

chairman's letter



**“the strengths we have today are
important to innovating and scaling the
solutions of tomorrow”**

We all have a stake in a reliable and affordable energy system and a lower carbon future. This belief drives Chevron's lower carbon ambitions and the actions we take to advance them, which are detailed in this report.

Our strategy is clear: Leverage our strengths to safely deliver lower carbon energy to a growing world. Our greatest strengths are our assets, the capabilities of our people and technology, and our customers. We're building on these strengths to create value for our stockholders and our stakeholders in three ways.

First, we aim to lead in lower carbon intensity oil, products and natural gas, which are expected to be part of the global energy mix for the foreseeable future. While there are many potential pathways to achieving the goals of the Paris Agreement, all include the continued use of oil and gas, even in rapid decarbonization scenarios.

It's within this context that we strive to be among the most efficient and responsible producers of lower carbon energy.

To drive down the carbon intensity of our operations, we are high-grading our portfolio, improving operations and using marginal abatement cost analysis to drive the most reduction from each dollar spent. Examples of progress include our deepwater U.S. Gulf of Mexico operations, which produce some of the world's lowest carbon intensity oil and gas, and our methane intensity performance in the Permian Basin, which was in the top quartile of oil and gas producers in 2021.

Second, we're helping to reduce the carbon emissions of major industries and hard-to-abate sectors by advancing new products and solutions, including renewable fuels, carbon capture and offsets, hydrogen, and other emerging technologies, such as geothermal.

Renewable fuels provide a promising path to reducing the carbon intensity of heavy transportation, including trucking, aviation and shipping, by allowing customers to use existing equipment. With the planned completion of the expansion of the Geismar biorefinery in 2024, our overall renewable fuels capacity is expected to increase by 30%.

We also continue to advance carbon capture, utilization and storage, another technology critical to advancing a lower carbon future. Through a joint venture with Talos Energy and Equinor, our Texas Bayou Bend project is positioned to be one of the largest carbon storage projects in the United States. In early 2023, the project was expanded to cover nearly 140,000 acres of geological formation.

Finally, we believe measurable outcomes are important to transparency and use metrics to track our progress. Our portfolio carbon intensity metric measures the full value chain carbon intensity of our entire business.

Many solutions will be needed to build the lower carbon energy system of the future. The strengths we have today – experience, expertise, reach and partnerships – are important to innovating and scaling the solutions of tomorrow.

We look ahead with optimism and remain confident in the power of human ingenuity to deliver progress.

Thank you,

A handwritten signature in blue ink, appearing to read "Mike", written in a cursive, stylized font.

Michael K. Wirth
Chairman of the Board and Chief Executive Officer