

TIDBITS

A variety of articles, excerpts and items of interest taken from Chevron's news releases and media reports compiled by the CRA Communications Committee

Chevron Outlines Strategy for Disciplined Growth and Higher Returns

March 5, 2019 – At its annual Security Analyst Meeting today, Chevron Corporation (NYSE: CVX) announced expectations for significant cash flow growth, disciplined spending, and expanding production over the next five years.

“Chevron is in an exceptional position to deliver industry-leading value to shareholders,” said Michael Wirth, Chevron’s chairman and chief executive officer. “Our advantaged portfolio is driving strong production growth with lower execution risk, higher cash flow and increased cash returns to shareholders.”

Disciplined Capital Program

The company outlined a ratable capital program and a returns-driven approach to capital allocation. “We’ve refocused our investment priorities,” said Wirth, “and expect 70 percent of this year’s spend to deliver cash flow within two years.” The Company reaffirmed a disciplined C&E program and established an annual target of \$19 to \$22 billion from 2021 to 2023.

Jay Johnson, executive vice president, upstream, explained the ratable investment will deliver steady growth. “We expect to deliver a three to four percent compound annual production growth rate through 2023,” he said. “Our strong resource base gives us the flexibility and choices that allow us to fund the projects we believe will yield the best returns.”

Significant Growth in the Permian

Chevron’s outlook is supported by strong performance in the Permian Basin, where the company has added almost 7 billion barrels of resource and doubled its portfolio value over the past two years. Permian unconventional net oil-equivalent production is now expected to reach 600,000 barrels per day by the end of 2020, and 900,000 barrels per day by the end of 2023.

The company’s unique position in the Permian is “characterized by long-held acreage, zero-to-low royalty on more than 80 percent of our land position, and minimal drilling commitments,” said Johnson. These attributes together with the deployment of new technologies are driving higher returns, stronger cash flows, and increased value.

Delivering on Financial Commitments

Chevron expects approximately \$30 billion of cash generation at \$60 Brent in 2019 to be used to fund the 6 percent annual dividend increase, a ratable and high-return capital program, and \$4 billion of expected share repurchases.

“Chevron is operating from a position of strength,” Wirth added. “The balance sheet is strong. Our dividend breakeven is low. We’re disciplined with capital. And we’re generating strong free cashflow. Chevron has an extremely compelling investment proposition that is going to continue over the long-term.”

Chevron Announces Senior Leadership appointments

February 4, 2019 – Chevron Corporation (NYSE:CVX) today named Pierre Breber vice president and chief financial officer, effective April 1, 2019. Breber replaces Patricia Yarrington who has elected to retire after 39 years of extraordinary service with the company.

In related moves, Mark Nelson, currently vice president Midstream, Strategy & Planning, will succeed Breber as executive vice president of Downstream and Chemicals. Colin Parfitt, currently president of Supply & Trading, will become vice president of Midstream. Both appointments are effective March 1, 2019.

“Over the course of her career, Pat has distinguished herself as one of our most outstanding and inspiring leaders,” said Michael Wirth, Chevron’s chairman and chief executive officer. “Pat’s leadership, insight and judgment were instrumental in directing our financial strategy over the last decade, and essential in guiding our company through unpredictable commodity market conditions in recent years.”

Breber, 54, joined Chevron in 1989. He became vice president and treasurer in 2009, vice president of Gas & Midstream in 2014, executive vice president of Gas & Midstream in 2015 and executive vice president of Downstream and Chemicals, his current position, in 2016.

“Pierre is uniquely qualified to be our next CFO, having served in senior finance roles and also in operating roles across our downstream, midstream and upstream businesses. Pierre’s deep financial background and broad knowledge of our operations will be valuable in ensuring we remain financially strong and create lasting shareholder value,” Wirth said.

Nelson, 55, brings more than three decades of marketing, operations and strategic planning experience to his new role. Prior to his current position, which he assumed in 2018, Nelson served as vice president of Corporate Strategic Planning; president of International Products, with responsibility for Chevron’s refining and marketing businesses in Europe, Africa, Middle East and Asia; and president of Chevron’s Canadian upstream business in Calgary, Alberta. “Mark’s breadth of experience, results-driven leadership and deep knowledge of our downstream and chemicals business makes him the right person to take the helm of this significant segment of Chevron,” Wirth said.

Parfitt, 54, began his career with Chevron in 1995 with Chevron International Oil Company, based in London. Since that time, he has held a variety of leadership, sales and marketing

positions in Chevron's Supply & Trading, Oronite Additives, Lubricants and Americas Products businesses.

"Colin is an experienced leader who will ensure that our Midstream business continues to create value in supporting our upstream and downstream assets, and enabling Chevron to continue to deliver the energy that improves lives and powers the world forward," Wirth added.

Breber, Nelson and Parfitt will report to Wirth in their new roles.

Chevron Partners with Catalyst to Advance Gender Equality

Feb. 26, 2019 – Chevron Corporation (NYSE:CVX) today announced a \$5 million grant to Catalyst, a global nonprofit advancing workplace gender equality, in support of expanding the organization's [Men Advocating Real Change](#) (MARC) program, which Chevron adopted in 2016. MARC is focused on engaging and empowering male executives and leaders to consistently model inclusive behaviors, influence more equitable talent management systems and processes, and build effective partnerships across gender.

"We are expanding our partnership with Catalyst to support an initiative that is helping Chevron create a more gender-inclusive workplace, and that we believe can benefit other companies around the world," said Michael Wirth, Chevron's chairman and chief executive officer and chair of the [2019 Catalyst Awards Dinner](#). "We are honored to help accelerate this important work. This grant proves once again the power of partnership – how with commitment and dedication, real change is possible."

"This is the single largest grant we've received in our organization's 50+ year history. Companies like Chevron and leaders like Mike Wirth, who make diversity and inclusion a business imperative and take real, tangible action, are leading by example," said Lorraine Hariton, President & CEO of Catalyst. "We are excited to continue strengthening our partnership with Chevron, and we challenge others to join Catalyst and Chevron in creating inclusive workplaces that allow everyone to thrive."

MARC engages men and women in deep, honest dialogue where men gain insight, empathy, and personal motivation to take action to improve gender equity in the workplace. The Chevron grant will directly support the global expansion of MARC Leaders, Catalyst's transformational, immersive training program. It will also support the rollout of MARC Teams to Catalyst Supporter companies across the globe, creating a grassroots collective approach that helps men apply their influence to affect positive change in the workplace with respect to gender equality.

Chevron was an early champion and pioneer of the MARC Teams strategy, recognizing the power it can have in building self-awareness, fostering individual inclusion skills and ultimately sustaining a culture of inclusion across the organization. The Chevron grant will allow Catalyst to continue its groundbreaking research, programming, products, and events aimed at engaging men in gender equity and inclusion efforts. Chevron will also serve as chair on the

MARC Advisory Committee to help drive strategic expansion of the MARC program and accelerate gender inclusion in both its own workforce and in companies around the globe.

Chevron Technology Ventures Awards Technology Pioneers

February 14, 2019 – Chevron Technology Ventures, LLC, today announced the three winners of the first Chevron Tech Challenge, each of whom will receive a \$25,000 award in recognition of their innovative technologies and business solutions in the field of produced water management.

The Chevron Tech Challenge program, announced in June 2018, seeks to expand the range of solutions to industry challenges through “open source” calls for proposals. The inaugural challenge focused on identifying step-change approaches to produced water management through cost-effective reduction or elimination of waste streams. The winners,

- **Crystal Clearwater Resources of Frisco, Texas,**
- **Mangrove Water Technologies of Vancouver, British Columbia, and**
- **Techverse of Cary, North Carolina,**

were selected based on criteria that included reduction of waste streams, technology design and per-barrel cost. All three offer approaches that seek to reduce waste streams through sustainable business models.

The produced water management program was conducted in collaboration with the U.S. Department of Energy (DOE). The DOE’s involvement is part of a broader effort under the [Water Security Grand Challenge](#), a White House–initiated, DOE-led framework to advance transformational technology and innovation to meet the global need for safe, secure, and affordable water. In particular, the DOE’s support of the Chevron Tech Challenge is aligned with the Water Security Grand Challenge goal to transform the energy sector’s produced water from a waste to a resource.

Chevron Issues Update to Climate Report for Investors

Feb. 7, 2019 – Chevron Corporation (NYSE: CVX) today published an update to its March 2018 report describing the company’s approach to managing climate change risks and its resilience under a low carbon scenario. The [update](#) supplements [Climate Change Resilience: A Framework for Decision Making](#) with new information on the company’s governance framework and climate change related actions and investments.

“This update highlights work we are doing to address climate change risks to our business and new opportunities we’re pursuing. It incorporates responses to some of the thoughtful insights stockholders have shared with us during our engagements,” said Michael Wirth, Chevron’s chairman and chief executive officer. “We look forward to ongoing conversations on how we

are managing climate risks to our business and taking on new opportunities to reduce greenhouse gas emissions and develop lower carbon energy.”

In response to discussions with investors and other stakeholders, Chevron is providing more insight on climate change governance. This includes information about how the Board of Directors and executive leadership exercise their oversight responsibilities with respect to climate change.

The Board established greenhouse gas emissions performance measures that will be a factor in determining compensation for executives and nearly all other employees beginning in 2019. The metrics aim to reduce methane emissions intensity by 20 to 25 percent and flaring intensity by 25 to 30 percent from 2016 – 2023, aligned with the timing of milestones in the Paris Agreement. The intensity will be measured based on Chevron’s equity ownership of oil and gas assets, not just the projects over which Chevron has operational control. Chevron will report on annual achievement of methane and flaring performance measures as part of its Annual Proxy Statement in 2020.

The company has also created an Environmental, Social and Governance (ESG) team which regularly engages with investors and other key stakeholders to understand and respond to ESG reporting preferences. Chevron continues to align its reporting with the framework outlined by the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD).

“We take our corporate responsibility seriously. I am pleased that Chevron is providing this update to its previous reports on climate risks. In prior engagements with stockholders, I have reinforced the important role the Board plays in overseeing Chevron’s management of climate change risks and its assessment of opportunities,” said Dr. Ronald Sugar, lead independent director for Chevron’s Board of Directors.

Additionally, in 2018, the company joined the Oil and Gas Climate Initiative, a global collaboration focused on industry’s efforts to address climate change issues. Chevron continues to invest in companies and technology designed to lower emissions and advance lower-carbon business opportunities.

Humor Section

Build THE WALL?

Physicians were unable to reach a consensus: Should the U.S. build THE WALL?

The Allergists were in favor of scratching it, but the Dermatologists advised not to make any rash moves. The Gastroenterologist's had sort of a gut feeling about it, but the Neurologists thought the proponents had a lot of nerve. Meanwhile, Obstetricians felt certain everyone was laboring under a misconception, while the Ophthalmologists considered the idea shortsighted. Pathologists yelled, "Over my dead body!" while the Pediatricians said, "Oh, grow up!" The Psychiatrists thought the whole idea was madness, while the Radiologists could see right through it. Surgeons decided to wash their hands of the whole thing and the Internists claimed it would indeed be a bitter pill to swallow. The Plastic Surgeons opined that this proposal would "put a whole new face on the matter." The Podiatrists thought it was a step forward, Anesthesiologists thought the whole idea was a gas, and those lofty Cardiologists didn't have the heart to say no. In the end, the Proctologists won out, leaving the entire decision up to the folks in Washington!

Strategic planning

A woman ran a red traffic light and crashed into a man's car. Both of their cars were demolished but, amazingly, neither of them was hurt.

After they crawled out of their cars, the woman said; "Wow, just look at our cars! There's nothing left, but, fortunately, we are unhurt. This must be a sign from God that we should meet and be friends and live together in peace for the rest of our days."

The man replied, "I agree with you completely. This must be a sign from God!"

The woman continued, "And look at this, here's another miracle. My car is completely demolished, but my bottle of 75-year-old Scotch is not broken. Surely God meant for us to drink this vintage delicacy and celebrate our good fortune." She then handed the bottle to the man.

The man nodded his head in agreement, opened the Scotch, drank half the bottle, then handed it back to the woman. The woman took the bottle, immediately put the cap back on, and handed it back to the man.

The man asked, "Aren't you having any?"

She replied, "Nah. I think I'll just wait for the police."

Many years ago, Adam ate the apple.