



what we're doing

we're taking significant steps to manage greenhouse gases

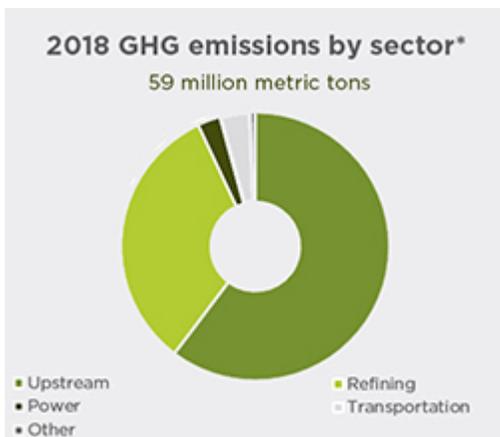
We take prudent, practical and cost-effective actions to address climate change risks as part of our commitment to running our business the right way, and to unlocking the potential for progress and prosperity everywhere we work. We have robust risk management processes in place that we believe effectively address climate change-related risks. We consider greenhouse gas emissions issues, climate change risks and carbon pricing risks in our strategies, business planning, and risk management tools and processes.

Across our operations, the primary sources of our GHG emissions are combustion of fuels and, in some locations, flaring and venting of the natural gas (methane) that is extracted along with crude oil. In 2018 (the most recent year from which data is available), emissions totaled 60 million metric tons of CO₂-equivalent, calculated on a direct, equity basis.

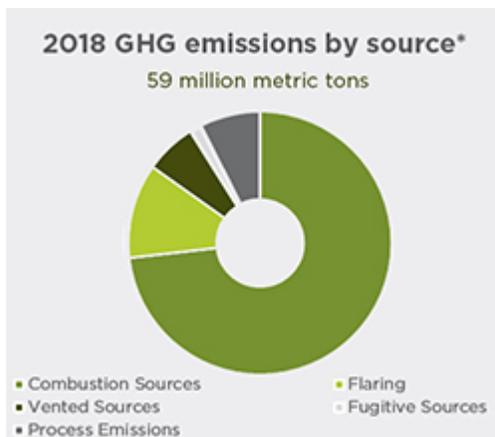
We are committed to managing our greenhouse gas (GHG) emissions by lowering the company's carbon intensity at the lowest cost, increasing our use of renewable energy to support our business and investing in the future, targeting breakthrough technologies.

We are addressing the GHG emissions in our operations and integrating GHG emissions management into the execution of our business activities. The board of directors established performance measures for methane and flaring intensity. Along with other metrics, financial compensation for executives and most other employees will be linked to achieving these reductions.

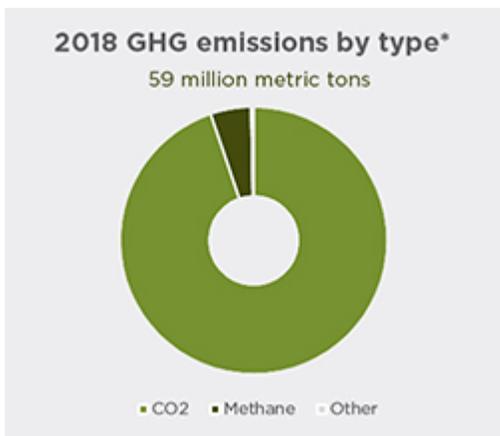
We maintain and report inventories of our emissions, undertake projects to manage our emissions and apply innovative technologies to improve the efficiency of our operations. For example, when developing and approving major capital projects, we estimate a project’s emissions profile, and assess the potential financial impact of GHG regulations (the emissions reduction options).



[enlarge sector chart](#)



[enlarge source chart](#)



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*CO₂-equivalent, direct (Scope 1), equity basis.

For more information about Chevron’s position on climate change, see our [Climate Change](#) page.

what we're doing

Our climate change-related reporting is aligned with guidance topics from [IPIECA's Climate Change Reporting Framework](#) that we believe are most useful to our stakeholders and is aligned with the recommendations of the Task Force for Climate-related Disclosure (TCFD). We are also informed by other frameworks like the Sustainability Accounting Standards Board.

[read the Ernst & Young report >](#)

flaring reduction

To align employee – including management – incentives with achieving progress on climate-related issues, the Board of Directors set Upstream intensity reduction metrics of 25 to 30 percent for flaring and 20 to 25 percent for methane emissions for the 2016–2023 time period. These new performance measures can be used to determine our annual variable pay program that affects approximately 45,000 employees.

Methane accounts for about 5 percent of Chevron's total GHG emissions. Approximately a third of the 5 percent are considered fugitive emissions, or leaks from equipment and piping; of the remaining emissions, most are generated by flaring and venting.

From 2013 – 2017, Chevron reduced flaring and associated emissions by 22 percent. We have developed internal country-specific plans to minimize gas flaring, and we are a member of the World Bank-led Global Gas Flaring Reduction Partnership. Chevron flares natural gas only when required for safety and operational purposes and in areas where pipelines and other alternatives for transporting gas do not exist.

For an in-depth look at Chevron's emissions data, refer to our [Corporate Responsibility Report](#).

methane management

Methane from process emissions, vented sources and combustion sources (including flares) accounted for about 5 percent of Chevron's total GHG emissions in 2017. Fugitive sources of methane comprised 1.6 percent.**

This focus has helped us reduce the methane intensity from our upstream operations (the part of our business that finds and produces oil and natural gas) by 47 percent since 2013.

It is in Chevron's business interest to minimize fugitive methane and to maximize the volume of natural gas that we commercialize. We design, construct and operate our facilities to enable us to reduce emissions from our operations, and we use design requirements to minimize fugitive emissions from our new major capital projects. We monitor and verify the integrity of our wells and production equipment with regular inspections and safety tests. To more efficiently track fugitive emissions, we use infrared cameras to help pinpoint and remedy leaks. We continue to test and deploy new innovations that will improve detection and reduction of emissions.

**methane guiding principles**

Consistent with our ongoing efforts to reduce methane emissions from our global operations, Chevron has joined other energy companies supporting the *Oil and Gas Methane Partnership Guiding Principles*. As part of our commitment to these Guiding Principles, we will strive to improve the accuracy of methane emissions data, advocate sound policies and regulations on methane emissions, and work to increase transparency. This commitment is aligned with our already strong environmental principles, which guide how we develop energy in an environmentally responsible manner throughout the life of our assets in all countries where we do business.

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

In addition, Chevron serves on the Industrial Advisory Board of the Methane Emissions Test and Evaluation Center (METEC), a Colorado State University and ARPA-E test facility that models a natural gas facility. The METEC is used to test methane-sensing technologies and evaluate performance.

carbon capture and storage (CCS)

CCS is part of a portfolio of emerging GHG-mitigation technologies that can help manage emissions, although the economics of this technology remain challenging.

According to the IEA, CCS is an important tool for mitigating GHG emissions and meeting Paris Agreement global-warming targets in the 2030 to 2050 time frame. The technical components of CCS, from CO₂ capture to transport and storage, are available now. However, it requires continued research and development to reduce costs.

Chevron's participation in the development of policy frameworks for CCS spans more than a decade. Chevron participated in the development of the Intergovernmental Panel on Climate Change Special Report on CCS, the European Union's CCS Directive, Australian policy frameworks, Canadian CCS standards and the U.S. EPA's CCS guidance. The IPCC recognized Chevron experts for work on the CCS report and other IPCC assessments, which contributed to the IPCC being the recipient of the Nobel Peace Prize in 2007.

Chevron continues to manage its emissions profile, and will deploy abatement technologies when they make sense for the business and for the applicable geological settings. For example, the Gorgon carbon dioxide (CO₂) injection project is one of the largest greenhouse gas emissions reduction project undertaken by industry globally. We are also participating in the Quest project through a joint venture in Alberta, Canada. We have invested about \$1.1 billion in these two projects, and they are expected to reduce GHGs by about 5 million tonnes per year once operational, or an amount similar to the GHG emissions from the electricity used by approximately 620,000 U.S. homes in a year.

Chevron has invested more than \$75 million in CCS research and development over the last decade. Chevron also participates in joint-industry research projects to facilitate the development of CCS technologies that are economical, reliable and safe. The goals of the joint-industry projects are to

reduce the cost of CO₂ capture through technology improvements and assure the long-term security of geologically stored CO₂. For instance, Chevron has a leadership role on all technical and policy teams of the CO₂ Capture Project, a group of major energy companies working together to advance the technologies that will underpin the deployment of industrial-scale CCS in the oil and gas industry.

*CO₂-equivalent, direct (Scope 1), operated basis. **Transportation** includes Chevron Pipe Line Company and Chevron Shipping Company. **Power** includes Chevron Power and Energy Management Company. **Other** includes Americas Products, International Products, Chevron Lubricants, Chevron Oronite Company, Chevron Building and Real Estate Services, Chevron Aviation Services, Chevron Environmental Management Company, and Chevron Information Technology Company.

**Process emissions, vented sources, combustion sources and fugitive sources are defined by APIs Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry (2004, 2009); CO₂-equivalent, direct (Scope 1), operated basis.

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[2018 Corporate
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[The Chevron Way - English](#)



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