



# 2017 corporate responsibility report highlights

—  
human energy®

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[chevron.com/reporting](http://chevron.com/reporting)



# we are in the business of progress

At the heart of The Chevron Way is our vision ... to be *the* global energy company most admired for its people, partnership and performance. We enable human progress by developing the energy that improves lives and powers the world forward.

read more > [chevron.com/chevronway](https://chevron.com/chevronway)

Our business success is tied to the progress and prosperity of the communities where we work. Through our operations, we have created local jobs and developed local workforces. We also partner with more than 26,000 suppliers across the globe, such as Marine Platforms in Nigeria. There, we operate under a joint-venture arrangement with the Nigerian National Petroleum Corporation and other parties on proj-

ects like Agbami. This year marks a decade of production from our Agbami Field, where we operate one of the world's largest floating production, storage and offloading vessels.

**On the cover:** Offshore Subsea Engineer Emeka Njokanma and Marine Platforms' Remotely Operated Vehicle Supervisor Olawale Okuntola work together on projects for Agbami. To learn more about our suppliers worldwide, see [chevron.com/supplychain](https://chevron.com/supplychain).

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## prioritizing issues for our reporting

Our corporate responsibility reporting focuses on environmental, social and governance issues that matter to our business and our stakeholders—investors, customers, host governments, local communities and employees. We use a formal issue prioritization process to select the content for this report and the corporate responsibility section of [chevron.com](https://chevron.com).

A description of this process is available online at [chevron.com/reporting](https://chevron.com/reporting).

## a message from our chairman and chief executive officer



For nearly 140 years, Chevron has been in the business of progress—providing the reliable, affordable and ever-cleaner energy necessary to raise living standards for billions of people around the world.

Chevron takes great pride in our role in an industry responsible for the greatest advancements in economic development and human progress in recorded history. And we take seriously our responsibility to help meet the needs of people who aspire to a better quality of life.

To fulfill this responsibility, we are guided by The Chevron Way. Its vision, values and strategies guide us as we fulfill our purpose: enabling human progress by developing the energy that improves lives and powers the world forward.

Energy is one of the world's most complex industries. Delivering the energy of today in a socially and environmentally responsible way while innovating the energy solutions of tomorrow requires a network of partners and relationships built on trust and integrity.

As described by the United Nations Sustainable Development Goals, the world continues to strive for progress to benefit global societies. Chevron is contributing to this progress, working with business, government and nonprofit partners to help address stakeholder needs while creating value for our stockholders.

Over the past five years, we've invested \$167 billion in goods and services around the world, which has created jobs, built businesses and strengthened local economies. In that same period, we've invested more than \$1.1 billion globally in social investment partnerships and programs with a significant focus on health, education and economic development.

Across our operations, we support our workforce, our stakeholders, the communities where we operate and the environment by doing business the right and responsible way. We engage openly and often with stakeholders and stockholders to understand their perspectives on important environmental, social and governance issues, some of which we address in our *2017 Corporate Responsibility Report Highlights*. This includes the work we're doing to manage risk; operate safely and reliably; address climate change; protect the environment; respect human rights; and promote diversity and inclusion in our workforce.





Chevron appreciates that climate change is a concern to our stakeholders, as it is to people who invest in our company. We've published our second report detailing the framework we use to think about climate change issues. I invite you to read this year's report—*Climate Change Resilience: A Framework for Decision Making* at [chevron.com/climatechange](http://chevron.com/climatechange).

I believe that businesses can both contribute to society and be profitable, by delivering results that matter to stakeholders as well as stockholders. Throughout our long, distinguished history, we've always strived to enable progress and prosperity for people everywhere—and we always will. Enabling human progress is why we work.

Thank you for your interest in our company.

A handwritten signature in green ink that reads "Mike".

**Michael K. Wirth**  
Chairman of the Board and  
Chief Executive Officer  
May 2018

-  Example location of Chevron's contribution to the SDGs
-  Upstream exploration area
-  Upstream production
-  Downstream manufacturing facilities (refineries, chemicals)

Locations are approximate

## contributing to the united nations sustainable development goals

Chevron is proud to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). Our primary contribution is safely developing and delivering the affordable, reliable energy that is necessary for social and economic progress.

We also contribute through our work in protecting people and the environment and through our investments in health, education and economic development. Below are select examples of Chevron's contributions around the world.

[learn more](#) > [chevron.com/SDGs](https://chevron.com/SDGs)



Working with partners, we support initiatives that build local capacity and deliver lasting gains in the fight against devastating diseases. For example, we partner with Baylor College of Medicine International Pediatric AIDS Initiative at Texas Children's Hospital to provide training and health care to medically underserved populations in Africa and Latin America. [chevron.com/health](https://chevron.com/health)



If people and communities are to thrive, education and job training are of critical importance. We partner around the globe to develop and support innovative programs—such as Emprered, in Venezuela—that invest in tomorrow's workforce. Globally, Chevron has invested more than \$400 million in education since 2013. [chevron.com/education](https://chevron.com/education)



Our operations promote the efficient use of water in water-constrained areas through conservation, reuse and recycling. In the Permian Basin, more than 95 percent of the water used in our well completions is from brackish water sources. [chevron.com/water](https://chevron.com/water)



Chevron is a leader in supplying liquefied natural gas (LNG), a relatively lower-carbon-intensity fuel. Combined, our Gorgon and Wheatstone assets are expected to produce more than 24 million metric tons of LNG per year—enough to supply 16 percent of Japan's electricity and reduce GHG emissions from power generation by around 11 percent if used in lieu of coal. [chevron.com/australia](https://chevron.com/australia)





Among Chevron's most powerful tools for creating prosperity are our supply chain and workforce investments. Much of Chevron's spending is on goods and services provided by locally owned companies. For example, in 2017, the Chevron-led Tengizchevroil joint venture spent more than \$2.5 billion on Kazakhstani goods and services. [chevron.com/creatingprosperity](http://chevron.com/creatingprosperity)



Chevron is a founding partner of The Environmental Partnership, a voluntary industry initiative led by the American Petroleum Institute with the goal of accelerating improvements to reduce methane and volatile organic compound emissions. For information on other actions we are taking, see our report *Climate Change Resilience: A Framework for Decision Making*. [chevron.com/climatechange](http://chevron.com/climatechange)



We've been producing energy on Barrow Island for more than 50 years, and it remains one of Australia's finest Class A Nature Reserves. We also promote and protect biodiversity through our global social investments, such as our Maratua Ecotourism for Sustainable Small Island program in East Kalimantan, Indonesia. [chevron.com/biodiversity](http://chevron.com/biodiversity)



Our partnership initiatives around the world strengthen local economies through programs that provide microloan services, support enterprise and workforce development, and improve education. Among these are the Niger Delta, Appalachia, Bangladesh and Thailand partnership initiatives. [chevron.com/creatingprosperity](http://chevron.com/creatingprosperity)

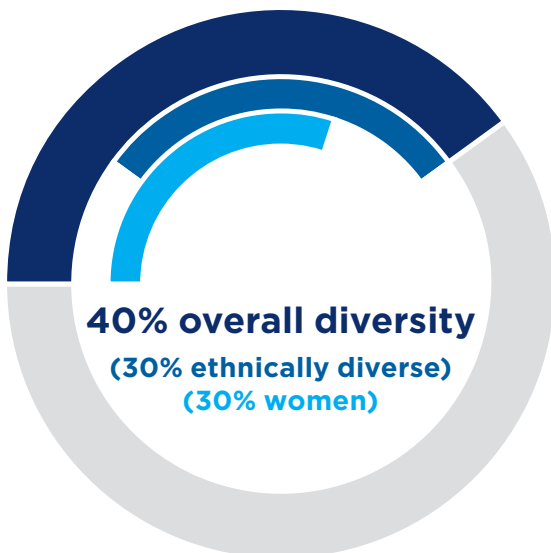
# getting results the right way

**chevron is committed to  
strong governance and the highest  
standards of ethics**

learn more > [chevron.com/corporategovernance](https://chevron.com/corporategovernance)

## board diversity

different perspectives make  
our Board's decision making and  
oversight more effective



At May 30, 2018

## board of directors

Our Board of Directors oversees and guides Chevron's business and affairs. Among the many duties of the Board is oversight of Chevron's policies and practices to ensure that appropriate risk management systems are employed throughout the company. It regularly considers critical risk topics as part of its deliberative decision-making process, and annually, as part of Chevron's Enterprise Risk Management process, it reviews financial, operational, market, political and other risks inherent in our business.

The Board has four standing committees, each composed solely of independent Directors: Audit, Board Nominating and Governance, Management Compensation, and Public Policy. Each committee fulfills important responsibilities to help Chevron manage risks enterprisewide and compete more effectively to help build long-term stockholder value. For example, the Public Policy Committee assists the Board in fulfilling its oversight of risks that may arise in connection with the social, political, environmental, human rights and public policy aspects of Chevron's business, including climate change.

The Executive Committee is a committee of corporate officers chartered by the Board of Directors to carry out policies in managing the company's business. To assist in discharging its duties, the Executive Committee has established five

subcommittees that specialize in various matters important to the company. One such committee, the Global Issues Committee, oversees strategic corporate responsibility policy issues.

### Director nomination process

An experienced, talented and diverse board is critical to Chevron's success. In identifying Director nominees, the Board Nominating and Governance Committee utilizes a skills and qualifications matrix to maintain a balance of knowledge and experience across key dimensions. The committee particularly considers leadership experience; expertise in science, technology, engineering, research or academia; extensive knowledge of governmental, regulatory, legal or public policy issues; expertise in finance, financial disclosure or financial accounting; experience in global business or international affairs; and environmental experience. The committee considers other factors as appropriate to meet the current needs of the Board and the company. The Board seeks to achieve diversity of age, gender and ethnicity and recognizes the importance of Board refreshment, as demonstrated by our current average Board tenure of 4.3 years.

## director skills and expertise

number of directors  
with relevant skills



CEO/senior exec./leader of significant business operations: **8**  
Science/technology/engineering/research/academia: **8**  
Government/regulatory/legal/public policy: **8**  
Finance/financial disclosure/financial accounting: **10**  
Global business/international affairs: **9**  
Environmental: **7**

At May 30, 2018

### Governance

For Chevron, good corporate governance means having structures and processes in place to ensure that decisions and actions are in the best interests of our stockholders. It also means being responsive to our stockholders. Through our Investor Relations and Corporate Governance departments, we engage with many of our stockholders to discuss operational, financial, governance, executive compensation,

environmental, safety, social and policy issues. Fostering long-term relationships and maintaining stockholder trust and goodwill is a core Chevron objective.

### business ethics

Strong financial results and a solid safety record were hallmarks of our company performance in 2017. These successes were achieved through the demonstration of The Chevron Way behavior and a commitment to The Chevron Way values—diversity and inclusion, high performance, integrity and trust, partnership, and protecting people and the environment. It is on these values that the foundation of our company is built. Below are two examples of how we apply our core values to business decisions and position ourselves for success. For more, visit [chevron.com/BCEC](http://chevron.com/BCEC).

#### Antibribery

Bribery of any government official in any country is strictly against Chevron policy. Chevron requires that internal controls be in place and functioning and that accurate and complete transaction records be kept within the company.

#### Supplier expectations

Suppliers and contractors play vital roles in our success, and we rely heavily on them to help us deliver leading business results. We expect our suppliers and contractors to conduct their business in a manner that protects people and the environment and that complies with Chevron policies as well as all applicable laws and regulations. We expect our suppliers to treat their employees and to interact with communities in ways that respect human rights. Our standard language for procurement contracts includes a requirement for our suppliers and contractors to comply with applicable laws and keep accurate books and records. Where appropriate, our procurement contracts contain specific antibribery commitments. Through our Contractor Health, Environment and Safety Management process, we work with suppliers to increase accountability and improve performance.



additional resources

[chevron.com/SCM](http://chevron.com/SCM)

# valuing diversity and inclusion

we value the uniqueness  
and diversity of individual talents,  
experiences and ideas

learn more > [chevron.com/diversity](https://chevron.com/diversity)



**Above:** Mike Wirth celebrates and promotes diversity with PJ Vaughn, Nicole Colley and Adelesan Olanrewaju at a black history awareness event in San Ramon, California.



# 33.7%

women and non-caucasian men  
represented at senior  
executive levels, globally



## diversity and inclusion

Diversity and inclusion are cornerstones of The Chevron Way values. We believe that a diverse workforce and an inclusive culture strengthen business performance, drive innovation, increase employee engagement and lead us to greater long-term success.

Reinforcing the inherent importance of diversity and inclusion to business performance, The Chevron Way advances diversity at all levels of the company. Many of our employees, including the CEO, have diversity action plans as part of their annual performance evaluations.

### men advocating real change (MARC)

MARC is a Catalyst initiative created for and led by men and women in partnership to achieve gender equality through workplace inclusion. In 2017, the Chevron Women's Network and now-CEO Mike Wirth brought MARC programming to Chevron, beginning with a pilot in Houston. Chevron's MARC programming now includes more than 750 employees in seven Chevron locations globally, with additional growth planned.

## developing a diverse talent pipeline

We focus on hiring the best and the brightest, both recent college graduates and candidates with experience. Through our University Partnerships Program, Chevron works with colleges and universities to help attract and develop the talented students and teachers needed for a technically proficient workforce. Chevron partners with more than 30 diversity-focused professional associations, provides scholarships to 120 or more diverse students every year, and has supported historically black colleges and universities for more than 40 years.

### texas A&M–chevron engineering academies

Recognizing that many talented, diverse engineers get their start in community colleges, Chevron partners with Texas A&M to connect students from five community colleges to Texas A&M's College of Engineering. Students accepted into the Texas A&M–Chevron Engineering Academies attend community college for two years, where core engineering courses are taught by A&M faculty, before transferring to Texas A&M College of Engineering for their final two years. Launched in 2015, the first class of Texas A&M–Chevron Engineering Academies is 45 percent female, 26 percent Hispanic and 19 percent black/African American. We are collaborating with other university partners to implement similar innovative programs in other parts of the country.

# 100%

**In 2017, we achieved a score of 100 percent on the Human Rights Campaign Corporate Equality Index for the 13th consecutive year.**

## employee networks and diversity councils

In 2017, more than 19,000 employees—nearly 40 percent of our regular workforce—participated in Chevron's employee networks that celebrate and promote diversity. These networks act as a resource for attracting and retaining talent and enhance Chevron's reputation through community activities and outreach. They also provide formal mentoring programs and offer opportunities for skill building and career development. In addition, Chevron hosts more than 15 diversity councils across its business units and corporate functions that actively support Chevron's strategic approach to diversity.

## inclusion

To support business value, Chevron strives to provide an inclusive work environment, one in which each employee is valued and respected and all employees feel welcome to bring their full and authentic selves to work every day. Our strong corporate culture is reflected in the results of our most recent employee survey, which found a total employee engagement score of 90 percent—among the best in the oil and gas industry. In addition, 94 percent of employees surveyed reported that they “believe strongly in the goals and objectives of Chevron” and 93 percent reported being “proud to be a part of Chevron.”



**additional resources**

[chevron.com/culture](http://chevron.com/culture)

protect people and the environment

# managing operational risk

understanding high-consequence  
risks, implementing safeguards, and assuring  
safeguards are in place and functioning

learn more > [chevron.com/OE](https://chevron.com/OE)



## chevron operational excellence focus areas

Chevron's updated Operational Excellence Management System (OEMS) establishes 35 expectations that are organized into six focus areas with supporting objectives.



### workforce safety and health

Eliminate fatalities, serious injuries and illnesses



### process safety, reliability and integrity

Eliminate high-consequence process safety incidents and operate with industry-leading reliability



### environment

Assess and manage significant environmental risks



### efficiency

Use energy and resources efficiently



### security

Prevent high-consequence security and cybersecurity incidents



### stakeholders

Address OE business risks through stakeholder engagement and issues management

We strive to manage operational risk to eliminate high-consequence personal and process safety events. This means no fatalities or serious injuries and no fires, spills or explosions that can affect people or communities. To help achieve this objective, in 2017 we developed the first significant update to our OEMS since its deployment in 2004.

## operational excellence management system

Through application of our OEMS, we work to understand and recognize hazards and risks in each area of our operations, implement appropriate safeguards, and then assure that the safeguards are in place and functioning. Our updated OEMS incorporates more than a decade of learnings and increases our focus on our risk and assurance programs, all in support of our continued efforts to prevent high-consequence incidents and impacts.

Across our company, we've deepened the integration of risk management through our recently updated Operational Excellence (OE) Risk Management process. By applying this process, our business units consider a broad range of risks, including safety and health exposures, environmental issues, facility integrity, security of personnel and assets, and community and political issues. This evaluation includes assessing facility-, activity- and product-related risks across the life cycle of our business.

Building on the culture established in The Chevron Way, we have also reemphasized the value of leadership as a critical success factor in achieving OE results. Leaders must cultivate and drive our OE culture through their values, competencies and behaviors. They are responsible for understanding and mitigating risks and maintaining and assuring safeguards for their business.

At Chevron, we apply and sustain a variety of safeguards that interrupt a cause-event-consequence sequence, such as alarms and pressure relief systems. We have developed assurance programs to monitor these safeguards through testing programs, maintenance inspections, operator routine duty results, and internal and external audits. These programs are designed to recognize signs of safeguard weaknesses and trigger actions to strengthen them.



## additional resources

[chevron.com/OEMS](https://chevron.com/OEMS)  
[chevron.com/healthsafety](https://chevron.com/healthsafety)

**Opposite:** John Woodman and Sreejith Thekkeveedu perform ultrasonic testing to measure the thickness of a pipeline as part of our ongoing efforts to ensure safe, reliable operations.



protect people and the environment

# preventing serious incidents and impacts

everything we do begins with safe  
and reliable operations

learn more > [chevron.com/healthsafety](https://chevron.com/healthsafety)



We prepare for emergencies and natural disasters through asset inspections and site-specific response plans. In the case of an approaching hurricane, our personnel are safely evacuated and facilities like Jack/St. Malo are secured in such a way as to minimize the potential for damage to the environment and company property.

We are focused on providing a safe and healthy workplace for our employees and contractors. Our highest priority is to eliminate fatalities and prevent serious injuries and illnesses.

### personal safety

In 2017, we matched the record low for our Days Away From Work Rate (0.16) and set a new record low for our Total Recordable Incident Rate (0.13). Regrettably, we experienced six fatalities in our Upstream operations. These tragedies remind us of the inherent risk in our work and our commitment to never be satisfied until everyone in our workforce goes home safely every day.

Building on our ongoing efforts to prevent high-consequence incidents and impacts, our Upstream segment recently completed a comprehensive review of critical workforce safety processes and safeguards. A series of verification tools were deployed to reduce the rate of human error during high-risk work. These tools are patterned after the Essential Checklists tool used by our Downstream & Chemicals segment.

We continued efforts to deploy industry-recognized Human Performance tools that decrease reliance on human actions as safeguards and reduce the risk of error. We also deployed an instructor training program, which has been adopted by several business units. For example, our Lubricants supply chain organization established learning teams to complete a review step after work has been completed. This step enabled the teams to determine which safeguards worked and which ones needed to be improved, as well as the modifications that were needed while the work was being performed.

### process safety

Since the early 1990s, Chevron has taken a management system approach to addressing process safety risks. Through ongoing execution of our Operational Excellence Management System (OEMS), we have improved our personal and process safety performance to become an industry leader in several key areas. See Page 28 for our five-year health and safety performance data.

In our drive to achieve zero serious incidents and fatalities and attain world-class performance in process safety, we accomplished two key milestones in 2017. First, we combined OEMS expectations for process safety, reliability and integrity into a unified focus area to help integrate all aspects of process safety across the life of our assets. Second, we created a Complex Process Facilities organization to provide technical expertise, promote best practices and strengthen global organizational capability across all such facilities in both Upstream and Downstream.

## emergency preparedness and response

Chevron's emergency management process addresses the safety of our workforce and the integrity of our assets. Regional crisis management committees (CMCs) composed of cross-functional experts report to our corporate CMC, and a robust emergency management community of practice contributes valuable input and learnings from around the globe.

Each regional CMC is responsible for having an emergency management plan in place for all high-risk scenarios involving Chevron facilities and operations, including potential natural disasters, such as hurricanes and earthquakes.

### These plans address three areas of preparation:

- Risk assessment and scenario development
- Business continuity, crisis management and response for all relevant scenarios
- Assurance of safeguard effectiveness through regular exercises and drills

### Hurricane Harvey

In 2017, our emergency management process was tested by Hurricane Harvey, the strongest storm to hit Texas in 57 years. As the storm escalated, Chevron promptly activated CMCs to monitor status of employees and operations and initiated 25 business continuity plans across the company. These well-planned actions enabled the company to sustain operations and minimize impacts. Most important, Chevron experienced no serious injuries or fatalities among employees.



### additional resources

[chevron.com/healthsafety](http://chevron.com/healthsafety)  
[chevron.com/emergencymanagement](http://chevron.com/emergencymanagement)



# addressing climate change

**we believe that managing climate change risks  
is an important element of our strategic focus to return  
superior value to stockholders, and we take prudent,  
practical and cost-effective actions to address these risks**

learn more > [chevron.com/climatechange](https://chevron.com/climatechange)



the following four principles  
guide our actions and  
policy views on climate change:

**1**

Reducing greenhouse gas (GHG) emissions is a global issue that requires global engagement and action.

**2**

Policies should be balanced and measured to ensure that long-term economic, environmental and energy security needs are all met; that costs are allocated in an equitable, gradual and predictable way; and that actions consider both GHG mitigation and climate change adaptation.

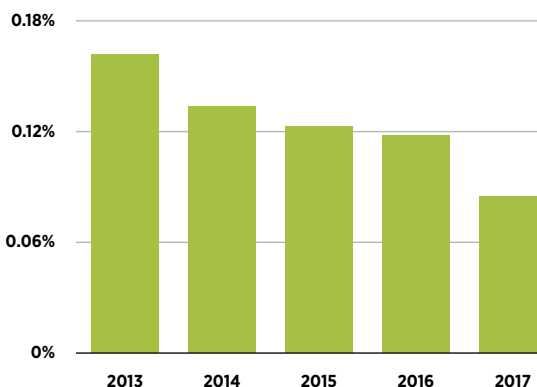
**3**

Continued research, innovation and application of technology are essential to enable significant and cost-effective mitigations to climate change risks over the long term.

**4**

The costs, risks, trade-offs and uncertainties associated with GHG reduction and climate change adaptation efforts must be transparent and openly communicated to global consumers.

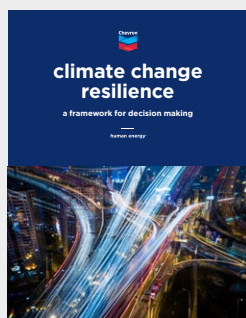
## upstream methane intensity\*



\*Total Upstream methane emissions divided by total oil and gas production (metric tons/metric tons).

Direct (Scope 1), operated basis.

Our Upstream operations have reduced their methane intensity by 47 percent since 2013.



## continuing the conversation

Chevron strives to contribute to the ongoing conversation about climate change. To that end, we issued the report *Climate Change Resilience: A Framework for Decision Making* in March 2018. In this report, we address Chevron's governance, risk management and strategic decision making with respect to climate change. The report also highlights actions we are taking in the areas of energy efficiency, carbon capture and storage, renewable energy, flaring reduction, methane emissions reductions, water resources management, and investment in the innovations and innovators of tomorrow.

## greenhouse gas management

We are addressing the GHG emissions in our operations and integrating GHG emissions management into the execution of our business activities. Below is a summary of recent activities to reduce our emissions.

### Methane management

Methane from process emissions, vented sources and combustion sources (including flares) accounted for 5.5 percent of Chevron's total GHG emissions in 2017. Fugitive sources of methane comprised 1.6 percent.\*\*

Chevron is a founding partner of The Environmental Partnership, led by the American Petroleum Institute. The partnership is an industry initiative with the goal of accelerating improvements to reduce methane and volatile organic compound emissions. The voluntary initiative, which launched in December 2017, includes more than 25 operators. It will initially focus on reducing emissions associated with the removal of liquid buildup in wells; retrofitting high-bleed pneumatic controllers with low- or zero-emitting devices; and implementing the monitoring and repair of fugitive emissions.

### Flaring reduction

In 2017, we reduced our enterprisewide flare gas volume rate by 18.7 percent, primarily due to improvements made in equipment reliability in our Australasia, Nigeria/Mid-Africa and Southern Africa Strategic business units. Since 2013, we have reduced flaring by 26.6 percent.

### Energy efficiency

Chevron's Pipeline & Power organization collaborates with the company's Upstream and Downstream businesses to help lower their energy costs, test new technologies, achieve efficiency gains, manage emissions and improve power reliability.

### Biofuels

Chevron is actively evaluating options for biomass processing as part of our transportation fuels businesses, particularly in California. To date, our work, as well as that of others, to produce second-generation biofuels that are economical at scale without subsidies has not been successful. This included creating a joint venture with Weyerhaeuser, then the largest landowner in the United States, to try to commercialize cellulosic biofuels. We are exploring leveraging our current manufacturing facilities to produce biofuels along with our traditional petroleum products.



See Pages 24–26 for climate-related performance data.

\*\*Process emissions, vented sources, combustion sources and fugitive sources are defined by API's *Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry* (2004, 2009); CO<sub>2</sub>-equivalent, direct (Scope 1), operated basis.

protect people and the environment

# protecting the environment and community health

we manage environmental and related community health risks across the life of our assets

learn more > [chevron.com/environment](https://chevron.com/environment)



To support our Future Growth and Wellhead Pressure Management Project (FGP/WPMP) in Kazakhstan, we designed and implemented conservation actions that contribute to the protection and conservation of key habitats and species. This included the removal of more than 5 tons of abandoned fishing nets from beaches and cargo transport routes in the Bautino Harbor and the Seal Archipelago.

Protecting the environment and community health through responsible design, development, operations and asset retirement is the central purpose of environmental management at Chevron. We assess and manage our significant environmental and related community health risks and address potential acute and cumulative impacts of our operations through the implementation of our Operational Excellence Management System (OEMS).

The objectives of the Environment Focus Area of our OEMS are met, in part, through processes and standards established at the corporate and sector levels and are implemented by regional and local management. The processes and standards provide our business with the flexibility to focus on the risks and potential impacts to the environment and community health most salient to the specific locations where we operate.

## community health

Air monitoring is one of the tools used to measure emissions and help the public better understand local air quality.

### Community air monitoring program in California

Since 2013, our refinery in Richmond, California, has funded a community air monitoring program. The program, which is operated by independent expert Argos Scientific, provides real-time data 24 hours a day about air quality in the community. Data are collected and reported from three stations along the Richmond Refinery's fence line and three neighborhood stations—North Richmond, Atchison Village and Point Richmond. Since the launch of the program, the air monitors have continuously tracked air quality. Results show that air quality in Richmond is on par with other Bay Area communities, including the city of San Francisco and Marin County.

## biodiversity conservation

We recognize the importance of biodiversity conservation and support it through our values, performance, communication and engagement.

### Conservation actions in Kazakhstan

To support our integrated FGP/WPMP in Kazakhstan, vessels will be traveling through the northeastern Caspian Sea to deliver cargo necessary for completion of the project. The northeastern Caspian is an area with high biodiversity value. We designed and implemented conservation actions that contribute to the protection of key habitats and species. For example, the endangered Caspian seal and five critically endangered sturgeon species are present in the area.

In partnership with government agencies and nongovernmental organizations, Chevron has worked to support the protection of these species, including by working with the Ural-Atyrau sturgeon hatchery to increase the wild sturgeon population and by removing abandoned fishing nets that can entangle seals and other marine fauna.



## environmental management expectation

**The Environmental Management Expectation of the updated OEMS Environment Focus Area calls for our organizations to:**

**Protect** the environment and community health using a risk-based approach that addresses potential acute and cumulative impacts.

**Apply** environmental design standards and the mitigation hierarchy to guide selection of safeguards that:

- Prevent accidental releases
- Reduce air emissions
- Conserve energy and reduce greenhouse gases
- Manage wastes and wastewater, including those disposed of at third-party facilities
- Conserve and protect water and natural resources\*
- Retire idle assets and reclaim impacted sites.

**Conduct** monitoring, analyze performance, and identify and address gaps.

\*Natural resources include land, water and biodiversity.



## additional resources

[chevron.com/OEMS](https://chevron.com/OEMS)  
[chevron.com/biodiversity](https://chevron.com/biodiversity)

# managing water resources

**chevron recognizes the value of water as a  
fundamental societal, environmental  
and economic resource and is committed to  
responsible water management**

learn more > [chevron.com/water](https://chevron.com/water)

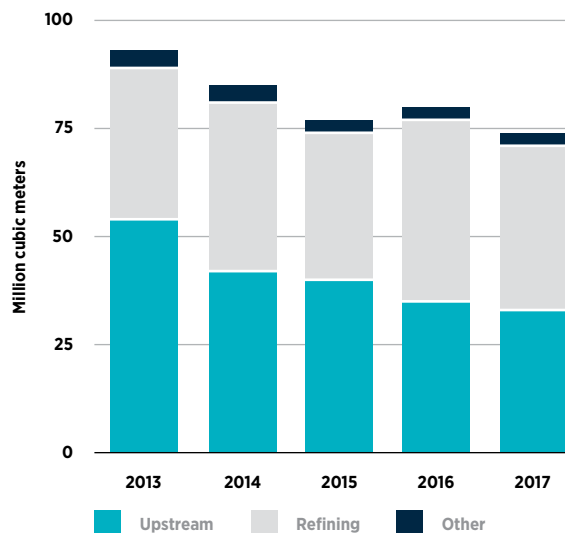


**as a global company, we  
know that access to  
water is essential for the  
communities where we  
operate and for our business**

To produce energy around the world,  
we rely on access to sufficient sources of  
water, including both fresh water  
and water of lower quality.\*

\*Water of lower quality could include: seawater; brackish groundwater or surface water; reclaimed wastewater from another municipal or industrial facility; desalinated water; or remediated groundwater used for industrial purposes.

## fresh water withdrawn



Our Upstream operations have reduced their fresh  
water withdrawn by 39 percent since 2013.  
See Page 24 for more on Chevron's water usage.



## water risk management

We have systems, processes and standards to manage this critical natural resource. The expectations in our updated Operational Excellence Management System (OEMS) call for our organizations to conserve and protect water resources using a risk-based approach that addresses potential acute and cumulative impacts across the life of our assets. Organizations monitor and analyze performance to verify that the safeguards designed to conserve and protect water in water-constrained areas are in place.

Our Environmental, Social and Health Impact Assessment (ESHIA) process and our Upstream-specific Natural Resources Environmental Performance Standard (EPS) are two examples of how the water-related expectations of our OEMS are executed. Our Natural Resources EPS is applied across our onshore Upstream business and capital projects and calls for a water resources screening assessment. Together with our ESHIA process, these tools help to identify potentially significant environmental and social impacts associated with our water use. The water resources screening assessment evaluates and helps us manage the following risks that may be associated with our water use:

- Water availability
- Competition for water resources
- Impact of water withdrawal on source water quality or quantity
- Sociopolitical risks
- Regulatory restrictions

Where there is potential for significant impact, a water resources management plan (WRMP) is developed. The WRMP helps our operations identify and implement measures that reduce water withdrawals when possible.

## promoting efficient use of water

Our operations promote the efficient use of water in water-constrained areas through conservation, reuse and recycling.

### Water-sharing agreements in Appalachia

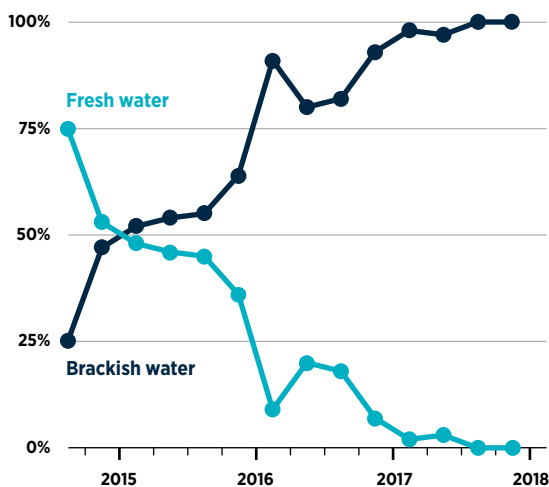
Our operations in Appalachia have created partnerships with select local operators to engage in water-sharing agreements. These agreements facilitate reuse of our produced water\*\* by other operators for their drilling and hydraulic fracturing activities. This practice has multifaceted benefits, including maximizing water recycling to offset freshwater demands and limiting disposal to injection wells.

Since the execution of agreements in March 2017, Chevron Appalachia has shared approximately 21 million gallons of water.

### Using brackish water in the Permian

In the Permian Basin, we use brackish water in lieu of fresh water when possible. More than 95 percent of the water used in our well completions in the Permian Basin is from brackish water sources.

## water use in well completions permian basin



### Recycling industrial-used water in Singapore

In 2017, Singapore's national water agency awarded the Singapore Refining Company (SRC)\*\*\* the inaugural Water Efficiency Award in the Refining category for its efforts in water recycling. The SRC built a recycling plant that further manages treated wastewater that would otherwise be discharged to the sea. The plant uses ceramic microfiltration and reverse osmosis, removing suspended solids, oil, grease and other contaminants from the used water. Water from the new plant meets both industrial and potable water specifications and is recycled back to the refinery's boiler feed water. The plant currently meets approximately 20 percent of the SRC's water demand.



**additional resources**

[chevron.com/waterpositionstatement](https://www.chevron.com/waterpositionstatement)

\*\*Water that is brought to the surface when extracting oil and gas.

\*\*\*A 50 percent-owned joint venture.

# respecting human rights

**we respect the rights of our community  
members, the workers in our supply  
chain, our employees and other rights holders  
who may be affected by our operations**

**learn more > [chevron.com/humanrights](https://chevron.com/humanrights)**

Guided by The Chevron Way, we conduct our business in a socially and environmentally responsible manner, respecting the law and universal human rights to benefit the communities where we work. Our approach to human rights is informed by the United Nations Guiding Principles on Business and Human Rights.

Below are some of the enterprisewide policies, processes and procedures that embed our Human Rights Policy in the way we operate.

## **labor relations policy**

Chevron's enterprisewide labor relations policy is consistent with the International Labour Organization's core labor principles concerning freedom of association and collective bargaining. If Chevron employees choose union representation, a Works Council or labor organization representation, Chevron's policy is to attempt to establish a positive, cooperative business relationship with the certified representative of choice. We seek to adopt labor relations strategies that foster cooperation, open communication, and both employee and union participation in meeting the goals of the company. Our business units are expected to make labor relations decisions consistent with The Chevron Way, the business unit's strategies and business plans, and local government regulations.

## **addressing potential community impacts**

We recognize that our operations have the potential to affect the well-being of the communities in which we work. That is why Chevron's Operational Excellence Management System includes an Environmental, Social and Health Impact Assessment (ESHIA) process, which applies to capital projects within Chevron's operational control. The ESHIA process provides a systematic and risk-based approach to identifying, assessing and managing potentially significant impacts, including human rights-related issues.

The assessments consider potential impacts our activities may have on surrounding communities, natural resources, air quality, and community health and livelihoods. They incorporate human rights due diligence to help the company consider how to safeguard the rights and interests of potentially affected communities. Obtaining input from communities and partners is central to the ESHIA process and occurs throughout a project's life cycle. If further assessment is needed, Chevron teams can conduct more detailed Human Rights Impact Assessments.

When potential issues related to resettlement of communities or engagement with indigenous peoples are identified, Chevron's *Resettlement Guidance* and *Indigenous Peoples Guidance* provide our business units with a road map for how to navigate those situations in a manner that respects potentially affected rights holders. Our *Grievance Mechanism Guidance* and existing operational-level grievance mechanisms enable our business units to identify and respond to community concerns that may call for remedy.



**Above:** Chevron is Colombia's largest producer of natural gas, and much of it comes from La Guajira, home to the indigenous Wayúu people. Chevron supports the concept of free, prior and informed consultation as part of our work engaging stakeholders to foster trust and build relationships.



## our supplier expectations

**We expect our suppliers to adhere to the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.**

That means we expect our suppliers to have policies and practices in place that allow their employees freedom of association and that protect against forced labor, child labor and workplace discrimination. We seek to implement this expectation through a variety of due diligence and performance management processes that we apply to current and potential suppliers. For example, in 2017, we disqualified two companies competing for a contract after learning of forced labor in their operations.



# 20,000+

**Chevron launched human rights training in 2012. Since then, the training has been taken more than 20,000 times.**



**additional resources**

[chevron.com/hrsupplierletter](http://chevron.com/hrsupplierletter)

partnership

# creating prosperity

**we are committed to running our business  
the right way and unlocking potential  
for progress within the communities where we  
operate—we call this the business of progress**

learn more > [chevron.com/creatingprosperity](https://chevron.com/creatingprosperity)



## \$167 billion

**in total goods and  
services spent globally  
in the past five years**

In the United States in 2017, we spent approximately \$600 million with woman- and minority-owned businesses and more than \$1.5 billion on goods and services from small businesses. See Page 26 for further information on our goods and services spending.

**Above:** John Page with NTC Contracting provides earthmoving and civil works services to Chevron's Wheatstone asset. Due to this partnership, NTC has increased its capabilities, improved its health, environment and safety standards, and expanded its local workforce from about 30 to more than 120 during peak construction.



Bringing our products to global markets generates direct benefits for the communities in which we operate. Chevron seeks to increase opportunities for these community members to earn a livelihood through local workforce development and hiring initiatives as well as supplier development and contracting programs. Through our strategic social investments, we also partner with communities to support fundamental economic development, education and health programs that contribute to our mutual success.

### building local capacity

Chevron's supply chain and workforce investments are among our most powerful tools for creating prosperity. We spent more than \$24 billion in total goods and services in 2017, much of it going to locally owned companies in the communities where we operate. With that often comes a further investment of our time and technical capabilities to help build the capacity of these local businesses, enabling them to win future work with us and other companies. Our investments can help these local businesses grow, creating new jobs and bringing more resources into the local community.

Other direct investments benefiting the communities in which we work are our workforce development and job training initiatives. We strive to hire locally as much as possible, which often means helping develop the skills of the local labor force. In 2017, 95 percent of Chevron employees worked in their home country.



# 25,000+

**kazakhstanis employed**

In 2017, more than 25,000 Kazakhstanis worked on Chevron's Future Growth and Wellhead Pressure Management Project, the newest megaproject in Chevron's portfolio and the next phase of expansion for the Tengiz Field. To learn more, visit [chevron.com/worldwide/kazakhstan](http://chevron.com/worldwide/kazakhstan).

### local economic impact

Chevron contributes to local communities by creating jobs, developing and sourcing from local suppliers, and employing local workforces. This helps build local economies and improve livelihoods.



### richmond, california

In 2016, Chevron spent \$183 million with suppliers from western Contra Costa County, California, where the Richmond Refinery is located, bringing contracts with local suppliers to \$485 million from 2012 through 2016. The refinery has a special focus on providing opportunities for small, minority-owned and woman-owned businesses. In 2016, the refinery spent \$62 million on such businesses in the Bay Area and \$86.5 million overall. In the nine Bay Area counties, 79 small businesses provided the refinery with services, of which 14 were woman-owned, five minority-owned and four veteran-owned. To learn more, read our case study at [chevron.com/crcasestudies](http://chevron.com/crcasestudies).

**Above:** Sandra Escalante is the president and CEO of Laner Electric Supply, a certified small, woman-, minority- and LGBT-owned business. Clients include Chevron's Richmond Refinery and the San Francisco Municipal Transportation Agency.

### australia

Chevron's Wheatstone asset is one of Australia's largest resource developments. Since 2009, we have awarded more than 300 contracts to Australian companies, spending \$15 billion on local goods and services. To learn more, visit [chevron.com/australia](http://chevron.com/australia).





## social investment

Chevron makes strategic social investments that focus on education, health and better access to economic development. By partnering with host governments, nongovernmental organizations (NGOs), and public and private international organizations, we believe we can achieve common goals and improve the quality of life in the communities where we work.

## Economic development

We work with local partners to support projects that focus on removing barriers to economic development to help ease the cycle of poverty, improving the capacity of civil society institutions, and empowering businesses, workers and their families.

In Venezuela, we created the Emprered program in partnership with Centro al Servicio de la Acción Popular-Banauge, a local NGO that provides microloans to small businesses. Over the past 10 years, Emprered has trained an average of 1,100 people annually in planning, marketing, finance and other skills needed to create a successful business. Chevron also sponsors the Empremujer Award to encourage women entrepreneurs to develop and implement business ideas.



**Above:** In 2017 in the Kurdistan region of Iraq, 20 local women were each given a Holland Holstein calf, feed and a training course on how to raise her cow. This program, which is part of our overall contribution to economic development in the region, provides the women with financial resources and a unique skill set.

**Left:** In Nigeria, Peer Health Educators (PHEs) discuss health issues and how they can help their colleagues overcome them. Chevron has 394 PHEs in Nigeria, Angola, London and Indonesia.

## Bangladesh Partnership Initiative

In 2014, Chevron announced a commitment to create the Bangladesh Partnership Initiative (BPI), a multiyear program to support economic development for communities in the Greater Sylhet region. By working with international development organizations, the BPI assesses local needs and establishes enterprise and workforce development programs. One program, the Uttoron Project, enrolled 475 local youths in vocational training, of whom 80 percent graduated and were placed in jobs. BPI's Jibika Project is enhancing quality of life for about 18,000 people by promoting entrepreneurship and training. Chevron's BPI commitment is one of the largest corporate social investments ever made in Bangladesh.

### Health

Chevron invests in programs aimed at improving health to unlock potential progress and prosperity in the communities where we operate. We bring together the people, resources and expertise to deliver meaningful change.

When public health issues put employee productivity and community well-being at risk, it is a business issue that demands action. One way we promote the health of our workforce is through peer-based education programs. Peer Health Educators (PHEs) are well-trained, motivated employees who volunteer time to provide their peers with health-related education and activities. PHEs are trained to address personal health holistically and can engage the workforce and their communities to increase awareness of personal health and its impact on safety and productivity.

### Education

We believe our support for education helps whole communities prosper and gives everyone partnership in the process. We bring together the people, resources and expertise to develop innovative programs that invest in tomorrow's workforce by educating students, training teachers, providing classroom resources and preparing workers to excel in their jobs through workforce training. We do this because a trained workforce is needed to build our business, raise awareness of opportunities for youth, and give back in communities where we work.

In 2011, Chevron Australia recognized the need to build its talent pipeline to help increase Aboriginal employment. We launched the Education to Employment (E2E) pathway, working with the Aboriginal community, schools, universities and employment pathway providers to help develop the skills to commence a rewarding career. Since its launch, more than 160 Aboriginal Australians have participated in the E2E pathway initiative, and Aboriginal employment within Chevron Australia has increased from four employees in 2010 to 63 at year-end 2017.

## volunteerism and giving



# 273,700+

## U.S. volunteer hours

In the United States, Chevron encourages employee and retiree volunteerism and giving through Chevron Humankind. In 2017, 8,010 employees and retirees contributed 273,715 volunteer hours to 2,349 charitable organizations in the United States, and a total of \$33.1 million was contributed to U.S. nonprofit organizations through a combination of employee and retiree giving and company-matching funds.



## natural disasters

In 2017, more than \$5 million was directed to disaster relief and recovery efforts in British Columbia, Texas, Florida, California, Mexico and Puerto Rico through contributions made by Chevron and the Chevron Global Community Fund.

**Above:** Stan Cross and other employees partnered with Houston Habitat for Humanity to build new homes after Hurricane Harvey.



## additional resources

[chevron.com/creatingprosperityvideo](http://chevron.com/creatingprosperityvideo)  
[chevron.com/culture](http://chevron.com/culture)

# performance data

These tables include our quantitative environmental, safety and social performance data. For complete reporting, including performance data, visit [chevron.com/reporting](http://chevron.com/reporting).

Environmental performance <sup>1</sup>	2017	2016	2015	2014	2013
<b>Accidental release prevention and response</b>					
<b>Petroleum spills to land and water (volume in thousand barrels)<sup>2</sup></b>	<b>3.4</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>2.1</b>
Total volume recovered	3.1	0.3	0.6	0.4	1.4
<b>Petroleum spills to land and water (number of spills)<sup>2</sup></b>	<b>59</b>	<b>62</b>	<b>63</b>	<b>79</b>	<b>133</b>
<b>Spills of significance (number of spills)<sup>3</sup></b>	<b>13</b>	<b>7</b>	<b>14</b>		
<b>Natural resources – water</b>					
<b>Fresh water withdrawn (million cubic meters)<sup>4</sup></b>	<b>74</b>	<b>80</b>	<b>78</b>	<b>85</b>	<b>93</b>
<b>Fresh water consumed (million cubic meters)<sup>4</sup></b>	<b>73</b>	<b>79</b>	<b>77</b>		
<b>Nonfresh water withdrawn (million cubic meters)<sup>4</sup></b>	<b>41</b>	<b>36</b>	<b>43</b>	<b>41</b>	<b>37</b>
<b>Wastewater</b>					
<b>Average oil concentration in discharges to surface water (parts per million)<sup>5</sup></b>					
Upstream	8	9	10	9	10
Refining	1	1	1	1	2
<b>Total amount of oil discharged to surface water (thousand metric tons)<sup>5</sup></b>					
Upstream	0.9	1.2	1.3	1.3	1.3
Refining	0.04	0.04	0.04	0.05	0.08

Environmental performance, <sup>1</sup> continued	2017	2016	2015	2014	2013
<b>Greenhouse gas</b>					
<b>Equity basis</b>					
Direct GHG emissions (Scope 1), equity basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>6, 7, 8</sup>	56	58	58	56	57
GHG emissions from imported electricity and steam (Scope 2), equity basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>6, 8</sup>	4	4	4	5	5
GHG emissions from exported electricity and steam, equity basis (a type of Scope 3 emissions) (million metric tons of CO <sub>2</sub> -equivalent) <sup>6, 8</sup>	4	4	5	5	5
GHG emissions from third-party use of our products, equity basis (a type of Scope 3 emissions) (million metric tons of CO <sub>2</sub> ) <sup>6, 9</sup>	376	364	368	358	363
<b>Operated basis</b>					
Direct GHG emissions (Scope 1), operated basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>6, 7, 8</sup>	63	64	66	66	69
GHG emissions from imported electricity and steam (Scope 2), operated basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>6, 8</sup>	5	6	6	6	6
Methane emissions, direct, operated basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>8</sup>	4	6	6	6	7
Upstream GHG emissions intensity, direct, operated basis (metric tons of CO <sub>2</sub> -equivalent per 1,000 barrels of oil-equivalent production) <sup>8</sup>	31	33	34	34	36
Upstream direct GHG emissions (Scope 1), operated basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>8</sup>	45	45	47	47	52
Refining GHG emissions intensity, direct, operated basis (metric tons of CO <sub>2</sub> -equivalent per 1,000 barrels of crude oil and other refinery feed) <sup>8</sup>	36	36	35	37	38
Refining direct GHG emissions (Scope 1), operated basis (million metric tons of CO <sub>2</sub> -equivalent) <sup>8</sup>	15	15	15	15	15
Average flare gas volume rate, direct, operated basis (million standard cubic feet per day) <sup>10</sup>	508	625	615	563	692
<b>Energy efficiency</b>					
Total energy consumption, operated assets and non-operated joint venture refineries (trillion BTUs) <sup>11</sup>	809	830	865	920	881
Total energy consumption, operated assets	654	671	711	744	697
Total energy consumption, operated assets and non-operated joint venture refineries (million gigajoules) <sup>11</sup>	854	876	913	970	929
Total energy consumption, operated assets	690	708	750	785	735
Manufacturing Energy Index (Refining) (no units) <sup>11</sup>	85.0	84.6	85.2	87.6	88.8
Upstream Energy Intensity (thousand BTUs per barrel of oil-equivalent) <sup>11</sup>	303	308	330	341	344

<b>Environmental performance,<sup>1</sup> continued</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Energy efficiency, continued</b>					
Pipeline Energy Intensity (BTUs per barrel of oil-equivalent-mile) <sup>11</sup>	13	20	24	29	31
Shipping Energy Intensity (BTUs per metric ton-mile) <sup>11</sup>	39	43	32	49	51
Non-Manufacturing Energy Index (Oronite, Lubricants, etc.) (no units) <sup>11</sup>	77	75	79	86	82
<b>Air emissions</b>					
Total volatile organic compounds (VOCs) emitted (thousand metric tons) <sup>12</sup>	200	147	144	134	147
Total sulfur oxides (SO <sub>x</sub> ) emitted (thousand metric tons) <sup>12</sup>	56	66	84	112	141
Total nitrogen oxides (NO <sub>x</sub> ) emitted (thousand metric tons) <sup>12</sup>	159	148	148	138	147
<b>Waste</b>					
Hazardous waste generated (million metric tons) <sup>13</sup>	0.4	0.6	0.7	1.0	0.9
Hazardous waste disposed of (million metric tons) <sup>13</sup>	0.3	0.4	0.3	0.8	0.8
Hazardous waste recycled (million metric tons) <sup>13</sup>	0.1	0.3	0.4	0.1	0.1
<b>Fines and settlements</b>					
Number of environmental, health and safety fines paid and settlements entered into, equity basis <sup>14</sup>	101	102	135	292	284
Cost of environmental, health and safety fines paid and settlements entered into, equity basis (millions of dollars) <sup>14</sup>	\$40.5	\$6.7	\$3.9	\$57.1	\$119.2

<b>Supply chain<sup>15,16</sup></b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Total goods and services spending (billions of dollars)	\$24.8	\$27.3	\$35.8	\$40.9	\$38.8
Total goods and services spending with U.S.-based businesses (billions of dollars)	\$11.2	\$10.7	\$13.5	\$15.4	\$15.3
Total goods and services spending with U.S.-based small businesses (billions of dollars)	\$1.6	\$1.7	\$2.1	\$2.3	\$2.4
Total goods and services spending with U.S.-based woman- and minority-owned businesses (billions of dollars)	\$0.6	\$0.5	\$0.7	\$0.9	\$0.9



<b>Global employee diversity<sup>17</sup></b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Number of regular employees at year-end	48,596	51,953	58,178	61,456	61,345
Number of service station employees at year-end	3,298	3,248	3,316	3,259	3,205
Number of U.S. employees at year-end	22,048	23,418	26,448	28,666	28,974
Percent U.S. employees represented by unions	11	11	10	10	10
Percent women in total workforce	25	24	24	25	24
Percent women represented at mid-level and above	16	15	14	14	13
Percent women and non-Caucasian men represented at senior executive levels	34	31	31	31	30
Percent employees working in their home country	95	94	93	92	91
Percent workforce in North America	44	45	45	46	46
Percent workforce in Asia-Pacific	28	28	29	29	29
Percent workforce in Africa	14	14	13	13	13
Percent workforce in Europe/Middle East	8	7	7	6	6
Percent workforce in South America	3	4	4	4	4

<b>U.S. Equal Employment Opportunity Commission statistics<sup>17</sup></b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Percent minorities among total employees	39	38	37	36	36
Percent women among total employees	30	30	30	30	29
Percent minorities among executives and senior managers	16	13	13	12	12
Percent minorities among first- and mid-level managers	32	30	29	29	27
Percent women among executives and senior managers	19	18	17	16	16
Percent women among first- and mid-level managers	29	29	28	29	28
Percent minorities among professionals (women and men)	35	35	35	34	33
Percent women among professionals	33	33	33	32	32

Health and safety performance <sup>18</sup>	2017	2016	2015	2014	2013
<b>Total Recordable Incident Rate (incidents per 200,000 work-hours)<sup>19</sup></b>					
Workforce	0.13	0.14	0.18	0.18	0.21
<b>Benchmark</b>	<b>0.26</b>	<b>0.26</b>	<b>0.23</b>	<b>0.33</b>	<b>0.35</b>
Employees	0.09	0.10	0.10	0.10	0.15
<b>Benchmark</b>	<b>0.23</b>	<b>0.24</b>	<b>0.24</b>	<b>0.28</b>	<b>0.29</b>
Contractors	0.15	0.16	0.20	0.21	0.23
<b>Benchmark</b>	<b>0.28</b>	<b>0.27</b>	<b>0.22</b>	<b>0.36</b>	<b>0.38</b>
<b>Lost-Time Incident Frequency (Days Away From Work incidents and fatalities per million work-hours)<sup>19</sup></b>					
Workforce	0.09	0.10	0.10	0.11	0.13
<b>Benchmark</b>	<b>0.25</b>	<b>0.28</b>	<b>0.28</b>	<b>0.36</b>	<b>0.38</b>
Employees <sup>20</sup>	0.08	0.10	0.10	0.06	0.14
<b>Benchmark</b>	<b>0.28</b>	<b>0.32</b>	<b>0.38</b>	<b>0.39</b>	<b>0.42</b>
Contractors	0.10	0.11	0.10	0.12	0.12
<b>Benchmark</b>	<b>0.23</b>	<b>0.25</b>	<b>0.23</b>	<b>0.35</b>	<b>0.36</b>
<b>Days Away From Work Rate (incidents per 200,000 work-hours)<sup>19</sup></b>					
Workforce	0.016	0.017	0.019	0.021	0.020
<b>Benchmark</b>	<b>0.048</b>	<b>0.051</b>	<b>0.054</b>	<b>0.070</b>	<b>0.072</b>
Employees <sup>20</sup>	0.012	0.018	0.020	0.011	0.026
<b>Benchmark</b>	<b>0.054</b>	<b>0.063</b>	<b>0.075</b>	<b>0.077</b>	<b>0.083</b>
Contractors	0.018	0.016	0.018	0.023	0.018
<b>Benchmark</b>	<b>0.045</b>	<b>0.044</b>	<b>0.044</b>	<b>0.067</b>	<b>0.067</b>
<b>Number of work-related fatalities</b>					
Workforce	6	10	3	3	16
Employees	2	1	0	0	2
Contractors	4	9	3	3	14
<b>Work-related fatal accident rate (work-related employee or contractor fatalities per 100 million work-hours)<sup>19</sup></b>					
Workforce	1.32	2.03	0.51	0.49	2.71
<b>Benchmark</b>	<b>0.85</b>	<b>2.23</b>	<b>0.63</b>	<b>0.78</b>	<b>1.84</b>
Employees	1.77	0.82	0.00	0.00	1.44
Contractors	1.17	2.44	0.67	0.63	3.11
<b>Work-related fatal incident rate (work-related incidents with employee or contractor fatalities per 100 million work-hours)</b>	<b>1.32</b>	<b>0.81</b>	<b>0.51</b>	<b>0.49</b>	<b>1.02</b>
<b>Motor Vehicle Crash Rate (workforce vehicle incidents per million miles driven)<sup>21</sup></b>	<b>0.04</b>	<b>0.03</b>	<b>0.02</b>	<b>0.04</b>	<b>0.04</b>
<b>Number of process safety Tier 1 events (ANSI/API Recommended Practice 754 guidance)<sup>22,23</sup></b>	<b>22</b>	<b>22</b>	<b>29</b>	<b>19</b>	<b>36</b>
Upstream	14	16	18	15	22
Downstream and chemicals	7	6	10	3	10
Midstream	1	0	1	1	4

# notes to pages 24 through 28

1 This section reflects 2017 data collected as of April 13, 2018. All data are reported on an operated basis, unless otherwise noted.

2 Chevron reports petroleum spills to land and water to conform to the 2015 IPIECA Reporting Guidance. Spills to land and water that are greater than or equal to one barrel are included. Spills to secondary containment and chemical spills are excluded.

Of the 3.4 thousand barrels of petroleum spilled to land and water, 1.9 were spilled as a result of events outside Chevron's operational control, such as sabotage.

3 The 13 spills of significance that Chevron experienced in 2017 ranged in size from 0.01 to 1.7 thousand barrels. Of the 5.3 thousand barrels spilled in total, 4.8 were spilled to secondary containment.

Corrections were made to the number of spills of significance reported for 2015 and 2016.

For purposes of conforming to the 2015 IPIECA Reporting Guidance, Chevron defines a spill of significance as a process safety Tier 1 loss-of-primary containment (LOPC) event (as defined by American National Standards Institute/American Petroleum Institute [ANSI/API] Recommended Practice [RP] 754) with a consequence of a release of material greater than the threshold quantities described in Table 1 of ANSI/API RP 754 in any one-hour period. Spills to secondary containment, regardless of actual environmental impact, are included, as are chemical spills. Releases to air are excluded.

4 Fresh water withdrawn totals decreased in 2017 (relative to prior years) in part due to leaks that were repaired and asset divestments. In addition, our operations in the Permian Basin continued their transition to the use of brackish water in lieu of fresh water for well completions. This transition contributed to an enterprisewide decrease in fresh water withdrawn and an increase in nonfresh water withdrawn, as drilling activities increased in 2017. Refer to Page 17 of this report for additional information.

2016 fresh water withdrawn, fresh water consumed and nonfresh water withdrawn have been restated to reflect additional information that was received after the 2016 Corporate Responsibility Report was published.

Produced water is excluded from fresh water withdrawn, fresh water consumed and nonfresh water withdrawn.

Fresh water withdrawn from the environment is defined per local legal definitions. If no local definition exists, fresh water is defined as water extracted, directly or indirectly, from surface water, groundwater or rainwater that has a total dissolved solids concentration of less than or equal to 2,000 mg/L. Fresh water withdrawn does not include effluent or recycled/reclaimed water from municipal or other industrial wastewater treatment systems, as this water is reported under nonfresh water withdrawn.

Nonfresh water withdrawn could include: seawater; brackish groundwater or surface water; reclaimed wastewater from another municipal or industrial facility; desalinated water; or remediated groundwater used for industrial purposes.

5 Oil concentration is determined by the sampling of effluent streams, using methods required or recommended by regulatory agencies or authorities, where applicable. Chevron reports the total cumulative amount of oil discharged to surface water excluding spills, which are reported separately.

6 The World Resources Institute/World Business Council for Sustainable Development *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* defines three "scopes" that Chevron uses to report GHG emissions. Scope 1 includes direct emissions from sources within a facility. Scope 2 includes indirect emissions from electricity and steam that Chevron imports. Scope 3 includes all other indirect emissions. Chevron reports information related to two types of Scope 3 emissions: emissions

associated with electricity and steam that Chevron exports to third parties and emissions from third-party use of our products.

7 Direct GHG emissions related to *production* of energy in the form of electricity or steam exported or sold to a third party have been included in the reported Scope 1 emissions to conform to the 2015 IPIECA Reporting Guidance.

8 2017 direct GHG emissions, on both an equity and operated basis, decreased primarily due to reductions in flaring and asset divestments. Refer to Page 13 of this report for additional information.

Methane emissions decreased in 2017 due to a change in calculation methodology in our Thailand operations and asset divestments.

Refinements were made in the data reporting for 2015 and 2016 equity and operated GHG emissions.

All six Kyoto GHGs—carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride, perfluorocarbons and hydrofluorocarbons—are included in Chevron's Scope 1 emissions. CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are accounted for in Chevron's Scope 2 emissions and in Chevron's Scope 3 emissions related to the electricity and steam that Chevron exports to third parties.

The following entities are not currently included in the 2017 Chevron corporate GHG inventory: Chevron Phillips Chemical Co., the Caspian Pipeline Consortium, a polyethylene pipe plant and a valve plant in Kazakhstan, and other nonoperated assets in which Chevron has an equity interest of 16 percent or less. Emissions from the Wheatstone asset have been included in the inventory where Chevron has operational control, as defined by Australia's *National Greenhouse and Energy Reporting Act 2007*.

Information regarding GHG emissions from Chevron Phillips Chemical Company LLC can be found at [cpchem.com](http://cpchem.com).

Additional GHG emissions data can be found at [chevron.com/ghgmanagement](http://chevron.com/ghgmanagement).

9 Chevron calculated emissions from third-party use of our products by multiplying total 2017 Upstream liquids and gas production by emissions factors from API's *Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry* (2004, 2009).

10 The 2017 enterprisewide flare gas volume rate decreased due to improvements made in equipment reliability and lower production in our IndoAsia business unit.

The 2016 average flare gas volume rate has been restated to correct an error.

In 2017, 15 percent of Chevron's total direct (Scope 1), operated GHG emissions were from process emissions and vented sources, as defined by API's *Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry* (2004, 2009).

11 Total energy consumption and intensity decreased primarily due to asset divestments and four cogeneration plants that were not operating in 2017.

The 2016 energy data have been restated to correct an error and account for additional information that was received after the publication of the 2016 Corporate Responsibility Report.

Refining energy performance is measured by the Manufacturing Energy Index (MEI), which is calculated using the Non-Manufacturing Intensity Index methodology. MEI includes operated assets and nonoperated joint venture refineries.

Energy performance for Oronite, Lubricants, Americas Products and International Products is measured by the Non-Manufacturing Energy Index, which is the energy required to produce Chevron products compared to the energy that would have been required to produce the same products in 1992 (the index's base year).

## notes to pages 24 through 28, continued

- 12** VOC and NO<sub>x</sub> emissions increased in 2017 due to the startup of major capital projects. SO<sub>x</sub> emissions decreased due to reductions in flaring and refinements made in data collection processes.

Refinements were made in the data reporting for 2016 NO<sub>x</sub> and VOC emissions.

For compiling and reporting air emissions data, Chevron follows regulatory definitions of VOC. SO<sub>x</sub> emissions include SO<sub>2</sub> and SO<sub>3</sub>, reported as SO<sub>2</sub>-equivalent. NO<sub>x</sub> emissions include NO and NO<sub>2</sub> (reported as NO<sub>2</sub>-equivalent) and exclude N<sub>2</sub>O.

Additional air emissions data can be found at [chevron.com/air](http://chevron.com/air).

- 13** Hazardous waste generated, disposed of and recycled decreased due to differences in the types of activities conducted by our operations in 2017.

To conform to the 2015 IPIECA Reporting Guidance, and where appropriate information and data exist, our hazardous waste numbers starting in 2015 exclude remediation waste generated, disposed of and recycled.

Hazardous waste amounts are quantified using methods required or recommended by regulatory agencies or authorities, where applicable. In other instances, similar methods are used, including direct measurement onsite or at the point of shipping, engineering estimates, and process knowledge. Chevron follows the regulatory definitions of hazardous waste applicable to the jurisdictions in which we operate, including *de minimis* specifications (below which hazardous waste quantities do not need to be reported).

- 14** Data are based on information that was received from the regulatory agency and recorded internally prior to the publication of this report.
- 15** This section reflects data collected as of March 19, 2018.
- 16** Historical data have been restated to exclude spending that is ultimately shared with our partners.
- 17** Global Employee Diversity data and data from the U.S. Equal Employment Opportunity Commission have been rounded to the nearest integer for 2017 and previous years.
- 18** This section reflects Chevron data collected as of March 12, 2018.
- 19** Health and safety performance rates include both injury- and illness-related incidents. The API's *Benchmarking Survey of Occupational Injuries, Illnesses and Fatalities in the Petroleum Industry* data are used as industry benchmarks.
- 20** The 2016 Lost-Time Incident Frequency and Days Away From Work Rates were revised due to two incidents reclassified as Days Away From Work incidents.
- 21** Data include catastrophic and major incidents only.
- 22** Process safety Tier 1 (LOPC) events are unplanned or uncontrolled releases resulting in consequences equivalent to those specified by ANSI/API RP 754 and *International Oil & Gas Producers (IOGP) Report 456: Process Safety Recommended Practice on Key Performance Indicators*.
- 23** 2013 Tier 1 event count was revised based on revision of the fire cost threshold to align with industry guidelines.

## forward-looking statements warning

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains forward-looking statements relating to Chevron's operations that are based on management's current expectations, estimates and projections about the petroleum, chemicals and other energy-related industries. Words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "pursues," "may," "could," "should," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities" and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Unless legally required, Chevron undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil and natural gas prices; changing refining, marketing and chemicals margins; the company's ability to realize anticipated cost savings and expenditure reductions; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of the company's suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil and natural gas; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil and natural gas development projects; potential delays in the development, construction or start-up of planned projects; the potential disruption or interruption of the company's operations due to war, accidents, political events, civil unrest, severe weather, cyber threats, terrorist acts, crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries, or other natural or human causes beyond its control; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; significant operational, investment or product changes required by existing or future environmental statutes and regulations, including international agreements and national or regional legislation and regulatory measures to limit or reduce greenhouse gas emissions; the potential liability resulting from other pending or future litigation; the company's future acquisition or disposition of assets or shares or the delay or failure of such transactions to close based on required closing conditions; the potential for gains and losses from asset dispositions or impairments; government-mandated sales, divestitures, recapitalizations, industry-specific taxes, changes in fiscal terms or restrictions on scope of company operations; foreign currency movements compared with the U.S. dollar; material reductions in corporate liquidity and access to debt markets; the impact of the 2017 U.S. tax legislation on the company's future results; the effects of changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; the company's ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading "Risk Factors" on Pages 19 through 23 of Chevron's 2017 *Annual Report on Form 10-K*. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.



# LRQA Assurance Statement

## Relating to Chevron Corporation's Corporate Responsibility Report for the Calendar Year 2017

This Assurance Statement has been prepared for Chevron U.S.A. Inc. in accordance with our contract, but is intended for the readers of this Report.

### Terms of Engagement

Lloyd's Register Quality Assurance Inc. (LRQA) was commissioned by Chevron U.S.A. Inc. on behalf of Chevron Corporation (Chevron) to provide independent assurance on its processes used in the creation of the Corporate Responsibility Report (CRR) for calendar year 2017 to a reasonable level using LRQA's verification approach.

Our assurance engagement covered Chevron's operations and activities worldwide and specifically covered the following requirements:

- Reviewing the effectiveness of the processes for reporting health, environmental and safety (HES) IPIECA performance indicators.
- Confirming consistency with the *IPIECA/API/IOGP oil and gas industry guidance on voluntary sustainability reporting* (2015) industry guidelines.

Our assurance engagement did not include verifying the accuracy of data and information reported in the CRR.

LRQA's responsibility is only to Chevron. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Chevron's management was responsible for preparing the CRR and for maintaining effective internal controls over the reporting processes and CRR. LRQA's responsibility was to carry out an assurance engagement on the reporting processes in accordance with our contract with Chevron. Ultimately, the CRR has been approved by, and remains the responsibility of, Chevron.

### LRQA's Opinion

Based on LRQA's approach, we believe that Chevron's reporting processes were effective in delivering HES indicators that are useful for assessing corporate performance and reporting information consistent with common reporting elements in the *IPIECA/API/IOGP oil and gas industry guidance on voluntary sustainability reporting* (2015).

The opinion expressed is formed on the basis of a reasonable level of assurance and at the materiality of the professional judgment of the Verifier.

### LRQA's Approach

LRQA's assurance engagement was carried out in accordance with our Verification procedure; the following tasks were undertaken as part of the evidence-gathering process for this assurance engagement:

- Visiting Chevron Corporation in San Ramon, California, to review data collection and checking processes. Reviewing Chevron Upstream and Midstream and Chevron Downstream & Chemicals to assess business-unit understanding and implementation of Chevron's HES reporting requirements.
- Visiting Deepwater Exploration and Projects in Houston, Texas; Chevron Pipe Line Company in Houston, Texas; and the Salt Lake Refinery in Utah to assess local understanding and implementation of Chevron's HES reporting requirements.
- Interviewing key personnel to identify and gain an understanding of Chevron's reporting requirements, including key persons responsible for drafting the CRR.

- Reviewing Chevron's documented reporting requirements to validate consistency of scope, definition and reporting requirements for each of the HES performance indicators.
- Reviewing Chevron's primary data collection tools to assess use in the reporting processes.
- Evaluating consistency with the *IPIECA/API/IOGP oil and gas industry guidance on voluntary sustainability reporting* (2015).

### Observations

Further observations and findings, made during the assurance engagement, are:

- Processes were in place to ensure that personnel contributing to HES metrics understood corporate reporting procedures and requirements.
- Methods used for calculating each HES performance metric were clearly defined and communicated.
- Chevron's reporting requirements for HES metrics were understood and carried out. Data collected at the site/local and business-unit levels were checked and aggregated into corporationwide metrics.
- Responsibility for annually reviewing and updating reporting guidelines was clear, with improvement in methodology regularly undertaken.

### LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is one of Chevron's certification bodies for ISO 9001, ISO/TS 16949 and greenhouse gas emissions verification. The certification assessments and verification are the only work undertaken by LRQA for Chevron and as such do not compromise our independence or impartiality.

**Andrea M. Bockrath**

LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance, Inc.  
March 27, 2018

LRQA Reference: UQA4000679



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# about this report

This report covers our owned and operated businesses and does not address the performance or operations of our suppliers, contractors and partners unless otherwise noted. All financial information is presented in U.S. dollars unless otherwise noted.

This report contains forward-looking statements relating to the manner in which Chevron intends to conduct certain of its activities, based on management's current plans and expectations. These statements are not promises or guarantees of future conduct or policy and are subject to a variety of uncertainties and other factors, many of which are beyond our control, including government regulation and oil and gas prices. See Forward-Looking Statements Warning on Page 30.

Therefore, the actual conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed or forecasted in this report, may differ materially in the future. As with any projections or estimates, actual results or numbers may vary. Many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. The statements of intention in this report speak only as of the date of this report. Chevron undertakes no obligation to publicly update any statements in this report.

As used in this report, the term "Chevron" and such terms as "the company," "the corporation," "their," "our," "its," "we" and "us" may refer to one or more of Chevron's consolidated subsidiaries or affiliates or to all of them taken as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate entities, each of which manages its own affairs.

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# select 2017 memberships and associations

American Fuel & Petrochemical Manufacturers\*

American Petroleum Institute\*

Business for Social Responsibility

Business Roundtable

Center for Responsible Shale Development

Consumer Energy Alliance\*

Extractive Industries Transparency Initiative

International Association of Oil & Gas Producers

IPIECA, the global oil and gas industry association for  
environmental and social issues

National Association of Manufacturers\*

United States Chamber of Commerce\*

Voluntary Principles on Security and Human Rights

Western States Petroleum Association\*

\*Chevron's 2017 corporate-level trade association memberships with dues  
paid of more than \$500,000, where dues may be used for lobbying.

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