



chevron corporation

# approach to tax and transparency



**Photo:** Drone operator flying drone over a grass covered field, Midland, Texas.

# in this report

about chevron.....	2
message from our CFO .....	3
questions and answers.....	4
2022 tax highlights.....	5
public disclosures .....	6
approach to tax .....	7
governance framework.....	8
stakeholder engagement.....	10
learn more.....	11

---

As used in this report, the term “Chevron” and such terms as “our,” “we,” “us” and “its” may refer to Chevron Corporation, one or more of its consolidated subsidiaries, or all of them as a whole. All of these terms are used for convenience only and are not intended as a precise description of any of the separate companies, each of which manages its own affairs.

Financial information presented in this report is based on our financial statements, including those in our Annual Report on Form 10-K (Form 10-K), that have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

Financial and other information in this report is as of year-end 2022.



# about chevron

[www.chevron.com/about](http://www.chevron.com/about)

## we define energy in human terms

Access to energy helps improve lives by driving human progress and enabling the benefits of modern society. That's why we're constantly working to provide reliable, affordable and ever-cleaner energy for the millions around the world that rely on us.

## we believe humanity can solve any challenge

Our greatest resource is our people. Their ingenuity, creativity and collaboration have met the complex challenges of energy's past. Together, we'll take on the future.

## we deliver results responsibly

We're leaders in energy because we value responsibility, trust and integrity. This unwavering dedication to quality drives our company culture as we aim to deliver results the right way.

**Photo:** Workers with a feedwater boiler unit at Svante tech trial facility, Bakersfield, California.

# message from our CFO



Chevron is committed to a responsible approach to tax and compliance with the law in every country where we operate. Mindful of our responsibility, we make positive economic contributions to countries where we operate by paying billions in taxes annually. Our total income tax expense globally for 2022 was \$14.1 billion. Our business operations, including the location of natural resources, drive where we generate earnings and pay our taxes.

Aligned with a responsible approach to tax, we have no tolerance for tax evasion or tax fraud. The Chevron Way and our Business Conduct and Ethics Code guide us to hold ourselves to high standards of ethics and provide policies and procedures to ensure the integrity of our tax matters.

Chevron supports well-designed financial reporting requirements, which have been increasing and include public disclosure of various financial data. Our publicly available financial information includes extensive and detailed tax information, as described in this report. In addition, we are preparing for additional reporting requirements in the U.S. and the European Union (EU), which would include disclosure of additional tax and other financial information.

I am pleased to share our report, which shows our continued commitment to a responsible approach to tax and transparency.

A handwritten signature in blue ink that reads "P. Breber". The signature is stylized and fluid.

**Pierre R. Breber**  
Chief Financial Officer

# questions and answers

## does chevron pay taxes?

Chevron has paid billions in taxes annually. Our total income tax expense for 2022 alone was **\$14.1 billion**, which consisted of U.S. federal income tax expense of \$4 billion, U.S. state and local income tax expense of \$521 million and international income tax expense of \$9.6 billion. In addition, our total non-income tax expense for 2022 was \$4 billion.

## is it true that chevron engages in tax evasion?

This is not true. We are guided by high standards of ethics and provide governance and oversight of tax matters. This includes performing review and approval procedures by appropriate members of Chevron's tax leadership team. The team is led by the Vice President and General Tax Counsel, with oversight by Chevron's internal audit function and ultimate oversight by the Audit Committee of our Board of Directors.

While we strive to ensure our tax positions are compliant with all applicable rules, we sometimes seek guidance from courts to resolve complex tax matters.

## does chevron disclose information about its tax affairs?

We disclose tax information in a number of ways as discussed in this report, including tax information related to our U.S., Canada, Nigeria and Australian operations. In addition, we are preparing to publicly disclose additional information for:

- Our EU operations, as required under EU public country-by-country rules.
- Our upstream operations, as required under the Securities and Exchange Commission (SEC) rules implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.



**Photo:** Workers talking at the Collier central gathering facility, near Pecos, Texas.

# 2022 tax highlights

## \$14.1 billion

worldwide income tax expense

U.S.

**\$4.5 billion**

international

**\$9.6 billion**

## 28.3%

worldwide effective tax rate

Over the past decade, Chevron has reported in our financial statements over **\$58 billion** in current income tax expense and over **\$43 billion** in non-income tax expense (e.g., property taxes, severance taxes and payroll taxes). As disclosed in our 2022 Form 10-K, we had total income tax expense of \$14.1 billion, representing **28.3%** of our worldwide before-tax earnings. That total income tax expense consists of U.S. federal income tax expense of \$4 billion, U.S. state and local income tax expense of \$521 million and international income tax expense of \$9.6 billion.

Highlights of Chevron's financial data, as reported in our 2022 Form 10-K and determined in accordance with U.S. GAAP, are shown in the table below.

2022 Form 10-K (based on US GAAP) <sup>1</sup>					
year	total income (loss) before income taxes	income tax payments	total income tax expense (benefit)	effective tax rate	non-income tax expense
2022	49,674	9,148	14,066	28.3%	4,032
2021	21,639	4,355	5,950	27.5%	3,963
2020	(7,453)	2,987	(1,892)	25.4%	2,839

<sup>1</sup> In millions of dollars

# public disclosures

we provide extensive, public and detailed financial information (including tax) in a number of ways

## Audited annual report (Form 10-K)

Our Form 10-K, filed with the SEC, includes our U.S. and international income tax expenses and effective income tax rate.

## Extractive Industries Transparency Initiative (EITI)

We submit project-level data of our payments to governments or their agents in EITI implementing countries where we have upstream operations.

## Canadian Extractive Sector Transparency Measures Act (ESTMA)

We provide a publicly available tax report under Canada's ESTMA.

## Australian tax transparency report

We provide a publicly available tax transparency report for Australia.

## SEC rules implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

We are preparing to implement these SEC rules that include disclosure of payments made to the U.S. federal and foreign governments (including taxes) for our upstream operations worldwide.

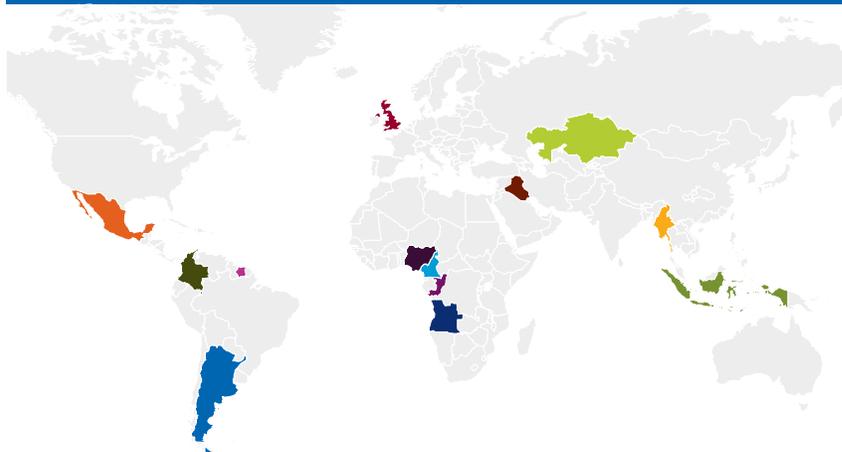
## EU country-by-country reporting rules

We are preparing to implement these rules that include disclosure of financial information (including tax) for our EU operations (among others).

Chevron is a publicly traded company listed on the New York Stock Exchange (NYSE) and complies with all applicable regulations and NYSE listing requirements. Chevron is preparing to comply with the SEC's rule implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The SEC rules require certain extractive companies, like Chevron, to disclose payments made to the U.S. federal and foreign governments for the purpose of the commercial development of oil, natural gas or minerals, including certain tax payments.

We currently provide annual confidential country-by-country reports (CbyCR) to tax authorities, including the U.S. Internal Revenue Service. Notably, the Organization for Economic Co-operation and Development determined not to make CbyCR public to protect the confidentiality of potentially sensitive information. Importantly, however, this information is shared among tax authorities, allowing them to conduct a high-level detection and risk assessment of our tax obligations. In addition, we are preparing to publicly disclose additional information for our EU operations, as required under EU public country-by-country rules.

## chevron operations\* in EITI implementing countries



- |                     |             |                  |             |             |
|---------------------|-------------|------------------|-------------|-------------|
| ■ Angola            | ■ Argentina | ■ Cameroon       | ■ Colombia  | ■ Indonesia |
| ■ Kazakhstan        | ■ Iraq      | ■ Mexico         | ■ Myanmar** | ■ Nigeria   |
| ■ Republic of Congo | ■ Suriname  | ■ United Kingdom |             |             |

\*Either as the operator or in a nonoperated joint venture

\*\*Currently suspended as an EITI implementing country

# approach to tax

we embed responsible tax practices in our business

**The Chevron Way** forms the foundation of our compliance program through its expression of values and expectations for social responsibility and business conduct. It articulates our vision, purpose and values. It guides how we work and establishes a common understanding of our culture and aspirations.

Chevron is focused on our strategy, core values and commitments. This includes our efforts on environmental, social and governance issues important to our company, employees, partners, communities and other stakeholders. As part of contributing to the communities where we work and live, we create jobs, develop and source from local suppliers, give back through social investment, and pay taxes in full and on time.

Our approach to tax matches our efforts globally to conduct our business legally, responsibly and with integrity. Chevron complies with all applicable tax laws in the jurisdictions in which we operate, including disclosing tax payment information to authorities as required by local laws and regulations.

Our principal objectives are to achieve the commercial goals of our business and contribute to the communities where we work and live, guided by the following principles.

## key principles

### operations



Our business operations, including the location of natural resources, drive where we generate earnings and pay our taxes

### integrity



We employ high ethical standards in applying and understanding tax rules and regulations

### engagement



Our engagements with stakeholders are timely, professional and based on mutual respect

### advocacy



We advocate to educate policymakers about our industry to create a well-designed set of policies

### compliance



We comply with tax requirements in every jurisdiction where we operate

### incentives



We claim incentives that are aligned with our business strategy

### zero tolerance



We have zero tolerance for tax fraud and tax evasion

# governance framework

strong governance is a foundation of what we do

We strive to be leaders in our industry because we place a high value on operating responsibly, work to build trust in the communities in which we operate and aim to safely deliver results with integrity. Our steadfast dedication to these principles drives our company culture each and every day.

We have strong oversight in place by Chevron's Board of Directors, its standing committees and the Global Issues Committee, an executive-level committee. Consistent with Chevron's risk management policies and practices, we provide governance and oversight of tax matters through performing review and approval procedures by appropriate members of Chevron's tax

leadership team. The team is led by the Vice President and General Tax Counsel, with oversight by Chevron's internal audit function and ultimate oversight by the Audit Committee of our Board of Directors. The Audit Committee assists the Board in overseeing the audit and integrity of Chevron's financial statements. The Board's Public Policy and Sustainability Committee assists the Board in overseeing public policy issues relevant to Chevron and potential risks in areas, including sustainability. The Global Issues Committee, an executive-level committee, oversees Chevron's policies and positions on sustainability issues and practices, including revenue transparency.



**Photo:** Employees engaging in a conversation at a lounge in Houston, Texas.

## business conduct and ethics code (Code)

Our tax professionals around the world are guided by high standards of ethics and are well-versed in relevant tax laws and regulations. We employ a diverse group of accountants, analysts and lawyers. All Chevron employees, including the employees in the Tax department, are governed by Chevron's Code, which is built on our core values and highlights the principles that guide our business conduct. It reinforces every employee's responsibility to promote actions that are fully aligned with our Chevron Way values. The Code underpins our compliance commitment and the responsibility of each employee to ensure that Chevron's activities fully adhere to legal and policy requirements everywhere we operate. Chevron employees and contractors receive training on Chevron's Code every two years.

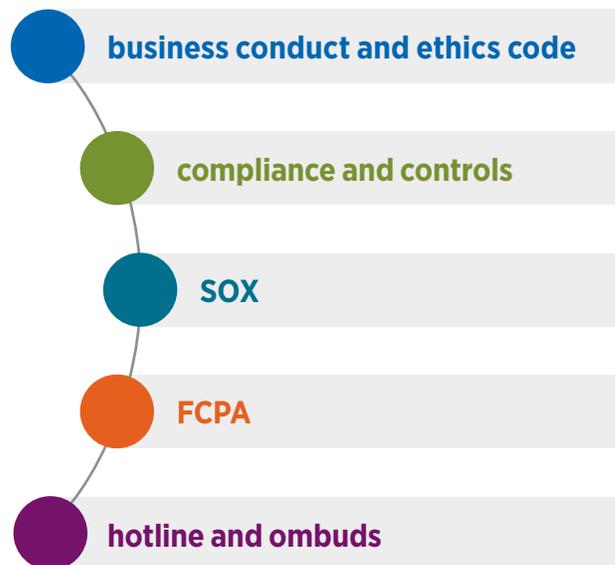
## compliance and internal controls

Chevron has a long-standing, well-established compliance program that addresses compliance requirements for many important subjects, including anti-corruption, internal controls, international trade, anti-boycott, operational excellence, data privacy and competition law. For each subject, senior-level Chevron leaders provide risk-based guidance on the company's compliance requirements, develop compliance policies and procedures, and establish a training curriculum. In addition, Chevron maintains internal accounting, administrative and operational controls to manage these standards of conduct and compliance. We communicate this requirement to our business partners through our contractual requirements and through ongoing engagement.

## Sarbanes-Oxley Act of 2002 (SOX)

As a publicly traded company, Chevron is required to comply with Section 404 of SOX. SOX requires the completeness and accuracy of our financial records, which includes establishing and maintaining internal control over financial reporting (e.g., controls over financial reporting of income taxes). In addition, Chevron is required to follow Accounting Standards Codification 740, which requires the accurate identification, assessment and reporting of tax

uncertainties. We have a well-established process to appropriately account for uncertainties in our books and report such uncertainties to our external auditor. We track any material uncertainties from inception to resolution as part of our financial reporting process.



## US Foreign Corrupt Practices Act (FCPA)

Chevron complies with the FCPA and other applicable international laws. Chevron has an ongoing commitment to anti-corruption. Under the FCPA, making payments to foreign government officials to assist in obtaining or retaining business is unlawful. The FCPA also requires publicly traded companies, like Chevron, to maintain an adequate system of internal accounting controls. In addition, Chevron supports beneficial ownership transparency and recognizes beneficial ownership as an important element of due diligence and anti-corruption.

## hotline and ombuds

We have a dedicated hotline for reporting policy and legal violations and fraud. To help employees resolve workplace concerns, our Office of Ombuds serves as an independent, safe, confidential, neutral and informal resource.

# stakeholder engagement

our relationship with tax authorities is built on mutual trust and respect

The taxes we pay coincide with where we do business. In our interactions with tax authorities, we seek to build and sustain our relationships with integrity based on mutual respect and trust. Chevron's tax positions are subject to audits by tax jurisdictions worldwide. In the U.S., Chevron is subject to continuous audit by the Internal Revenue Service. We engage in ongoing discussions with tax authorities regarding our income tax returns and the positions taken in our returns.

Our approach has always been to work jointly with tax authorities to foster efficient and timely reviews of our income tax returns. We respond to tax audit information requests in a timely manner and, in situations where a tax authority does not agree with our interpretation of the law, we seek resolution by following standard tax practices and procedures.

Because tax rules are complex, in rare instances we may seek guidance from courts to resolve disputes. In identifying tax positions that are reasonable, we regularly engage internal and external advisors to support our understanding of and compliance with relevant tax laws.

Chevron also engages with all levels of government in support of efficient, predictable tax regimes that encourage long-term investment and promote job and economic growth in the communities in which we operate. We have a long history of engagement and advocacy both directly and through industry and trade associations. Our engagements aim to deliver insight and recommendations on policy matters important to Chevron and support well-designed policies and rules that do not unfairly target our industry.



**Photo:** Workers completing tasks at Oak Point plant in Belle Chasse, Louisiana.

# learn more

In approaching our tax obligations, we comply with the law, in line with our stringent global code of business ethics. We have zero tolerance for tax fraud and evasion.

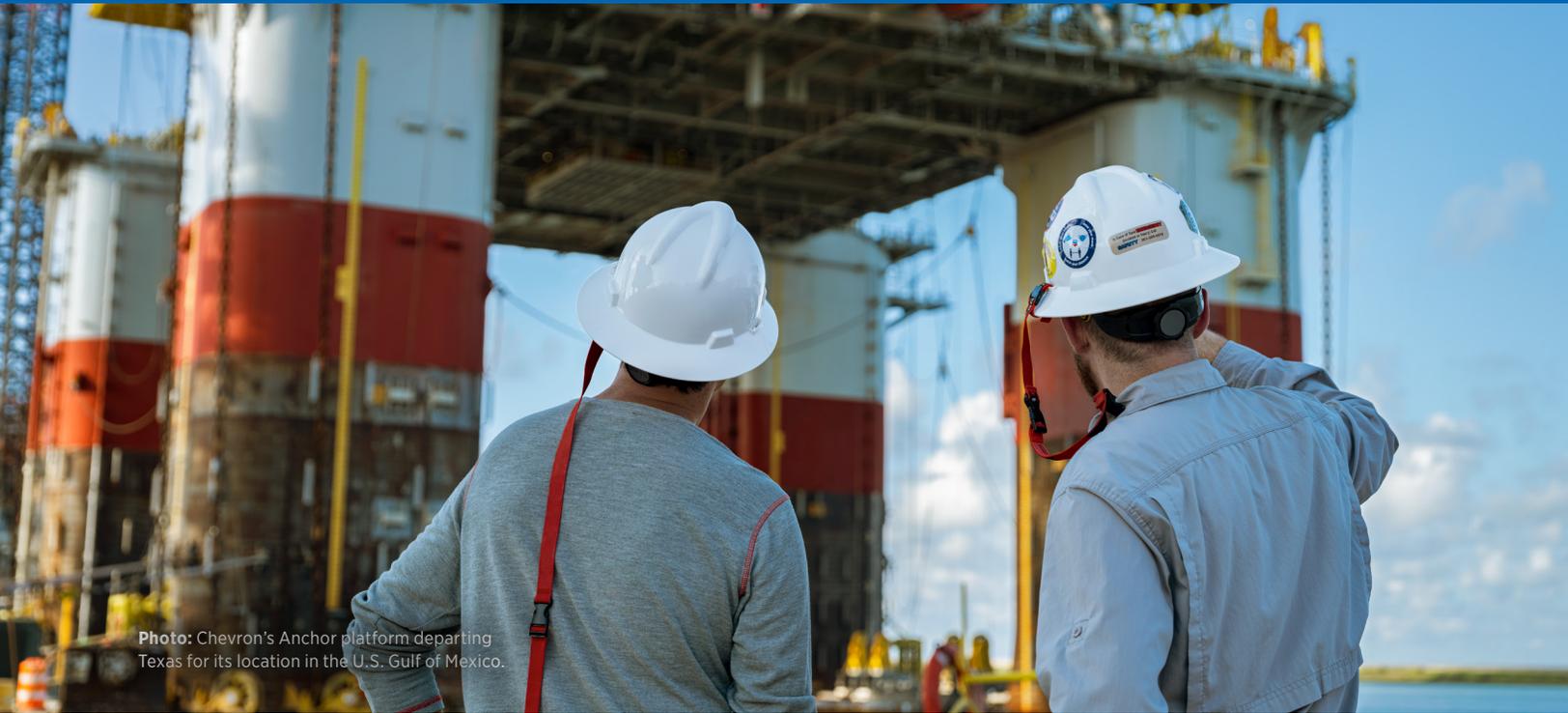


Photo: Chevron's Anchor platform departing Texas for its location in the U.S. Gulf of Mexico.

## resources highlighting various elements of chevron's financial transparency

[2023 Proxy Statement](#)

[2022 Annual Report](#)

[2022 Corporate Sustainability Report](#)

[Business Conduct and Ethics Code](#)

[Business Conduct and Ethics Expectations for Suppliers and Contractors](#)

[Chevron Australia Tax Transparency Report](#)

[Chevron Financial Information](#)

[Diversity and Inclusion Policy](#)

[Federal Employer Information Report EEO-1](#)

[Chevron's Commitment to Equal Employment Opportunity](#)

[The Chevron Way](#)

[Chevron Canada ESTMA Report](#)

[Chevron Audit Committee Charter](#)

[Public Policy and Sustainability Committee Charter](#)



Photo: Two workers carrying equipment in a field near a Gordon Project facility.

**over the past decade, chevron has reported  
in our financial statements over \$58 billion  
in current income tax expense and over  
\$43 billion in non-income tax expense  
(e.g., property taxes, severance taxes and payroll taxes)**

**in 2022 alone, we had total  
income tax expense of \$14.1 billion**



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

© 2023 Chevron Corporation. All Rights Reserved.  
Bluehouse 0923-2906494