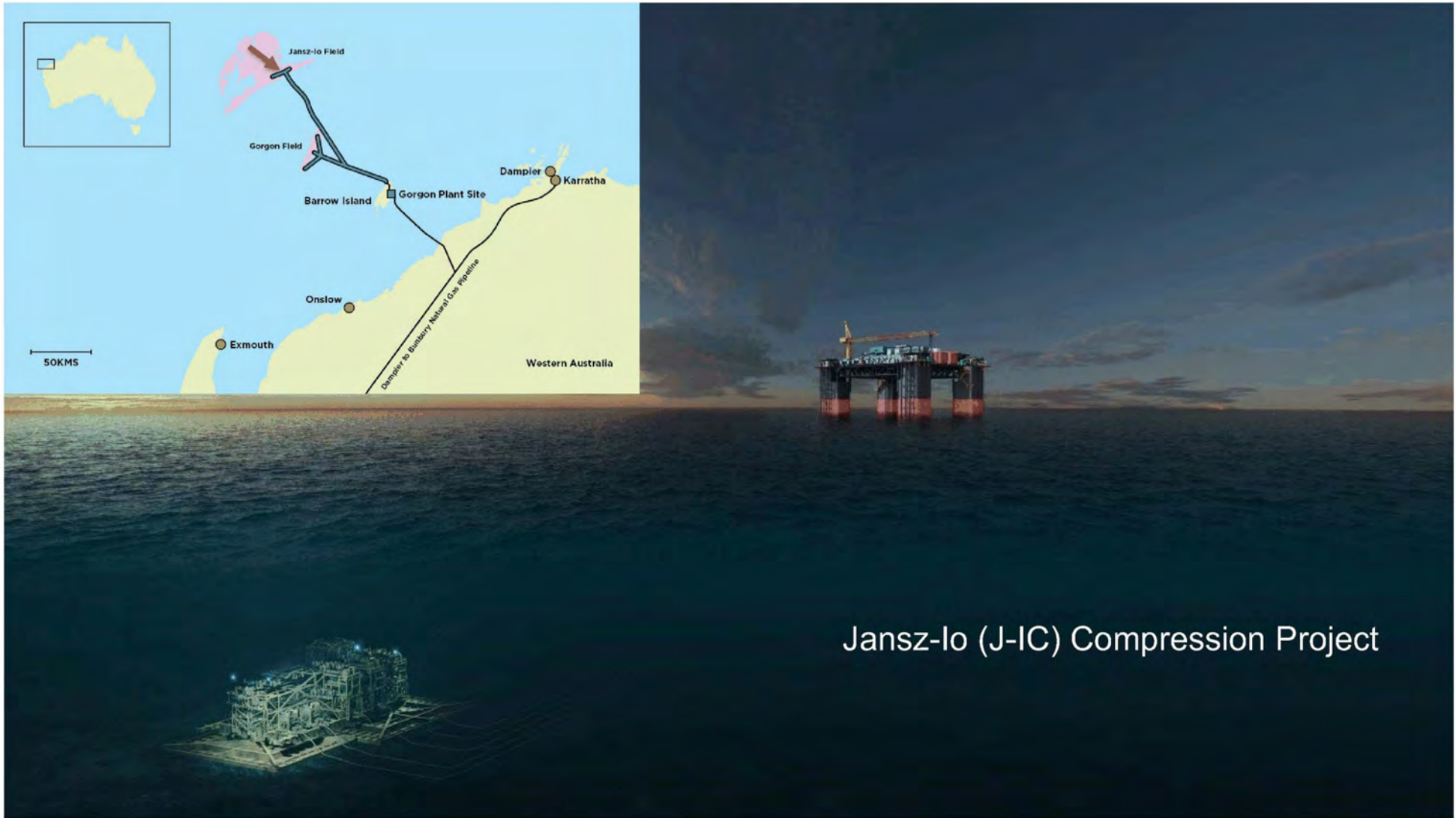
Board of Directors July 2021

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## Jansz-lo (J-IC) Compression Project

# Jansz-lo (J-IC) Compression Project

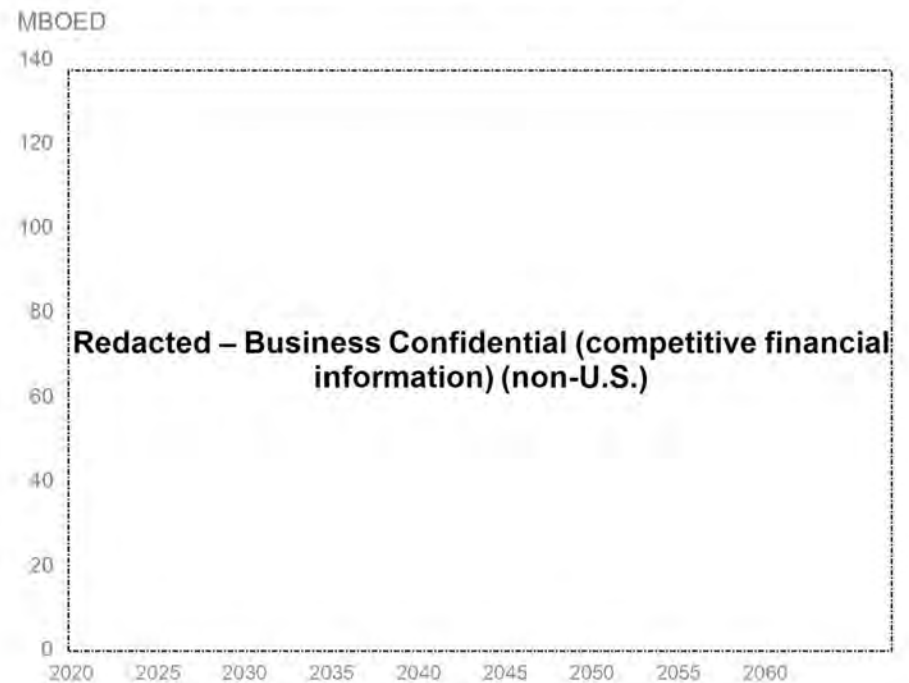
## Key Drivers:

- Increases ultimate recovery of Jansz-lo field
- Maintains utilization of Gorgon LNG capacity
- Provides infrastructure for future development
- Generates Redacted – Business Confidential (competitive financial information) (non-U.S.)
- Carbon intensity 34 kg CO<sub>2</sub>e per BOE

## Scope:

- Subsea compression
- Associated power and controls
- Total project costs \$2.6 billion

Jansz trunkline production (Chevron share)



# Addressing MCP Performance

## Returns focus



Simplest, lowest cost concept ✓

Accretive incremental scope ✓

Investment resilience ✓

## Strengthen engineering delivery



In-house concept engineering

Standard, repeatable designs ✓

Improving detailed engineering ✓

## Execution discipline



Condition-based progression ✓

Powerful digital tools ✓

Quality management ✓





# 1<sup>st</sup> Half 2021 Performance Update

Pierre Breber  
Chief Financial Officer  
Board of Directors  
July 2021

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**energy**  
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# 2021 CIP scorecard

<b>Financial Results</b>	Earnings	●
	Cash Flow	▲
	Operating Expense	▲
<b>Capital Management</b>	ROCE	●
	Organic C&E	▲
	Major Milestones	▲
<b>Operating &amp; Safety Performance</b>	Production, excluding asset sales	▲
	Refinery Reliability	▲
	Personal Safety	▼
	Process Safety & Environmental	●
<b>Energy Transition</b>	Greenhouse Gas Management	▲
	Renewable Energy & Carbon Offsets	▲
	Low-Carbon Technologies	▲

▲ Ahead / on target   ● Some gaps   ▼ Not on target



## Personal and process safety

	2020	Jun YTD	2021 Target	
Fatalities	1	1	0	▼
Serious injuries	13	12	22	●
Loss of Containment				
<i>Severe Tier 1</i>	0	1	0	▼
<i>Tier 1 + 2</i>	51	50	59	▼
Petroleum Spill Volume (land + water) (Mbbl)	0.9	0.3	1.0	▲

▲ Ahead / on target

● Some gaps

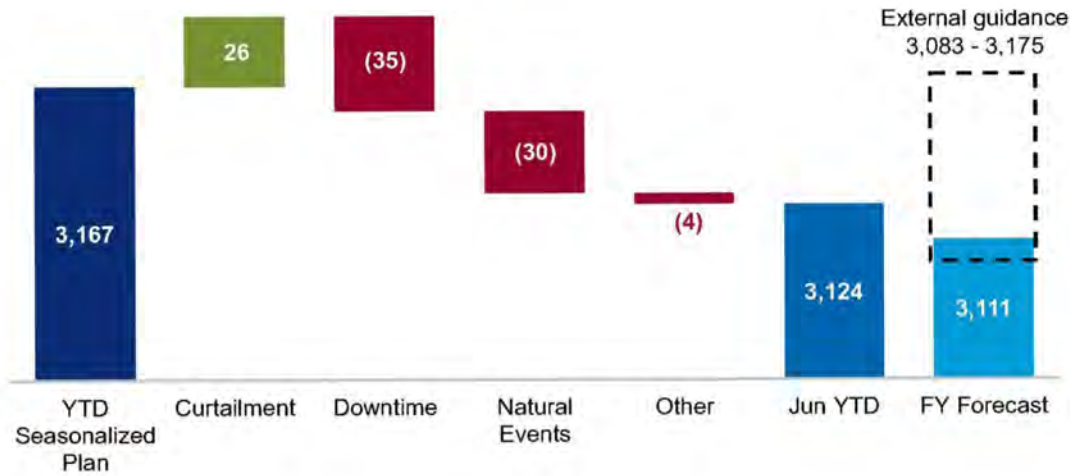
▼ Not on target



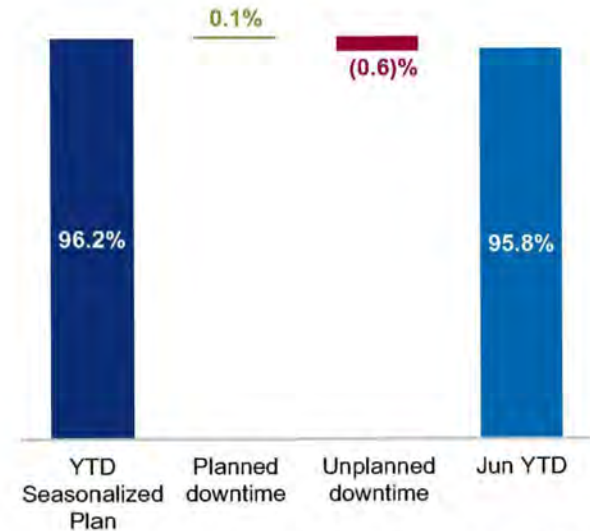


# Production and refinery reliability

## Net production MBOED



## Refinery availability %



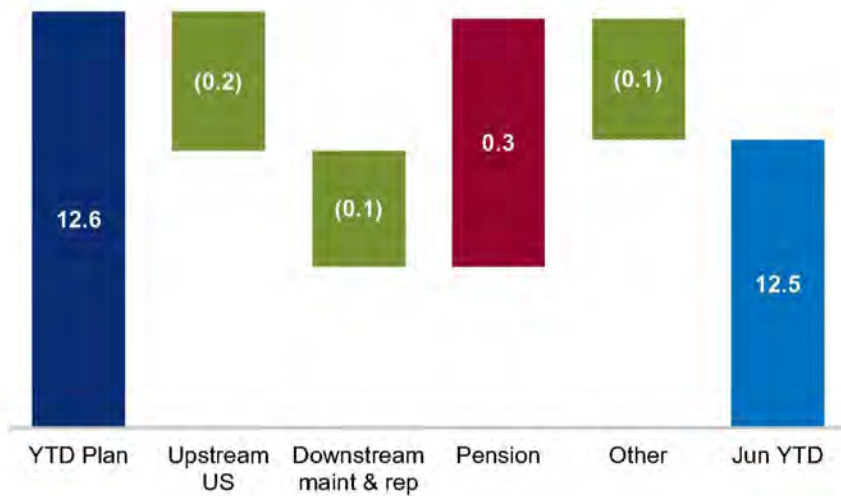
Note: Chart includes rounding



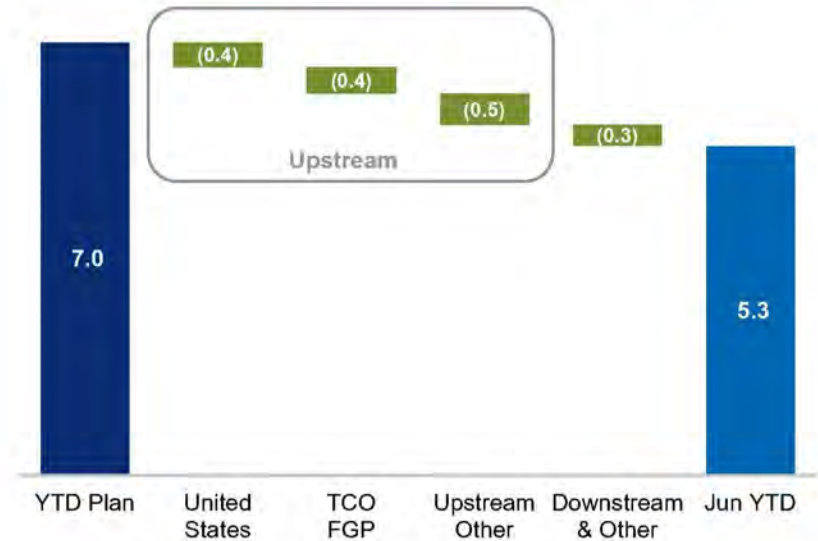


# Spend \$ billions

## Operating expense



## Capital & exploratory expenditures



Note: Jun YTD includes \$0.1 B of inorganic capex. Chart includes rounding.



## Earnings and cash flow \$ billions



### Cash flow

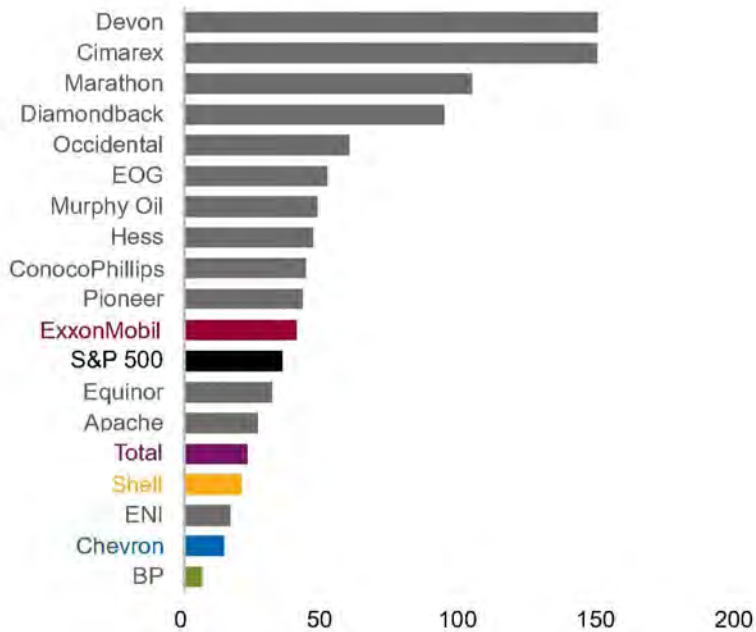
*includes rounding*

	Jun YTD	FY Forecast	FY Plan
<b>Cash from operations excl. working capital</b>	12.2	26.9	12.7
Working Capital	(1.0)	(1.8)	(0.4)
Capital expenditures	(3.5)	(9.0)	(9.3)
TCO co-lending	0.0	0.3	(1.7)
Asset sales	0.4	1.9	2.8
Other	0.3	0.7	0.0
<b>Cash flow before distributions</b>	<b>8.3</b>	<b>19.0</b>	<b>4.0</b>
Dividends	(5.0)	(10.1)	(9.9)
Share repurchases	0.0	(1.3)	0.0
<b>Total cash flow</b>	<b>3.3</b>	<b>7.6</b>	<b>(5.9)</b>
<i>Net Debt ratio (%)</i>	21	19	28
<i>Brent (\$/bbl)</i>	65	66	40

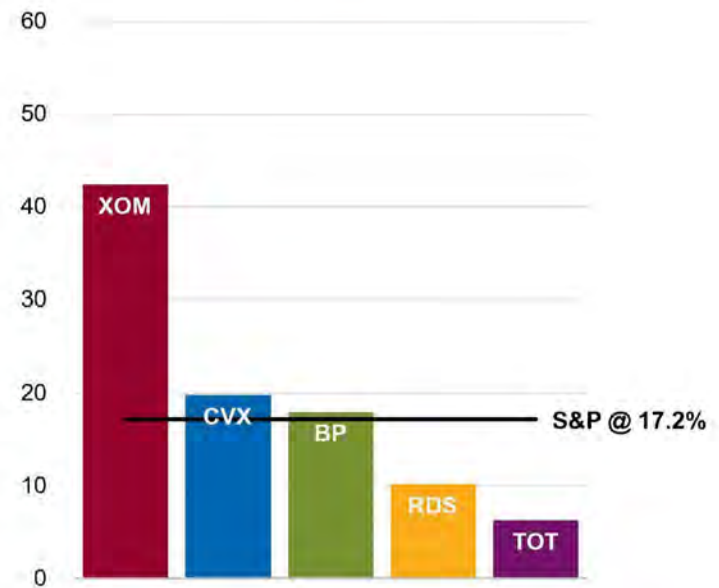


# Total shareholder return (%)

**1-Year**  
7/23/20 – 7/22/21

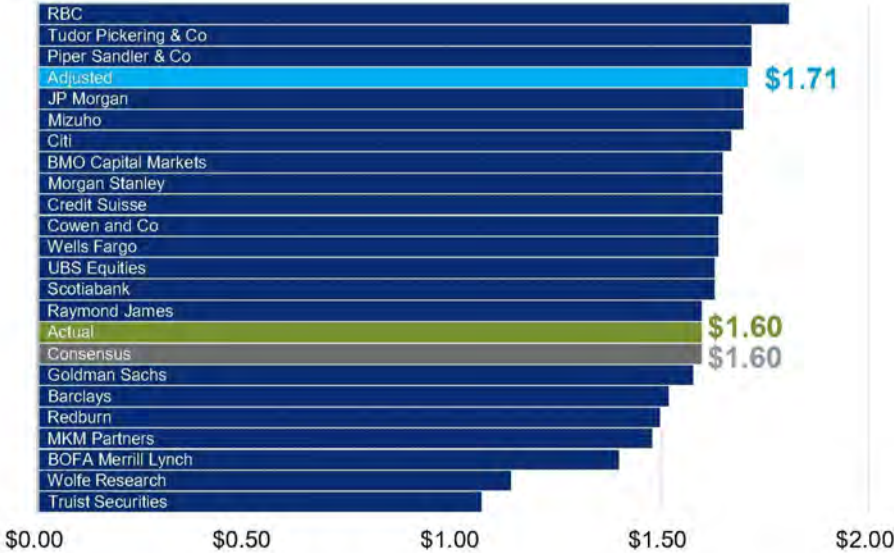


**YTD**  
1/1/21 – 7/22/21



# Looking ahead

## 2Q21 eps analyst estimates



## 2Q21 earnings call

- Share repurchase announcement
- TCO cost and schedule update
- Noble integration complete and synergies achieved
- Strong cash flow





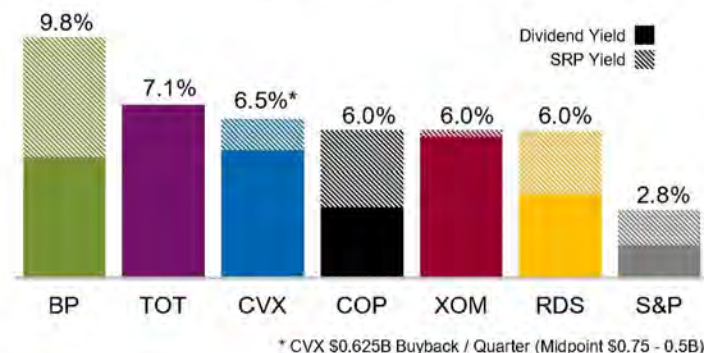
## Third quarter distribution outlook

### Current view

- Maintain quarterly dividend
- Restart share buybacks at \$2-\$3 B per year
- Lower range allows continued debt reduction
- Competitive total shareholder yield

### 2H21E SHD Yield % of Market Cap

as of 7/8/2021



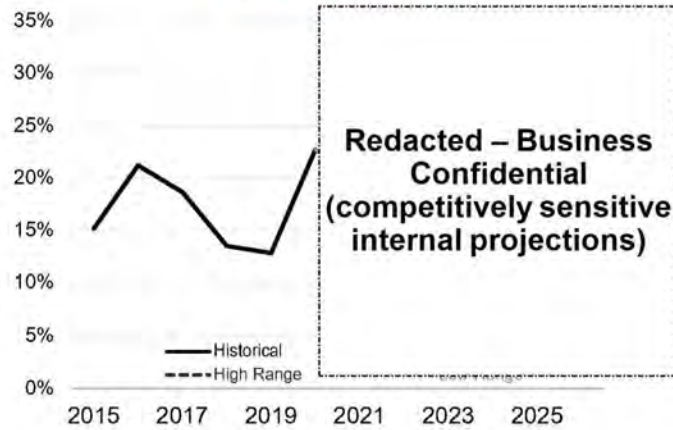
# Appendix



# Share repurchases affordability

SRP Growth Scenarios (\$B) (Starting in 3Q21)			
	Low	Mid	High
2021	1.00	1.25	1.50
2022			
2023			
2024			
2025			
2026			

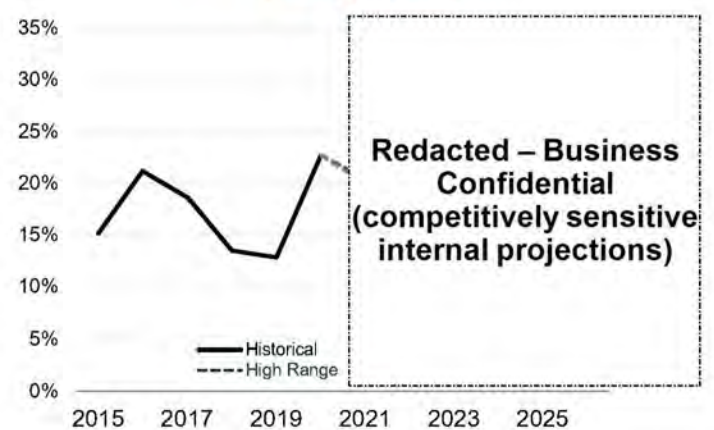
**Net Debt Ratio** <sup>(1,2,3)</sup>  
(Brent @ \$50/bbl)



**Net Debt Ratio @ \$50/bbl Brent (%)**

SRP Growth Scenarios (Starting in 3Q21)	2020	2021	2022	2023	2024	2025	2026
High Range	22.7	20.4	Redacted – Business Confidential (competitively sensitive internal projections)				
Mid Range	22.7	20.3	Redacted – Business Confidential (competitively sensitive internal projections)				
Low Range	22.7	20.1	Redacted – Business Confidential (competitively sensitive internal projections)				

**Net Debt Ratio** <sup>(1,2,3)</sup>  
(Brent @ \$60/bbl)



**Net Debt Ratio @ \$60/bbl Brent (%)**

SRP Growth Scenarios (Starting in 3Q21)	2020	2021	2022	2023	2024	2025	2026
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Mid Range	22.7	20.3	Redacted – Business Confidential (competitively sensitive internal projections)				
Low Range	22.7	20.1	Redacted – Business Confidential (competitively sensitive internal projections)				

- (1) Preliminary CP22 case – CP21 updated for price and other discrete items. Brent price held flat for the 2021-2026 period.
- (2) Preliminary CP22 case cash forecast assumes remaining excess cash is used to reduce debt as placeholder for analysis.
- (3) Net Debt Ratio = (Net Debt / (Equity + Net Debt)).



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Center on Global Energy Policy

# Oil and Gas in Transition

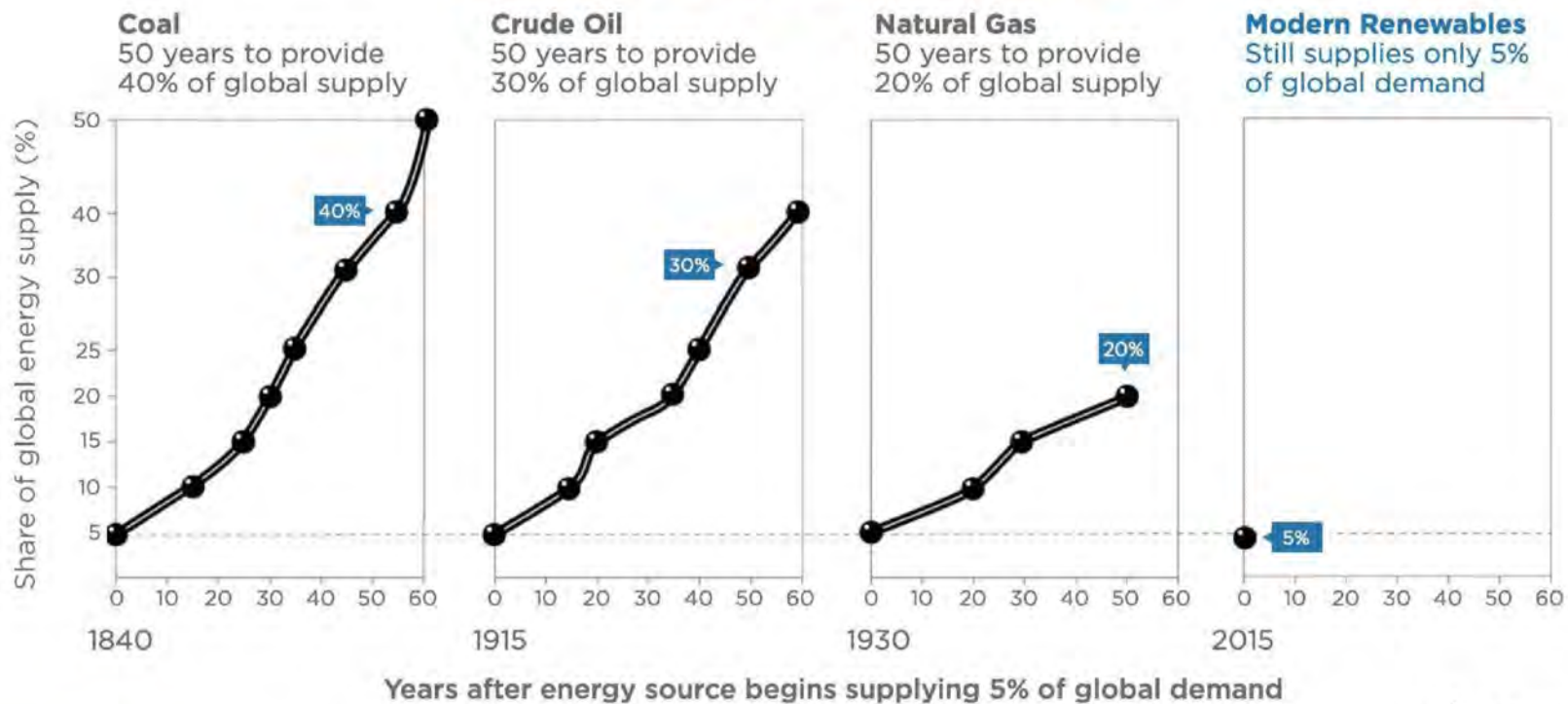
Jason Bordoff, Center on Global Energy Policy

July 27, 2021

*Chevron Board of Directors Meeting*

# Energy transitions take time

## Uptake of energy technologies

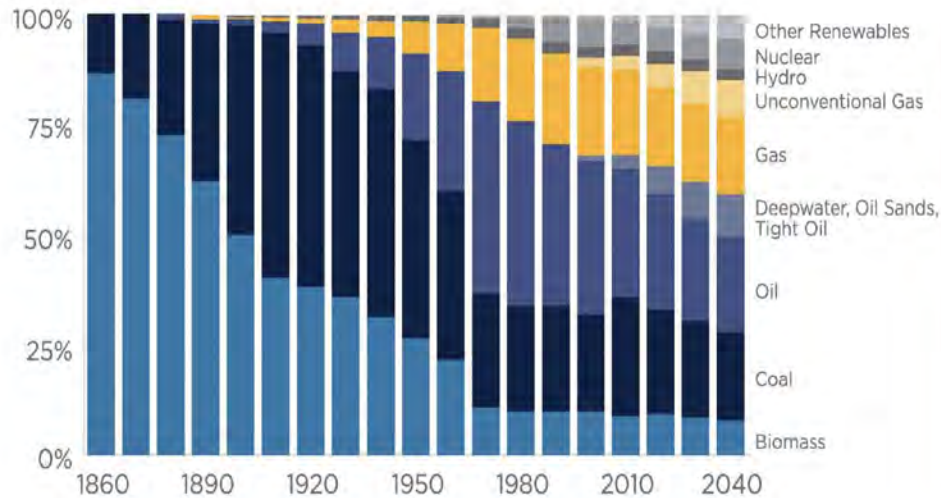


2 Source: Vaclav Smil

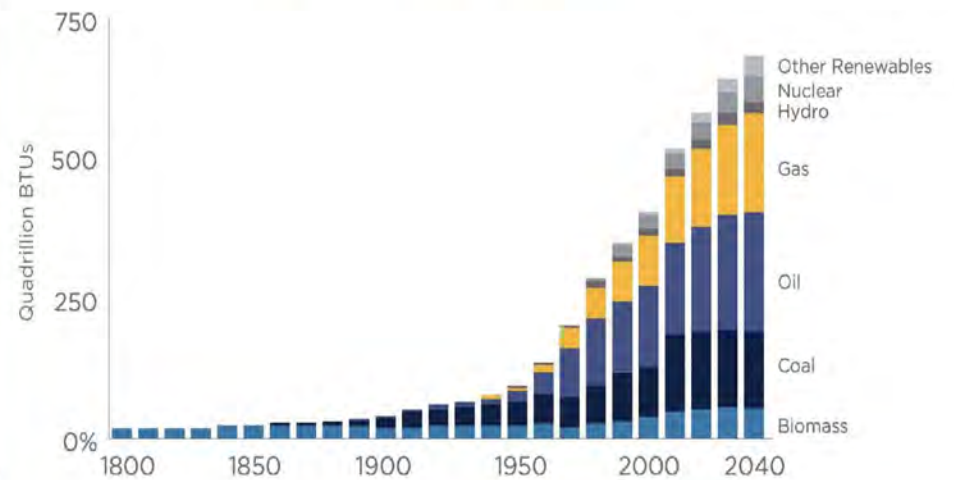


# Energy history is about additions, not transitions

## Share of global fuel mix

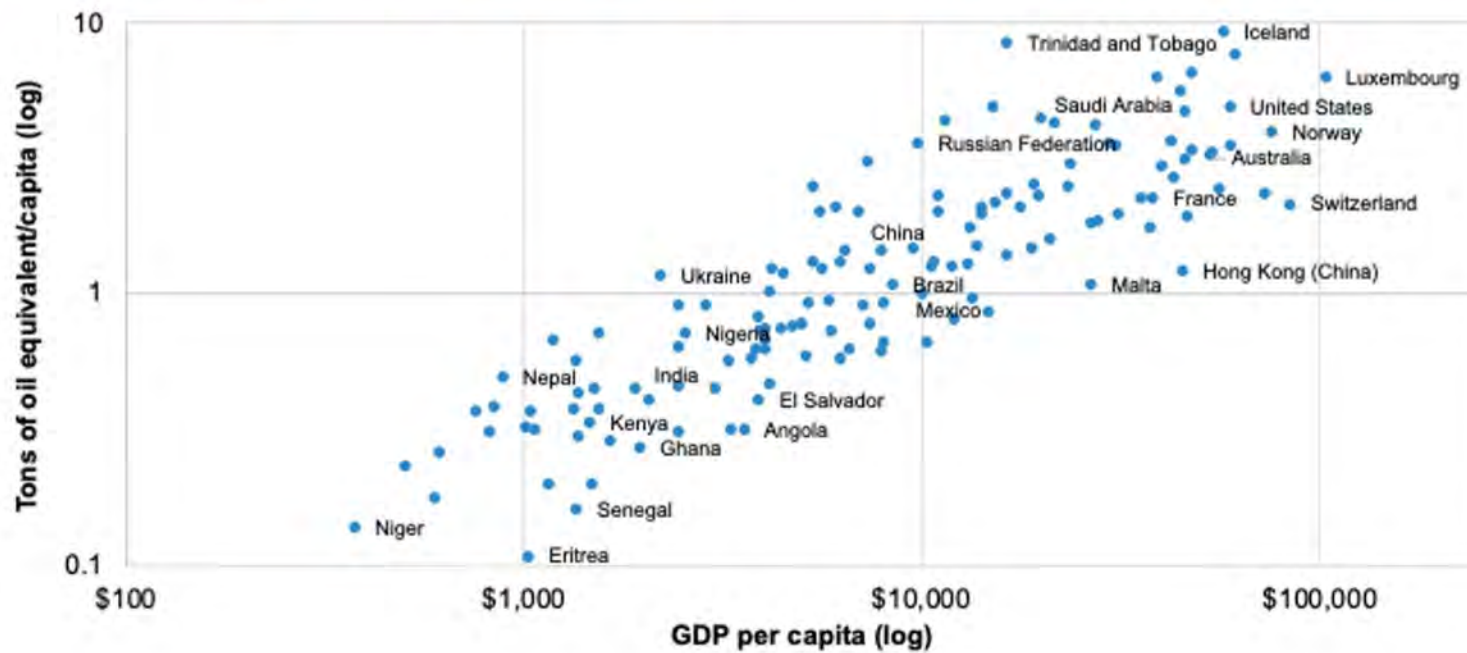


## Global fuel mix



# Income and energy go hand in hand

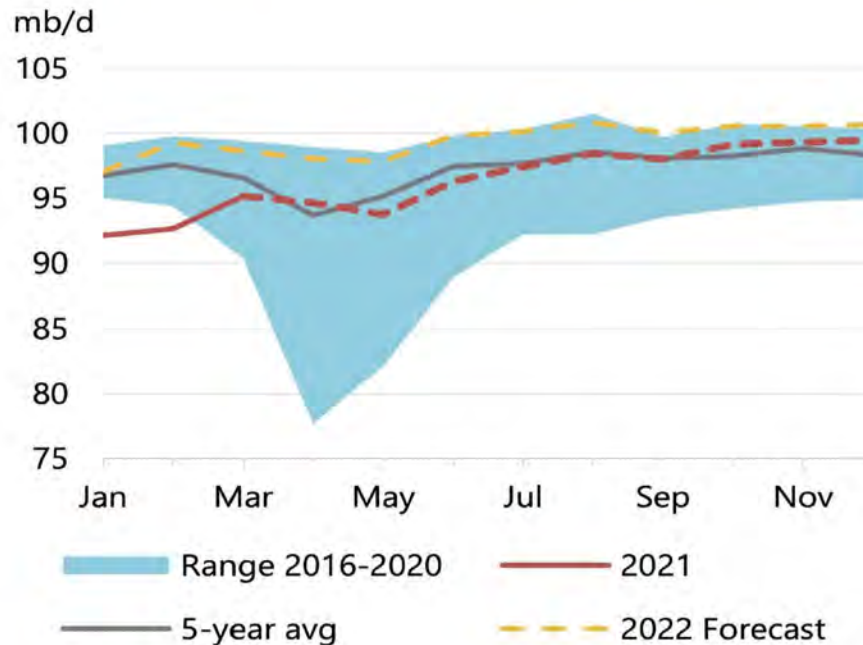
Total final energy consumption per capita (toe/capita) vs GDP per capita, 2018





# Global oil demand continues its recovery

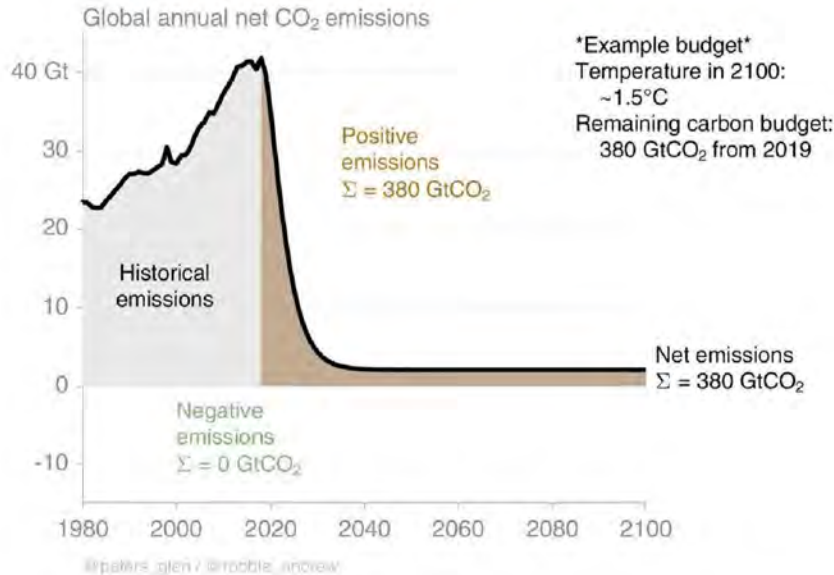
## World oil products demand



Global oil demand is expected to return to pre-pandemic levels by Q4 2022, supported by increased economic activity in major demand centers.

# Meeting climate goals requires a VERY rapid transition

## Global annual net CO<sub>2</sub> emissions

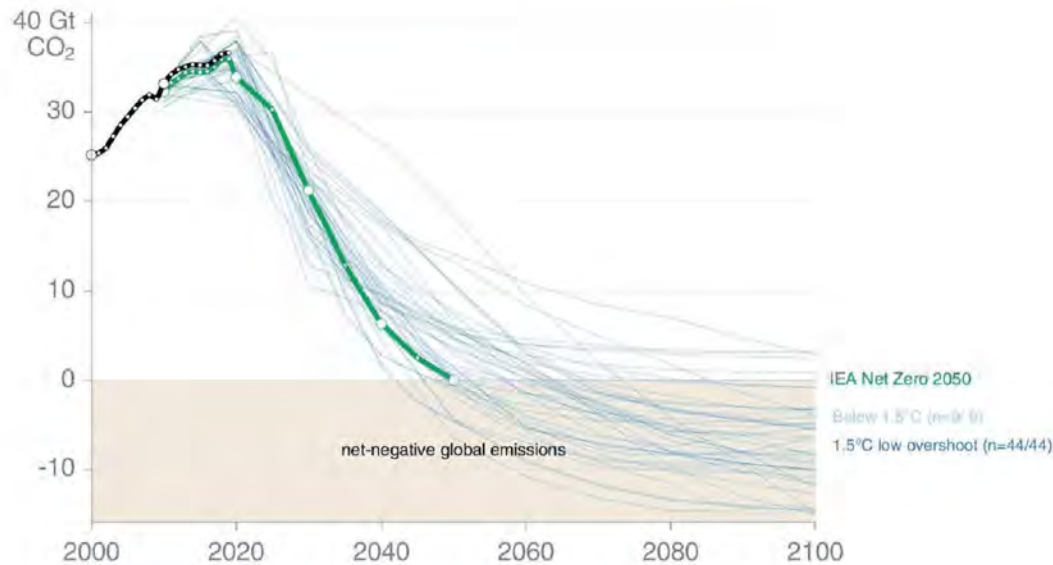


CO<sub>2</sub> emissions cuts of 1 to 2 billion tonnes are needed each year between 2020 and 2030 to limit climate change in line with the Paris Agreement goals

6 Source: Global Carbon Project

# Net-zero requires negative emissions at scale

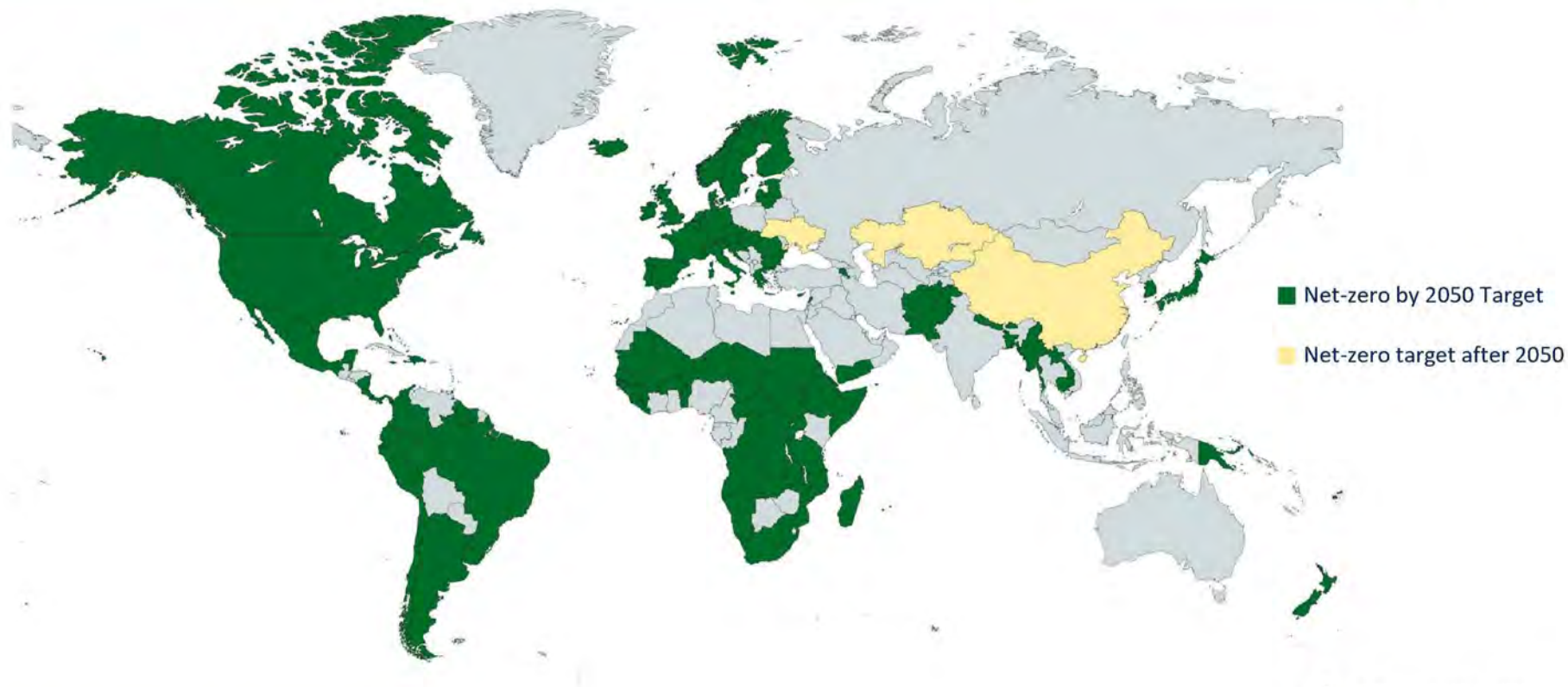
## Global CO<sub>2</sub> emissions from energy and industry



Estimates vary, but a fifth of CO<sub>2</sub> emissions abatement required for net-zero may come from carbon removal.

7 Source: Glen Peters

# 124 countries have net-zero targets



8

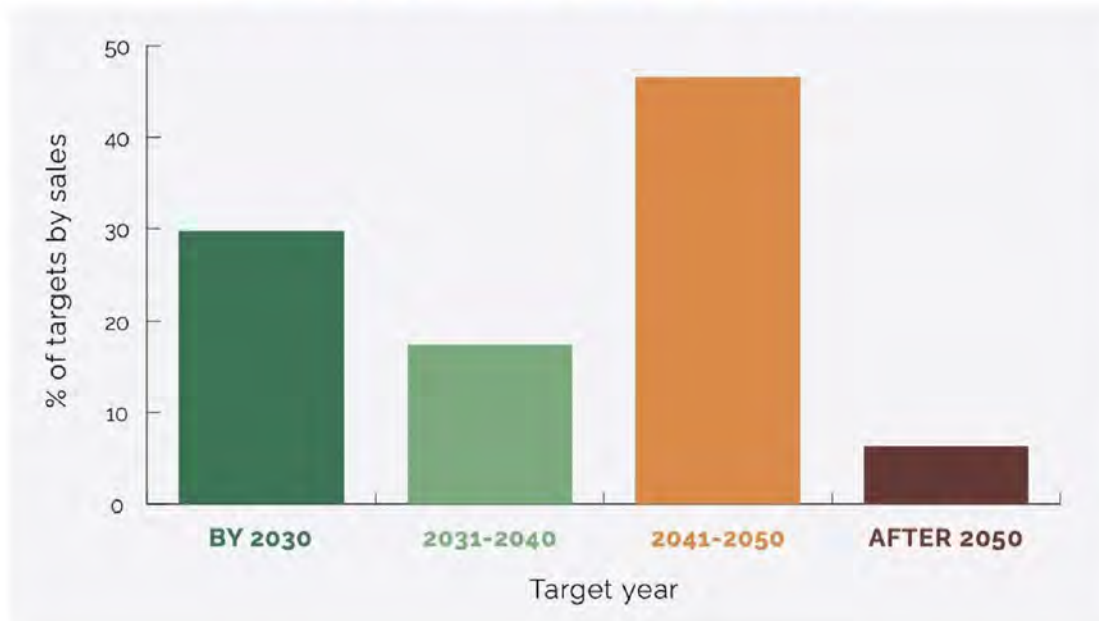
Source: Energy and Climate Intelligence Unit

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# 21% of major companies have net-zero targets

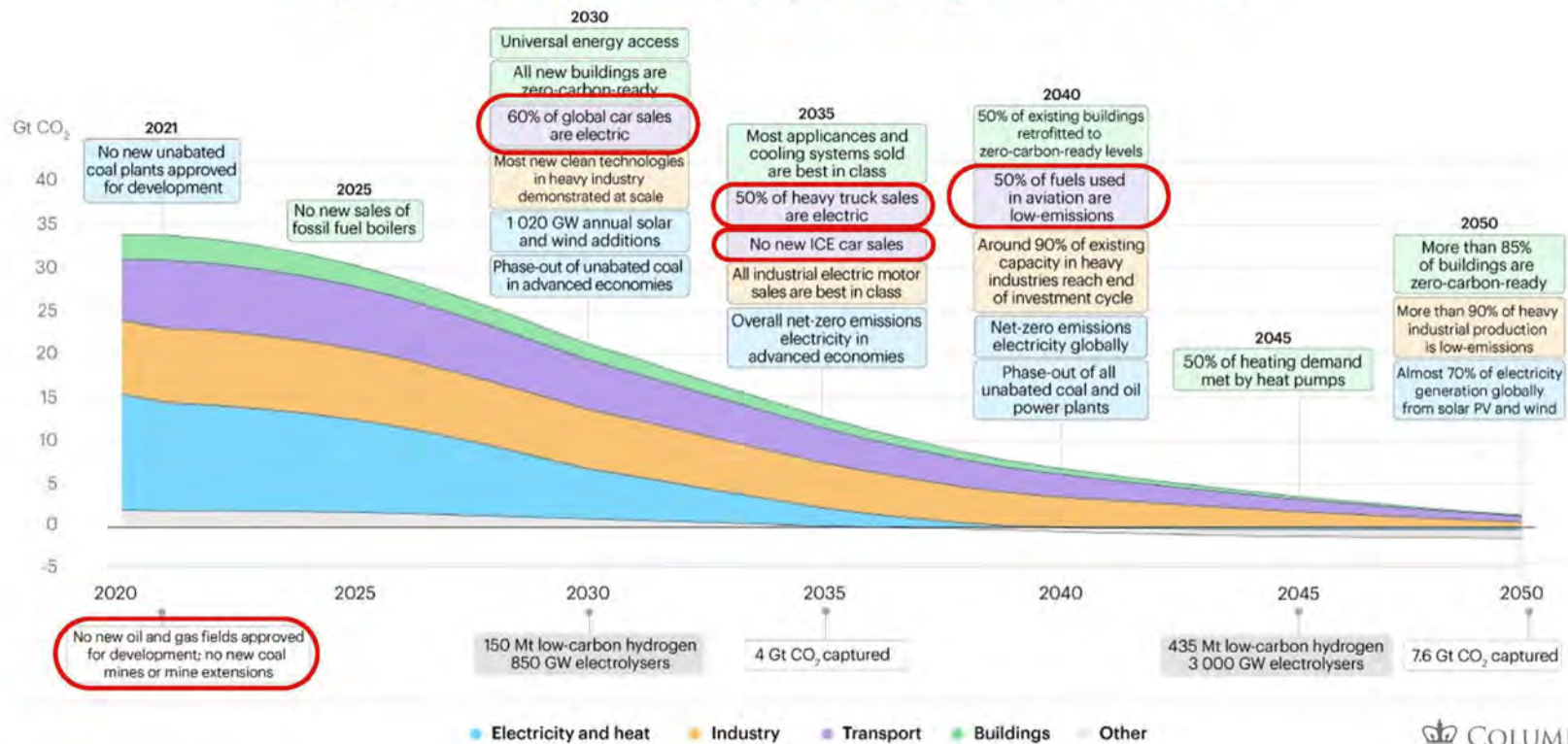
Companies with net-zero targets represent \$14 trillion in annual sales. Of these:



417 of the 2,000 largest (by sales) publicly-traded companies have net-zero targets. Net-zero targets cover 33% of total sales across these 2,000 companies.

# Net-zero and 1.5 is now the goalpost

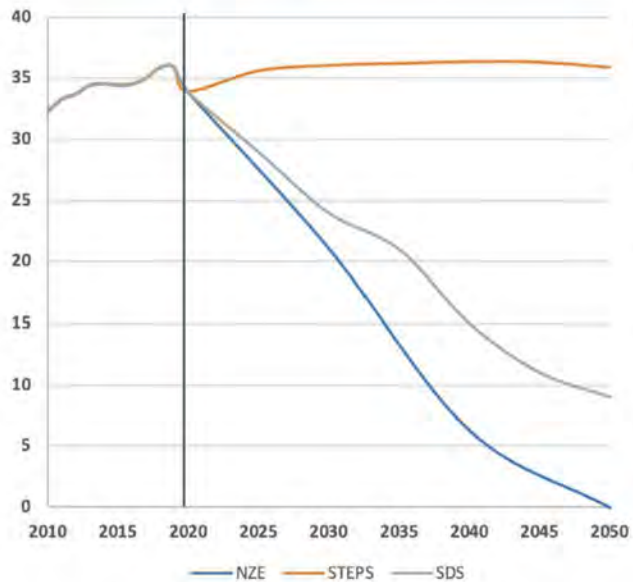
## Key milestones on the pathway to net-zero



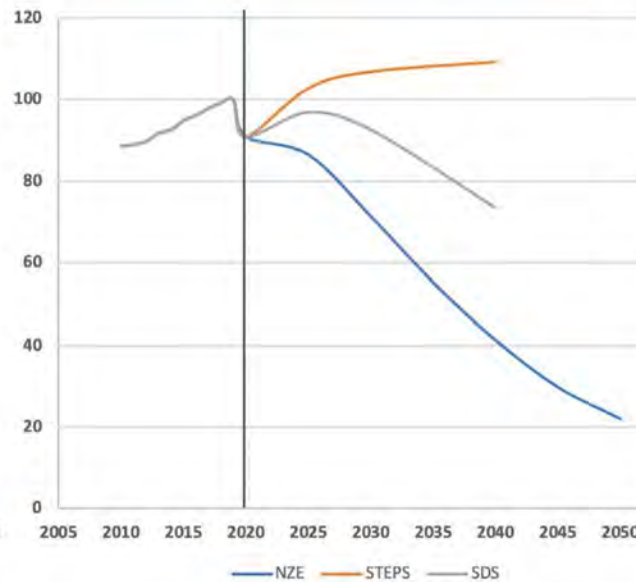


# The ambition-reality gap is enormous

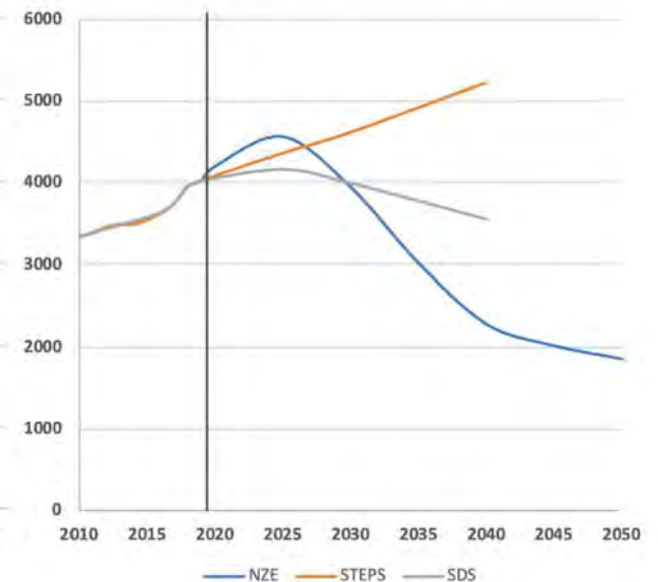
Global CO<sub>2</sub> emissions (Gt)



Global oil demand (mb/d)



Global gas demand (bcm)



# We are far from taking net-zero seriously

May 2021




“There is no need for investment in new fossil fuel supply in our net zero pathway.”

June 2021



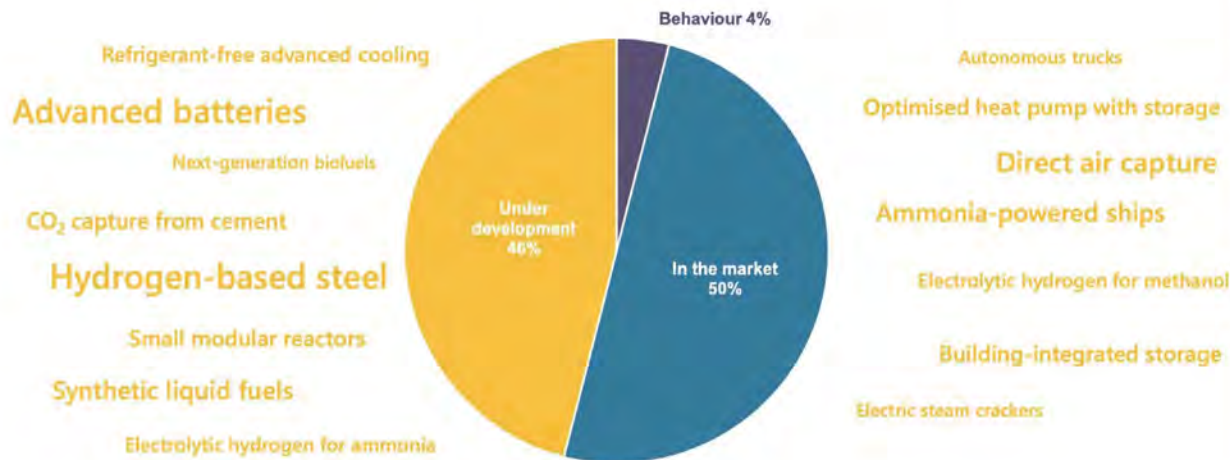
“OPEC+ needs to open the taps to keep the world oil markets adequately supplied.”

12 Source: IEA

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# More innovation is needed to achieve net-zero

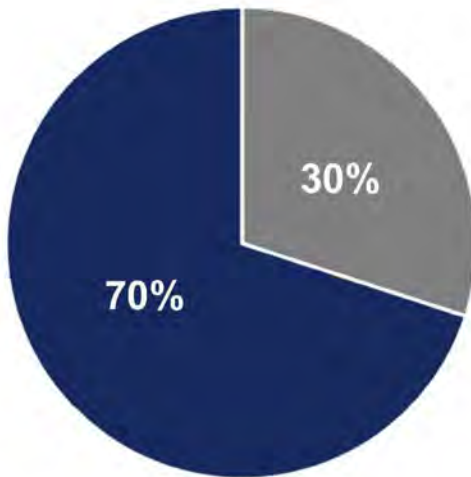
## CO<sub>2</sub> savings by technology maturity in 2050



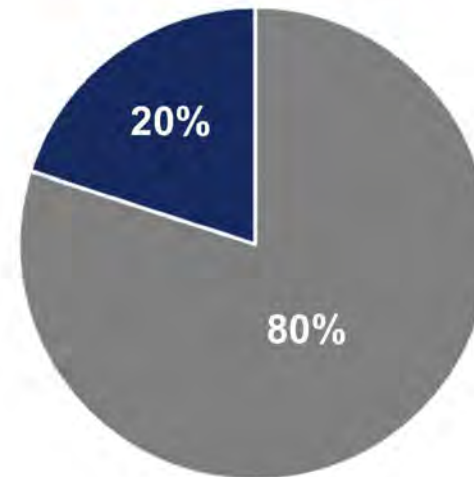
**In a net-zero energy system, almost half of all emissions reductions by 2050 will come from technologies not yet commercially available at scale.**

# More policy is needed to reach net-zero

National mid-century net-zero pledges cover 70% of the world's emissions



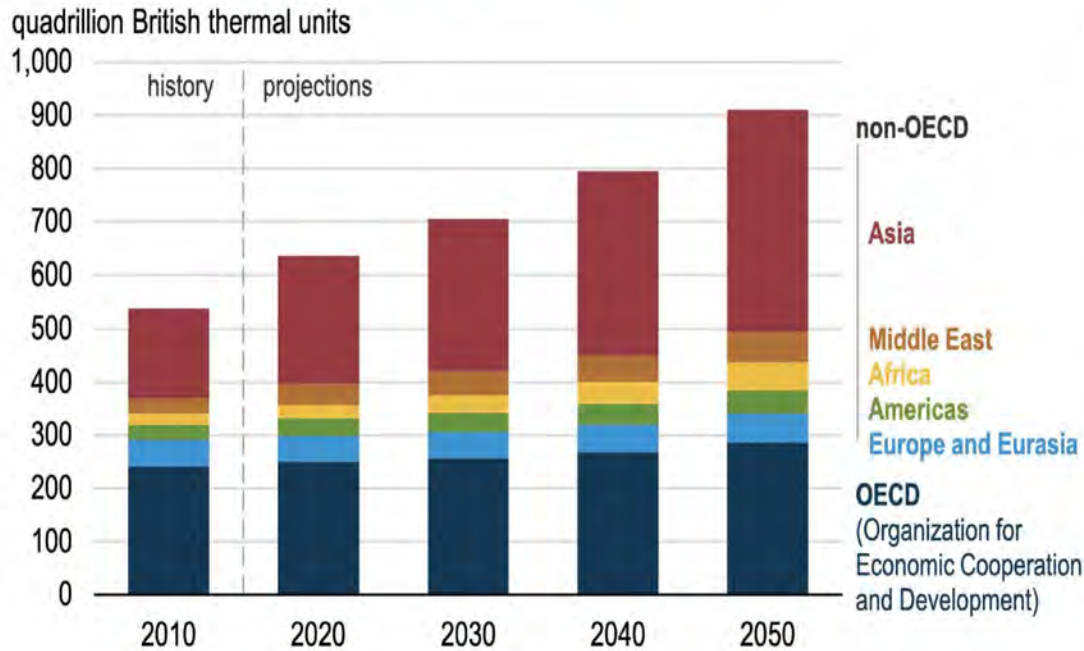
Legally-binding mid-century net-zero pledges cover only 20% of the world's emissions



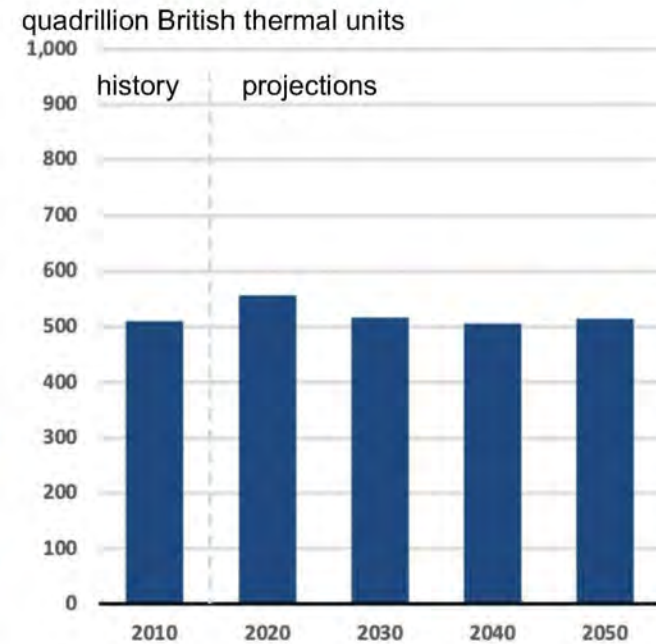


# The energy transition must also be just

Projected global primary energy consumption by region (2010-2050)



Global primary energy supply in net-zero pathway (2010-2050)



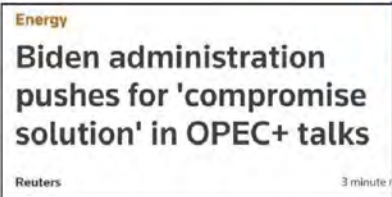


# Risks to the gap between ambition and reality



Higher prices hurt consumers and economy

Heightened energy security risks (e.g., Abqaiq)



Greater leverage for OPEC+

IOC output displaced by firms less susceptible to social pressures (e.g., NOCs)

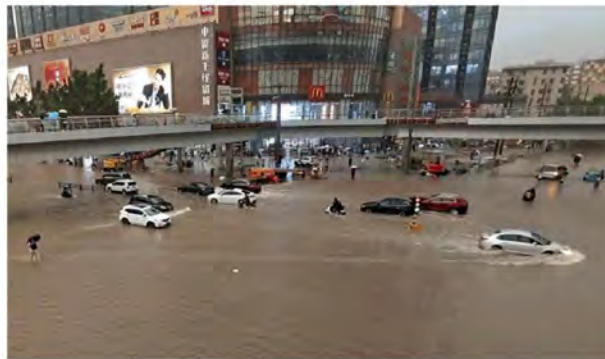


Backlash against more ambitious climate policy

Rising fragmentation, decoupling & trade tensions



# Ambition-reality gap is not sustainable



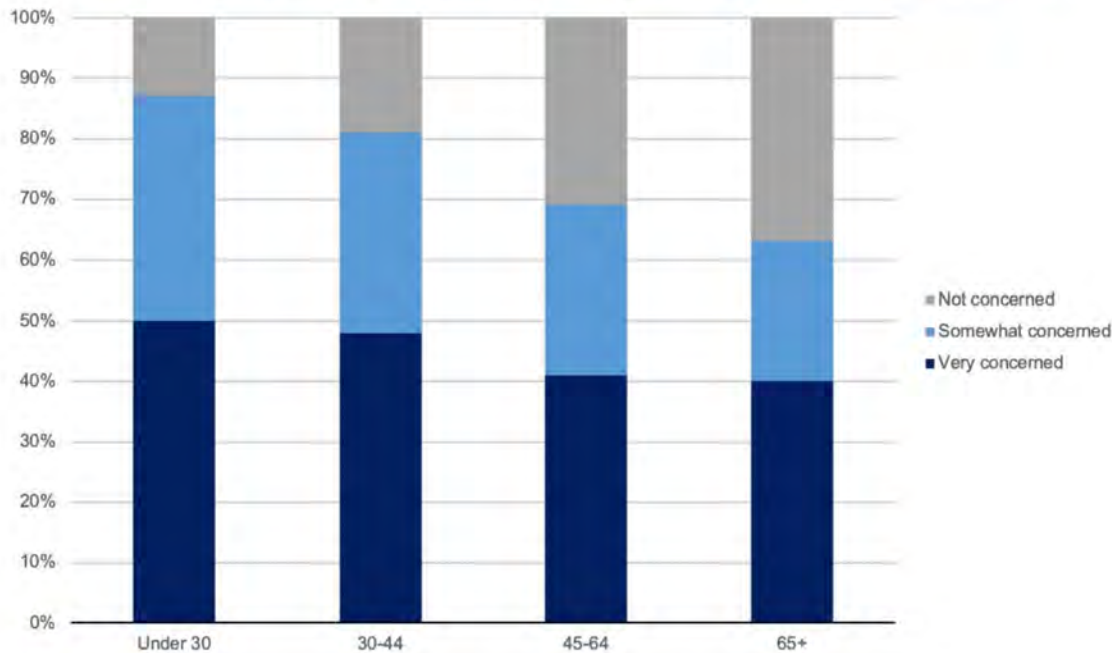
“If something cannot go on forever, it will stop.”

- Herbert Stein, noted American economist



# Rising urgency among younger people

“How concerned are you about climate change as a threat to humanity?” By age bracket:

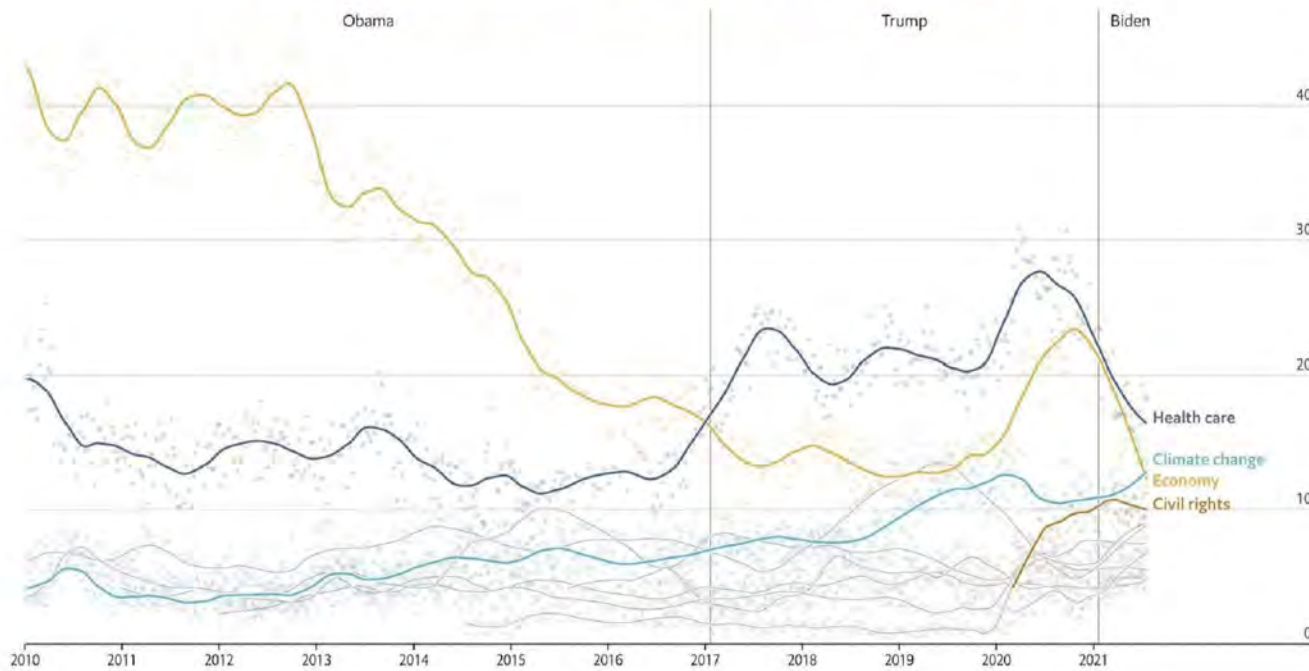


87% of Americans under the age of 30 are at least “somewhat concerned” about the threat of climate change.

Source: CBS/YouGov

# Public opinion is shifting in favor of climate action

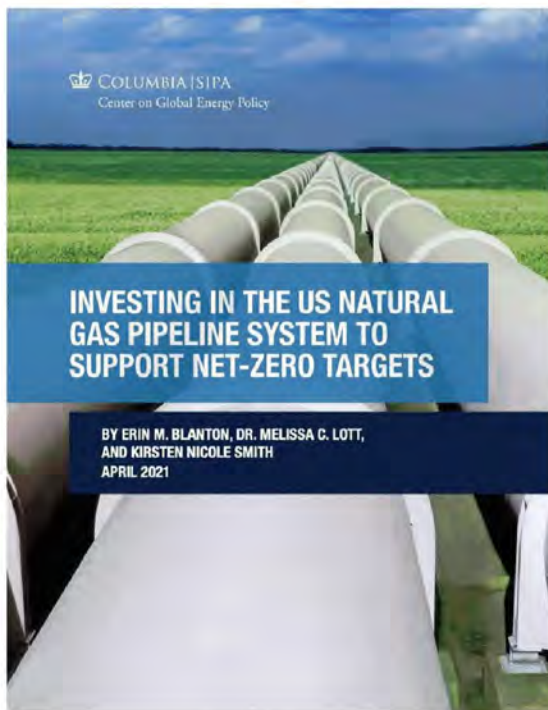
## Most important issue (%): 2010-2021



**Climate change is now the second-most important issue to American voters.**

# Oil and gas firms have a key role in the transition

April 2021

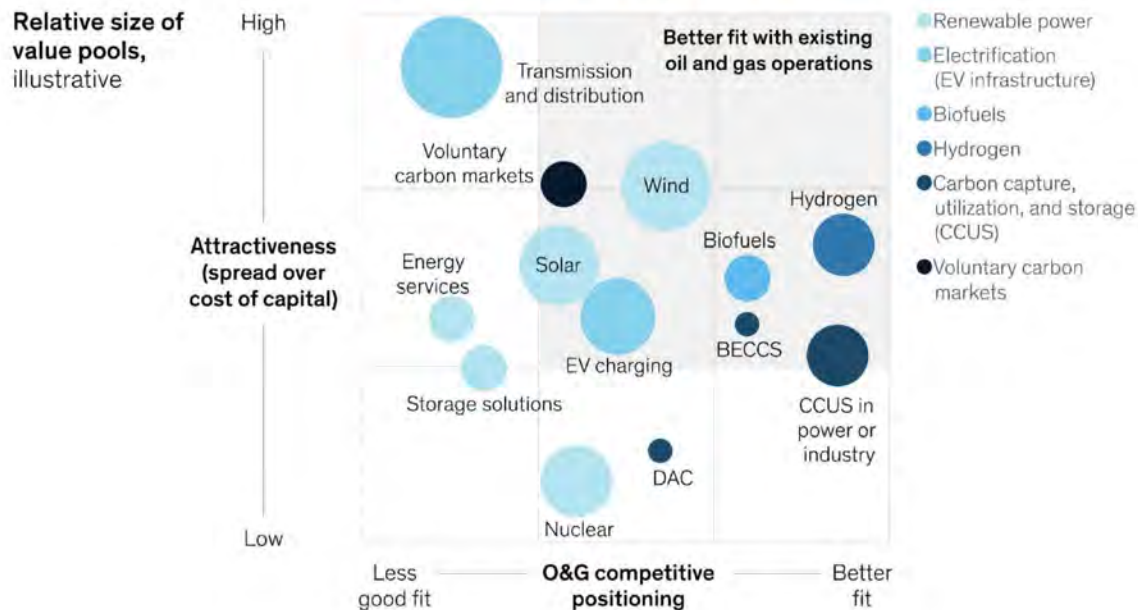


In the near term, oil and gas companies can contribute to net-zero targets by reducing Scope 1 and 2 emissions, curbing methane and flaring, supporting sound policies, and articulating a clear vision for the industry's role in decarbonization.



# Key capabilities for long-term decarbonization

## Low-carbon technologies, fit with existing operations



Supplying today's energy while preparing for a messy, disruptive, and volatile resolution of the ambition-reality gap.



**Thank You**



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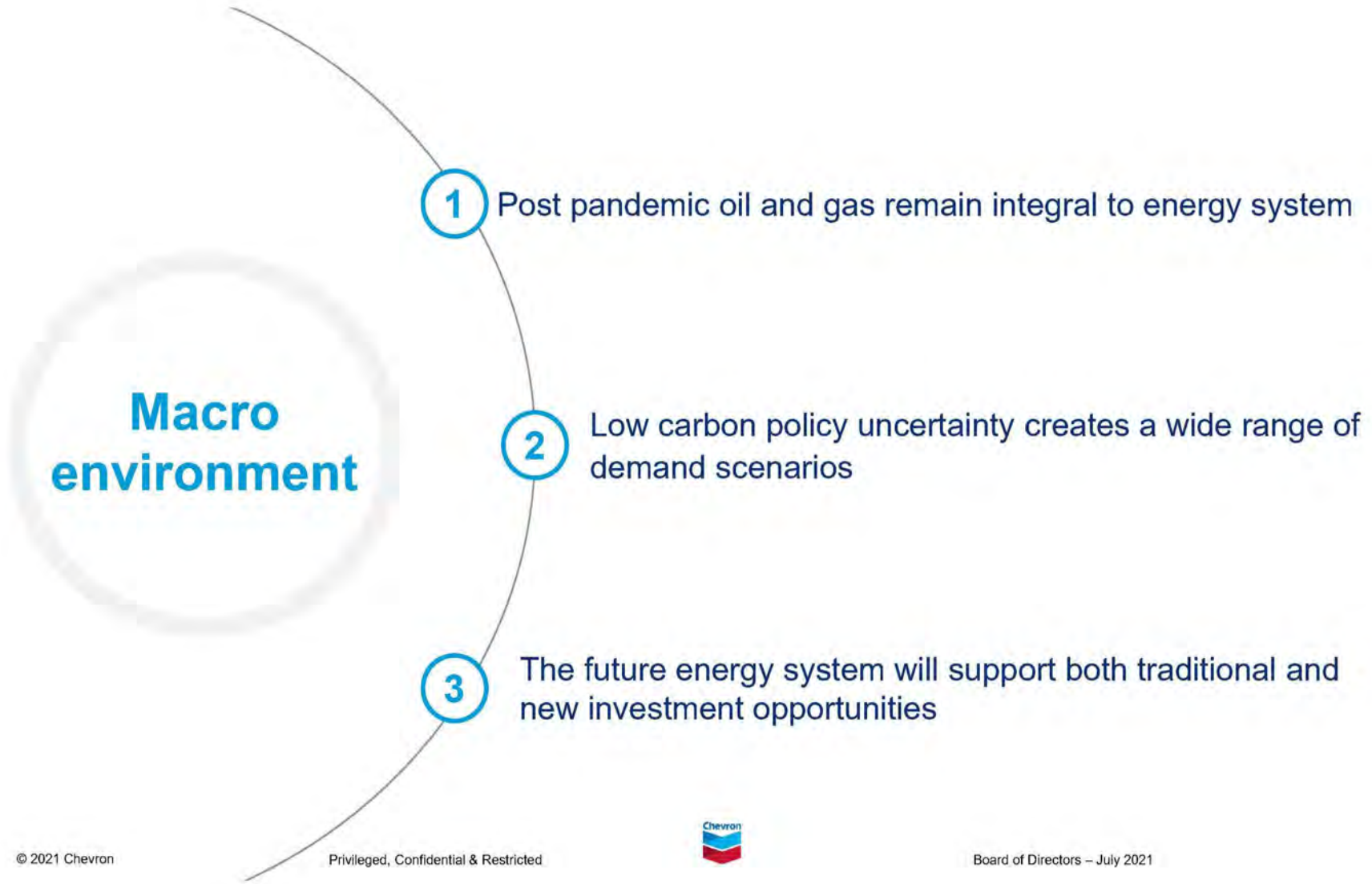
**July 28, 2021**  
**Presentation Slides Shown at Meeting**

# Strategic update

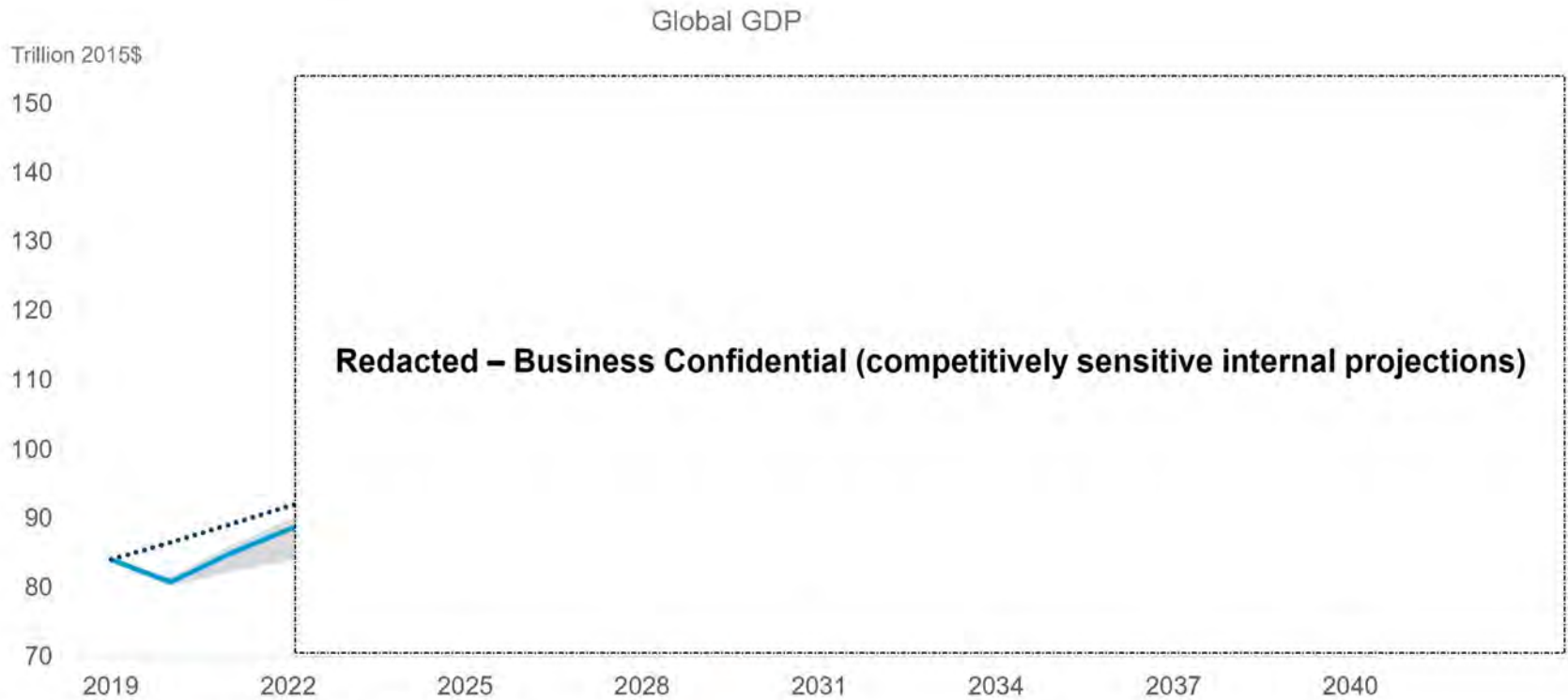
July 2021

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# Global economy is recovering

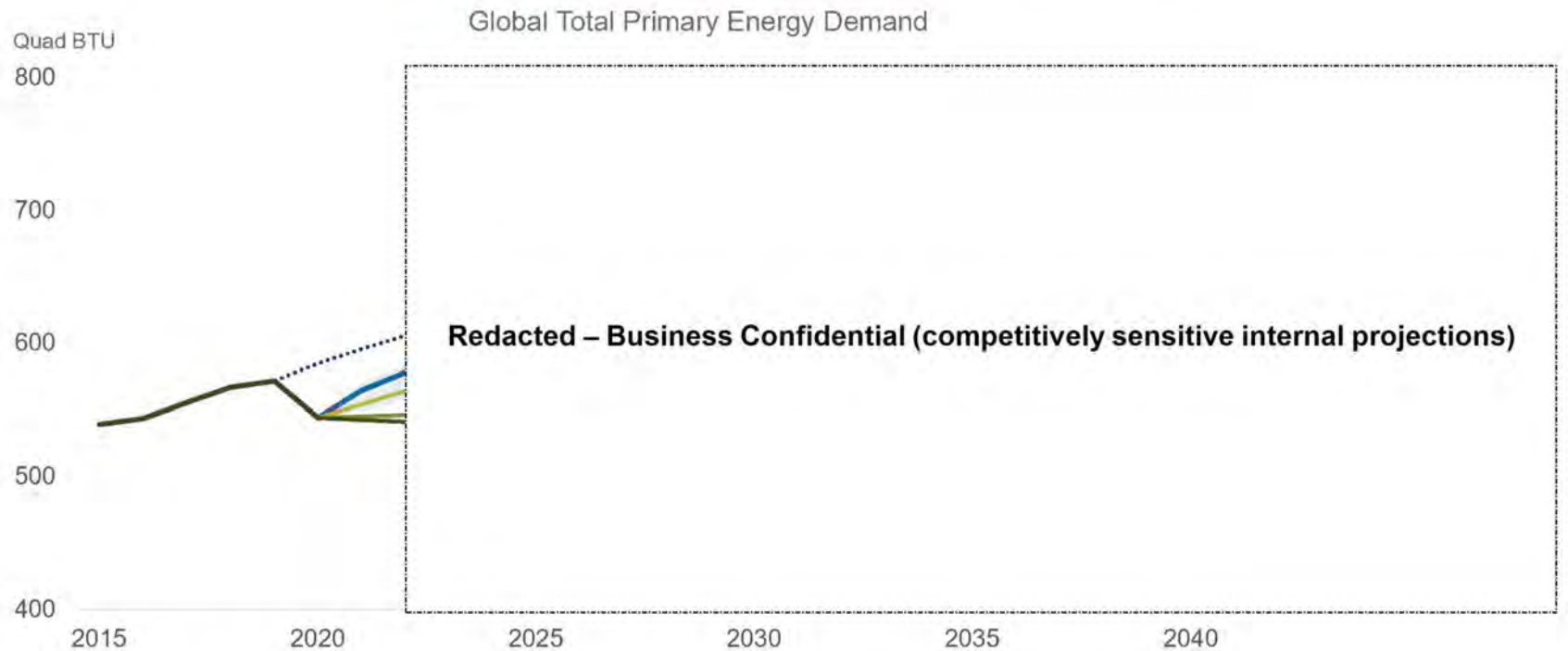


Source: Chevron analysis, IHSMarkit, Wood Mackenzie, Platts, Oxford Economics, and IEA



# Economy drives strong energy demand

## Policy influences long term recovery



Source: Chevron analysis, IHSMarkit, Wood Mackenzie, S&P Global Platts, & IEA

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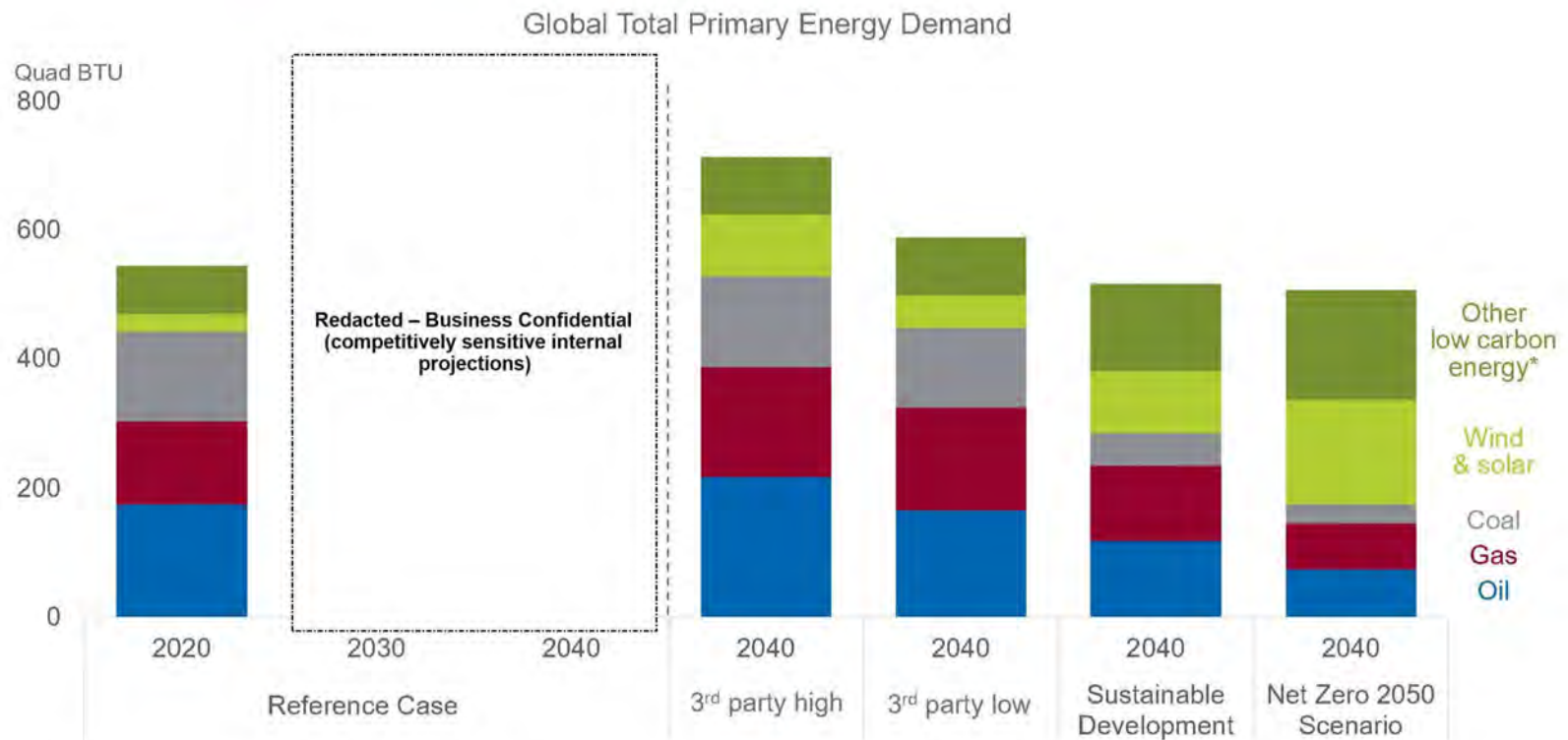
Board of Directors – July 2021

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# Oil and gas remain key to meeting global demand

## Although pace of growth is slowing due to impact of policy



Source: Chevron analysis, IHSMarkit, Wood Mackenzie, S&P Global Platts, & IEA

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\* Other low carbon energy includes nuclear, hydropower, and biomass

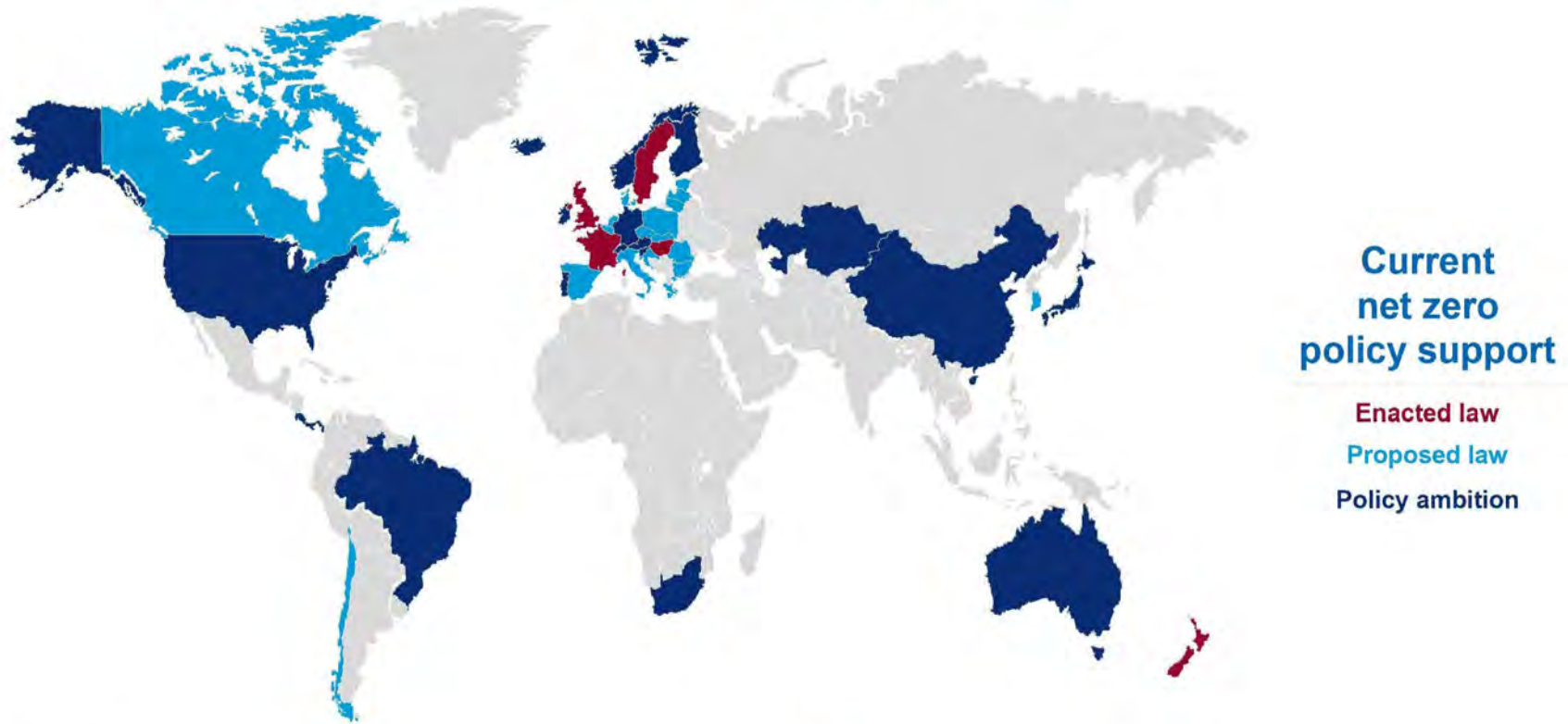
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# Policy action is a key uncertainty

## Net zero policies are regional



Source: IEA

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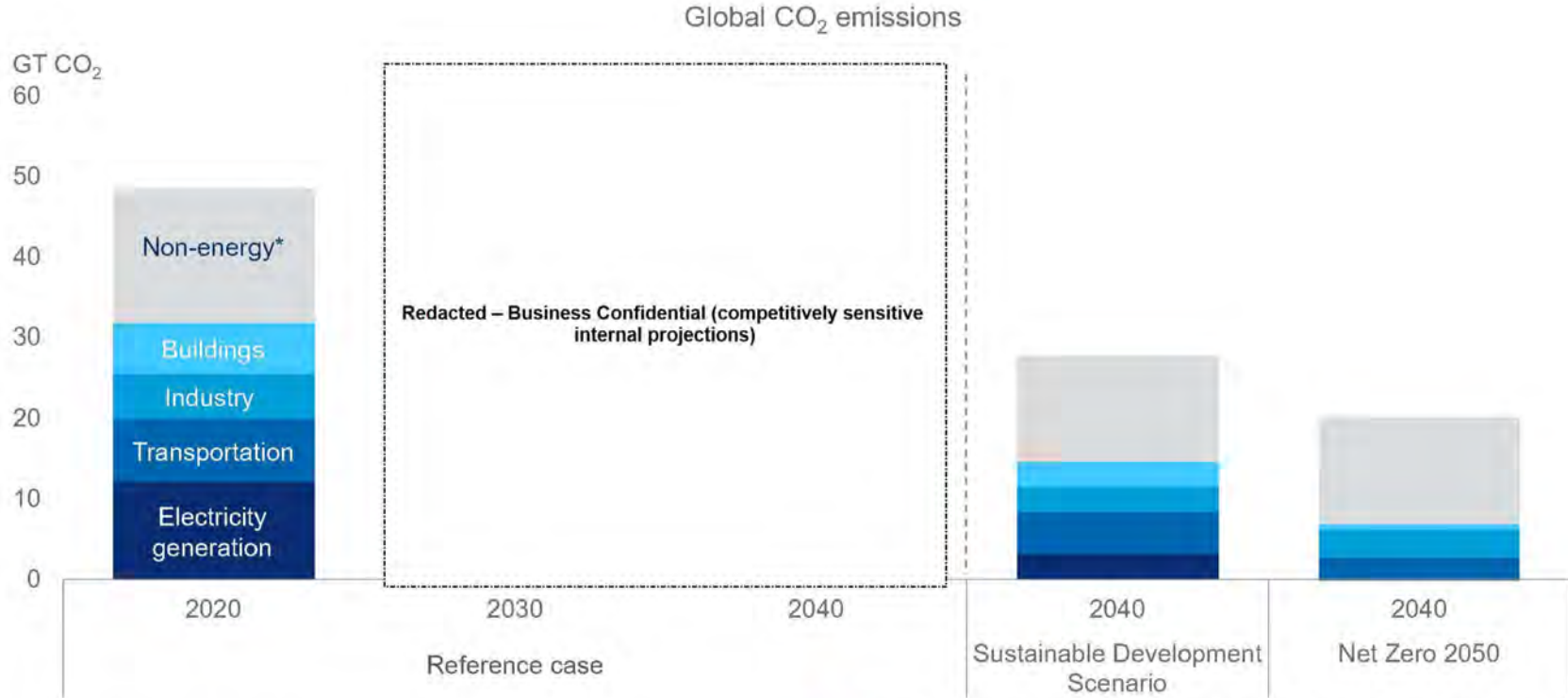


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# Growing policy focus on decarbonization

## Some sectors hard-to-abate

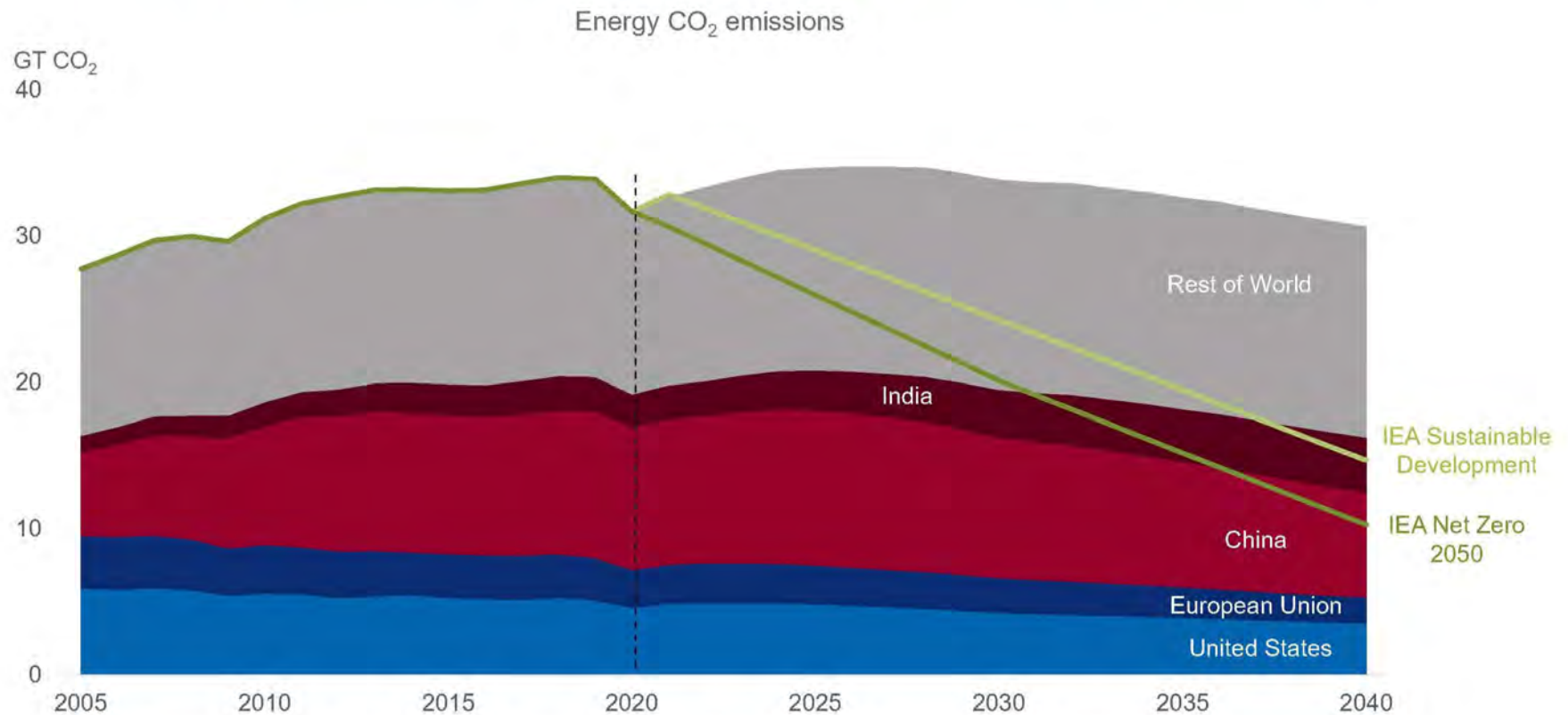


\*Non-energy is agriculture, livestock, and land-use

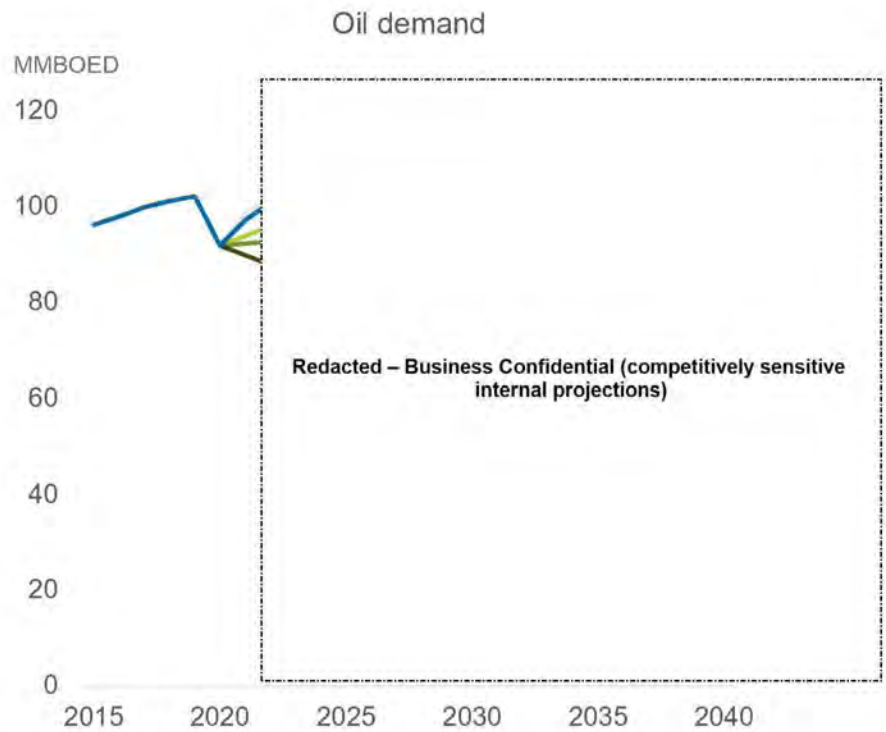
Source: IEA, MIT Scenarios for Assessing Climate-related Financial Risks, Chevron Analysis



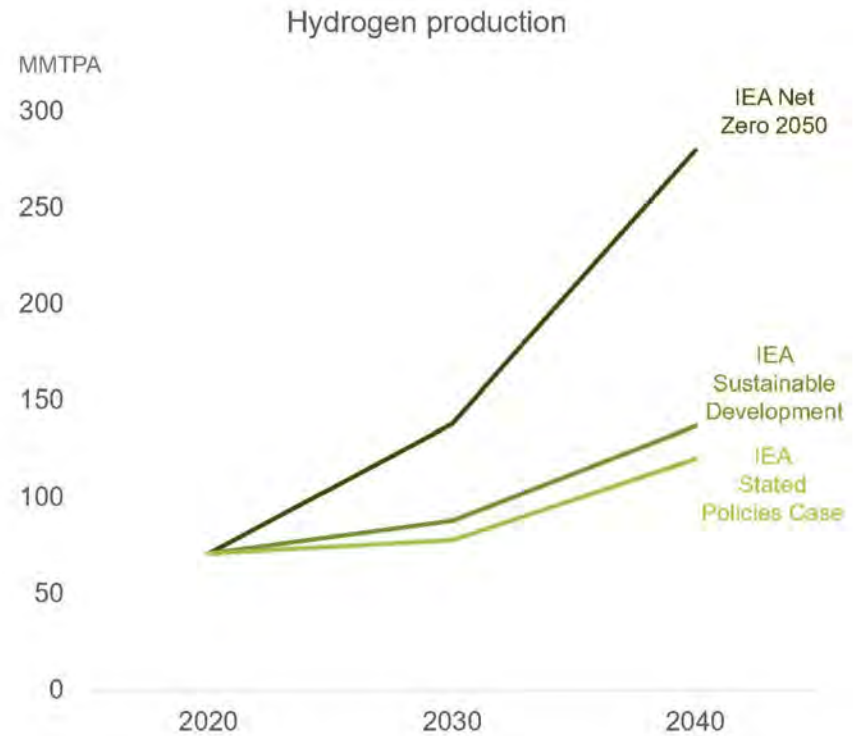
# Energy emissions driven largely by emerging markets



# Policy uncertainty creates a wide range of demand scenarios



Source: IHSMarkit, Wood Mackenzie, S&P Global Platts, IEA

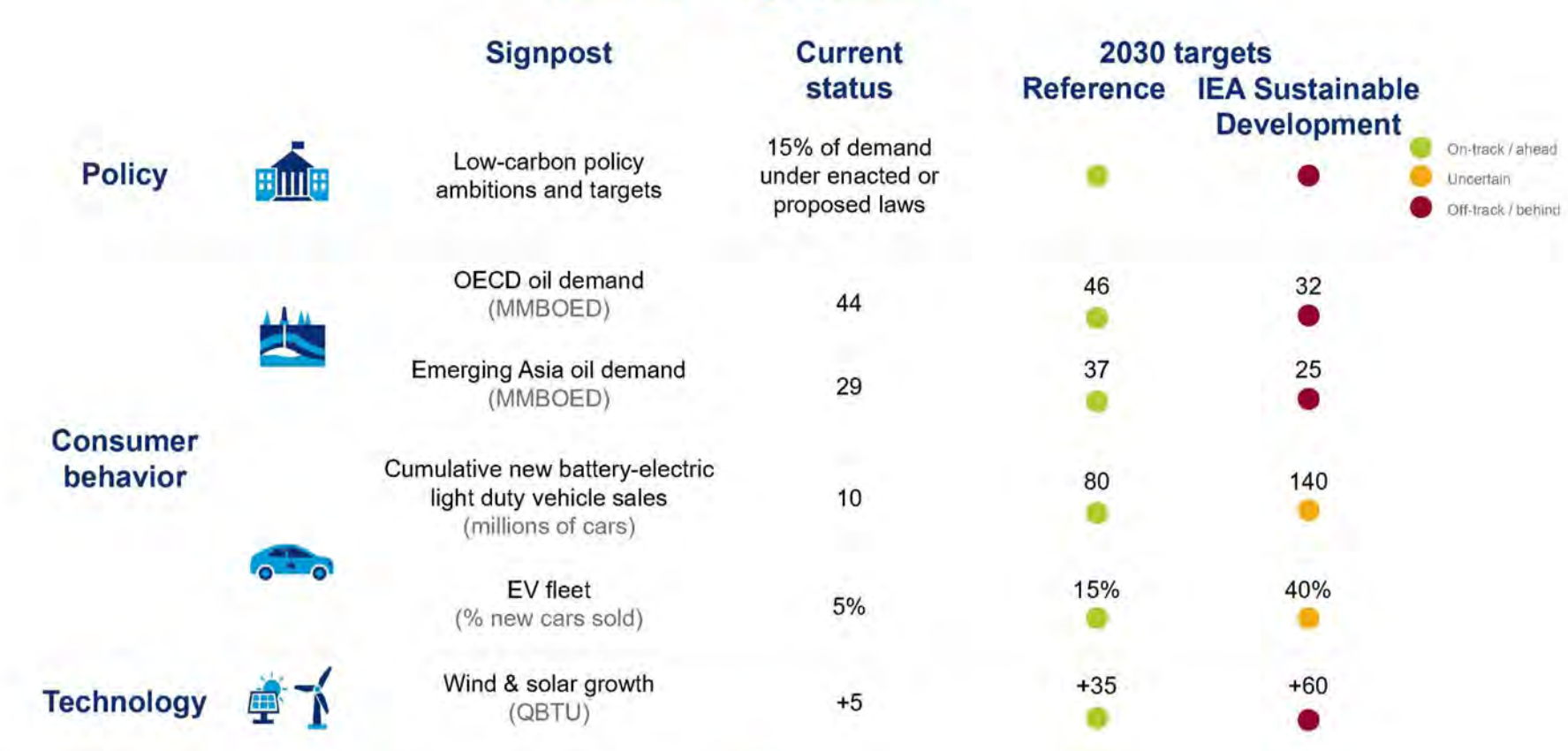


Board of Directors – July 2021





# Select signposts



Source: IEA, Wood Mackenzie



# Strategic implications



## Traditional energy business

Oil and gas demand  
endures for decades

Lower cost and lower carbon  
resources preferred



## New energy business

Policy drives pace  
and markets by jurisdiction

Opportunities are expanding;  
cost and scale remain challenges





# Competitor landscape

1 Investor headwinds persist for oil and gas

2 LTIP strategies continue to diverge

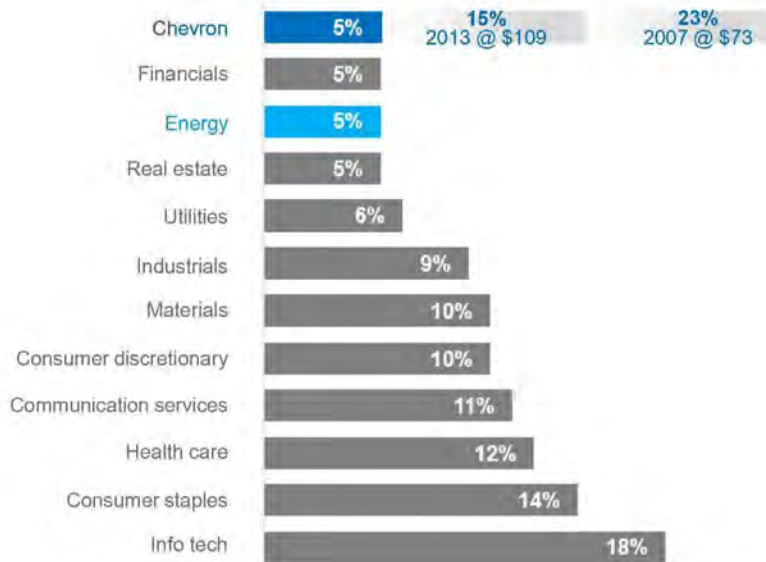
3 Diverging strategies create opportunities for both traditional and new energy businesses



# Headwinds persist for oil & gas

## Poor financial performance and low investor interest

5-year average ROCE by industry <sup>1,2</sup>



1. S&P 500 sector ROCE calculated using adjusted earnings from CapiQ. 5-year average reflects 2017- annualized 1Q21 results.  
 2. CVX ROCE calculated using earnings excluding special items as determined by CSS-CI

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Energy weighting in S&P 500 and Brent price



Source: CapiQ MARKETCAP downloaded through 6/30/2021; S&P 500 Index - GICS sector weighting from last day of each month (end-of-day)

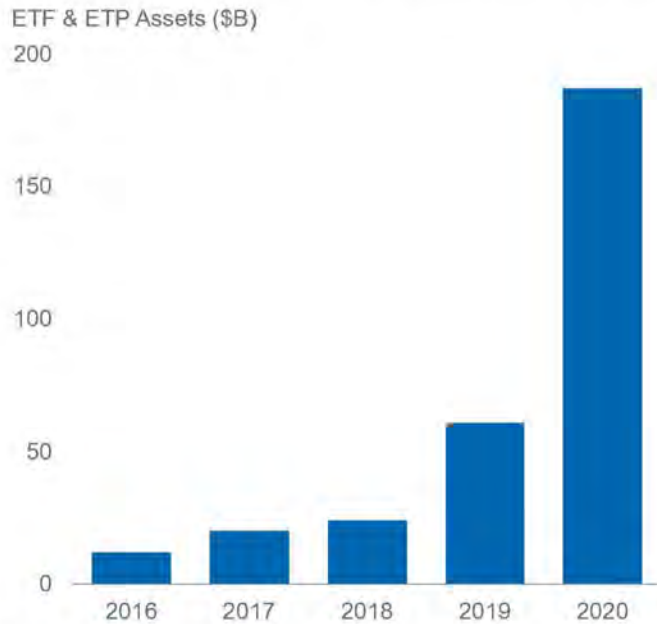
Board of Directors – July 2021

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# ESG focus accelerates

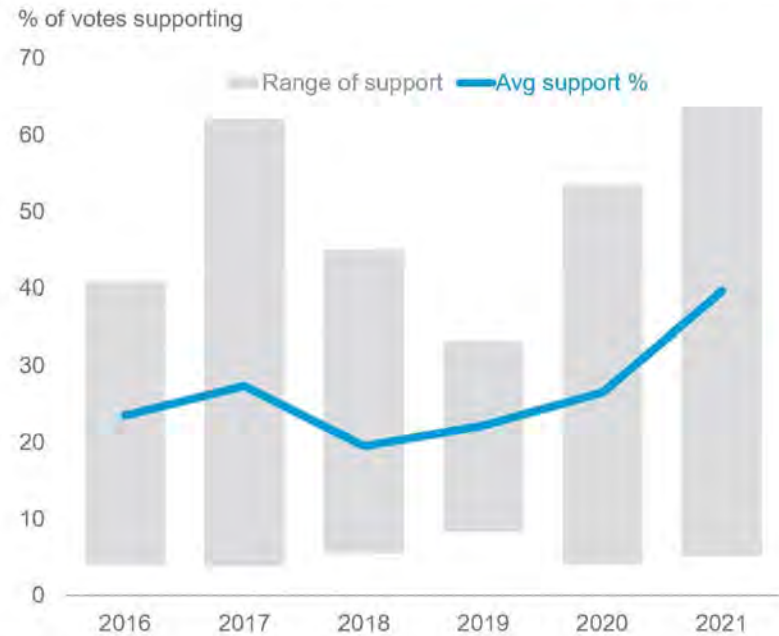
## Increasing questions about oil and gas investability

Investment in ESG Exchange-Traded Funds & Products



Source: "ETFGI reports assets invested in ESG ETFs and ETPs listed globally reach new milestone of US\$187 B at end of 2020". Data sourced by ETFGI LLP from sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, public sources, and in-house.

Support has grown for environment resolutions at LTIP AGMs<sup>†</sup>



Source: Proxy Insight

†. Shareholders' environmental resolutions voted on at LTIP annual general meetings (AGMs)



# Investors favor green energy

## Valuation multiple gap has widened

5-year TSR <sup>1</sup>








	Sector maturity	Investment thesis	TSR (5 Year) <sup>1</sup>	Valuation EV/EBITDA <sup>2</sup>
Green energy		Growth	194%	15.5x
S&P 500		Balanced	125%	14.8x
Chevron		Value / Dividend	24%	6.6x
S&P energy		Value / Dividend	-4%	7.3x

1. Cumulative 5 Year TSR (6/30/2021) sourced from CapIQ. S&P Sector ETFs, S&P Energy (XLE), Green Energy (ICLN)  
 2. As of 7/16/21, data sourced from Refinitiv based on 2021 estimates



# LTIP strategies continue to diverge

## Grow or shrink traditional energy business

					
Headline	Higher returns, lower carbon	Strategy reconnect	Powering progress	IEC from IOC	Broad energy company
Upstream	Low-cost, short-cycle <b>Grow</b> production	Lower-cost deepwater, unconventional, LNG <b>Flat</b> production	High grade upstream; LNG growth 20% oil <b>decline</b> <sup>1</sup> <small>(by 2030)</small>	Shrink oil & gas; balanced LNG 40% production <b>decline</b> <sup>1</sup> <small>(by 2030, excl Rosneft)</small>	Low-cost, short-cycle LNG growth <b>Flat</b> oil, <b>grow</b> gas
Downstream	<b>Strengthen</b> value chains	<b>Grow</b> integrated positions	<b>Grow</b> convenience retail Reduce refining		
Chemicals	Grow	Grow	Grow	Sold	Grow

<sup>1</sup> Indexed to 2019





# LTIPs diverge on net zero and scope 3

## Similar short-term carbon intensity reduction targets



ExxonMobil



### Emissions reduction goals

	Basis	Equity	Operated	Operated	Operated	Operated
Scopes 1 & 2	GHG emissions	↓ 35% intensity by 2028 (upstream only)	↓ 15-20% intensity by 2025 (upstream only)	↓ 20% intensity by 2030 Net zero by 2050	↓ 30-35% absolute <sup>1</sup> by 2030 Net zero by 2050 <sup>2</sup>	↓ 40% absolute <sup>3</sup> by 2030 Net zero by 2050
Scope 3	Carbon intensity of products sold	TBD	—	↓ 20% by 2030 Net zero <sup>4</sup> by 2050	↓ 15% by 2030 ↓ 50% by 2050	↓ 15% by 2030 ↓ 60% by 2050
2030 net carbon footprint estimate (gCO <sub>2</sub> e/MJ) <sup>5</sup>		TBD	Not publicly disclosed	57	69	63

Sources: Publicly disclosed company data

Notes:

- Base year is 2016 for CVX, XOM and RDS targets; 2019 for BP; 2015 for TTE (Total)
- Net carbon footprint figures calculated from products sold basis; 2030 estimates derived from assumed portfolio changes as provided via public disclosures

1. Absolute emission (million tons CO<sub>2</sub>e) vs. 2019
2. BP has added a scope 3 goal of 35-40% absolute reduction by 2030, and net zero by 2050 for its equity upstream production (i.e. CO<sub>2</sub>e emissions from combustion), excluding Rosneft
3. Absolute emissions (million tons CO<sub>2</sub>e) net of carbon sinks vs. 2015
4. In step with society, including actions taken by customers
5. LTIP forecasts by Transition Pathway Initiative (TPI); Chevron forecast from internal analysis aligned with TPI methodology; XOM has not disclosed sufficient data to forecast the amount



# LTIPs diverge on renewable power

## Similar for renewable fuels, hydrogen and CCS



ExxonMobil



Renewable power ambitions

Integrate into operations

Trading focused  
>560 TWh<sup>1</sup>

Aggressive growth  
20 – 50 GW<sup>2</sup>

Sustained growth  
35 GW<sup>3</sup>

Renewable fuels

100 MBD  
(by 2030)

~7 MBD purchase agreement for 2022

8x growth target  
(by 2030)

100 MBD target  
(by 2030)

300 MBD target  
(by 2030)

Shared ambitions

CCS

25 MMTPA  
(by 2030)

Gulf Coast storage concept (50 MMTPA)

25 MMTPA by 2035

7 MMTPA proposed projects

3 - 5 MMTPA by 2030

H<sub>2</sub>

150 KTPA  
(by 2030)

R&D

Double-digit share global clean H<sub>2</sub> sales<sup>4</sup>

10% share in core markets<sup>5</sup>

JV with Engie for green H<sub>2</sub>

Nature based offsets

\$30 MM p.a.  
(by 2030)

—

Invest ~\$100 MM p.a. 120 MMTPA<sup>5</sup> credits

Majority stake in offset firm Finite Carbon

Invest ~\$100 MM p.a. ≥5 MMTPA<sup>5</sup> natural sinks

Lower carbon annual capex

Biofuels, H<sub>2</sub>, CCS & other

Redacted – Business Confidential (competitive financial information)

~\$0.6B

~\$2B

~\$1B

~\$1B

Renewable power<sup>7</sup>

—

~\$2B

~\$4B

~\$2B<sup>8</sup>

1. Annual power sales target
2. Net GW developed to FID: 20GW by 2025, 50GW by 2030
3. Gross GW target by 2025
4. By 2035

5. By 2030
6. Includes investment in MACC projects
7. Renewables and other power investments
8. Goldman Sachs estimates & Chevron analysis



# Valuation gap between U.S. and European LTIPs

Due to dividend cuts and uncertain energy transition execution

					
P/E <sup>1</sup>	16.0x	14.5x	8.5x	8.5x	8.7x
EV/EBITDA <sup>1</sup>	6.6x	6.8x	4.2x	4.5x	4.5x



Source: Valuation data from Refinitiv (7/16/2021); analyst ratings from Bloomberg

1. Multiples on a 2021 estimate basis from Refinitiv



# Diverging strategies create opportunities



## Traditional energy business

Competitors **retreating**

**Consolidation** will continue



## New energy business

Competitors **diversifying** into renewable power now

Competitors **moving** into renewable fuels, hydrogen, CCUS

## Chevron's strategy

Continue to invest

Deliver higher returns and lower carbon

Target hard-to-abate demand

Build upon assets, capabilities, and customers





# Portfolio strategy

- 1 Improving returns and reducing carbon intensity of traditional business
- 2 Investing to grow profitable new energy business
- 3 Combination of high-return traditional with high-growth new energy business drives shareholder value in face of uncertainty





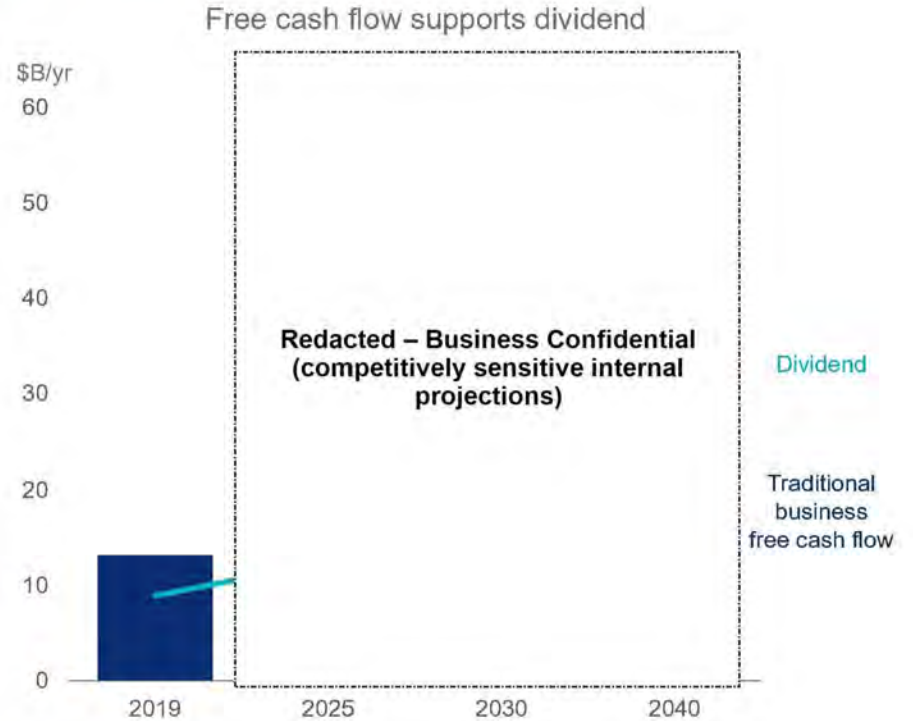
## Traditional energy business

**Redacted – Business Confidential (competitively sensitive internal projections)**



# Traditional business enables shareholder distribution growth

- Annual C&E: ~\$15-\$20B
- Upstream: modest production growth
- Downstream and chemicals: stable utilization
- ROCE grows to 10-14%
- FCF grows at >10% CAGR

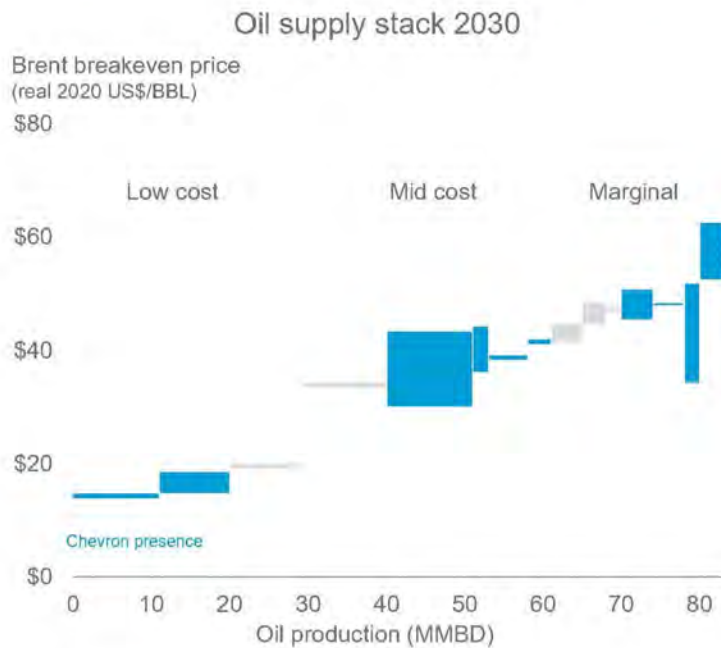


Note: Free cash flow growth is underpinned by price escalations assumptions. Assumes 6% annual dividend growth



# Upstream well positioned on cost and carbon intensity curves

~75% Chevron production in low-mid cost



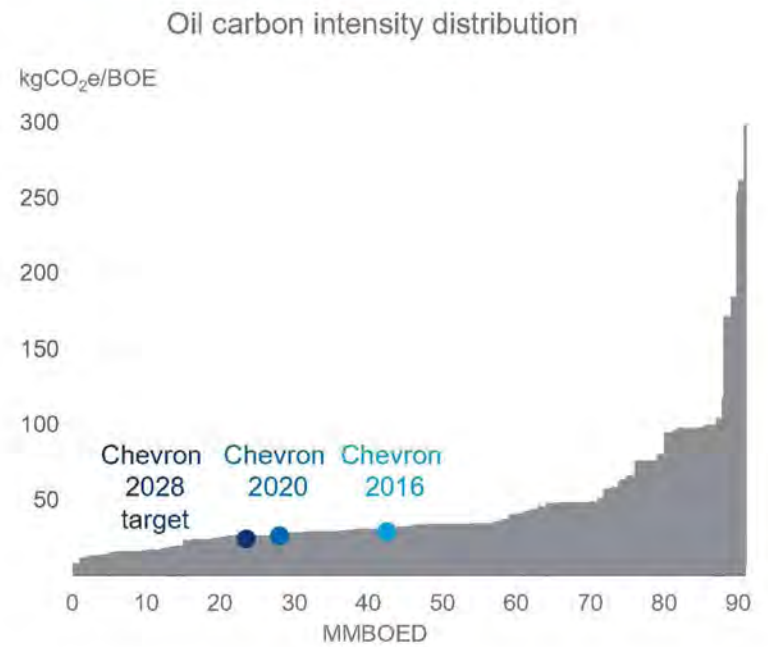
Source: Chevron analysis, Woodmac, IEA, World Energy Outlook 2018

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Oil carbon intensity continues to improve



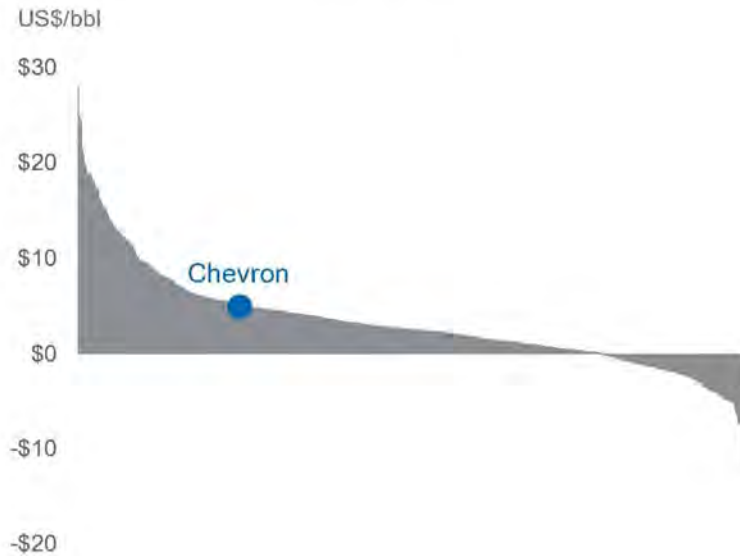
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# Downstream complexity increases margin and carbon intensity

>75% Chevron refining capacity in mid-high margin

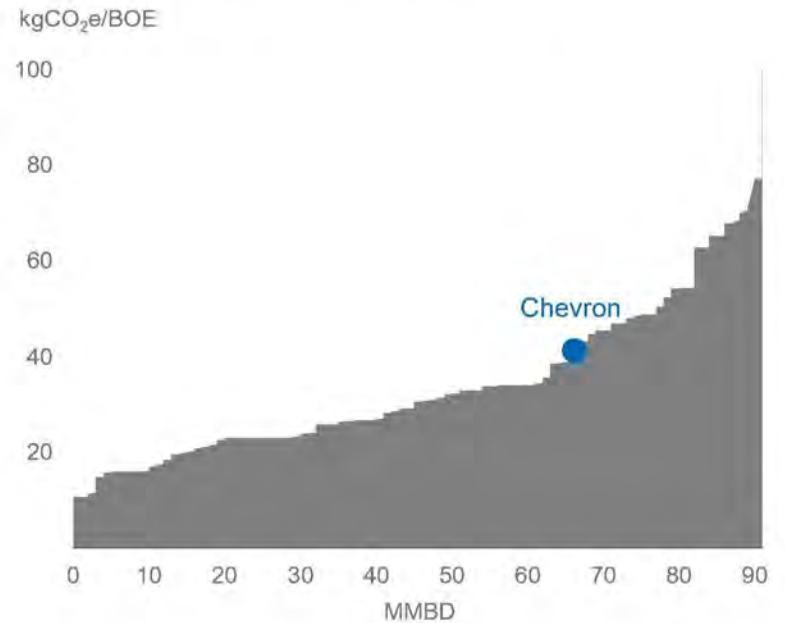
Net cash margin



Source: Woodmac, IEA, World Energy Outlook 2018

Third quartile oil carbon intensity

Refinery carbon intensity distribution



# Chevron new energy business

## Our strategy



### Target hard-to-abate demand

- Heavy-duty transport
- Aviation
- Industry



### Build upon assets, capabilities and customers

- U.S. West Coast
- U.S. Gulf Coast
- Asia Pacific

### Business lines



### Renewable fuels



### Hydrogen



### Carbon capture and offsets







# Renewable fuels: Leverage footprint and policy

## Renewable natural gas (RNG) U.S.

## Renewable diesel (RD) USWC, extend to U.S.

## Sustainable aviation fuel (SAF) Global



Low carbon and renewable fuel standards, blenders tax credit

Low carbon and renewable fuel standards, blenders tax credit

Adoption of a lower carbon fuel standard



Heavy-duty transport

Light and heavy-duty transport

Select airports, strategic airlines



Advantaged feedstock

Advantaged feedstock  
Capital efficient, flexible manufacturing

Advantaged feedstock  
Supply from locations of RD strength



Feedstock aggregators,  
commercial fleets

Agricultural partners, OEMs

Airlines, airports, industry coalitions





# Growing RNG 10X by 2025

## RNG value chain



Redacted – Business Confidential (competitive financial information)

## RNG Production

Online today – 1,500 MMBtu/day  
Initial sales through CalBio partnership

By 2025 – ~20,000 MMBtu/day  
Feedstock partnerships  
Advanced marketing

Beyond 2030 – ~40,000 MMBtu/day  
Grow feedstock supply with expanding policy support  
Expand end use to power generation, green hydrogen

Redacted – Business Confidential (competitive financial information)





# RD and SAF grow with market

## RD and SAF value chain



**Redacted – Business Confidential (competitive financial information)**

## RD and SAF Production

Online today: 2 MBD

El Segundo co-processing

By 2025: ~40 MBD

Feedstock, pretreatment partnerships  
Manufacturing conversion at Richmond,  
El Segundo and/or Pascagoula

Beyond 2030: ~100 MBD

100% of U.S. West Coast diesel is RD  
Asia growth with expanding policy  
Shift toward SAF

Potential U.S. RD market share 2030-2035: 10-15%





# Hydrogen: policy-enabled markets guide efforts

## California then U.S.

## Asia-Pacific



CA – Low Carbon Fuel Standard  
U.S. – Carbon price (future)

Limited consumer-level subsidies  
Growing interest in Japan, S. Korea, and Singapore



Light duty then heavy-duty transport,  
extending to power and high-heat sectors

Heavy-duty transport,  
extending to power and high-heat sectors



Richmond H<sub>2</sub> and green pilots  
extending to Central U.S.

NW Australia blue H<sub>2</sub>  
extending to green H<sub>2</sub> near demand sources

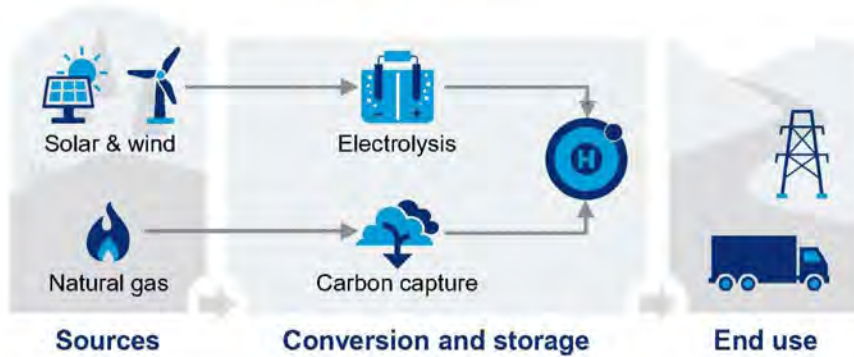






# Rapid hydrogen growth next decade

## Hydrogen value chain



## Projects

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Redacted – Business Confidential (competitive financial information)

1. Assumes Chevron at 50% working interest







# CCS: builds on subsurface capability

## U.S.

## Global



**Policy enablement**

CA - Low Carbon Fuel Standard + Cap & Trade  
 US - 45Q Credit and Carbon price (future)

Singapore – Carbon tax  
 S. Korea, Japan – Carbon price (future)



**Targeted demand**

Clusters of emitters (e.g., power, chemicals, other heavy industry) near storage reservoirs

Clusters of emitters near storage reservoirs



**Supply**

Storage in U.S. Gulf Coast  
 Central or Southern Calif., Rocky Mountains

Storage in Yellow Sea, near Sumatra,  
 and near developed Middle East



**Key relationships**



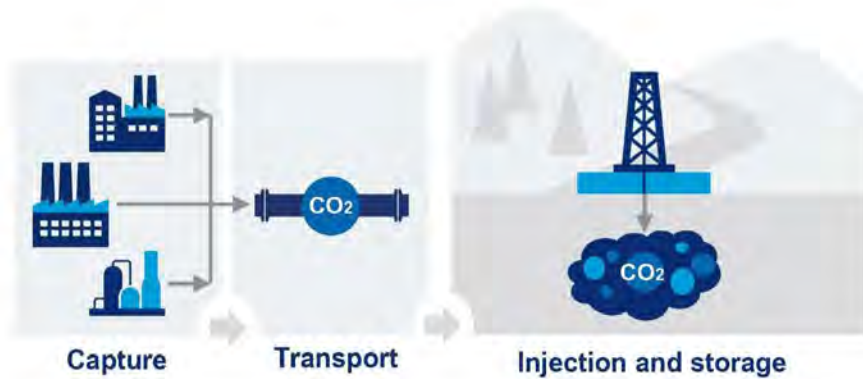
Relationships in origination





# CCS hubs delivering growth next decade

## CCS value chain



## CCS hub projects

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Redacted – Business Confidential (competitive financial information)

1. Assumes Chevron at 50% working interest





# Carbon offsets: evolve from compliance to commercial

## Global

  
**Market enablement**

Net zero ambitions creating opportunities  
Build on present trading activity

  
**Targeted demand**

Customers voluntarily reducing carbon footprint  
Pairing with crude, diesel, jet fuel and LNG

  
**Supply**

Nature-based – soil carbon storage,  
reforestation and mangrove restoration

  
**Key relationships**

Build on existing customer relationships  
Developing partnerships to source supply





# Carbon offsets projects

## Offsets value chain



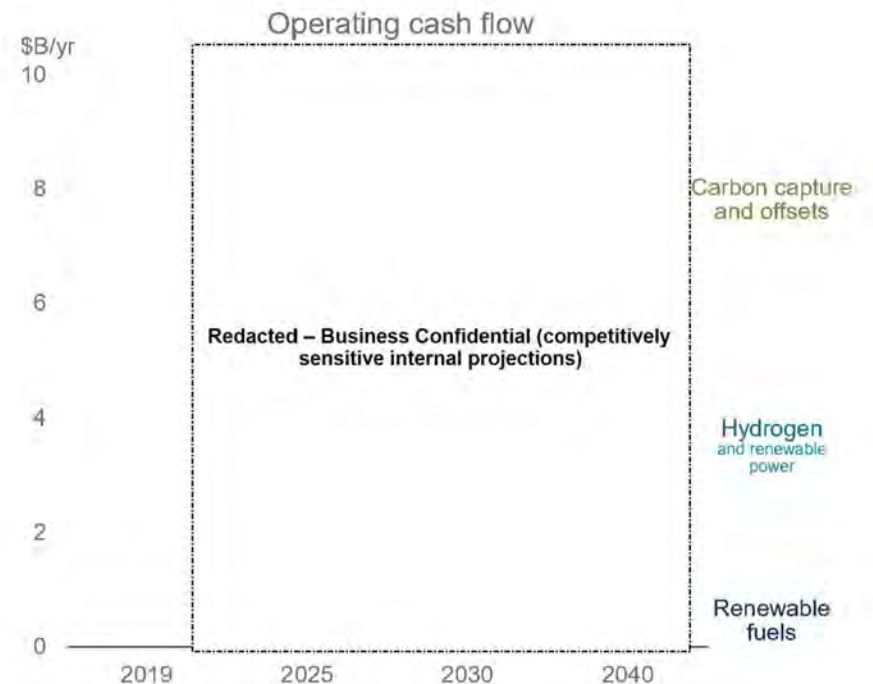
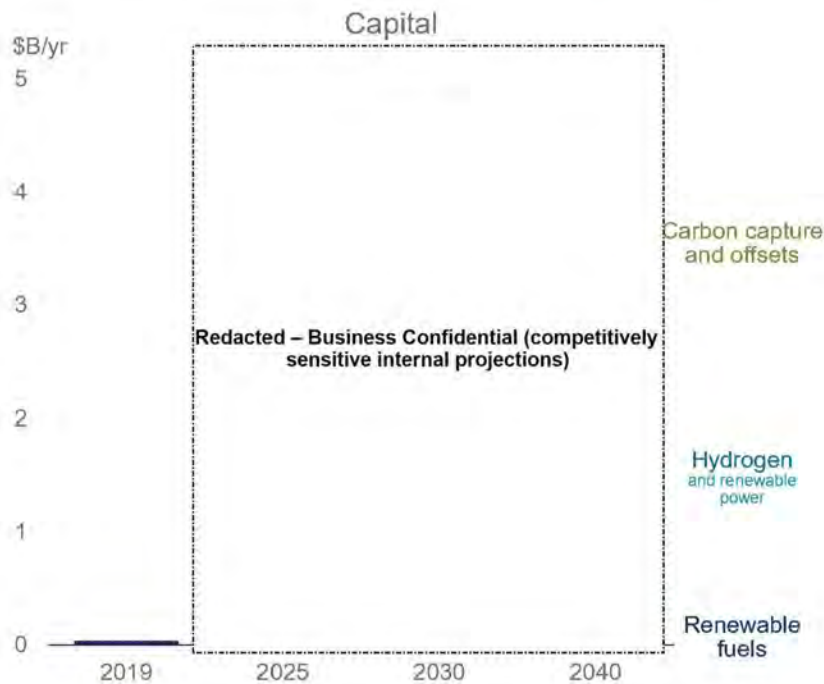
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# Chevron new energy business

**Redacted – Business Confidential (competitively sensitive internal projections)**



Note: Graphs are based on aspirational business plans projections.



# Advancing a lower carbon future

## New energies

Renewable fuels

Hydrogen

CCS and offsets

**Total <sup>1</sup>**

## Enabling CO<sub>2</sub> reductions (MMTPA by 2030)

**15-24**

**~ 1**

**25**

**~ 40-50**

1. Forecast range encompasses analysis using both Scope 3 approach and life cycle analysis approach. Finalization subject to methodology choice.



# Energy Transition Spotlight

## Investor Day – Sept 14, 2021

### Chevron Accelerates Lower Carbon Ambitions

DRAFT

- Triples total lower carbon capital to \$10 billion through 2028
- Sets growth targets for renewable fuels, hydrogen, carbon capture and offsets

SAN RAMON, Calif., September 14, 2021 — During its Energy Transition Spotlight, Chevron Corporation (NYSE: CVX) announced plans to invest more capital to grow new energy businesses. “Chevron intends to be a leader in advancing a lower carbon future,” said Michael Wirth, Chevron’s chairman and CEO. “Our planned actions target hard to abate sectors of the economy and are connected with our assets, operational strengths and customer base.”

#### Growth in new energy businesses

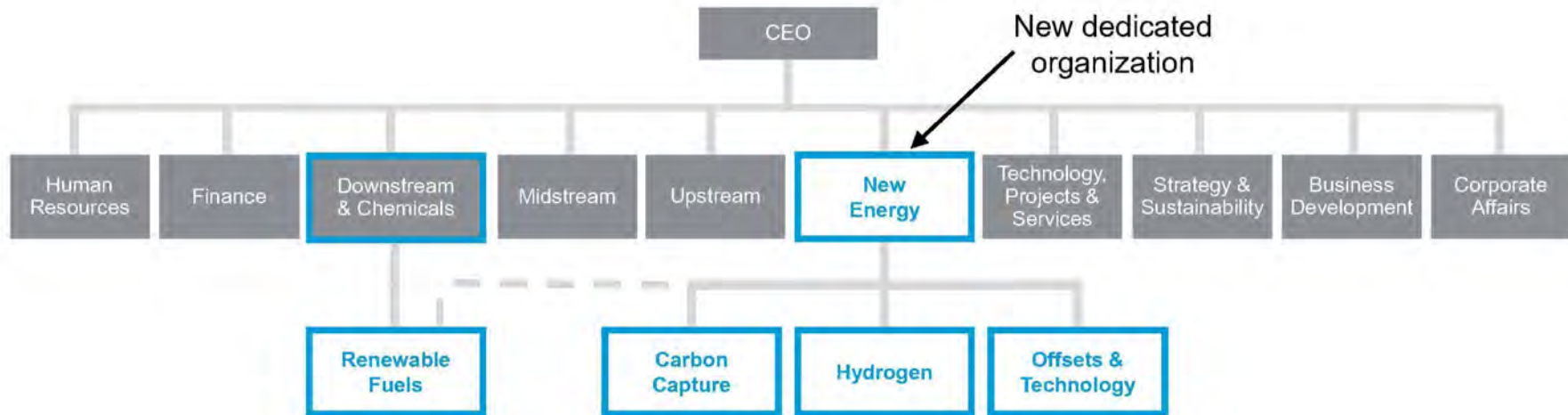
The company is building on its energy transition progress to set 2030 growth targets for new energy businesses.

- Lead in branded sales of renewable fuels and increase production to **100 thousand barrels of oil equivalent per day** of renewable diesel, jet, gasoline, and natural gas.
- Grow production of low carbon hydrogen to **150 thousand tonnes per year**
- Increase carbon capture and offsets to **25 million tonnes per year**

Portion of draft press release



# Strategy to action through focus



# Strategy to action through execution

## Approach for success

Enable **business-building culture** for rapid growth  
Build complementary **strategic relationships**  
Leverage **capabilities** (technology, commercial, etc.)

## Initial focus



### Renewable fuels

Multiple feedstocks  
Expansion of station network  
OEMs and airlines



### Hydrogen

Richmond – Toyota, Cummins  
Houston hydrogen hub  
Utah green hydrogen



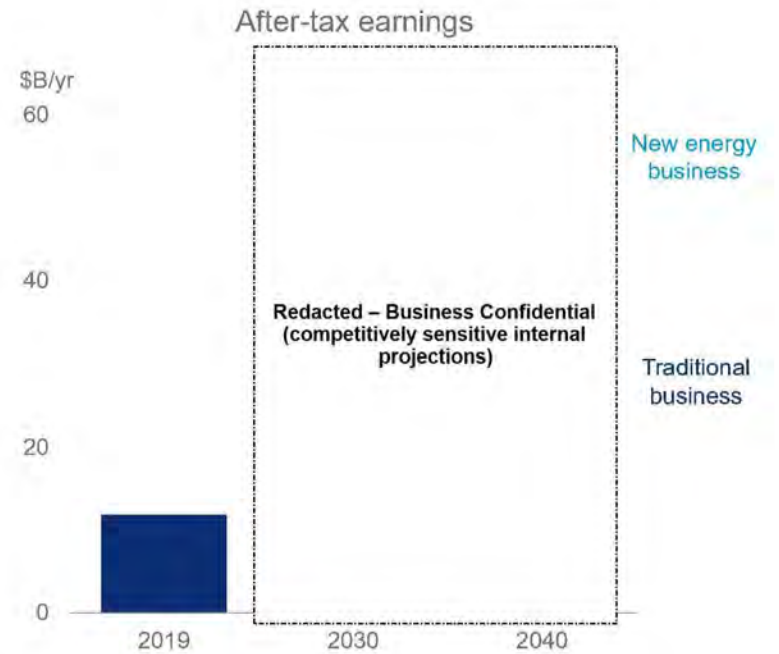
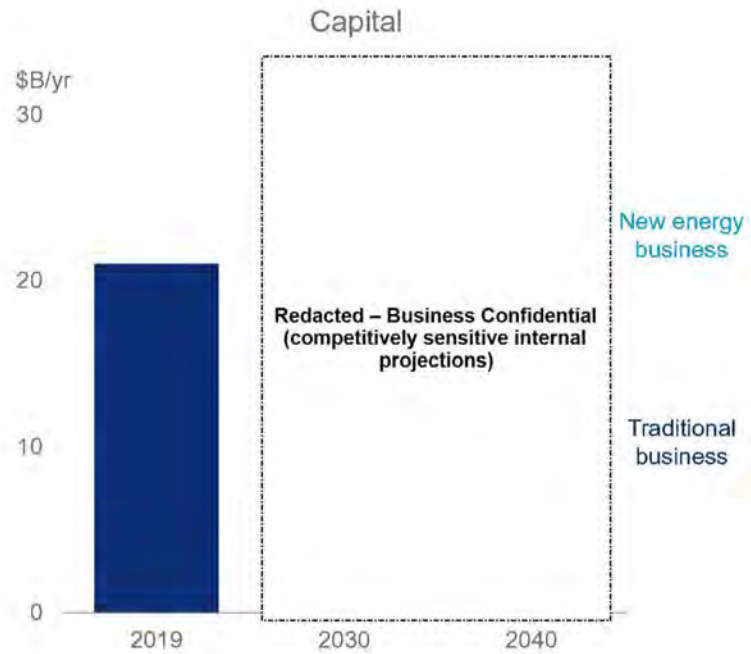
### Carbon capture & offsets

California bioenergy  
Carbon to building materials  
Gulf Coast storage





# Profitable traditional business underpins new energy growth



Represents 2019 adjusted earnings of \$11.9B. 2019 earnings were \$2.9B on an unadjusted basis.



# Committed to deliver



## Higher returns

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**Improving ROCE**  
>10% in 2025

**Growing FCF**  
>10% CAGR by 2025



## Lower carbon

**Triple investment in new energies by 2028**

- **100 MBD** Renewable fuels
- **150 KTPA** Hydrogen
- **25 MMTPA** Carbon capture & offsets

**Reduce upstream carbon intensity**  
~35% by 2028

Redacted – Business Confidential (competitively sensitive internal projections)

1. Forecast range encompasses analysis using both Scope 3 approach and life cycle analysis approach. Finalization subject to methodology choice.

