



climate change resilience

advancing a lower-carbon future



executive summary

24

We believe achieving 24kg CO₂e/boe for oil and for natural gas would place Chevron in the top quartile of total production, meaning among the most carbon-efficient producers. This is our objective for 2028.

= higher returns, lower carbon

three action areas

lower carbon intensity
cost-efficiently



increase renewables and offsets
in support of our business



invest in low-carbon technologies
to enable commercial solutions



lower-carbon capital allocation

\$2B
by 2028 in carbon-reduction projects

\$750M
by 2028 in investments in renewables and offsets

\$300M
committed to the Future Energy Fund II

carbon footprinting



drilling & completions



production



pipeline



liquefaction/
refining



shipping



use

- Standardized reporting enabling buyer choice

- Reliable, verifiable information driving returns

- Life-cycle carbon-footprinted products mobilizing action

policy



innovation support



carbon pricing



targeted policies

metrics

upstream production net greenhouse gas emissions intensity reduction metrics for 2028:

24 kg CO ₂ e/boe for oil (global industry averages 46)	40% reduction from 2016
24 kg CO ₂ e/boe for gas (global industry averages 71)	26% reduction from 2016
2 kg CO ₂ e/boe for methane and a global methane detection campaign	53% reduction from 2016
0 routine flaring by 2030 and 3 kg CO ₂ e/boe for overall flaring	66% reduction from 2016

executive summary

At Chevron, we believe the future of energy is lower carbon and we support the global net-zero ambitions of the Paris Agreement. Affordable, reliable, ever-cleaner energy is essential to achieving a more prosperous and sustainable world. Please see our updated *Climate Change Resilience* report for more details on our governance, risk management, strategy, portfolio, actions, and metrics.

reliable and disciplined oversight

Our governance structure calls for Chevron's full Board of Directors and executive leadership to exercise their oversight responsibilities with respect to climate change-related risks and energy-transition opportunities. This oversight is executed through regular engagement by the full Board of Directors and also through deeper, focused engagement by all Board Committees. This occurs primarily through the Board's Public Policy and Sustainability Committee, as well as the Board's Management Compensation, Audit, and Nominating and Governance Committees. At the executive level, we manage climate change-related risks and energy-transition opportunities through the Enterprise Leadership Team and the Global Issues Committee, each of which meets regularly throughout the year. We periodically reassess our governance structure to enable Chevron to maintain a Board composition and governance framework that is effective for managing the Company's performance and risks as we deliver value to our investors.

risk assessment and management

We face a broad array of risks, including physical, legal, policy, technology, market, and reputational risks. We utilize an enterprise-wide process to assess major risks to the Company and seek to apply appropriate mitigations and safeguards. As part of this process, we conduct an annual risk review with executive leadership and the Board of Directors and assess our risks, safeguards, and mitigations.

higher returns, lower carbon

Our primary objective is to deliver higher returns, lower carbon, and superior shareholder value in any business environment. Chevron's strategic and business planning processes bring together the Company's views on long-term energy market fundamentals to guide decision making by executives and to facilitate oversight by the Board of Directors. The world's energy demands are greater now than at any time in human history. Most published outlooks conclude that fossil fuels will remain an important part of the energy system over the coming decades,

and that the energy mix will include increasingly lower-carbon sources. As part of our strategic planning process, we use proprietary models to forecast demand, energy mix, supply, commodity pricing, and carbon prices—all of which include assumptions about future policy, such as those that may be implemented in support of the Paris Agreement's goal of "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."

In 2020, more than 60 percent of our total Scope 1 and Scope 2 equity greenhouse gas (GHG) emissions were in regions with existing or developing carbon-pricing policies.¹ In this environment, and into a future likely to include additional lower-carbon policies, we seek to find solutions that are good for society and good for investors.

We use carbon prices and derived carbon costs in business planning, investment decisions, impairment reviews, reserves calculations, and assessment of carbon-reduction opportunities. We believe that our portfolio is resilient and that our asset mix enables us to be flexible in response to potential changes in supply and demand, even in lower-carbon scenarios like the International Energy Agency's Sustainable Development Scenario or under higher-emissions scenarios like the Intergovernmental Panel on Climate Change's Representative Concentration Pathway 8.5 to model the potential upper bound of physical risks.

success in a lower-carbon future

Our intent is to deliver affordable, reliable, ever-cleaner energy that enables human progress and delivers superior stockholder value. Our actions are focused on (1) lowering our carbon intensity cost-efficiently, (2) increasing renewables and offsets in support of our business, and (3) investing in low-carbon technologies to enable commercial solutions.

in summary

We believe the future of energy is lower carbon and we support the net-zero ambitions of the Paris Agreement. Our Board of Directors provides reliable and disciplined oversight; we assess and manage risks related to climate change; we intend to deliver higher returns and lower carbon; and we are advancing a lower-carbon future through our three action areas.

¹ Scope 1 includes direct emissions. Scope 2 includes indirect emissions from imported electricity and steam.

scenario test

the resilience of our portfolio under the IEA's SDS and the IPCC's representative concentration pathway (RCP) 8.5

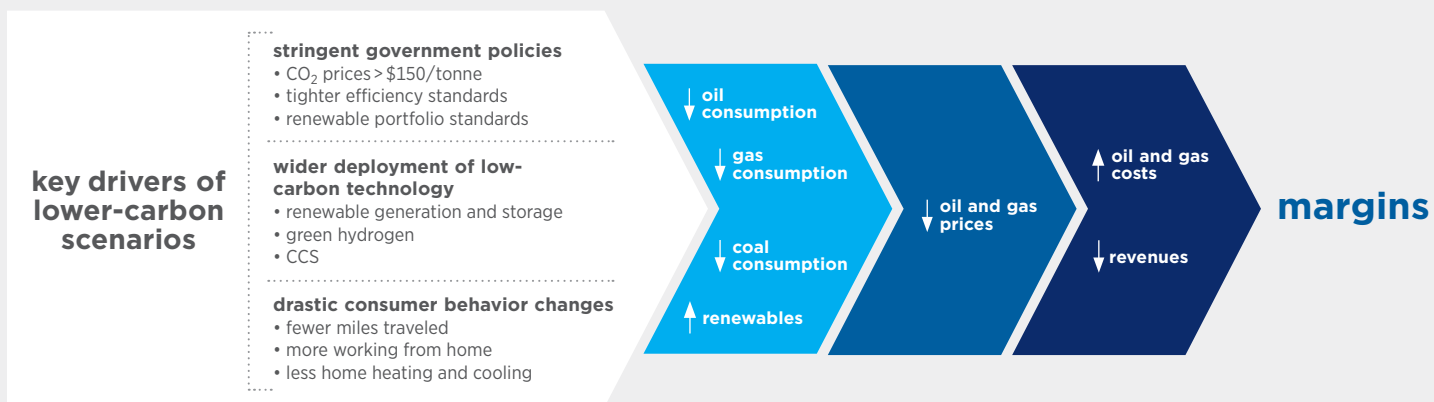
We use long-term energy-demand scenarios and a range of commodity prices to test our portfolio, assess investment strategies, and evaluate business risks to strive to deliver results under a range of potential futures. We analyze alternative scenarios to stress-test our portfolio and integrate learnings into our decision making to remain competitive and resilient in any environment.

For longer-term scenarios, we routinely use external views to both inform and challenge our internal views. This includes scenarios that keep global warming to well below 2° C above pre-industrial levels, as well as scenarios forecasting net-zero emissions by 2050.² In addition, we use the scenarios from the IPCC to inform our physical and financial exposure to climate change. Some suggest the abrupt reduction in demand from the COVID-19 pandemic has presented a real-world stress test for our portfolio and the industry. The pandemic's impact on energy markets illustrates the scale of changes and disruption that would accompany a reordering of the economy and behavior in order to meet the goals of the Paris Agreement.³

The IEA's SDS: Energy demand, oil, natural gas, refined product, and portfolio analysis

One example of a lower-carbon scenario against which we test our portfolio is the IEA's SDS. The SDS outlines one potential path to 2040 that reflects the objectives of recent energy policies, including the Paris Agreement, of keeping global average temperatures well below 2° C above pre-industrial levels and putting the world on track to achieve net-zero emissions by 2070. The SDS achieves lower emissions mainly through policies aimed at increasing efficiencies and renewable energy sources, which limit energy-demand growth. In this scenario, declines in long-term oil and gas demand put downward pressure on prices. The estimated market price reductions will be dependent on specific supply curves. It is possible, for example, that declines in oil and gas demand will place the market on a relatively flat portion of the supply curve, resulting in fairly small price changes in response to changes in long-term demand expectations. The TCFD provides guidance on evaluating business impacts and on disclosure.^{4,5} To test the effects of the IEA's SDS, we input its demand projections into our proprietary model of supply and commodity prices and tested our portfolio against the new price tracks generated to meet the SDS level of demand.⁶

Exhibit 1. Potential industry impacts of lower-carbon scenarios



2 Network for Greening the Financial System (NGFS), *Guide to Climate Scenario Analysis*, June 2020, ngfs.net/sites/default/files/medias/documents/ngfs_guide_scenario_analysis_final.pdf; Principles for Responsible Investment, *Inevitable Policy Response*, June 2020, unpri.org/inevitable-policy-response/what-is-the-inevitable-policy-response/4787.article; IEA, *World Energy Outlook 2020, SDS, NZE2050*, October 2020, [iea.org/reports/world-energy-outlook-2020](https://www.iea.org/reports/world-energy-outlook-2020).

3 IEA, *World Energy Outlook 2020, SDS, NZE2050*, October 2020, [iea.org/reports/world-energy-outlook-2020](https://www.iea.org/reports/world-energy-outlook-2020).

4 TCFD, *Recommendations of the Task Force on Climate-related Financial Disclosures*, June 2017, assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf.

5 TCFD, *The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities*, June 2017, assets.bbhub.io/company/sites/60/2020/10/FINAL-TCFD-Technical-Supplement-062917.pdf.

6 Our Corporate Audit Department, which performs the internal audit function at Chevron, conducted an independent review of the reporting processes related to the SDS scenario test. This review was conducted in accordance with the principles espoused by the Institute of Internal Auditors. The Corporate Audit Department found that, in developing the SDS scenario disclosures, our reporting processes were reasonably performed in accordance with the reporting process for the IEA's SDS. Moreover, our Corporate Audit Department verified that our procedures in developing the NZE2050 scenario statements followed applicable procedure to the extent developed to date by the IEA.

Portfolio analysis: We test our portfolio against projected prices under the SDS. Given our focus on the most competitive assets in our Upstream portfolio and actions to align Downstream & Chemicals around scaled, efficient, flexible, integrated, and higher-margin value chains, we believe our portfolio should be resilient even under the SDS.

- **Short-term impact (0–10 years), Upstream:** Chevron’s diverse portfolio mitigates risk and enables us to take advantage of opportunities that may arise from changes in industry economics.

- > Today, much of our Upstream investment is focused on unconventional assets in the Permian Basin, Argentina, Canada, and the DJ Basin. The presence of these short-cycle assets in the portfolio gives us the flexibility to efficiently manage commodity price volatility, cash flow, and earnings, even in a low-price environment like the IEA’s SDS.
- > In addition to these unconventional assets, our strong Upstream base businesses in Kazakhstan, the Deepwater Gulf of Mexico, and Nigeria will continue to generate cash flow and earnings in the short term at lower crude prices based on investments made largely in the past. These assets will provide opportunities for investment in brownfield projects that are typically higher return and lower risk because they leverage existing assets and infrastructure. The startup of the Future Growth Project in Kazakhstan in 2022 or 2023 will increase the cash-generation power and earnings of our base business.
- > Our LNG assets in Australia will generate cash flow and earnings in an environment that lacks substantial price growth with just our existing asset base and select brownfield investments. Our gas assets in the eastern Mediterranean region represent an additional and sizable source of cash flow and earnings during this period with only limited investment.
- > In a low-price environment like the SDS, operating costs decline across the portfolio, driven by efficiency initiatives and portfolio rationalization, and there is a general reduction in industry cost structures due to reduced demand for goods and services.

- **Short-term impact (0–10 years), Downstream & Chemicals:** Although there is declining demand for transport fuels in the United States, the Downstream portion of our portfolio remains resilient due to actions we have taken over the past decade to enhance refinery competitiveness. Our investments in biofuels and renewables provide new opportunities in support of our Downstream business as demand for these commodities increases. Petrochemical demand continues increasing in the SDS, which will help maintain earnings from the chemicals business.

- **Long-term impact (10-plus years), Upstream:** Production and cash generation from our existing assets plus select brownfield investments remain robust into the 2030s, even at the SDS prices. Competition for new production opportunities is intense as companies look to offset natural field declines with lower-cost assets that could be profitable at sustained lower prices. These same lower prices, however, continue to push other industry costs lower. Margins and cash flow settle at levels that ensure there is enough supply to meet the world’s continued need for energy through the period. Lower prices may challenge assets in disadvantaged parts of the supply stack, which may lead to changes in our portfolio in the long term. In this environment, we use our portfolio’s scale, efficiency, diversity, and flexibility to maintain the business; we continue to exhibit capital discipline in our investment decisions; and we lower our cost base to maximize the value of our portfolio.

- **Long-term impact (10-plus years), Downstream & Chemicals:** Declining demand for all hydrocarbon transport fuels results in margins dropping globally. Lighter crudes and lower runs lead to less feed for conversion units in more-complex refineries, which, in the absence of flexibility, efficiency, and reconfiguration, could disadvantage high-conversion refineries (e.g., coking) relative to simpler refineries. Refining investments remain curtailed, although select investments, including in petrochemicals, could continue.

net-zero emissions by 2050

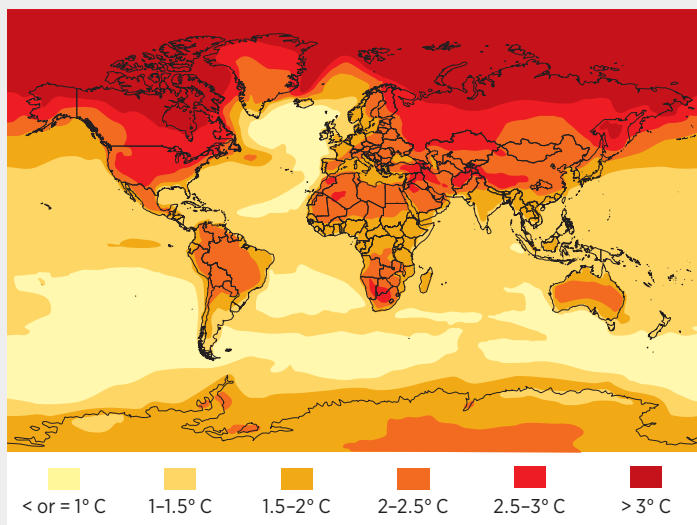
The IEA’s Net-Zero Emissions by 2050 scenario puts the world on a pathway to achieve net-zero emissions by 2050 through more rapid deployment of low-carbon energy technologies and significant behavioral changes that reduce energy use. Putting the world on a net-zero 2050 path results in a more rapid decline in demand than depicted in the SDS. In 2030, oil and gas constitute approximately 50 percent of the primary energy mix in the NZE2050 scenario, compared with 66 percent in the SDS. Oil demand in NZE2050 is nearly 25 percent below SDS levels in 2030, whereas gas demand is about 8 percent below SDS levels in 2030. Incremental upstream investment remains required in the NZE2050 scenario as mature field decline outpaces projected demand reductions. The more rapid demand decline in NZE2050 implies increased market competition for supply and rationalization of refining capacity. Overall market and portfolio impacts under NZE2050 are expected to be similar to those in the SDS on a more accelerated time horizon. Further detail on the demand profiles by region and fuel that extend beyond 2030 for the NZE2050 scenario are needed to understand specific energy price and portfolio impacts similar to the SDS analysis. We update our analysis of scenarios as information is released by the IEA.

The IPCC's RCP8.5: Physical risk and adaptation analysis

We have existing practices that identify and manage risks associated with the impacts of ambient conditions and extreme weather events on our operations (see page 9 of the full report). Recognizing that climate models continue to evolve, in 2020, we undertook a stress-test exercise for our operated assets with regard to the potential upper bound of physical risks that third parties model as potentially related to climate change using a time horizon of 30 years. Our assessment used third-party tools and methodologies⁷ and evaluated IPCC Representative Concentration Pathways (RCPs).

RCPs are GHG concentration scenarios “that include time series of emissions and concentrations of the full suite of greenhouse gases and aerosols and chemically active gases, as well as land use/land cover” that are used for climate modeling and research as part of the IPCC's AR5.⁸ RCP scenarios are not predictions. Among the full set of RCPs, RCP8.5 is the pathway with the highest greenhouse gas emissions. RCP8.5 assumes continued accumulation of GHG concentrations with an increase in radiative forcing greater than 8.5 W/m² and a projected temperature increase by 2100 of 2.6° C to 4.8° C relative to the beginning of this century. See Exhibit 2. Although the high-emissions RCP8.5 scenario is viewed by some as representing a higher temperature change than implied by current emission trends and is not meant to be predictive, we used

Exhibit 2. Example of modeled potential changes in 2050 mean temperature compared with 1986–2005 under IPCC RCP8.5



Notes: Based on RCP8.5. Spatial resolution is 25 km.

Sources: Lower-carbon-NEX-GDDP CMIP5 ensemble; ACRE.

RCP8.5 to enable assessment of the upper bound of inherent risk in the absence of further expected decarbonization.

We assessed acute hazards (lethal heat waves, wildfires, droughts, coastal flooding, riverine flooding, and severe storms) as well as chronic hazards (mean ambient temperature and outdoor workability conditions) to 2050. The analysis drew on emerging methods⁹ in climate science to create modeled outcomes from public data.¹⁰ Limitations include the desktop nature of analysis, uncertainties around emissions pathways and the pace of warming, climate model accuracy and natural variability, and uncertainties inherent in predicting outcomes that could be related to climate change and relating those outcomes to potential impacts on us.

Portfolio analysis: Because of the global nature of our business, our assets do not all share the same physical attributes and would not all be impacted in the same way. We observed that, under the modeled outcomes, our asset portfolio is generally resilient to acute and chronic hazards under RCP8.5 through 2030. Assuming modeled outcomes are realized, maintaining a high level of resilience to acute hazards beyond 2030 may require additional hardening for specific assets. We would expect this hardening to be managed in the ordinary course of our business through facilities management and business planning processes. Based on modeled outcomes, chronic hazards could increase impacts on some assets beyond 2030. We would expect that financial impact would be limited and could be mitigated if we were to undertake appropriate adaptation measures in the future. For example, under modeled RCP8.5 outcomes, Pascagoula, Mississippi, could face increases in temperature and humidity, which if unmitigated could lead to labor productivity losses. Yet, we would expect such productivity loss could be reduced by adjusting scheduled maintenance work to cooler seasons and adjusting the timing of daily worker shifts. Under modeled outcomes, we would expect our operated facilities to be generally resilient to modeled physical risk. There may, however, be dependencies on third-party-owned and third-party-operated assets, like local infrastructure, that could affect operations. Notably, these dependencies already exist and are managed in the ordinary course of our business.

7 McKinsey Global Institute, *Climate Risk and Response: Physical Hazards and Socioeconomic Impacts*, January 2020.

8 Commonwealth Scientific and Industrial Research Organisation, *Climate Change in Australia*, climatechangeinaustralia.gov.au/en/climate-campus/modelling-and-projections/climate-models/; Geophysical Fluid Dynamics Laboratory, *Climate Model Downscaling*, gfdl.noaa.gov/climate-model-downscaling/.

9 University of California, Merced, *Multivariate Adaptive Constructed Analogs Datasets*, climate.northwestknowledge.net/MACA/index.php; NASA Center for Climate Simulation, nccs.nasa.gov/services/data-collections/land-based-products/nex-gddp; NASA NEX-GDDP multi-model ensemble; Copernicus, *CMIP5 Daily Data on Single Levels*, cds.climate.copernicus.eu/cdsapp#/dataset/projections-cmip5-daily-single-levels?tab=overview; World Resources Institute, *Aqueduct Floods*, wri.org/resources/websites/aqueduct-floods; WindRisk Tech, *Hurricane Risks*, windrisktech.com/.

10 IPCC, *Climate Change 2014: Synthesis Report*, 2014, ipcc.ch/report/ar5/syr/.

summary of scenario test

We believe our portfolio is resilient, although some assets could be exposed if we were to take no action. Our processes for tracking leading indicators and managing these changes, combined with our asset mix, enable us to be flexible in response to potential changes in supply, demand, and physical risk.

chevron supports well-designed climate policy

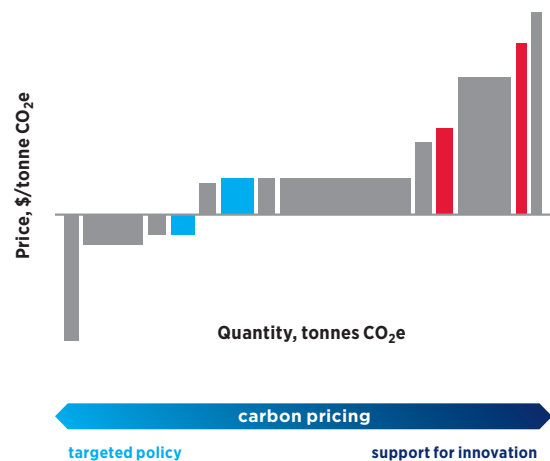
Chevron supports the Paris Agreement and is committed to addressing climate change while continuing to deliver energy that supports society. Climate policy should achieve emissions reductions as efficiently and effectively as possible, at the least cost to economies.

chevron supports carbon pricing, innovation, and efficient policies

chevron supports:

- **Global engagement:** Build up an integrated global carbon market that creates a level playing field and mitigates trade distortions. Incentivizing the lowest-cost abatement on the widest scale possible is critical to mitigating climate change.
- **Research and innovation:** Support promising pre-commercial technologies designed to spur innovation and mitigation across all sectors of the economy. Research, development, and deployment for pre-commercial technologies to enable scalable solutions that are economic without subsidy within a carbon-pricing program.
- **Balanced and measured policy:** Involve all sectors to maximize efficient and cost-effective reductions while allocating costs equitably, gradually, and predictably; avoid duplicative and inefficient regulations; balance economic, environmental, and energy needs.
- **Transparency:** Ensure transparency and efficiency in measuring and driving the lowest-cost emissions reductions. Policy benefits, costs, and trade-offs should be transparently communicated to the public.

marginal abatement cost curve



innovation support

Continued research and innovation are essential. Investments in pre-commercial early-stage abatement technologies can enable breakthroughs that lead to scalable technologies that are commercially viable without subsidy under a carbon-pricing program.



carbon pricing

Carbon pricing should be the primary policy tool to achieve greenhouse gas emissions reduction goals. It incentivizes the most efficient and cost-effective emissions reductions while enabling support to affected communities, consumers, and businesses.



targeted policies

Regulations should be efficiently targeted to enable cost-effective lower-carbon opportunities not addressed by carbon-pricing or innovation policies (e.g., apartment efficiency standards, since the owner pays for efficiency improvements, but the renter pays the utility bill).

chevron supports well-designed methane policy

Chevron is proud to be a U.S. industry leader in managing methane emissions and responsibly producing oil and gas. We believe methane emissions reductions are possible in the energy industry, and in other key sectors, through adoption of industry best practices and well-designed regulation.

chevron supports well-designed and properly enacted methane regulation, in the energy industry and in other key emitting sectors

chevron supports:

- **Performance-based regulation:** Policy should set appropriate methane metrics while providing flexibility for companies to determine the optimal way to meet those metrics.
- **Technological innovation:** Policy should flexibly incorporate new and future technologies, such as aerial and drone monitoring, that can identify and address methane emissions most effectively.
- **Industry best practices:** Methane emissions are disproportionately concentrated among a small number of operators, sites, and equipment. Reasonable minimum equipment standards help ensure all operators are working to curtail methane emissions.
- **All sectors contributing:** Improving methane performance is important for oil and natural gas (28 percent of U.S. methane emissions), as well as other sectors, which make up the remaining 72 percent. Policy should apply to all key sectors.



partnerships

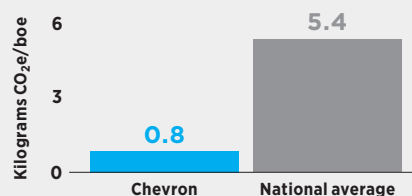
- Chevron is a member of the Oil and Gas Climate Initiative (OGCI), which is committed to industry-leading methane performance with a collective upstream methane intensity target below 0.25 percent, with the ambition to achieve 0.2 percent by 2025.
- Chevron partners with CalBio and Brightmark to produce and market renewable natural gas, helping reduce agricultural methane emissions while providing lower-carbon fuels, on a life-cycle basis, to our customers.
- We are a proud co-founder/chair of The Environmental Partnership, a voluntary industry effort to cut U.S. methane emissions that has conducted 184,000 leak-detection surveys and replaced more than 13,000 pneumatic controllers with low-/non-emitting technology.



performance

- In 2019, Chevron's U.S. onshore production methane intensity was 85 percent lower than the U.S. industry average.
- We continue to take action to further reduce methane emissions and have set a metric to reduce methane intensity by 53 percent by 2028.
- Actions to support achieving this metric are tied to the compensation of all our executives and nearly all of our employees worldwide.

U.S. production methane intensity



technology

- Chevron supports development of innovative technologies to reduce emissions, including through our combined \$400 million Future Energy Funds and a \$100 million commitment to the \$1 billion OGCI Climate Investments fund.
- As part of the Collaboratory to Advance Methane Science, Chevron has worked with other operators to understand the potential for aerial leak-detection surveys in the Permian Basin.
- Chevron partnered with the NASA Jet Propulsion Laboratory to test one of the first aerial detection technologies for methane, which has been used in studies throughout the United States.

chevron supports innovation to advance and scale climate solutions

Chevron is investing in innovative technologies to address climate change. We also support government investment in promising pre-commercial technologies, from research to early deployment, to help deliver scalable solutions to climate change that are economic without subsidy within a carbon-pricing program.

**chevron supports research, development, demonstration,
and deployment for emerging technologies to address climate change**

chevron supports:

- **A focus on emissions:** Public research, development, and deployment should be based on opportunity for scalable emissions reduction, supporting the most promising pre-commercial opportunities, irrespective of energy source.
- **Balanced and transparent policies:** Policy should be balanced to enable research, development, and demonstration of promising technologies while minimizing market distortions. Policy should be transparent to build public trust and communicate benefits, costs, and trade-offs to the public.
- **Pre-commercial support:** To maximize limited public resources and minimize harmful market distortions, innovation policy should focus on advancing emerging technologies, so they become commercially scalable without subsidy within a carbon-pricing program. Subsidies for existing commercial opportunities that distort markets and create unfair competition should be avoided.
- **Scalable solutions:** Innovation policy should leverage scientific research to advance promising technologies that can offer scalable economic solutions to climate change. Policy should aim to drive down costs so these opportunities are commercially scalable.



research & development

- Chevron is investing in low-carbon technologies to enable commercial solutions. Our combined \$400 million Future Energy Funds invest in promising opportunities such as carbon capture, utilization, and storage (CCUS), next-generation battery storage, hydrogen, and emerging power technologies.
- We committed \$100 million to the more than \$1 billion OGCI Climate Investments fund, which invests in solutions to decarbonize oil and gas, industrials, commercial transport, and buildings.
- We partner with leading researchers, such as the U.S. Department of Energy's National Laboratories and Singapore's National Research Foundation, to develop new carbon capture technologies.



demonstration

- Chevron is advancing collaborative efforts with the U.S. Department of Energy and Svante, as well as Blue Planet and others, on projects demonstrating innovative technologies to drive down carbon capture costs.
- We are investing in hydrogen fueling demonstration projects and technologies, launching the first "all in one" station accommodating hydrogen, electricity, liquefied petroleum gas, gasoline, and diesel with our affiliate GS Caltex.
- We are investing in innovative storage opportunities, including in Natron Energy, which is developing and scaling production of rapid-charging batteries for data centers, EVs, and dispatchable grid storage.



deployment

- Chevron invested more than \$1 billion in CCUS, reducing emissions by nearly 5 million tonnes per year. Our Gorgon facility is one of the world's largest integrated carbon sequestration and storage projects.
- We are partnering with CalBio and Brightmark to produce and market renewable natural gas, helping reduce agricultural methane emissions while providing renewable lower-carbon fuels on a life-cycle basis.
- We are investing in renewable fuels, products, and power, including sourcing over 500 megawatts of renewable generation by 2025.

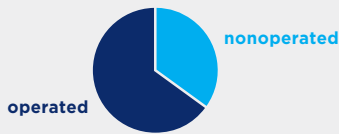
chevron supports well-designed emissions intensity reduction metrics

Our approach is designed to facilitate carbon accounting that not only reduces our own emissions, but also sets a framework that facilitates the possibility of achieving global net zero as efficiently and effectively as possible, and at least cost to society. Achieving these metrics is directly tied to the compensation of our executives and most of our employees worldwide.

upstream production net greenhouse gas emissions intensity reduction metrics for 2028:

24 kg CO ₂ e/boe for oil (global industry averages 46)	40% reduction from 2016
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0 routine flaring by 2030 and 3 kg CO ₂ e/boe for overall flaring	66% reduction from 2016

equity basis



aligned with financial reporting

commodity basis



aligned with end use, enabling value-chain reporting

up to point of sale



aligned with influence/control to incentivize action along the value chain

verifiable



aligned with accurate value-chain emissions reporting

tradable



aligned to offer the marketplace premium lower-carbon products

updated every 5 years



aligned with Paris Agreement's global stocktake updates (2023, 2028)

This approach, coupled with our view of Scope 3—supporting a price on carbon through well-designed policies; transparently reporting emissions from the use of our products for nearly two decades; and enabling customers to lower their emissions through increasing our renewable products, offering offsets, and investing in low-carbon technologies—supports a global approach to achieve the goals of the Paris Agreement as efficiently and cost-effectively as possible for society.

learn more > [chevron.com/sustainability/environment/energy-transition](https://www.chevron.com/sustainability/environment/energy-transition)



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