



2021 Virtual Chevron Investor Day

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Upstream Q&A

Jay Johnson: Hi. Welcome back. This is our first breakout session. I'm Jay Johnson, the Executive Vice President of Upstream. And for these sessions, they're all going to be similar in that we will clear the queue at the end of the previous session. So please raise your hand to reenter the queue for each subsequent breakout session. I'm joined today by Eimear Bonner. Eimear most recently was the General Director of Tengizchevroil, or TCO, in Kazakhstan.

And so, she's here, and she can give you a lot of insights into what's been happening at TCO and the project, as well as our base business operations. Eimear now is heading up our new Chevron Technology Center. As part of our restructuring last year, we integrated all the different lines of technology that we have into one center. This improves the integration, the teamwork, and actually makes us more efficient and effective at delivering the technology that we're building our business on.

They're great partners with ours, and so Eimear and I work closely together in that aspect as well. So, our first question is going to go to Sam from Wolfe Research. Sam, please go ahead.

Sam Margolin:
(Wolfe Research)

Hi, good morning. Great to see you. I guess I'll start with the Permian. It was an unusual year, to say the least, with curtailments and a real pause in activity that was probably longer than anything you've done in the unconventional space ever.

So, I wonder if you could describe a little bit the effect of the resource on your decline rates maybe, and what is the impact of this kind of cadence in activity to your longer-term targets? I can see a scenario where your base decline was moderated significantly, so maybe they're more achievable at lower activity. But whatever you can say about 2020's activity basis and its effect on today would be very helpful. Thank you.

Jay Johnson: Thanks, Sam. Yeah, I can give you a number of perspectives on the Permian and on our other unconventional. We've talked a lot about the flexibility in our portfolio and how important that is. And we really got a chance to demonstrate that last year. And so, the first quarter was strong. We were seeing great performance out of the Permian. Then in the second quarter as the supply-demand balance went totally out of whack, we quickly made changes and brought our activity levels down. As I mentioned in the presentation earlier, from about a 17 billion (C&E) rate in the upstream down to an 11 billion (C&E) rate.

And a lot of that was in the Permian. One of the things we also were able to do was bring our teams together quite rapidly. And I was really proud of how they came together with



our Midstream folks, and our Upstream folks, to look at the flow assurance. We even had flow assurance issues and concerns around crude oil, as you know, at one point in time. And this team worked very effectively together, looking at our crude flows around the world, how those crude flows needed to change, where we were in danger of not being able to move our products through the systems, and what changes to make.

We were able to navigate that very successfully because of the work that people did together. In the Permian itself, as we went through the restructuring, as I said, we brought the activity levels down, but it was always with the mind that we would want to flex that activity level back up once the supply-demand balance came back into where we'd expect it to be in a more balanced state.

And so we have not cut all the capabilities out of our organization. The reservoir engineering, the exploration work, the asset teams that plan the execution of work. We've kept that largely intact in the business unit. We have scaled back to what we consider to be enough to continue to exercise our muscle. We're currently running about five rigs in the Permian with two completion crews.

We're allowing some DUC inventory, drilled but uncompleted wells, to build a little bit. That's not a particular issue. We've got a fairly good balance right now. And as we continue to watch the supply-demand balance, we'll continue to use our flexibility and ramp up when the conditions are ripe. As we showed you on the chart that I presented earlier, it's really just a shifting of the curve to the right, but not a loss of long-term value. And in fact, we continue to innovate through this period, so our capital efficiency only gets stronger.

As to the decline curves, you can really see, when you look at that chart, you see one little dip, which were the curtailments that we took because of flow assurance concerns in the second quarter. But overall, what you're seeing is a pretty muted amount of decline given the heavy pullback in activity levels that we saw last year. Part of that being offset by the introduction of the Noble acreage into our portfolio in the Permian. But we really remain quite confident in our ability to exercise our flexibility and move up to take advantage of conditions as we look forward.

Thank you, Sam. Our next question's going to be from Roger Read at Wells Fargo. Roger, please go ahead.

Roger Read:
(Wells Fargo)

Yeah, hey, thanks. Good morning. Good to have you all on. Appreciate the time. Jay, question from me is on the LNG front since you're the guy that made sure that we got to Gorgon and Wheatstone up and going to go to that first.

So, five percent, nine percent improvements. I think longer-term, we've talked about before 15, maybe 20 percent versus nameplate capacity. So, I was just curious, as you made this progress, does that sort of level of improvement over time still seem achievable? And then the second question to follow up on as you discuss the opportunities in the Eastern Med, where else you would look for LNG growth over time within the Chevron footprint?

I mean, ultimately, are we thinking brownfield developments in Australia, or would it be something else altogether?



Jay Johnson:

Thank you very much, Roger. I'll start with Gorgon and Wheatstone. We've never actually put targets on what we expect that capacity creep to ultimately yield. We've talked about the tremendous progress we've made at Tengiz with roughly a 20 percent increase in capacity there over the years.

But certainly, as we look at Gorgon and Wheatstone, each plant is unique and different. But we've seen that good progress so far, and I think this will continue as we move forward, and we identify what's the next constraint that holds us back. In the Eastern Med, as we think about... wait, before I move off of that, the LNG, you were asking about other places potentially for LNG. We certainly have opportunities to continue to expand on our base in Australia.

As I mentioned in my remarks, we were successful in getting tariff terms put in place for Northwest Shelf so that it can turn into a third-party process there [to access] liquefaction capacity as the ullage starts to open up in that facility. And we certainly have a lot of gas resource base in Australia we can move through those types of facilities. So, we've got a couple of different options in Australia. Angola LNG continues to run with very high reliability. I've been very pleased with it.

And then in terms of new opportunities, as we move to the Eastern Med, there is liquefaction capacity already on the ground in the region that potentially has opportunities to fill with gas from Israel moving through pipelines. It also has opportunity for the Qatar bid that will be coming up at some point. So, we'll evaluate each of those different opportunities based on the returns that we think we can generate and the relative cost structure that each one of those represents.

I think, no matter what, it's important to have LNG and gas supplies that are at the lower end of the cost structure as well as the fiscal terms that allow us to make the returns that we're looking for. In the Eastern Med, the nice thing there is that there are a number of different pathways available to us for further expansion. That capacity that Mike talked about that we have at both Tamar and Leviathan as well as other discovered resource in the area. We can move that through some of the opportunities, whether it's ullage in LNG facilities, growing regional demand, or even putting some of this gas in place of coal. And then, of course, turning it into power and exporting power throughout the region.

Those are the different areas that our teams are exploring in the Eastern Med. Thank you, Roger. Next question is going to be from Ryan Todd from Simmons Energy. Go ahead, Ryan.

Ryan Todd:
(Simmons)

Great, thanks. Maybe if I could start with one on the cost side. I just wanted to talk a little bit about the 10 percent reduction versus 2019 levels.

I mean, I think a lot of your peers have highlighted both some structural declines as well as unsustainable cost savings that they saw over the last 12 to 18 months. Yours seem pretty sustainable. So maybe can you talk about what the primary drivers are there, including the upside 600 million target for the Noble acquisition on synergies? And then as a follow-up, I just wanted to ask about M&A.

Obviously, you did the Noble acquisition not that long ago. Would you still have potential appetite for future moves if the opportunity arose? What type of characteristics would the target need to have? And would you still characterize the current market as a buyer's



market, or is it starting to change with the oil price improvement?

Jay Johnson:

Okay, that's a lot of ground to cover. I'll take a good shot at it.

I'll start out by just talking about our cost structure. I think we're really ahead of the curve. And we entered a ... you can call it a transformation. You can call it a restructuring. But we started that even before the pandemic hit. And so, we were already well in progress. As I talked about our upstream, we shifted from four operating companies to three regions. But we also really embarked on a mindset change, and that the regions and the headquarters are there to support our businesses. Throughout each of our businesses, we went through a major restructuring, and we looked at every single business unit.

While we retain the geographic orientation of our businesses, that works particularly well for us, we did eliminate one to two layers in the organization. We were able to increase spans of control across the organization. So, we were able to make some very structural changes to our organization to allow us to capture many of the cost savings and be able to move forward. But the other aspects that are more transformational... we are seeing the advances in digital changing how we work, [and we are] becoming more efficient in the way we work.

And of course, those are permanent as we adopt those. As we move through the pandemic, the digital platforms that we've been establishing are really starting to already pay off. The use of drones to be able to do remote inspections, HoloLens technology, other things that allowed us to do remote audits, remote inspections, to match subject matter experts with the challenges and opportunities that are presented in the field without physical travel. And the increased teaming that's occurring right across our organization have been instrumental in really helping us work more effectively together to lower not only our capital but our operating costs.

We benchmark comprehensively across our businesses with the best in the industry. We want to know what the best looks like, and we want to compare ourselves not against our business plans so much but against what the best are doing out there and know therefore where we need to change, where we can focus to continue to drive our performance to a leading position.

And so, as we have deployed more and more of this throughout the organization, it's pretty powerful. And it really enrolls our workforce with a clear understanding of what our objectives are and how to go about bringing those costs down, and, most importantly, our revenues and margins up. Cost are only half the equation. We're working on our value chains. We're working on getting the highest netbacks possible. We're seeing excellent cooperation between our Midstream and Upstream organizations and working with our Downstream where it makes sense.

In terms of the M&A, we continue to evaluate opportunities. We'll always do that. We were doing it before. We'll continue to do it. And as I also mentioned in the resource picture, we do a lot of portfolio optimization. We're going to continue doing that as we move forward. And in fact, you saw where I showed that we actually sold more resource barrels than we produced. As we continue to make discoveries and look at our portfolio, we evaluate what is the most competitive place to put those limited capital dollars that we're going to spend.



As we think about all that and we look at new opportunities, we're able now to actually take those potential targets, put them into our portfolio and understand where they're going to be accretive on cash earnings and returns. And where they would fall in terms of their ability to track capital into the future, and how much we can afford to spend on them before it's no longer the case.

These analytical tools and our ability to characterize the portfolio have really been powerful in our determining what to pursue and what not to pursue. With that, I'm going to turn to Jon from UBS for the next question, please.

Jon Rigby:
(UBS)

Hi, Jay, thanks. So, coming just on -- you've got a roster of Gulf of Mexico projects in various stages of development, both post- and pre-FID.

And you've talked a lot about the flexibility and optionality that you need to have in a portfolio. So, can you talk a little bit about how you're thinking has changed around how those hosts and those developments should look like from a sort of financial economic return scale concept design issue, sort of built in the macro views that you have and the needs to have flexibility?

So, I imagine that you have been changing your thought process around them. And then secondly, just to pick up on a point that you mentioned on the LNG question, you sort of raised the potential for some supplies for Egypt. You talked about Qatar. Is there some ambition within the organization now to build some portfolio, some broader portfolio of LNG presence rather than just such a big concentration on the two Australian projects?

Jay Johnson:

Thank you. On the projects first: We have changed our thinking quite a bit about projects, and I think there was a drive.

The question came up earlier, if you recall, about NPV versus efficiency. There was always a drive to get the maximum NPV, which tended to drive for larger and larger scale and looking at that next incremental bit of value that we could try and carve out of a project. This led to very large, complex facilities that are difficult, quite honestly, to engineer with high quality and then execute.

Our thinking now is to move back to very much a returns focused [approach] with minimal functional objectives. And so, we're looking at: What is the minimum functional scope that we can build that satisfies the economic objectives that we're pursuing? We do look at some of the opportunities that may be in the future in terms of will we need waterflood capacity or things like that that could be added later and make some judgments in terms of providing for that in the scale so that we don't preclude opportunities in the future.

But fundamentally, we're trying to get to very standardized designs, designed around systems that we know will work, and using standard equipment and subsea hardware so that we can make our process more uniform. We have, as part of our restructuring, developed a position called "asset-class directors." There are four of them. One of them is a deepwater asset-class director.

And just as we've done so powerfully with the unconventional by linking our different unconventional assets together to share best practices and evolving technologies, driving our performance higher and our cost structures lower. We're doing the same now in the



deepwater. So, whether it's deepwater Australia, deepwater Gulf of Mexico, deepwater off the west coast of Africa or down in Brazil, we want to make sure that we're leveraging our best practice in technology and standardization across all those.

We're doing that with our partners, as well. So, I would say we're much more focused on capital efficiency now. We're focused on keeping it simple. And as you noticed, these projects almost form a queue. We're not trying to take on a bunch of projects all at the same time, at the same place in their development, to where it stretches our capability beyond what we can do effectively. We want to stay within the capacity of our organization to execute very well and with good discipline.

As we think about LNG, yes, we'd like to be able to build on Australia. We are looking at the potential and the value that can be added through working more of a portfolio of both supply and customers, and that is something that we'll continue to think about as we evolve. But we will always stay focused on generating the highest returns. We think the LNG markets will continue to evolve from a point source to a point destination into more of a liquid market, no pun intended.

And as we do that, we want to make sure that we're building the optionality and the ability to get the highest value creation out of our LNG supplies with our customers and meet their needs at the same time. Thanks for the question. Okay, our next one will be from Jason Gabelman from Cowen. Jason?

Jason Gabelman:
(Cowen)

The first one, on international unconventional: On Slide 24, it looks like there's a decent amount of growth in that part of the business, in the Duvernay and Vaca Muerta.

You were talking about both of those for quite some time. The Duvernay you had discussed potentially growing a few years ago, and neither has really gotten off the ground. So, my question is: What's different now in those assets where you feel like now is a good time to grow them versus a few years ago, when you had discussed growth and, really, not much has materialized over that timeframe? And my second question, just on the split between short-cycle and long-cycle capex growth.

You said you're at 60 percent short-cycle capex, and I'm seeing right now growing to 75 percent. Given the energy transition going on and the expertise within the business, is 75 percent short-cycle capex share the right number, or do you see that continuing to move higher over time? Thanks.

Jay Johnson:

Thanks for your questions. As far as the international unconventional, there's been a lot of work to continue to derisk and lower our unit-development and operating costs for these assets.

They have to compete for capital for funding. And so again, because they're short cycle, we have a lot of flexibility to either ramp up or scale back, depending on how they're performing relative to the other opportunities in our portfolio. So as Mike said, we've set our capital targets. Moving out, we've given those to you. Then our role is to decide, what is the best way to utilize that capital to deliver the returns outlook and the cash flows that we're looking for as we move forward?

We're actually pretty pleased with the rocks and the developments and some of the new opportunities in the northern part of the Vaca Muerta that we're seeing. It's early days yet.



We're still in the appraisal stage. But I think the decision on when to flex and increase activities, increase capital really depends on the evolving supply/demand picture and when those products are going to be in demand and can generate the returns on a sustained basis. We're not looking to ramp activity levels up and down.

We really want to be as steady state as we can and only use that flexibility when we need to. But it's nice to have options, and it's nice to have more opportunities than we're willing to invest in just so that we can exercise those options as we see the opportunities present themselves going forward. So, both Duvernay and Vaca Muerta, I think, have a lot of potential for us, and we continue to see the value of those assets increase.

In terms of the short-cycle and long-cycle, we're going to need to establish new bases. And so that's why we've got long-cycle projects still in the portfolio. Exactly, here is no ratio that we're targeting in particular. It's really more of an outcome of not only looking at our programs for this year and next year, but we project those programs forward. We plan 10-15 years out into the future as we look at our assets and the effects that our capital investments are going to have.

We shared some of that with you last year, if you recall. At the Investor Day, we gave you a 10-year look ahead. We continue to work that. And right now, our view is that we're going to be moving from about 60 to 75 percent with the asset performance that we're seeing today and the current list of alternatives. But as that continues to evolve, it may change over time. Our primary focus is going to be on delivering the returns and the lower-carbon picture that Mike talked about earlier. Thank you. Okay, we're now going to Dan from Mizuho.

Dan Boyd:
(Mizuho)

Hi, thanks. Thanks, Jay. So, looking at the projections you put out there, pretty impressive growth in production, up to about 15-20 percent by 2025, which is actually quite similar to the same CAGR you used to expect at \$60 oil. But you're looking to do it at \$50. And then when I look at the cash margins up another 20-25 percent, again, kind of growing the cash generation.

So, my two questions are: Can you talk about what's driving that cash improvement in terms of asset portfolio mix versus improving costs? And then the second question is: When it comes to maintenance capex and the Upstream portfolio, I think last year you guys talked about 10 billion. You added Noble. That adds another 500-600 million. But how should we think about that maintenance capex changing as we get out to 2025 and the mix is quite different five years from now versus today? Thanks.

Jay Johnson:

Thanks, Dan. So, on the cash: As Pierre said in his comments earlier, two of the primary drivers of the cash: One is the growing cash that's coming from the Permian as we develop that critical mass there and continue to move forward. The efficiency has been such that we generated positive cash flow last year and we expect to generate a lot more as we move forward.

You saw that our projections, given the expectations around activity levels, would be about 3 billion of cash at about a 25 percent return at a \$50 price in 2025. So that's a big contributor to cash. The other, as Pierre said, is really TCO. And it's the dividends that start to flow that we anticipate as capital project spending on FGP starts to ramp down. And that actually happens well before FGP starts up.



It's simply the absence of the capital spend starts to flow now back to the shareholders. So those are the two key areas where we expect to see additional cash to drive that improvement in margins. But of course, we're focused on maintaining a very competitive cost structure working on our value-chain opportunities in our various crude streams and gas streams to make sure that we're driving for the highest returns we can get across the business.

In terms of the maintenance capex, it's not really a construct that we use to manage the business. I know it's one that's very popular with analysts. But I would say that in general our maintenance capex has come down. It's probably more in the \$9 billion-a-year kind of a range. One of the challenges of it is, over what timeframe are you talking about? To maintain production for a year versus maintaining production for 10 years is two quite different things.

But over this near-term period that we've shared with you, we would expect to see about a \$9 billion number would probably maintain our production through that period. Okay, we've got one last question. That's from Neil at Goldman Sachs. But we need to be really quick, our next session will start on time regardless of when we finish. So, Neil, let's go quick if we can.

Neil Mehta:
(Goldman Sachs)

All right. I'll ask the question quick. It's one that could take a little bit of time to respond to. But just federal land exposure: How are you thinking about that risk in the context of your business?

And does that affect the way you're thinking about prosecuting your Permian opportunity set?

Jay Johnson:

Thanks, Neil. There are really two places where federal lands have an impact. In the Permian, it's actually pretty small. It's less than 10 percent, and it's all in New Mexico. So, it really doesn't represent a major part of our portfolio or plans forward at this point, although it could in the future because it takes some of that acreage, potentially, away. But most of it is not going to be affected at this point by the federal lands.

In the Gulf of Mexico, clearly the deepwater is all federal land managed by BSEE, and that's something we continue to work with as we look forward. But I'll remind people that the Gulf of Mexico has some of the lowest carbon-intensity production in the world, represents very good jobs, high-paying jobs. And it represents a very important energy source to the United States and the United States economy. So, we'll continue to work with the administration.

But that's our view on the federal lands issue, as it looks for us pretty minimal impact at this point. Okay, thank you very much. That's going to be the end of our session. Our next session will start at quarter past the hour. Thank you.

Downstream & Chemicals and Midstream Q&A

Mark Nelson:

Thank you for letting us join your Q&A session. As a reminder, you'll want to leverage the "raise your hand" feature, so we can put you in the queue and call on you for questions. With us today we have Colin Parfitt, our Vice President of our entire Midstream segment. And you have me, Mark Nelson, Executive Vice President of Downstream and Chemicals.



We're looking forward to your questions here over the next 30 minutes or so. And I think we'll start off, I think, with Manav from Credit Suisse.

Manav Gupta:
(Credit Suisse)

Hi. Can you hear me?

Mark Nelson:

We can.

Manav Gupta:

Okay. My question is on RNG. You indicated that you want to grow the volumes by tenfold. So, first of all, you're Chevron; you can pick any fuel you want. Why RNG? What's the appeal of RNG?

And the second question is: You're going through a number of interesting JVs. I think you have something called Adopt-a-Port Program. Then you have something called Brightmark LLC. And then you recently announced something with Microsoft, Schlumberger, although I think that's biogas, not biomethane.

And the last one is, a slide says you want to grow retail offerings. Are you actually going to build the stations, or somebody else will take care of that? Thank you.

Mark Nelson:

Thank you for the question, Manav. So, first off, why RNG?

I would start by saying it leverages our strengths, and it fits with higher returns and lower carbon. And in regard to our strengths, it's an area that requires you to be good with partnerships. You have to be able to think of a value chain, both the feedstock and production side, as well as where it's going to be placed in the market. And you have to really understand the low carbon fuel standards and renewable fuel standards in California, in the United States respectively, both of which Chevron is very strong.

Our philosophy has been to leverage the dairy and, to some degree, pig farm feedstock solution. And that makes it the lowest, in fact, the most negative carbon-intensity fuel available. It's lower cost. It's lower risk in execution. And we certainly have a brand that can help place that product over time. So, we think we can do higher returns and lower carbon with RNG.

To your question about partnerships and how that all works, there's partnerships on two sides of the value chain. The first would be on the feedstock side of the equation. So, what you've heard us announce would be something called CalBio and Brightmark, in fact, a recent expansion of our Brightmark arrangement. Those are both us working with collections of farms to acquire and then produce, from the pig or dairy farm feedstock.

And then, the Adopt-a-Port program is a means of facilitating, in the ports in Southern California, the ability to have trucks transitioning to CNG. And yes, we do have an ability in our very, very large retail network in the U.S. West Coast to either add and expand towards CNG sales directly, or like we do with much of our marketing activities, we can leverage our brand to have other people build the stations where we will supply the product.

You mentioned a recent announcement with Microsoft and Schlumberger, and that actually is different. You're right. And that's a good question to ask of Bruce Niemeier and Barbara Burger when you see them later in a breakout session.



Thank you for getting us started, Manav. Let's go to Neal from Truist Securities. Neal.

Neal Dingmann:
(Truist)

Thanks for the time. Kind of along the lines of what Manav was asking, I'm looking at that slide, what is it, 38, that just shows the opportunity not only obviously in RNG, but the renewable base oils [inaudible]. It looks like the investment. And can you talk about maybe just near-term, I see the 20 times growth, but I'm hoping for more color there, specifically how much dollars going that way. And number two, can you talk about the patented innovative technology? A little bit more color on that, as well. Thank you.

Mark Nelson:

Yeah, thanks for the question, Neil. Let's step back. From a renewable [base oil] standpoint, this is one that's actually not policy enabled. We've chosen to do this because we believe we have a very, very strong partnership, in a company called Novvi, where we are a major owner that has patented technology, including our Isodewaxing technology that allows us to take nearly all biofeedstocks and turn them into renewable base oil.

And that renewable base oil actually has qualities that we believe are going to be very useful to the long-term creation of high-quality lubricants over time.

So, the concept here and the 20 times growth, of course, is on a very, very small base, because you'll recall in August of last year, we announced the first commercial production of renewable base oil.

In this space, what you have to do is you have to get qualifications from original equipment manufacturers, which we're working on today. And then we can scale up production over time.

So, in the scheme of the capital for the corporation, even Downstream and Chemicals, this is not a capital-intensive type of investment. In fact, we can even license this over time, should we choose, from our Novvi company. But it's one that we can do with relatively low capital, and we can scale as demand grows over time. And we're looking forward to that here over the next two to three years.

Thank you for the question, Neal. Let's go to Paul from Scotiabank. Paul.

Paul Cheng:
(Scotiabank)

Hey, Mark. How are you doing? Can you hear me?

Mark Nelson:

Very well, Paul. I can hear you, but I can't see you. There you go. Now I can hear you and see you. Go ahead, Paul.

Paul Cheng:

All right, thank you. Two quick questions. California is always trying to pride themselves at forefront of the environmental or the ESG. And they're trying to ban fossil fuel vehicles probably sooner than the rest of the country.

And so, with your California system, how are you refining configuration? Do you think you may or may not need to change, given the government policy outlook over there? That's the first question. Do you want me to ask the second question?

Mark Nelson:

Go ahead, while you've got the floor. Go for it. Go ahead, Paul.



Paul Cheng: The second question is that now that you already bought [Pasadena], and the Gulf Coast refinery you bought it for a little bit more than a year, can you tell us, in hindsight, do you still think that that is a good investment? And what have you learned?

Mark Nelson: Okay, Paul, you broke up a little bit on the second question, but I think it was about the Pasadena refinery. So, let's start with California.

So, California, kind of the market conditions and our configurations in California and Pasadena. So, from a California perspective, it's somewhat ironic. The pandemic notwithstanding, the demand for transportation fuels in California has actually remained very strong. In fact, with the announcement of some of our competitors about closures or conversions, some forecast that in the next five years the U.S. West Coast will be tight on motor gasoline and jet supply. And so, we're very well-positioned to take advantage of that.

Mobility data for California suggests that California is one of the places that people really like to move around. And of course, they want to do that reliably and for the right price. And so, for the foreseeable future, I believe success in California will center around very reliable refineries, a brand and an infrastructure that's strong, and the ability to comply and engage with the government for lower carbon standards. And we've been here 100 years, and we've demonstrated the ability to do that.

But perhaps the undercurrent in your question is around the renewable diesel space. And what I would leave you with there is a few key beliefs for renewable diesel. The first thing from our standpoint is feedstock is critical. And partnerships in being able to garner the right feedstock is essential.

The second thing is that markets work. And so, margins and some of the returns you're seeing in the renewable diesel space over time would naturally normalize. And it's no surprise to see some of the weaker refineries perhaps go to closures or conversions first.

And then, whatever solutions or investments you consider for this space, they need to consider all of the heavy-duty transportation options and sustainable aviation fuel going forward.

And finally, they need to be capital efficient. And that's exactly what we're doing at El Segundo today. Our small investments in El Segundo are allowing us to test run biofeedstocks through a diesel hydro-treater and an FCC to produce small amounts of both sustainable aviation fuel, renewable motor gasoline, and renewable diesel.

From that and our hydroprocessing position in the West Coast, we believe we'll be able to use existing kit over time as we choose to produce more renewable diesel.

So, a long-winded answer to your question, Paul, but I was trying to get to the essence of your question.

The second one was about Pasadena. And so, you're right. It was over a year ago that we acquired the Pasadena refinery. And if you think back to why we did that, it was actually to strengthen three value chains. First, it was to connect with our own equity-light tight oil, so the ability to place our equity-light tight oil.

The second one was to supply our own Texas and Louisiana retail businesses with our



own refined product. And finally, to have Pascagoula and Pasadena work together in regard to scheduling turnarounds and leveraging intermediates.

The premise for all three of those has proven very true. That is all exactly as we anticipated. We did not anticipate a pandemic, nor winter freeze Uri, of course. But since acquisition, we've been able to place more than 70 percent of our own equity crude into the facility. We've had reliability increase significantly month-to-month as we've begun to operate the asset.

And finally, we continue to test alternatives for capital-efficient ways to expand our light tight oil processing capability. And we're leaning towards a hydroskimming focus in that regard. Again, a capital-efficient approach because we're in search of high returns.

Paul, thanks for the question. Let's go to Biraj from RBC.

Biraj Borkhataria:
(RBC)

Hey, thanks for taking my question. I wanted to ask you about marketing. If I think about the recent presentations from Chevron over the last few years, maybe the retail marketing element hasn't been such a huge focus in terms of growth, versus some of your peers maybe.

And I'm just thinking, as you're building out your low-carbon product suite, renewable diesel, renewable natural gas, things like that. Does that change your view on whether you want to grow that business more directly, versus the franchise model, the low-capital model? Or do you think you can generate sufficient value without being directly attached to the customer to that extent?

The second question is just lubricants performance overall. Could you say what 2020 earnings were versus 2019? Just looking at, again, another peer group, there's a huge range: some up 30 percent, some down 50 percent. I'm just trying to get a sense of where Chevron was in 2020. Thank you.

Mark Nelson:

Thanks, Biraj. So, on the marketing side of the business, actually it's a very critical portion to our value chain mentality. Using the U.S. as an example, we like to make sure that we can refine what we can sell. So, if I step back, we actually believe that we have a very strong retail marketing position, wherever we operate around the world. And it's based on world-class brands, right? So, Chevron, Texaco, and Caltex.

What we try to do from a higher returns standpoint, we leverage those brands to cost-effectively place our branded fuels where we have the highest margins. I suspect most of you don't track the Opus brand report, but those collection of brands, and the Chevron brand in particular, garner the highest margins in the market. So, when you go around the world today and see our 13 to 14 thousand retail sites around the world, the vast majority of those is where retailers have chosen our brand, and it's generally their capital.

From a returns standpoint, that's a fantastic way for us to make returns in the business, and it shows our ability to partner and leverage those strong brands, which we do invest in. In fact, we also have another franchise, which is the convenience retailing franchise, one of the best, called ExtraMile here in the United States. And it will have its thousandth site open up later this year. So, we believe that's an approach to place product, leverage quality brands to do it in the highest-return fashion.



For the lubricants business, we don't actually disclose our earnings for that particular business itself, but most parts of the world had strong performance relative to the rest of the downstream businesses in 2020. And it's because demand held more steadily than the traditional transportation fuels.

Our lubricants portfolio provides both passenger car, heavy duty, and industrial type oils, but were skewed more towards heavy duty and industrial. And you can imagine that that was a stronger demand last year, and that proved in our financials as well.

We are the one international oil company that has high-quality Group II base oil production; a very strong additives company within our portfolio under the name of Oronite; and then a very, very strong finished lubricants business.

So, when you combine all that, we do believe that the lubricants business can continue to provide good returns for the portfolio over time. Biraj, thanks for the question.

Let's go with Doug from Bank of America. Doug.

Doug Leggate:
(Bank of America)

Thank you, Mark. Can you see me?

Mark Nelson:

We can see you.

Doug Leggate:

Thanks. I wanted to go to the slide on the earnings improvement that you showed this year and ask you what's changed year over year, and I guess what's at the root of my question is: Downstream improvements tend to get [inaudible], this is on Slide 35. I'm just trying to understand how much of that you think you're going to be able to hang onto, and what's driving specifically the self-help.

Mark Nelson:

Thank you, Doug. First off, if you step back and you think getting back to traditional returns in the Downstream and Chemicals segment. We've really said three things are required. The first thing is that refining margins get back to closer to historic norms, and that volume recovery continues, and then finally self-help. And you're right. On the chart that you referenced, our self-help amounts to approximately \$1.5 billion dollars of opportunity by 2025. And to your point, given that we're reduced our refining margin assumptions just a little bit, that is a slight increase from what we showed last year in our security analyst meeting.

And that's because of the progress that we actually made in 2020. And so, there's really three categories to the things that make up that self-help. The first one is productivity and efficiency. The second one would be value chain margin improvement. And, finally, turnaround and maintenance management. If you bear with me a moment, I will run through those. In the productivity and efficiency space, like the rest of the corporation we made significant changes to the number of layers and boxes, but that wasn't the primary driver.

The primary driver was actually changing how we work. And we've been able to prioritize a lot of lower value work out of the system. We've been able to leverage digital tools to help us replace what we used to have in regards to boxes on the organization chart. And we're finding more and more ways to get cost out of the system. One of the recent examples is we don't get to go very often to refineries these days. We have to do virtual tours. And just two weeks ago I had a chance to visit our El Segundo refinery.



You have projects going on at a refinery, as you can imagine, and it requires work permits. And you have to close out those work permits with inspections. In the old days, back when I used to be on refineries, it would take us 18 days to close out the number of work permits that were going on. Today, with drones we can do that in 18 hours. And so, a significant saving of cost. And there are numerous examples like that in the productivity and efficiency space.

On the value chain margin improvement side of the equation, that's actually about us continuing to grow our branded sales volumes, and then leveraging data analytics to actually better determine to whom to sell, where to sell, and at what price to sell our products. And we're finding a huge opportunity there from a margin improvement perspective. And then, similarly, in the refining part of the business our ability to enhance our linear programs to be able to take advantage of what we've learned on yields over the past 12 to 18 months, as well as this feedstock flexibility that I mentioned in the primary presentation.

There's a lot of money sitting there, as well. And on turnarounds and maintenance management, I've talked about this in the past, there is significant opportunity for us in regard to how we are scoping, and using risk-based inspection to prioritize work. 2020 was a great example, where we got all of our turnaround work done under budget and without pushing scope forward. So that's the essence of the self-help, and it's something that you should continue to ask us about going forward. Thanks for the question, Doug. Let's go to Sam.

Sam Margolin:
(Wolfe Research)

Hi. Thanks for calling on me. My question is about biofuels and about renewable diesel, SAF, RNG, basically all of it. So, the suite of products is clear. Carbon benefits, you talk about what you want to do. There's a lot of regulatory support. But they're not cheap. They don't really compete on cost.

And so, the question is a part of your outlook that these products ever penetrate markets that are more cost-conscious, like developing Asia, or even [OECD Asia] of where hydrocarbon fuels still are going to maintain dominant market share just because of that cost? Or is this really just a North America/Europe story, and then after that we really can't expand past that? Thanks.

Mark Nelson:

Sam, you've hit on a key question about policy enablement, and then the actual consumer's desire for affordable, reliable and ever-cleaner energy all at the same time. And sitting in California, we don't have much exposure from a fuels perspective to Western Europe. But California is a place where a lot of these ideas have germinated.

And where it's policy-enabled and where we have a footprint, we believe that we can take advantage of that. And we'll do that in a way that's very capital efficient. And renewable natural gas, admittedly, from a scale standpoint it's not a very, very large market, but it's one that we think we can play well in overtime and you'll see us do that. Renewable diesel. I can spend a moment on renewable diesel for just a moment and say we're trying to be very wise about how we think about that. We do want to participate in both the manufacturing and marketing of renewable diesel, but we want to be very, very thoughtful about it.

And we have some key beliefs. We've touched on these before, but I'll run through them



really quickly. Feedstocks are really important. Markets work, so margins will normalize over time. And then you need to think through sustainable aviation fuel at the same time you're considering renewable and diesel investments. And then you do need to make sure that it's very, very capital efficient. And we think we have a portfolio that can allow us, if the market warrants it, to leverage our hydroprocessing capability to do that over time.

Just to be clear, renewable base oil is actually not policy enabled today. That's one where it's actually just driven by market interest and the qualities of that product. And so, there are differences as policy enablement expands over time. We can grow those businesses. But those are signposts that we do have to watch. We're having a lot of discussions in all the markets in which we do business over time with governments. Where we try to help them think of what I'll call technology neutral solutions that consider lifecycle emissions.

If they consider those an enablement of that over time, the best decisions can be made by people like ourselves. So great, great question, and one that I think will remain dynamic over time. Let's go to Jason from Cowen.

Jason Gabelman:
(Cowen)

Yeah, thanks. I'll stick on the renewable diesel theme for a second. I wanted to ask specifically about feedstocks. Some of the participants in the space are looking at some new feedstocks, things like algae and municipal solid waste.

And you mentioned feedstocks are a critical component here, so. In your VC startups or whatever else you're investing in, do renewable diesel feedstocks figure into this? And do you see any promising leads there to alternatives to the waste oils, and vegetable oils that are currently used? And then second, just switching gears on the petchem projects, the two petchem projects that you have in your backlog.

It seems like you're progressing the Qatar project but the U.S. Gulf one sounded like there was maybe a step change in your pursuit of that project and you may be reexamining it. Can you talk about the status of those two projects and when they can be sanctioned and the things to watch out for there? Thanks.

Mark Nelson:

Thanks, Jason. On renewable diesel feedstocks, the interesting part of your question is the creativity on feedstock also can have an implication on the investment required to produce the product itself, and so that balance.

It's almost commonly viewed as soybean oil. It's certainly available and can be used to produce renewable diesel over time. Everything after that can create higher margins but requires a different type of metallurgy and a different type of investment over time. So, you're absolutely right. We consider all of those. And you think of all of the technology that we have in Chevron. We're both testing all of those and considering what we think is the best option. But it's a balance of technology, creativity, and the investment required to create that flexibility over time.

And so, we assess all of that, and some of that is what we're doing at our El Segundo project today. So that will work itself out over time. But having the hydroprocessing capacity that we have, in the U.S. West Coast in particular, should allow us to figure out the economic balance of that question. And we do have many seeds planted in the technology space, as you mentioned.

On the petrochemical projects, listen, I would step back for just a moment and remind



everybody that we do view the petrochemical space as a place that we can wisely grow over time.

It's because we still see continued growth with the pace of GDP. And we still believe that ethane is the advantaged feedstock. And we'll focus on that. Any project that we consider has to be competitive on the supply stack, so the best part of the supply stack. It has to be competitive from a project cost perspective. And that's leveraging the strengths of CP Chem in regard to both scale and technology.

And then we have to have high confidence that we can execute on it. Today we have three projects that are either underway, or in progress in some respects. One, we mentioned in the formal presentation, GS Caltex mixed-feed cracker. That one is going very well, despite the pandemic. Really impressive progress there. You mentioned Ras Laffan. We continue to work FEED for Ras Laffan. And the earliest that would start up is 2025.

And we continue to work with our partners to have the same criteria on that project as we do others. And then at U.S. Gulf Coast we completed FEED, and then paused the project. And that was both part of our capital discipline activity, as well as ensuring that the project could be competitive, in fact, if not competitive one of the best projects on those key metrics or criteria that I described. We continue to assess that right now. And if it meets those criteria over time, we certainly would consider pursuing it.

And it's important to remember in the petrochemical space that we're percentage owners of each of these. And I know you all know that. But, Jason, thank you for the question. Okay, we'll go to the very last one and it will have to be quick because I was so long-winded on that last one. Let's go to Ryan at Simmons Energy. Ryan.

Ryan Todd:
(Simmons)

Thanks. Maybe I'll follow up on a different angle from the earlier questions on renewable diesel. If you look at the California market right now, 20 to 25 percent of the current diesel mix has been displaced by biodiesel or renewable diesel.

As you look forward five or ten years in advance, given the lowering CI targets and the LCFS program, displacement of traditional diesel is going to be pretty significant over the next 10 years. So, as you think about your refining business, as you think about your drilling-based refining business in the state, how do you manage that? It looks like diesel is going to be displaced more quickly than gasoline. Does diesel have to become more of an export product? And how do you look at managing those traditional refining dynamics as renewable fuels increase their penetration over the next five-plus years?

Mark Nelson:

Thanks, Ryan. I'll do the quick answer on this one. I apologize that we're running out of time. But you're on to something there. Most people over the next five to ten years believe that the U.S. West Coast will be tight on motor gasoline and jet supply and continue to be long on traditional diesel supply. So that does create an opportunity for how you adjust your hydroprocessing capability in the U.S. West Coast. And given our strong position, we ought to be able to do that as economically and, perhaps, more capital efficient than anybody over time.

And we can talk about that more in the future. Listen, thank you all for your questions and your continued interest in Chevron. It's time for us to transition to the next Q&A session. Thank again for your time.



Ryan Todd: Thank you.

Energy Transition Q&A

Bruce Niemeyer: Good day, I'm Bruce Niemeyer. I'm Vice President of Strategy and Sustainability, and I'm joined today by Dr. Barbara Burger who is the President of Chevron Technology Ventures and the Vice President of Innovation for Chevron. This particular breakout is dedicated to discussing the energy transition, and we look forward to taking your questions. As a reminder if you can use the raise your hand feature that will alert our team to get you placed in the queue so we can get to as many of your questions as time allows today.

So, let's start with our first question from Jeanine Wai from Barclays, so, Jeanine, over to you.

Jeanine Wai:
(Barclays)

Hi, good afternoon, Bruce and Barbara, thanks for your time today. On the energy transition can you talk a little bit more specifically about your transition investment in California in terms of the percent of your LCFS and Cap-and-Trade Obligations that you expect to offset.

And then the second question would be, does your experience in California give you more comfort with investing in a regulated environment? And do you see these investments as scalable as other jurisdictions implement some more LCFS standards? Which kind of seems to be where we're headed in the U.S.

Bruce Niemeyer:

Very good. Yeah, let me take the second one first. So, I think being headquartered in California, working for decades here in California, is a natural advantage.

We're working in a very well-developed carbon market. In fact, we were engaged with the governor and the legislature here in the creation of this market providing our insights and advice in terms of how that market could be created and might unfold. And so that experience gives us a direct insight into how markets can function and evolve.

And I think we've also demonstrated to ourself and to others that we can be very successful in this kind of market. And as we think about the future our portfolio more broadly going outside of California is in the majority 60 percent of our activities are in markets that either have or are considering the development of a carbon market or a price on carbon or something similar to that.

And so, I think we're well positioned given our history. You know with respect to LCFS, Jeanine, can I ask you to ask that again. You know as you were asking it you were breaking up just a little bit. I just want to make sure that I'm getting to the right part of your question.

Jeanine Wai:

So, I was just wondering in terms of the percent of your LCFS and Cap-and-Trade Obligations that you anticipate that you'll be able to offset.

Bruce Niemeyer:

So we expect to be fully compliant in our work in California. We've got a very active operation between our downstream organization and our midstream organization that's engaged in trading activities. We are an obligated party, which is getting to be a little inside baseball here, but we're an obligated party in California.



We have certain obligations. We have a long track record of meeting those obligations very effectively in a very positive manner. There is maybe one extrapolation to make that as the world seeks to achieve the aspirations of Paris, one of the things that we think is a natural evolution is the development of a broader carbon market.

Although it might not be the first thing that we rely on as a society in terms of offsets, we think it's going to be an important part of the future solution. And having carbon markets established that allow trading and the meeting of your obligations in the market through a variety of mechanisms is an important way to underpin efficiency. And have the aspirations that we share that are described in the Paris Agreement, have those aspirations accomplished most cost effectively around the world.

So, thanks for the question. Let's move to Doug Leggate from Bank of America. Hi, Doug.

Doug Leggate:
(Bank of America)

Can you hear me okay?

Bruce Niemeyer:

Yeah, I can. Can you hear me?

Doug Leggate:

No problem. I was looking for my square. I couldn't see myself; it was a bit disconcerting. Nice to see you. So, I wanted to revisit a question I've asked you before.

Going through this you've obviously reviewed this strategy ESG has, the profile has raised dramatically in the past year in particular. I'm curious what the investor feedback has been as you've been formulating the decision to stay as a big oil company as opposed to a big energy company the way that the European majors have gone. And obviously as part of your answer I wonder if you could just touch on the relative resource opportunity.

But really investor feedback, you think you can win that investor perception war remaining essentially a hydrocarbon stock?

Bruce Niemeyer:

Yeah, Doug, thanks for the question. So, we engage consistently with our investors not only through events like we're engaged in today, but throughout the year because with our board, we have board members that engage directly with investors on a regular basis.

We have an IR team that engages full time. A few years ago, as we heard from investors a greater interest in ESG matters, we established a dedicated ESG team and they now full-time engage with investors around those subjects. And then, of course, members of our management team engage on a regular basis. And so, we spend a lot of time listening to investors about all aspects of what they think of our business.

In this particular space the discussion we've had around higher return lower carbon, we've gotten a lot of positive feedback. We've got a lot of positive feedback around the fact that the strategy seeks to build on our strengths rather than pivot to businesses in which we don't have distinctive or differentiating capabilities. But we've also received feedback in something we believe that the future of energy is lower carbon.

And so, the things that you have to do in order to be successful in the future have to evolve. You have to be adaptable. And we've certainly been that way for the past hundred years. It is part of what has allowed to evolve our business to the position that it's in



today. And we recognize that the future of energy is lower carbon and that we will have to reduce the carbon intensity of our current operations. We think that's a good thing. We think deploying renewables but in a smart way in our view in support of our business. We think aligns best with our strengths and capabilities.

And then investing in low-carbon technologies that will enable the future, we think that's a smart one, two, three approach. And the feedback that we have gotten has been very constructive and very supportive of that approach. We have detailed a lot of this in the Climate Resilience Report, which we published today.

And I'm sure in that report we will get feedback again from our investors which we will look forward to receiving and to considering as we continue to evolve our approach in the energy transition. So, thanks, Doug, I appreciate that question. Let's go next to Jon Rigby from UBS. Jon, over to you.

Jon Rigby:
(UBS)

Yeah, thanks for taking my question. Maybe this ends up being a bit philosophical at this point, but you clearly have skill sets and knowledge and understanding around things like CCUS, hydrogen fixed very comfortably into a lot of the things that you do and big projects, some of the chemistry, a bit of physics, but of HSE, all sorts of stuff that probably your best to do.

But do you see these things as effectively mitigating the profile of yourselves as a carbon-emitting entity, or do you think ultimately these can be new lines of business whereby you're actually generating earnings and returns from the investments that you're making, deploying it across a wider set than just your own activities?

Bruce Niemeyer:

Yeah, Jon, you know I think maybe the direct answer is it could be both.

You know so certainly you take something like hydrogen, so we're very familiar with hydrogen, as I know you're aware. We handle great volumes of hydrogen in our refinery operations every day. We've had hydrogen fueling stations in the past. We have the demonstration of fueling station through our joint venture affiliate in Korea today, and likely there will be some more in the future. So, we're very familiar with hydrogen.

And we use hydrogen in our operations today. The development of a blue or green hydrogen could certainly be part of the decarbonization of our current businesses. But we also think that hydrogen holds great promise, and we're very optimistic about its potential for decarbonizing hard to abate sectors in the economy. And then that, you know it could eventually represent something incremental to our business.

It might be useful just to talk a little bit on what we think about hydrogen and the technology aspect. I might ask, Barb, just if you could weigh in here a little bit on what we think about hydrogen from a technology standpoint and where we're looking to innovate.

Barbara Burger:

Sure, thanks, and thanks for the question. I guess I'd start where Bruce talked about that we did some early work in hydrogen, probably 15 years ago, right, in my organization the Hydrogen Highway in California.

And it wasn't economic at the time, but it was a demonstration of technology. And we typically get in long before the technology is in the money. And we work with startups to



look and help them develop and then derisk the technology and then scale. We see a lot of innovation and a lot of promise in hydrogen, first as a fuel, as an energy carrier, and as storage.

So really it cuts across actually all of the investment thesis categories that we're looking at. But the cost needs to come down on the generation side. We need to solve some issues around transportation and movement. We can't just use the current infrastructure that we have. So, there's a number of technological opportunities there.

And then obviously we need to build the actual market for hydrogen, again as a fuel, as a storage, as a carrier. So, my organization focused more on the generation, whether it's green or blue or there's also turquoise, natural gas pyrolysis, you know looking for innovative ways to lower the cost of those, and then that transportation area.

But one of the things that I've learned in innovation is scale happens at the both the supply side and the demand side. Getting those two somewhat synced in is actually part of the challenge.

And I think being able to look at both sides of those and work both of those with our partners and with our existing operations is going to be critical for us to decide which of these businesses could offer incremental revenues to Chevron beyond just lowering the carbon intensity of our operations.

Bruce Niemeyer:

Thank you. You know then I might just close, Jon, by saying that we've described our approach to the energy transition as being organized in three action areas which is useful for us to think about. But the lines blur between those, we find success and innovation in that third action area where we're investing in a lower carbon technology. But we might find it carries over to the first action area to reduce carbon intensity because of its application as well as representing new sources of revenue.

Let's move to the next question, to Devin McDermott from Morgan Stanley. So, Devin, over to you.

Devin McDermott:
(Morgan Stanley)

All right, thanks for taking my question. So, I have two on the renewable power side. The first relates to the strategy of incorporating renewables to your own assets in energy use to drive down the carbon intensity. You've done that so far largely through PPAs, purchase power agreements, but you also have this partnership with Algonquin to do some direct equity investment in wind and solar projects.

So, I'm just wondering if you could walk through why in some instances it makes more sense that the equity investment versus PPAs, and just how that decision process works and whether or not more equity investment over time in those projects might be something you'd considered why or why not? And the second question is geothermal? It was mentioned in the remarks earlier today. I know it's an area that you've invested in in the past, largely haven't in recent history. What's changed from a technology or policy standpoint that makes that an exciting opportunity again?

Bruce Niemeyer:

Yeah, thanks for both questions. Let me take the first one, and I'll kick the second one over to Barb. So, with respect to how we're thinking about renewables, so we did take our first steps with PPAs, with both in wind and solar projects that are feeding various operations in North America. We were pleased with how those unfolded, and we thought



there was an opportunity to lean in more.

The approach we've taken there is a partnership, in fact, you'll see that as a common element across a large number of things that we do in the energy transition. The nature of the challenges that we're facing as a society, we think, are going to be solved by partnerships and very rarely by one company or another going it alone. Even maybe one sector. And so, you'll see a common, maybe a bit unstated theme at times of partnerships being very important to progress here.

And so, we saw the opportunity to take the powering of our operations further in the case of the Permian, Argentina, Kazakhstan, and Australia. And felt that a partnership was the right way to go and so, doing that requires the consideration of some investment in that. It's limited, but some investment in that.

And it also gives you different options. You can put the generation on either side of the meter, so to speak. And there's some technical benefits to being in one place or another. And so, we get different options associated with that.

It's still not a business that we're pursuing as an independent merchant revenue-generating sort of activity because as we've said in a number of places, we don't think we bring something distinctive to that, but we know the geographies where we operate today. We know the loads that we're trying to address and combining our understanding of those things with a company that knows renewable power very well, we think there's a partnership that can be beneficial to both. And it gives us some incremental options as opposed to the PPA of the kind that we did in the first couple instances. So, that's a little bit of how our thinking has evolved.

Geothermal is your second question so Barb, why don't you go ahead and take that one on and share a little bit of how we think about that?

Barbara Burger:

Sure. Yeah, thanks for the question, Devin. On geothermal so, you mentioned we had a conventional geothermal business, and there's been a lot of excitement and progress being made on what I would call next generation geothermal. Whether it is enhanced geothermal or closed loop.

And we see the opportunity and the promise for this next generation geothermal as a dispatchable, low-carbon source into the grids particularly as the amount of the intermittent renewables increases. So, we see that market need increasing and increasing across a number of geographies.

A number of different solutions are vying for that wedge so, these next generation geothermal technologies do need to get their costs down. We've invested in the companies. We've got geothermal experience. We've got subsurface capabilities. So, we think we bring something to bear and to partner with our startup companies. We always look for something beyond just writing a check and investing in the companies.

And we think that investing in these companies, watching how the technology is derisked, and developed, and the market grows will also, give us a sense of is the opportunity for geothermal going to play out? And is there a place along that value chain for Chevron to have a differentiated position?

So, it's very attractive, and thanks for noticing. We made some recent investments, and



we look forward to working with those companies, and our co-investors and some early work we'll do is to actually validate the technology in places around our operations to be able to understand where the progress of the technology is at this current stage. And what else needs to be done. Thanks for the question.

Bruce Niemeyer:

Thanks, Devin. Thanks for those questions. Let's move to Manav Gupta from Credit Suisse.

Manav Gupta:
(Credit Suisse)

I'm sorry, I asked this question in the wrong breakout so, I still have to ask it here. You did announce a kind of partnership with Schlumberger, Microsoft, and another private company. It looks more like biogas. Not actually renewable gas. Can you talk about the partnership, what you're building over there, and what the final product will be? Thank you.

Bruce Niemeyer:

Yeah, thank you for the question. So, yes, we did last week announce a project in partnership with Schlumberger and Microsoft to build a bio feedstock-sourced electricity plant is what it is. So, the product it will produce is electricity. It will sell electricity into the grid. The feedstock into the plant is waste agricultural products. Principally, almond trees.

So, in the Central Valley of California this is in Mendota, California. And the Central Valley of California is a large agricultural area. As a natural consequence of that they have almond trees that reach the end of their useful life. Presently, they're disposed of through burning which is something that the state looks to cease doing by 2025.

So, what this project will do is it will take those trees, convert them into feedstock into this plant, and utilizing some technology and few other things, what will come out of it is electricity which will be sold to the grid. And CO₂ which will be captured in a concentrated form and sequestered in a suitable reservoir in that area.

And so, what that will create is negative carbon electricity for the grid. It will create a solution to a present problem with the burning of that agricultural waste. It will create construction jobs, and it will create ongoing operation jobs. Because it's a real project with real economics it will create a pathway for carbon capture and sequestration in the State of California.

And we hope that will then enable follow-on opportunities as well for the state because most researchers see that in order to accomplish the aspirations of Paris and hold global warming well below two degrees centigrade deployment of carbon capture at large scale is going to be required.

And in order for that to occur projects like this that are able to make progress on the pathways in terms of what has to happen from a policy standpoint and some of the technical aspects of what's required to do that, having that all come together will be very productive in making carbon capture an option and an opportunity for the state going forward.

So, we're very excited about it. We're very excited to have high-quality partners that bring differential capabilities to that project. And we're moving through the feed process now, and we are looking forward to making a lot of progress. So, thanks for noticing that we've done that. It will inform a lot of carbon capture progress, we think, for the state. Let's



move to Roger Read from Wells Fargo. Roger, over to you.

Roger Read:
(Wells Fargo)

Hey guys, how are yall? I guess we could go to slide 44 in the presentation. It's the one with the marginal abatement cost curves and showing out to 2028 and on. I was wondering if, as we think about the technology that you have in place, tested, dependable, et cetera, is that what we see through 28, and as we go beyond 28?

You're going to run in to things that need to be developed, or do you have a better line of sight on it? And what are some of the things that maybe your post-29 as opposed to pre-29 in that technology quill?

Bruce Niemeyer:

Yeah, thanks for the question. So, the slide is in part constructed around our marginal abatement cost curves. And that process internally goes through a collection of the carbon abatement project ideas that exist around the company.

They're collected in a central spot. We do some portfolio analysis just like we do through our organic capital program and high-grade the best opportunities so that we are making the greatest carbon abatement for the dollar invested.

The things that were sanctioned first which is in the first bar on that slide labeled MACC projects are the projects that we have in flight between now and 2028. They meet our expectations of being or supportive of high returns and lower carbon. The next set of projects which are listed as Future MACC projects are identified. They're part of the Mac curves today. They're actual projects. We know where they're at.

But usually, as Pierre said, there's something about them that makes them a little less attractive today. They needed some additional development. We have to work concepts further. Maybe we need some policy support or some additional innovation, but for one reason or another they're less certain or less economic. And we think with time as we continue to work those projects they'll improve, but those will be the next set of projects we would execute.

And then, the last bar deals with all the remaining emissions that are required ultimately to achieve a net zero. And so, we know where those emissions are. We know where they are by business unit. We know which operations they're in. In which activities. They get to the continued operation of certain kinds of equipment where we have combustion going on, and we're going to have to somehow capture that emission and do something with it.

And so, it really is across a variety of things, but it does reinforce that we need additional development and technology in order to accomplish this. Not only us, but really, everybody in our industry. We also need, in some cases, additional policy evolution to be supportive and have the right kind of environment to be able to make those future investments. But we have, what you see on that slide is a roadmap.

We've set some targets that guide our actions and hold us accountable to it. And then, have parsed out what's a very challenging question of achieving that zero in to discreet, actionable steps in a prioritized manner. And that's what's represented on that slide so, we've got a line of sight on it. Obviously, there's a lot of work that has to occur.

We're up against our time and so, we thank you very much for your continuing interest in



Chevron and for your questions around the Energy Transition. We'll close this session, and in about four minutes the final session will begin right on this same channel so, stay put, and have a very good rest of your day. Thank you.

Corporate Overview Q&A

Mike Wirth: Okay. And we're here now for the final Q&A session, and we're back with the sell side. Wayne's giving me a cue here, but I actually want to start with Sam Margolin because, Sam, I think we had you in the big session, and I couldn't get to you. So, let's start out with Sam.

Sam Margolin:
(Wolfe Research)

I didn't want to embarrass myself in front of the bigger crowd, but I have a question about slide 12. It's the chart on the top right of slide 12 and the percentage of CapEx of cashflow. And I just wanted to get your thoughts on when you think the effect of this on the industry is. Because it's becoming very homogenous. Everybody seems to have a plan that's sort of aligned with maximizing free cash flow, part of that is modeling because it looks tight because we can't forecast which one of your peers are going to miss cash flow.

But notwithstanding that, everybody seems to be on the same plan, and does this mean that the industry needs to consolidate because there's no homogeneity around strategy, or is there some kind of supply outcome from this? You know, I saw that slide, and it just made me think there was something more to it on the back of it.

Mike Wirth: Well, Sam, let me make a couple of comments on this, and then I'll let Pierre add his thoughts. Number one, it's been a decade of investors calling for capital discipline in this industry to not outspend its cash flow.

And look, we were in that boat ourselves, if you go back a decade ago, and so, I think what you're seeing here is the inevitable outcome of a period of time when the industry was overinvesting in a market that people thought commodity prices would only go one direction. We were struggling to get good execution quality on major capital projects.

And investors have had enough. And Pierre showed the charts that you're all familiar with, which is the sector's participation in the S&P 500. And so, I think most companies get it now, and I'd like to believe we got it before most of the others that you're referring to, Sam. And I just think it's a necessary reality.

And we're in a world where shareholders expect to see distributions and returns, and the last thing I'll say before I toss it over to Pierre is, I actually think there's much more differentiation in strategy today than you've ever seen. And you've got a group of companies that have said, we're not going to grow production ever again. It's going to go down over time, and we're not going to go into new countries, and a lot of things like that.

You've got on the other end biggest queue of projects, best projects we've ever seen, but maybe not the right time to pursue them all at once. And we've been in a different place, I think both on higher returns, on discipline with our portfolio and on an honest conversation about the energy transition. So, I think there is actually, a large degree of spread amongst the companies and what they're trying to do today, and it's not a



homogenous set of choices at all. Pierre, do you want to add anything else.

Pierre Breber:

Yes. I think it's a fair point, and just to build off Mike's comments there. I mean we just took five models. So, I think the bigger take-away is the trajectory that we're on, which you can see, we're going from near the top of the range to the bottom of the range. I think the confidence in our ability to deliver relative to others, I think, is what you're alluding to also. Our ability to grow and sustain this enterprise at a capital program of \$14 billion to \$16 billion dollars, I think, shows how capital efficient we are going forward.

And then we have more leverage to the oil price upside than anyone else, and we showed that in our oil upside case. So, the confidence that our ability to invest very efficiently, and that gives us the ability to return more cash to shareholders.

Mike Wirth:

Okay, next, in anticipation of the Big Ten tournament and Selection Sunday, let's go to Michigan alum, Phil Gresh.

Phil Gresh:
(JP Morgan)

Thank you, Mike. We'll see how things go here. We lost two of our last three.

So, in terms of just to give you my bigger picture versus a year ago, your capital spending on average, your guidance is down about \$5 billion at the midpoint, yet your production is still growing to at least a similar level for 2025 that you said a year ago, layering in Noble, of course. But I'm curious how do you think about that construct? How did you come up with that being the right production and how the right production growth?

And then as you look beyond 2025, how do you think about the company bigger picture, the asset base, and what you might look to achieve over the next five years thereafter? Thank you.

Mike Wirth:

Yeah, Phil, I kind of come back to something I try to remind people of. We don't solve for production. Production is an output of solving for financial performance, and we're really focused.

I mean I tried to say it many times today and in other sessions, higher returns and lower carbon. And so, our organization is absolutely focused on return capital employed, and what can we do to improve returns. We have to grow cash flows. We've got a dividend to satisfy. We want to grow that dividend, and production is what it is. In fact, we showed in the Permian production this year is going to be more than it was last year. We're not looking to maintain plateau production in the market that hasn't really incentive that.

And we're looking to preserve long-term value and really improve returns. And so, the fact that the product number looks the same as last year is in some ways a bit of coincidence because we're getting there via a very different pathway with the acquisition of Noble.... reprioritizing organic CapEx to another level.

The fact that those numbers are similar is not something we held as a constant. It just happens to be the outcome of the opportunity to do a really good acquisition last year at an opportune time. The impact of the discipline on our capital spend and our focus on higher returns.

As you get out longer term, Phil, I don't think this story really changes. We're going to continue. When we get to at \$50, as we showed at kind of a 7 percent return on capital



employed, that's a heavy lift at a flat normal price from where we are today.

But it's not a number I get particularly excited about. It's a waypoint on a journey to even stronger returns. And, again, at flat \$50 Brent that's a lot of work to get there. It's a lot of self-help. But we're going to stay focused on improving returns even as we get to that point into the second half of this decade. And, again, production will be an outcome. We've got a very strong portfolio. So, we've got a lot of good things we can invest in. We'll only invest in the best of those and continue to focus on higher returns and lower carbon.

Okay, let's go back to Biraj at RBC.

Biraj Borkhataria:
(RBC)

Thanks for taking my question. I had a question on the future energy funds that you launched. When I think about the Chevron strategy, it's very much focused on your strengths. Obviously that type of vehicle allows you to venture way beyond your core skill set and kind of [view] what's out there and gain some of that expertise. So, I'm just wondering, in terms of the scalability of some of these investments, do you have built-in options that you could... if it turns out that [inaudible] capture can be done very economically, you can roll that out within the Chevron portfolio? How does the end game for these investments work? Thank you.

Mike Wirth:

Yeah. You know, they all create options of some sort, Biraj. And we try to preserve different pathways. In the early days, it's through sometimes advisory seats on boards. It's through participation in technology development. It's through field pilots, which we're doing with some of these companies. And the prospect for scale up. And we could scale up as a customer, we could scale up as a partner, we could scale up as an owner.

We don't really predetermine the path to large-scale commercialization, as much as we try to preserve options. And of course, the founders of the companies want to preserve those options as well.

You know, in reality, some of our peers are investing in similar kinds of things. In some of these companies we have some of our peers that have also invested. And so, there's always a commercial negotiation around the terms so that you don't find investors advantaged or disadvantaged unduly unless they've somehow earned that right.

This is all early-stage, nascent technology development in these companies. Some of them won't prove out. Others will. And we think having bets across a broad spectrum of things that we could conceivably scale and bring into our business is a smart way to approach this. And you're right, we're looking to invest in things that would either be a natural fit with capabilities we have today, or a logical extension of capabilities that we have today, as opposed to something that would be completely foreign to the basic competencies and skills of the organization today.

Okay. Jeanine Wai. We'll come back to you.

Jeanine Wai:
(Barclays)

Hi, Mike. Hi, Pierre. Thanks for the extra time today. I do appreciate it. My question is just on risk, and the balance sheet. And I know in Phil's question in the main Q&A, Pierre, you said that Chevron as we've said before doesn't have a hard and set target for the debt to cap ratio, but 20 to 25 percent is where you feel comfortable through the



cycle.

Our question is whether, we've noticed in your forecast now, whether the higher percentage of spend on short cycle assets, if that means that you are more comfortable with maybe running at a higher debt to cap than you have historically. What we're kind of coming from is you mentioned also that you like to have steady operations, not lifting things around. We know that ensuring return of cash to shareholders through cycles is important.

And we noticed also your downside scenario that you are taking on debt versus cutting back on capex. So how do you think of that percentage now that you have 75 percent in your future plan of short cycle? Thank you.

Pierre Breber: You want me to jump in there, Mike?

Mike Wirth: Please.

Pierre Breber: It's a great question. What I'd say is the 20-25 percent, again, is over the cycle. It does reflect that our portfolio is different. I mean if we were going to go back five, ten years ago when we had long-dated, major capital projects and a much higher breakeven, then it would be different.

It would be 10 percent or 15 percent. But the fact that we have a much more flexible capital program, which we showed the flexibility on in the last 12 months. And that we have a break-even in the last two quarters under 50 dollars even with a challenging downstream and chemicals margins, at least second half of the last year, that gives us confidence to be able to be in that 20 to 25 percent range. Again, we can be below it and we have been below it. We could be above it. We would just want to be working towards it over time.

If prices are a little high, you'd expect us to be heading below, and again, if prices were low, like the \$40 stress test, you'd see us at the high end. Look, we're not trying to be a 35 percent net debt ratio company. The point of that is it is a stress test. It's a debt ratio that's not too different from the average of where our competitors are right now, and that's five years from now at five years at 40 [dollars per barrel]. So, it's a real test to show the confidence you should have in the dividend. We did tweak a few assumptions. The \$40 case and the \$60 case aren't exactly the same.

CapEx is closer to the bottom of the range. We have a little bit more in asset sales. So, it's not a fully optimized case, but it's more than just applying our cash flow sensitivity. So that's how we think about it. The 20-25 percent really factors in that we have a very flexible capital program, and we have a low breakeven. And that gives us confidence to be in that level. Now we've got to remember, three times in ten plus years oil prices have corrected more than 50 percent in very short order. So, there's a reason why we need to maintain a strong balance sheet.

Mike Wirth: Okay. Let's go to Lucas Herrmann.

Lucas Herrmann:
(Exane)

Mike, yes. Thanks very much. I suspect this is a question you've been asked far too frequently in the other sessions. But can you just talk about how your dialogue with investors has evolved over the last 12 to 18 months, not least around Scope 3 emissions,



and investors' thoughts on accounting for those or otherwise? And if you could tie that in with investors perhaps starting to ask more about the opportunities that you have to play a role in the transition.

Again, going back to everything around hydrogen, carbon capture, et cetera, is where I think this industry has natural skills. Thanks very much.

Mike Wirth:

Okay. Thank you, Lucas. Yeah. We have a lot of discussion with shareholders about Scope 1, 2, and Scope 3 emissions. Our approach has been to take accountability for Scope 1 and 2 emissions, to take full accountability, so not to distinguish between things we operate and things we don't operate.

To create transparency, so oil and to gas, so you can see portfolio effects. And to commit to reductions today, and then as Pierre did today, lay out the realities about what it takes to keep making progress on this towards Net Zero in the future. On Scope 3, we've reported the emissions from the use of our products transparently for nearly two decades, so we've never tried to do anything but be very transparent on that.

But these are about customer choice and activity that's beyond our control, and our position has long been that rather than aspire to or claim to be able to control that, that we think well-designed policy, and by that we really mean a price on carbon. is the right way, the best way, the most efficient and economic way to get after Scope 3 emissions, which allows markets to work.

It allows consumers to make choices. And we continue to advocate for that, and I think with a lot of the shareholders that we meet with, they understand that. And I think shareholders are learning, too, about this. This is a complicated subject. On Scope 3 emissions, one of the things you can do is say, okay, just imagine a barrel of oil that's produced in Saudi Arabia. It's moved on a ship to an independent refinery in the United States who refines it into products.

Products are sold out through distributors. They're ultimately marketed, let's just say, at a high-volume retailer like a Costco. An Uber driver fills up and a consumer takes a ride in an Uber. Who is responsible for those emissions? The producer? The shipper? The refiner? The distributor? The marketer? The Uber driver? Uber itself as a company? The consumer?

So how Scope 3 emissions actually are accounted for and where the accountability lies is not a simple thing. Markets are good at sorting those out. The last thing I'll say on Scope 3 is we're working to enable our customers to lower their emissions through renewable products that Mark talked about. We're working on being able to offer offsets to customers that might want access to those, and then investing in these low-carbon technologies. Second part of your question, look.

We'd like to see these things turn into businesses that generate returns and earnings, and we've invested a lot of the venture investments that I'm sure you've heard about. But these things also take time. These are emerging technologies. The ones that are proven are things like wind and solar that we really don't see a differentiated capability or advantage in, so our intent is to build from strength into things that very few people can do that we think we can uniquely contribute to that actually help address the challenge.

Okay. Let's go to Jon Rigby. I haven't seen Jon today. From UBS.



Jon Rigby:
(UBS)

Hi, Mike. Thank you. Can I just ask two things? One is a bit sort of granular. Just on the capex, you've got the 14 to 16 [billion dollars in C&E expenditures]; I'm guessing all of your projects work at 50, very well I would imagine. So, is it very much different between a 50 and a 60-dollar world in the capex that you'd plan to be spending?

I'm assuming given that you've got strong balance sheets, you've got projects that work, you can recognize value add, you've got a hard ceiling, but you probably run presumably if the oil prices are 50 [Brent] at \$16 billion for the whole of the '22 to '25 period; is that a correct way of thinking about it? And you'd drop down if you had to go down to 40? The other question that I had...

[Crosstalk]

Mike Wirth:

I think that's the right way to think about it, Jon.

If we were in the same \$60 world, we're probably closer to the high end of that number. If we're in the sustained \$40 world we're near the lower end. But kind of toggling in between, it really doesn't change our decision making much. The other thing that may have been mentioned in the big session but is worth repeating, I think most people know this. We've got 2 to 2.5 billion dollars a year of capital going into Kazakhstan [FGP / WPMP] right now, which is beginning to roll off. And certainly, as we get past this year, that will come down.

Which opens up flexibility and room within that range, and so if you think of it as a \$2 billion range between 14 and 16, well, that becomes a \$4 billion range if you take the \$2 [to \$2.5] billion that's going into Kazakhstan and throw that in there, too. So, there's a fair amount of flexibility for us to pursue the right things and to optimize that through that period of time.

Jon Rigby:

The other question I was just going to ask, I don't know whether you can share anything with us on this, is that obviously you've popped up as one of Berkshire Hathaway's big investments.

They have a very particular view of the things they like to invest in. They like long-term franchise. They like [a moat] around the business, et cetera. And I think he's had a number of not exactly positive outcomes in investing in the energy sector, so I just wonder whether you'd had any conversations with them about what they saw in you, what you can say about your business to them that kind of had a match in terms of their appetite to own what is a very large chunk of your stock.

Mike Wirth:

Well, the short answer is I haven't had a conversation with them yet, Jon. We no doubt will, as we do with all of our big shareholders. I'll tell you we're very pleased that they see value in our stock. They are historically a long term buy and hold type of an investor, and they invest in the kinds of things that you talk about. So, look, I believe our stock is a good investment. I think it's been undervalued. I think we do have a strong franchise.

I think we've got a value proposition that is differentiated from our competitors significantly. And I think over time as you see some of these strategies play out for some of our competitors, I think that differentiation will grow. So, pleased to see a well-regarded, long-term shareholder that sees those same things, and frankly has already done



quite well as they began entering the stock around the middle of last year.

So, look forward to conversations with Berkshire Hathaway in due course, and am very pleased to see them in our stock. Okay. We've got a couple of opportunities still to get in, maybe two more questions. Roger Read with Wells Fargo, we'll go to you next. Hey, Roger.

Roger Read:
(Wells Fargo)

Thanks, Pierre. Just wanted to say my thanks for, I don't know if I'd say defending or stating the obvious, that oil and gas demand will grow for quite a while and needs to be a core part of your business.

But transitioning just a little off of that for my question, Pierre, you talked about being able to achieve lowest quartile in terms of emissions by the 2028 period, and I was wondering, one, how do you actually compare to others? You know, is there an independent group that's doing that, or is that your own work? And then secondly is the 10 percent of management compensation that is part of emissions, how does that factor in? Is that one of the goals within that program?

Pierre Breber:

Yes. So, on the 10 percent that's part of our incentive compensation, that applies really to virtually every Chevron employee. That has metrics and milestones in all three energy transition action areas, so that includes the lowering carbon intensity but also increasing renewables and offsets and investing in low-carbon technologies. And that will be reported out in our proxy statement like we report out on all of our scorecard metrics.

In terms of the top quartile, it's a really good question. It's not a straightforward answer because you will see other metrics out there. We're happy to take you through with Michael Rubio, our General Manager of ESG Communications, to walk you through it. But we're comfortably below it. Our assessment of the median is something in the 40s, and then where we're at and where we're heading, we believe that that's top quartile. And we're not ending there, right?

My Working Towards Net Zero chart had post-2028 being in the mid-teens, which is clearly very leading carbon intensity. You heard Jay talk about Gulf of Mexico being under 10 kilograms per BOE and Permian is mid-teens. So, this is a portfolio that's going to get more carbon efficient over time. And we say we're not done there; there's a 20 million tons of annual absolute emissions that we'll continue to work with offsets or new technology improvements.

So, our goal is to be among the most carbon efficient producers, but we think we're largely there but we're not stopping there. We're going to continue to make improvements.

Mike Wirth:

Okay. Thanks, Roger. Let's go to Jason Gabelman from Cowen.

Jason Gabelman:
(Cowen)

Hi. Thanks for fitting me in. I wanted to ask about TCO. I understand the focus is still on constructing the facility, but I'm reminded of what happened in Kazakhstan when another large project tried to start up about a decade ago and it had some issues.

So, are you concerned at all about the startup process? Is it a more complex project to start up than others? And then the other question on TCO is what happens to those co-



lending flows once the project starts up? Do you get some cash back that you lent out? Just how do we think through that? Because that's kind of an underappreciated part of maybe the cash flow flex up that you have after the project starts up. Thanks.

Mike Wirth:

Okay. I'll take the startup question, and then hand the loan question to Pierre. Look. Project startups are always important, and we need to be really disciplined and conditions based as we start up a complex facility. This is quite different than the project you're referring to, which was out in the Caspian Sea and had a whole host of different issues that related to the weather conditions, the design parameters, and things that made that a challenging startup.

This project, we started up a project now a little bit more than a decade ago called the Second-Generation Project in sour gas injection, which was the first-time sour gas had been injected into a high-pressure reservoir. And what we have now is essentially, it's not quite a carbon copy of that, because we're injecting all the gas; that injected a portion of the gas.

But basically, the subsurface and the surface processing are what we're already doing at Tengiz. And so, the technologies are proven and understood, and the risks are well defined. While there is no startup that you would say is without its risks, this one is not a unique startup like some other projects that have had difficult startups. So, we'll approach it with discipline and care, but you shouldn't believe that there are inherent risks in this that are not things we've already done before in Kazakhstan and done very successfully. Pierre, do you want to talk about the co-lending?

Pierre Breber:

Yeah. The short answer, Jason, is yes. We're going to get repayment of what we've loaned, and we're going to get dividends. So, we've talked about growing free cash flow 10 percent compounded a year. The majority of that free cash flow growth is coming from the Permian and from Tengiz. Again, we haven't received a dividend in the last two years. We have been co-lending.

All that reverses as capital first of all starts heading down. It's more than \$2.5 billion this year; it'll go down a billion next year and a billion the year after that. That frees up space to pay dividends. And then as the project starts up, we'll get paid loans, and we'll have additional dividends. So, it's a big source of our free cash flow going forward.

Mike Wirth:

Okay. That gets us to the end of our time today. So, let me just thank you all for covering the company.

Many of you for quite some time; some of you are newer. And look. I hope today was useful for you, and informative. We really appreciate you taking the time to spend with us. We've worked hard to try to make executives available to you so you can ask deeper questions in your areas of interest. And I'm sorry we can't be with you in person.

I'm really looking forward to getting these vaccines in enough arms that travel becomes something we all can do again, and I hope that later this year Pierre and I are out on the road and able to see many of you in person, get on road shows with shareholders, and I look forward to seeing you in person.

Until then, please stay healthy, stay safe, and again, thanks for spending time with us today.