

2016 corporate responsibility report partnership for creating wealth

chevron in nigeria

the chevron way

Explains who we are, what we do, what we believe and what we plan to accomplish

At the heart of The Chevron Way is our vision ... to be the global energy company most admired for its people, partnership and performance.

We make this vision a reality by consistently putting our values into practice. The Chevron Way values distinguish us and guide our actions so that we get results the right way.

Our values are diversity and inclusion, high performance, integrity and trust, partnership, protecting people and the environment.

On the cover: Nigerian employees at Chevron office in Nigeria Cover photo credit: Olukayode Oluwafemi

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"We are the partner of choice not only for the goals we achieve but how we achieve them"

an



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a message from jeffery ewing

Chevron companies in Nigeria have continued to live up to the vision of being "the energy company most admired for its people, partnership and performance." We have in our years of operation in Nigeria demonstrated that we are a people and an organization with superior capabilities and commitment. Our purpose is to develop the energy that improves lives and powers the world forward, while our commitment is to always achieve results the right way. We continue to play a major role in the socioeconomic development of Nigeria through our investments in the oil and gas sector, continued development of our base business, deep water and gas resources and our active participation and partnerships in community engagement. We are proud to help improve the quality of human life in Nigeria through our social investment initiatives especially in the areas of health, education and economic development. Engaging and giving back to the community remains a vital component of our corporate values and strategy.

We are committed to responsible and ethical behaviors as described in our Chevron Way document which explains who we are, what we believe, how we achieve our goals and where we aspire to go. Our 2016 Corporate Responsibility Report highlights our contributions to the various sectors of the Nigerian economy and successes recorded. We have every reason to be proud of these achievements.

This report also illustrates how, with the support of our partners, the Nigerian National Petroleum Corporation, employees, contractors and other stakeholders, we have continued to demonstrate our long-term commitment to Nigeria and its socio-economic development. As you go through the following pages, be assured that Chevron Nigeria will continue to strive to build upon our past achievements, as we acknowledge the enormous opportunities that we have in Nigeria, a country with great potentials.

I am sure you will find the information, our achievements and best practices reported in this publication informative and useful.

Chairman and Managing Director Chevron Nigeria/Mid-Africa Business Unit

about chevron in nigeria

Chevron is the third largest oil producer in Nigeria and one of the largest investors in the country, with billions of dollars in annual capital investments.

Chevron companies in Nigeria have varying interests in 9 deep water blocks offshore Nigeria. Chevron operates 3 of these blocks. Chevron's interests in Nigeria include the Agbami Field, which is Nigeria's largest deep water discovery. The Agbami Field lies 70 miles (113 km) off the coast of the central Niger Delta region, spanning 45,000 acres (182 sq. km). Chevron also has a 30 percent non-operated working interest in the Usan Field, located in 2,461 feet (750m) of water, 62 miles (100km) off the coast in the eastern Niger Delta region.

A Chevron company also operates and holds a 40 percent interest in 8 concessions, operated under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC), which holds a 60 percent interest.

Chevron takes its role as a member of the community in Nigeria seriously, and executes many social investment projects promoting health, economic development and education.

In 2005, Chevron adopted a new approach to community engagement in the Niger Delta to improve community participation in determining the needs our programmes should address in communities. This model, called the Global Memorandum of Understanding (GMoU), gives communities a greater role in managing their own development through Regional Development Committees. The objective is to bring peace, development and stability to areas where Chevron operates.

the chevron way

vision

At the heart of The Chevron Way is our vision: to be the global energy company most admired for its people, partnership and performance.

values

Our company's foundation is built on our values, which distinguish us and guide our actions to deliver results. We conduct our business in a socially and environmentally responsible manner, respecting the law and universal human rights to benefit the communities where we work.

Chevron's core values are:

- diversity and inclusion
- high performance
- integrity and trust
- partnership
- protect people and the environment



our company's foundation is built on our values, which distinguish us and guide our actions to deliver results social performance

social investments

Everywhere we work, we commit to running our business the right way. We support our communities through economic development opportunities, and improved access to education and health care delivery. The objective of this is to improve the quality of life of the people to unlock their potential for progress and prosperity.

in this section

- 59,189 people benefitted from the NNPC/CNL Roll Back Malaria programme
- USD1.43 million invested in PROMOT II HIV/AIDS prevention programme
- N1.2 billion invested on Agbami scholarships



health interventions

Chevron companies are committed to supporting partnerships and programmes that promote healthy communities by improving access to health care, strengthening the health system, and helping to fight infectious diseases. Following the belief that healthy communities are the foundation of healthy nations, we use our organizational capabilities, technology, employees and financial resources to support quality health care delivery in our areas of operation and throughout Nigeria.

Chevron Nigeria's health strategy is to assist in building sustainable and accessible solutions to health care, while improving, educating and creating more awareness on healthy living. The community health initiatives fit into Chevron's overall health strategy to meet community needs.

Major health programmes and activities which Chevron Nigeria supports include:

roll back malaria

The World Health Organization in its 2016 report cites Nigeria as one of the two countries accounting for about 36% of the global total of estimated Malaria deaths.

The Chevron Roll Back Malaria initiative focuses on helping pregnant women and children under the age of five. Chevron Nigeria Limited (CNL) launched the programme in 2006 to provide financial and volunteer support for groups that work to combat malaria in 10 states of the Federation. In 2016, the programme benefited 59,189 people in Lagos State and six Chevron core fence line communities of Warri North Local Government Area of Delta State.

river boat clinic

The River Boat Clinic programme is run in collaboration with the Delta State Government. The Delta State Hospital Management Board has continued to support this initiative since it was launched in January 2001 to deliver health care directly to communities along the Escravos area in Delta State. The programme continues to provide medical services to an average of over 35,000 community members yearly.



\$1.43 Million

provision to PROMOT II HIV/AIDS prevention programme in 2016

NGN47.6 Million

worth of ambulances were donated to Yobe, Borno and Adamawa states by Star Deepwater Petroleum Limited and its co-venturers in the Agbami field



The River Boat Clinic has consistently provided medical services to an average of over 35,000 community members yearly

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In 2016, the River Boat Clinic recorded 31,545 direct beneficiaries and 17,911 indirect beneficiaries. The preventive health education initiated by the medical crew has significantly contributed to the reduction of medical cases with no recorded case of infant and maternal mortality in the RBC coverage communities.

HIV/AIDS campaign

Prevention of HIV/AIDS continues to be a major focus of our health intervention efforts. In 2016, Chevron Nigeria collaborated with global, regional and local organizations to combat HIV/AIDS and implement programmes across the country. The company continues to play a leadership role in combating the spread of the disease in Nigeria through support for various programmes.

The second phase of the Prevention of Mother-to-Child Transmission (PMTCT) of HIV was launched in 2016 with the provision of USD1.43 million to PACT Nigeria, a non-governmental organization, to implement the programme. PROMOT II will run for two years in three local government areas in Bayelsa State. During this period, 2000 pregnant women would be tested, while the capacity of community platforms would be created to achieve increased performance.

Also, PROMOT II will increase awareness of prevention of motherto-child transmission of HIV services in target populations through community-based mentoring and support for HIV-positive pregnant women. Since inception, Chevron Nigeria has invested about USD7 million on the PROMOT project.

As part of our efforts to stem the spread of HIV/AIDS, tuberculosis and malaria, the company continues its support for the activities of the Nigerian National Agency for the Control of AIDS (NACA).



other health interventions

- In 2016, Star Deepwater Petroleum Limited, a Chevron company, and its coventurers in the Agbami field partnered with indigenous non-governmental organizations to embark on a campaign to raise awareness on the dangers of tuberculosis. The co-venturers also provided training and counselling on treatment and management of the disease. N35.2 million was invested in this campaign held in four local government areas each in Lagos, Kaduna, Kano and Rivers States. This is in addition to the fully furnished and equipped Chest Clinics donated to 25 government-owned hospitals in Nigeria since 2009 to boost the nation's health infrastructure
- Our 2016 health intervention in northern Nigeria was geared toward supporting the health sectors of the states with a high Internally Displaced Persons (IDP) population. Ambulances worth N47.6 million were donated to Yobe, Borno and Adamawa States by Star Deepwater Petroleum Limited and its co-venturers in the Agbami field. Similarly, an ambulance was donated to the Ajiran community in Lagos State
- As part of the company's health intervention programmes for its community stakeholders, Chevron Nigeria dewormed about 60,000 school children in four local government areas of Lagos State. The programme is aimed at ridding children between the ages of six and twelve of harmful worms that could reside in their gastrointestinal system as a result of poor diet and hygiene



education

Working with government and our partners, Chevron companies in Nigeria take a holistic approach to our investments in education as a means of unlocking the potential of youths and capacity development in Nigeria. We champion educational programmes at all levels by improving the quality of learning and teaching in the country.

Our support for education includes an annual provision of thousands of community and national scholarship awards to Nigerian students in both secondary and tertiary institutions. We also provide infrastructural support including classrooms, libraries, laboratories, sports facilities and sponsorship of competitions and programmes to motivate the students and help boost their confidence.





Excited students of Lead-Forte Gate School Lagos after emerging winners of the Sciletes quiz competition during the STEM symposium and exhibition

NNPC/chevron nigeria limited joint venture national university scholarship

The NNPC/CNL Joint Venture National University Scholarship Award is exclusively awarded to Nigerian undergraduates in the second year of their full time degree programme in Nigerian universities. In 2016, we had a total of 1,116 beneficiaries out of which 22 graduated with First Class Honours degrees while 90 others graduated with Second Class Upper degrees in various disciplines. The scheme also recorded 50 graduates in the medical sciences.

The programme has improved educational opportunities, enhanced academic pursuit and propelled capacity development for societal relevance to many Nigerian university students. The effort has resulted in testimonials of brilliant academic performances and letters of appreciation to CNL.

NNPC/CNL community scholarship awards

The NNPC/CNL community scholarships are awarded to students of secondary and tertiary institutions in communities near CNL's areas of operations. In the 2015/2016 academic session, the NNPC/CNL JV provided N245.5 million for its community scholarship programme administered by Regional Development Committees (RDCs) under the GMoU process. A total of 5,424 beneficiaries were awarded scholarships. About 183 scholarships were also awarded to non-GMoU communities in addition to the 547 existing beneficiaries.

NNPC/CNL JV scholarship award for the blind and physically challenged

This scholarship scheme is targeted at the visually and physically impaired who are indigenes of states where Chevron operates. In 2016, a total of 162 scholarships were awarded.

agbami medical and engineering professional scholarship (AMEPS)

In 2016, Star Deepwater Petroleum Limited, a Chevron company, and its co-venturers in the Agbami field awarded a total of 446 scholarships to high achieving university students in the areas of Medicine, Dentistry, Pharmacy and Engineering. The scholarship programme commenced in 2009 and has since awarded a total of 15,802 scholarships to Nigerian undergraduate students from all states of the country. About N7.5 billion has been invested in the Agbami Scholarship Awards since 2009, with N1.2 billion expended in 2016. To date, 310 students supported by this scholarship scheme have graduated with first class honours degrees.

At the end of 2016, over 9,000 of the beneficiaries have graduated from the scheme. A total of 6,500 beneficiaries are currently enrolled in the scheme.

agbami co-venturers support STEM education

As part of efforts to encourage qualitative and balanced education in the country, Star Deepwater Petroleum Limited (a Chevron company) and its co-venturers in the Agbami field partnered with the faculty of the Lagos Business School to hold a STEM (Science, Technology, Engineering and Mathematics) symposium and exhibition in 2016. The event which attracted about 160 students from both private and public schools around Lekki and officials of the Lagos State Ministry of Education was aimed at fostering creativity and innovation among Nigerian students. The event featured a keynote address by Dr. (Mrs.) Omobola Johnson, Nigeria's former Minister for Communication Technology; a panel discussion on "Encouraging Sustainable Corporate Citizenship in STEM Education-What works?" and a Sciletes quiz competition involving select secondary schools.

libraries and laboratory complexes:

 In 2016, Agbami co-venturers and the OML 132 co-venturers, operated by Chevron, commissioned and handed over hybrid libraries (libraries equipped with conventional hard copy books and internet-enabled work stations) to Bayelsa, Delta, and Kogi States towards improving access to basic education in Nigerian secondary schools. Between 2010 and 2016, 16 hybrid libraries were donated to select institutions across

Nigeria

- Chevron Nigeria also in partnership with its co-venturers in OML 140 provided textbooks, computers and laboratory instruments to six under-resourced secondary schools in Ebonyi State benefitting over 400 school children
- Train-the-teacher sessions were also carried out to build the capacity of both teachers and students for a more comprehensive learning experience for the students in the community

chevron employee volunteer programme:

Chevron Nigeria Limited encourages its employees to give back to the community through the Employee Volunteer Programme (EVP).

In December 2016, employees celebrated the Yuletide with members of Oriyanrin and 10 other neighbouring communities on the outskirt of Lagos where they donated assorted food items, beverages and educational materials. Over 4,000 beneficiaries including men, women, youth and children received different items.







Halimat graduated with First Class Honours and carted home awards including Overall Best Female Student, Second Best Student of the Year and Best Student in Civil Litigation.

Halimat Edun receiving one of her awards from the immediate past Chief justice of Nigeria (CJN), Justice Mahmud Mohammed

chevron scholar emerges best female graduate

Halimat Temitope Edun, a beneficiary of the NNPC/CNL Joint Venture National University Scholarship Award was one of the star attractions at the 2016 Call to the Bar ceremony of the Nigerian Law School which took place in Abuja.

Halimat graduated with First Class Honours and received awards including Overall Best Female Student, Second Best Student of the Year and Best Student in Civil Litigation. Her performance at the Law School was a logical progression to an equally impressive performance at the University of Abuja, where she graduated with First Class Honours and was the best graduating student in the Faculty of Law with a cumulative grade point average of 4.19.

"I want to thank Chevron Nigeria Limited for its unflinching financial support by way of a scholarship throughout my five-year course as an undergraduate of the Department of Law at the University of Abuja and consequently contributing immensely to my success story today," said Halimat.

All through school, Halimat was a high flyer. She led the team that represented her university at an All Nigerian Law Faculties Client Counselling competition organized by Network of Universities Legal Aid Institutions (NULAI) Nigeria, where her team emerged winner. As a result, they represented Nigeria at the International Louis M. Brown & Forest S. Mosten International Client Consultation Competition in Puerto Rico, South America in 2014 where they performed excellently.

"My gratitude knows no bounds. Without mincing words, I know for a fact that my success story cannot be told without attributing a big part of it to Chevron Nigeria. I can proclaim that indeed I am a Chevron scholar. I am a lawyer with a future today, all thanks to Chevron Nigeria Limited" she said.

social performance

economic empowerment

Chevron companies promote sustainable development, self-sufficiency and address local needs through participatory partnership and stakeholder engagement.

global memorandum of understanding (GMoU)

The Global Memorandum of Understanding (GMoU), the community engagement model initiated by the NNPC/CNL Joint Venture in 2005, is aimed at addressing the challenges of sustainable development in the communities around our operations, while significantly contributing to the improvement of the quality of life in the Niger Delta.

Under the GMoU, the planning, selecting and execution of community development projects shifted to the Regional Development Committees (RDCs), the community-based organizations representing the various communities, to produce development plans that are designed to improve the livelihoods of members of the communities. The GMoU defines and guides the spirit of relationships and partnerships among key stakeholders.



The GMoU is predicated on the following principles:

- Participatory partnership and stakeholder engagement
- Transparency and accountability
- Sustainability assurance
- Peace building
- Monitoring and Evaluation

In 2016, Chevron Nigeria Limited, operator of the NNPC/CNL Joint Venture, signed the renegotiated GMoU with four of its five RDCs for another term of four years.

The GMoU also supports the local content development policy driven by Chevron Nigeria's partnerships with the communities. We aim to develop the capacity of local community contractors and suppliers.

youth agripreneur project:

 CNL in partnership with the International Institute for Tropical Agriculture (IITA), Itsekiri and Ijaw RDCs and the Foundation for Partnership Initiatives in the Niger Delta (PIND) launched a pilot Agripreneur Project in selected Itsekiri and Ijaw communities. The project is for two years and will benefit 40 community youths in the first year and 80 in the second year. At the end of the first year, the beneficiaries are expected to develop business models which the RDCs will fund with N24million (N12million each).

- the project will among other objectives:
 - Empower youths in Ijaw and Itsekiri RDCs to embrace agriculture and agribusiness as an income generating activity
 - Provide opportunities for stimulating socio-economic development in the selected communities, offering secondary benefits to the larger society as a whole
 - Reduce communities' dependence on CNL as the only source of employment and sustain local community support around CNL's social investments.

star ultra-deep limited capacity development programme

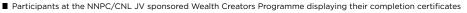
Star Ultra-Deep Limited, a Chevron company, in a production sharing contract with NNPC. sponsored 50 students for a three-month capacity building training. The students were admitted into Oluponna Fish Farming and Resource Centre (OFFER) Institute of Agriculture - the training arm of OFFER Foundation in Osun State - with 25 students undergoing an agricultural development programme, while the other 25 were admitted into the catering and hospitality programme.

3000

selected as viable

Programme





donation and sponsorships

Chevron companies in Nigeria are committed to adding socio-economic value in the country. Through our support and sponsorship of various programmes, we have continued to serve as agents of positive change.

In 2016, CNL invested a total of N98 million sponsoring activities and programmes of government and reputable nongovernmental organizations. These include: the Institute of Chartered Accountants of Nigeria (ICAN), Nigerian Institute of Public Relations (NIPR), Nigeria Employer Consultative Association (NECA); Society of Petroleum Engineers, Society of Chemical Engineers, Nigeria Society of Engineers, Nigerian South African Chamber of Commerce. Others are Wole Sovinka Centre for Investigative Journalism, Nigerian Business Coalition Against AIDS (NiBUCCA); Women in Business (WIMBIZ), Nigeria Association of Petroleum Explorationists (NAPE), Musical Society of Nigeria (MUSON), National Youth Service Scheme (NYSC) and Ake Book and Art Festival among others.

competitions

In 2016 Chevron Nigeria Limited spent about N26 million to sponsor a number of educational competitions, including the National Art Competition for Nigerian Secondary Schools, the Chris Ikomi Essay Competition in English, and the Awokoya Chemistry Competition for secondary schools in Delta State among others.

media sponsorship

As part of efforts to assist in building the capacity of media practitioners in Nigeria, the NNPC/CNL Joint Venture organized and sponsored some programmes including the Advanced Writing and Reporting Skills (AWARES) that is run in partnership with Pan-Atlantic University (PAU); the 11th edition of the Wole Soyinka Award for Investigative Reporting instituted by the Wole Soyinka Centre for Investigative Reporting and the NNPC/CNL JV Prize for Oil and Gas Reporting instituted by the Nigerian Media Merit Award (NMMA).

NYSC breeding and enterprise future project

The National Youth Service Corps (NYSC) breeding and enterprise future project is an initiative of Chevron Nigeria Limited and its partners including, Startup Hub (implementing partners), Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), the Enterprise Development Centre of the Pan-Atlantic University, Lagos, and Enterprise Lab (United Kingdom), to ensure that NYSC members acquire entrepreneurial skills during their service year in Lagos State.

It is designed to position wealth creation through entrepreneurship as a viable and preferred option to seeking employment. Since its inception, over 3000 corps members have submitted business proposals for screening and 800 have been selected as viable business ideas for the Chevron Wealth Creator Programme. As at 2016, 20 participants have moved their ideas to business incubator stage and are receiving mentorship to enable them launch their own businesses.



II NGN 245.6million provided by NNPC/CNL JV for its community scholarship administered by the Regional Development Committees (RDCs) under the GMoU process for the constituent communities

NCF annual dinner dance and walk for nature

CNL joined other stakeholders including the Nigerian Conservation Foundation (NCF) and the Lagos State Government to sponsor the annual "Walk for Nature" programme that is intended to create awareness about nature conservation and sound environmental practices. Chevron continues to provide annual financial support for the operation of the Lekki Conservation Centre.

other social intervention efforts

CNL and its joint venture partner, NNPC, have consistently supported the development of youth tennis in the country through the sponsorship of the NNPC/CNL Junior Tennis Clinic and the NNPC/CNL Junior Tennis Masters.

In 2016, 100 boys and girls participated in the Summer Clinic while the nation's best junior tennis players converged on the Lord Rumens Tennis Court of the Lagos Lawn Tennis Club, Lagos to compete for the Junior Masters.

Other beneficiaries of the company's charitable initiatives and sponsorships in 2016 include: Arrow of God Orphanage; Old People's Home, Yaba; Heart of Delta Children Home and Abuja School for the Handicapped in Kuje.



social performance

partnership initiatives in the niger delta

PIND is a Nigerian non-profit organization, working with partners to build peace and equitable economic development in the Niger Delta.

in this section

- PIND's demonstration pond project reached approximately 3,610 farmers
- Farmers made an additional income of N531.4 million benefiting 3,838 people living in poor households
- 6,858 participants attended PIND events to build local capacity





PIND supports palm oil farmers through the Best Management Practices (BMPs) Programme to improve agronomic practices

The Foundation for Partnership Initiatives in the Niger Delta (PIND) was established by Chevron in 2010 as a non-profit foundation in Nigeria to serve as an operational entity funded by the US-based Niger Delta Partnership Initiative (NDPI) with the aim of building dynamic, innovative programmes and multi-stakeholder partnerships to promote peace and equitable sustainable economic development in the Niger Delta region.

Since the establishment of PIND in 2010 with a take-off fund of USD50 million, the Foundation has, through its activities, contributed greatly to the socio-economic development of the Niger Delta people in line with the philosophy establishing it. The activities of PIND have been structured to align with the strategic focus of Chevron, which is to provide increased opportunities for members of the community and curb the high rate of unemployment, underdevelopment, and other risks associated with poverty.

Using innovative technology and ideas, PIND focuses on four thematic areas: Economic Development, Capacity Building, Peacebuilding and Analysis, and Advocacy. Similarly, PIND

1,549

participated in seminars, trainings and workshops for palm oil farmers, processors and equipment fabricators in Abia, Delta, Cross River, Edo and Imo States.

farmers in the palm oil value chain adopted best management practices in 2016 complements and enhances the implementation of the Global Memorandum of Understanding (GMoU) to ensure a rounded approach to addressing the Niger Delta peculiarities. The collective result of PIND's activities contributes to the continuous renewal of the social license for Chevron to operate peacefully in the region and also reduce the company's operational and reputational risks.

economic development

In 2016, with a special focus on economic development, PIND invested in value chain centers to improve the agronomic and business practices that will lead to profitability for local business owners. In each of the value chain centres, PIND focused on aquaculture, palm oil, and cassava. Similarly, the Foundation initiated strategic activities to improve the agronomic practices of thousands of farmers and improved the efficiency of their production, boosting profitability. In addition, PIND provided technical support to small businesses in the Niger Delta and brokered partnerships with relevant bodies and institutions to enhance access to portable water, sanitation and hygiene in the Niger Delta region.

support for aquaculture

Under the strategy for aquaculture improvement, PIND's demonstration pond project reached approximately 3,610 farmers in 2016. The demonstration pond project is aimed at conveying improved practices in catfish farming. As a result of the success of the prototypes, seven new demonstration ponds were established in Delta State during the year in partnership with private fish feed companies. This is also to support local content and grow local businesses.

Part of the strategy of PIND is to measure the impact of projects on the people of the Niger Delta, and the result of the impact assessment usually forms the basis for future strategy development. A series of survey conducted on the impact of the demonstration pond project on beneficiaries shows that the 3,250 farmers who have adopted the improved practices, which is core to the demonstration pond project, saw a 30 percent increase in their income worth N63.7 million and the resultant effect of this is about 1,308 jobs created. The support for farmers also saw a disbursement of loans worth N118.6 million from three microfinance institutions.

support for palm oil farmers

The support for farmers was also extended to palm oil farmers through the Best Management Practices (BMPs) programme to improve agronomic practices in the farming of oil palm. To actualize this mission, PIND worked with diverse private sector partners who assisted in driving the initiative. In 2016, the BMPs programme was able to achieve the following:

- Reached 1,549 participants in seminars, trainings and workshops for palm oil farmers, processors and equipment fabricators in Abia, Delta, Cross River, Edo and Imo States
- Increased farmers' awareness of improved agronomic practices as well as promoted the use of appropriate technologies for increased efficiency in production. These technologies include: Mechanical Adjustable Harvester (MAH) and Malaysian Knife (MK) for more efficient harvesting of palm fruits, and the use of Small Scale Processing Equipment (SSPE) for increased efficiency in processing palm oil
- By the end of the third quarter of 2016, 908 farmers in the palm oil value chain had adopted best management practices, and expanded the market for efficient technologies by facilitating the sale of 18 SSPEs, 110 MKs and 28 MAHs through increased demand. Improved availability of better technologies also led to the production of an additional 2,448 metric



tons of palm oil.

• Farmers made additional income of over N531 million benefiting 3,838 people living in poor households in the Niger Delta region.

support for cassava farmers

PIND enhanced cassava farmers' agronomic practices through a cassava demonstration pilot project. In 2015, in partnership with Notore, Jubaili and Harvest Field agricultural input companies, PIND ran a pilot intervention in Ubulu-Uku, Edo State, which set the tone for the subsequent interventions. This intervention was able to achieve the following:

- 40 agro-dealers, trained within Ubulu-Uku and Mbiri farm clusters in Edo and Imo States respectively, adopted the use of training and demonstration as part of their promotion strategy, which led to strengthened relationships with other farmer groups
- In addition to improving farmers' practices, farmers fostered relationships with input companies and this has helped their profitability in other crops besides cassava
- PIND partners, Notore and Harvest Field, also trained farmers in Delta and Imo States on best practices in cassava and maize farming using training guidelines developed by National Root Crops Research Institute (NCRI). This intervention saw 2,242 cassava farmers with improved farming practices, which led to 125% (2.1 ton/0.2ha = 10.65 ton/ha) increase in yield. As a result, average income rose by N115,675 per farmer.

technical assistance fund

Beyond support for farmers in the region, PIND's economic development drive also extends to Niger Delta-based small and medium-scale enterprises (SMEs) through a Technical Assistance



Fund (TAF), instituted to improve the skills and practices of the small businesses. The scheme is also aimed at increasing the ability of SMEs to access technical support for improved performance and competitiveness. Five of the 13 Business Service Providers (BSPs) that were trained on SME diagnostics tools in 2015 have begun utilizing the skills to improve their services to SMEs. The BSPs have been able to reach 182 new SMEs, offering them business support and 44 of these are currently implementing their upgrade plans to improve their services.

Around 170 out-grower farmers were also supported to meet new markets for growth of their businesses. The SMEs that benefitted from the PIND-supported BSPs reported a total of N204.5 million worth of new sales by the end of the year. Seven of these obtained N141.7 million in new loans, resulting in 130 new jobs created to benefit unemployed individuals in the region.

appropriate technology enabled development (ATED)

This programme promotes the use of a simple water filtration technology called Biosand Filter. The technology helps to increase the communities' access to clean water by removing 99 percent of the impurities in the water. The ripple effect of this is the prevention of water borne diseases that can be transmitted through the consumption of contaminated water. In 2016, 467 households adopted the technology. In recognition and support of the impact of the ATED project, UNICEF committed a sum of N80.7 million to enhance service delivery capacity of local institutions through conflict sensitivity and capacity development in Water, Sanitation, and Hygiene (WASH) service delivery in ten LGAs across five states.

PIND is also partnering with Proctor & Gamble, H2O for Life, and international Rotary Clubs to improve the WASH education and facilities in 30 Niger Delta schools as part of an USD800,000 WASH in Schools Programme. Through PIND, another reputable organization, HDI, also invested a total of USD19,000 on WASH-focused libraries in two schools.

peace building and analysis

PIND's approach to development in the Niger Delta is multifaceted taking into consideration every aspect debilitating socio-economic development in the region. PIND has initiated a series of peace building activities that will boost the prevailing peace in the region. The year 2016 saw a partnership with the Partners for Peace (P4P) Network that led to the provision of support for 95 new and/or scaledup interventions in peace building and conflict resolution. These interventions resulted in a remarkable increase in conflicts being resolved by P4P Network members. For instance:

- The rise in P4P membership from 3,578 at the end of third quarter 2015 to 4,581 by the end of third quarter 2016 is another success story of PIND's partnership approach in facilitating a robust peace building infrastructure
- PIND organized 51 trainings, workshops, seminars and events aimed at building





The CAPABLE project provided trainings on monitoring and evaluation, resource mobilization, social media and advocacy to 268 participants from 45 local development organizations

Participants in the Youth Cassava Enterprise project by PIND in collaboration with the Ondo State Wealth Creation Agency (WECA) and Star Deepwater Petroleum Company Ltd.

local capacity in peacebuilding and conflict sensitivity that were attended by 6,858 participants. One of the areas of partnership with P4P is the production of training materials and the 102 reports and assessments using the peacebuilding data. This resulted in an increase in P4P chapters' reputation in their respective states and 28 partnerships with government and private sector actors on conflict mitigation and peacebuilding activities.

Following the successes of these programmes, governments in various states in the Niger Delta region have indicated interest in PIND's activities. PIND is currently collaborating with Cross River and Delta states. This collaboration will extend to other states in the region while the ongoing efforts are sustained.

Highlights of PIND's ongoing collaborations include:

- Contribution to the Cross River State Government's 30-year development plan and the development of interventions for aquaculture and cocoa value chain development within the state
- The appointment of PIND as a member of both the Delta State Steering Committee on Job Creation and as a member of the new Niger Delta Development Commission (NDDC) Think-Tank to shape strategy for achieving regional development

capacity building for local empowerment (CAPABLE) II

PIND worked to train civil society organizations through other initiatives such as the Capacity Building for Local Empowerment (CAPABLE) II programme and the USAID partnership project on Strengthening Advocacy and Civic Engagement (SACE).

In 2016, the close-out of the Leadership, Empowerment, Advocacy and Development (LEAD) project was recorded. A partnership with USAID and Research Triangle International (RTI) to improve quality of governance at the local level in Rivers State was also created. A few highlights of these initiatives are enumerated below.

• The two years of LEAD have seen collaboration between local government officials and community members in all the participating local government areas to ensure improvement in public service delivery. LEAD also assisted the six participating local government councils to increase funding towards the reduction of open defecation and the improvement of sanitation and clean water. LEAD spearheaded the training of officials from the participating local government on the International Public Sector Accounting Standard (IPSAS) financial management. The training has now been adopted by the Rivers State Government as the standard for public accounting in the state. As a result of this programme, six local Civil Society Organizations (CSO) led 55 interventions in local communities to help raise awareness on the need for increased government accountability and its link to effective public service delivery

- The CAPABLE project provided trainings on monitoring and evaluation, resource mobilization, social media and advocacy to 268 participants from 45 local development organizations. Fifteen of these organizations were trained in collaboration with the UK Department for International Development (DFID)funded Market Development (MADE) programme on Making Markets Work for the Poor (M4P) as part of PIND's work to encourage more organizations to embrace market-driven economic development
- Working with supported CSOs, 29 public discourses on key democratic governance issues were facilitated under the SACE programme. Similarly, 749 individuals were trained in 186 media programmes carried out to promote transparency, accountability and good governance, and enhance the capacity of 35 organisations, including eight who had received SACE grants in 2015.

engaging stakeholders

Our robust engagements with government stakeholders at all levels help us to make responsible decisions that lead to positive results and enduring relationships.

in this section

- Chevron educated government stakeholders on social investment, corporate responsibility and other company policies
- Chevron sponsored government officials to international conferences to enhance their understanding of the oil and gas industry





Chevron employees and stakeholders at a Government Affairs strategy session aimed at building sustainable relationships

productive stakeholder engagement

We build trusting relationships by collaborating with all tiers of government in Nigeria because we believe that business and society are interdependent. This belief drives our commitment to mutual benefit and shared progress.

In 2016, CNL continued to focus on building collaborative, productive, trusting and mutually beneficial relationships with governments in Nigeria. Showcasing the company as a partner of choice with key government stakeholders as well as a responsive and responsible corporate citizen in Nigeria.

We sustained our partnership with government stakeholders by:

- Holding regular engagement sessions with government officials and partners
- Facilitating familiarization visits of government officials to the hub of our operations
- Sponsoring participation of government officials to conferences and seminars to further enhance their understanding of the oil and gas industry as well as our operations and programmes
- Engaging and consulting with communities to obtain their views on the planning of our work programmes and capital projects
- Involving the various arms of government, especially the state governments, in the execution of Chevron's social investment programmes

Chevron remains committed to collaborating with our stakeholders because of our belief that we achieve success when our partners are successful too. We strive to ensure that our stakeholders understand our operations, programmes and policies.



CNL's Health, Environment and Safety, and PGPA teams in a meeting with the Nigerian Senate Committee on Environment

In 2016 the company organized a Government Affairs strategy session, which was attended by members of the National Assembly; the Minister of Niger Delta Affairs, Mr. Usani Uguru Usani; and legislators from Lagos, Ondo, Delta and Bayelsa states. The forum provided in-depth knowledge of Chevron's social investments in Nigeria, corporate responsibility programmes, compliance issues and other corporate policies.

At the session, Mr. Usani lauded the Global Memorandum of Understanding (GMoU), which is the approach adopted by the NNPC/CNL Joint Venture to community engagement in the Niger Delta designed to create participatory development processes to address needs of communities around its areas of operation.

2016 offshore technology conference

To enhance the capacities and capabilities of government stakeholders, CNL sponsored newly-elected National legislators to attend the 2016 Offshore Technology Conference (OTC) in Houston, Texas. The conference provided the legislators first-hand knowledge of the oil and gas operations.

The company facilitated familiarization visits to Escravos, the hub of CNL's operations, to expand government stakeholders' understanding of our projects (completed and ongoing), operations, processes, as well as upstream oil and gas operations. Key government officials who visited Escravos, Warri and Lekki locations in 2016 include: Dr. Ibe Kachikwu, Honourable Minister of State for Petroleum Resources; Dr. Maikanti Baru, Group Managing Director, Nigerian National Petroleum Corporation: Senate Committee on Gas, House of Representatives Committee on Gas Resources; Mr. Ibrahim Kpotum Idris, Acting Inspector General of Police; and Vice Admiral Ibok-Ete Ekwe Ibas, Chief of Naval Staff among others.

our people

One of our enterprise strategies for business growth is investing in people to develop and empower a highly competent workforce that delivers results the right way. We depend on the skill and commitment of our employees to deliver world-class results. Employees are treated with dignity and respect in a workplace that promotes diversity.

in this section

- Our philosophy is founded on the need to ensure that we have the right people with the right skills, in the right places, at the right time
- At the end of 2016, CNL had total workforce of nearly 6,000 (including Nigerians, expatriates and contractors), and 34 Nigerian employees were on foreign assignment
- The company introduced new training programmes and initiatives in 2016
- The company continued to invest in world class medical facilities and health programmes
- The company's diversity programmes were driven mainly by the three employee networks in the company XYZ, Boomers and Chevron Women networks



recruitment and employee development

Chevron owes its success in Nigeria to a pool of nearly 6000 men and women from different parts of the country and other parts of the world. This highly qualified and committed workforce is the product of a recruitment policy that focuses on engaging the services of the very best to serve in a highly technological and competitive industry, as well as leveraging on Nigeria's abundant and diverse human resource.

Our employees are united by common values and a statement of purpose, that as a company we develop the energy that improves lives and powers the world forward. Delivering energy to the world requires a wide range of technologies and the best and brightest minds to develop them.

By the end of 2016, the total number of Nigerian employees and contractors was nearly 6000. The company's recruitment policy is based on the people strategy framework (R5 model) that supports the business by hiring the right people with the right skills in the right place at the right time and right cost. Hiring right is critical to the health of our business.

The company maintains a fair and consistent recruitment process that embraces best practices and upholds organizational confidence when recruitment is done. Internally, open jobs in the organizations are posted on the company's web-based recruitment tool to provide equal opportunities for all qualified employees to expand their horizon, build competencies and experience. Externally, vacancies are advertised on our global web-based recruitment tool to provide equal opportunities for all qualified candidates. The use of video conferencing to interview candidates outside Nigeria further buttresses our commitment to equal opportunity, transparency and fairness in the company's recruitment process.

Chevron's employee development programs and policies equip employees with the skills that expand organizational capacity and enhance business performance. We invest in people to strengthen individual capability and build a talented global workforce. Employees learn using the blended form. This is learning, using a combination of formal and informal platforms including on-the-job experience broadening and mentoring in different parts of Chevron's global operations, to facilitate knowledge sharing, and value creation.

CNL grants study leave to employees who desire to pursue higher academic or professional qualification. For professional enhancement, employees are also encouraged to join professional bodies. The company funds the cost of joining such organizations.

In 2016, we carried out a major project to ensure that all our training programmes are competency driven. This is to ensure employees derive maximum benefit from the training and that the training meets business goals. Our training programmes in 2016 include:

new-to-Chevron: This is a year-long programme that starts from the first week of employment. It is a combination of formal classroom training, computer-based training, mentoring and guidance to ensure the new hires understands the company's operations, values and objectives.

horizons and pathways:

All Petrotechs and certain professionals go through a structured technical competency development programme called Horizons during the first five years of their employment. Those who graduate from Horizons go through the Pathways programme to help deepen their technical and business skills. In 2016, we graduated candidates from the Horizons programme.

structured leadership development programmes:

At Chevron, we believe that every employee is a leader. Our leadership programmes are designed to invest in our employees by providing opportunities for growth, learning and strengthening of the company's organizational capability. These programmes develop the skills and competencies of effective leadership. Participation is through open enrollment or by nomination. The ultimate objective is developing leaders who deliver results the right way.

other technical and personal skills programmes:

These include programmes to build the skills of employees in Communication, Personal Effectiveness, Emotional Intelligence, Safety Awareness etc. We also offer trainings on Operation and Maintenance, Human Rights, Compliance and other competencies.

new training programmes and initiatives in 2016

In 2016, we started new programmes covering consulting skills and the role of supervisors in employee development. These programmes were well received and the impact was significant. We also continue to provide trainings and sponsorships for our partners and related third party.

employee educational assistance scheme (EDUCASS)

As part of efforts to encourage employees to self- develop themselves, Chevron Nigeria reimburses 75 percent course fees and cost of books to employees who enroll for part-time courses at tertiary institutions in Nigeria. The employees are also granted time off to attend lectures and write examinations.

A scholarship Board oversees the process and determines the suitability of such parttime courses to the employee's current role and future prospects. A total of 45 employees benefitted from this in 2016.

In addition, the company has in place an educational scholarship programme to support employees' and retirees' children. In 2016, 31 children benefited from the highly competitive Chevron International





Recognizing Excellence and Achievement (REACH) Scholarship Programme while 15 others were awarded the Chairman/Managing Director's scholarship.

employee health and wellness programme

Chevron Nigeria places the highest priority on the health and safety of its workforce. In 2016, Chevron continued to invest in medical facilities and health programmes to promote healthy lifestyles, prevent ill-health and disability, and treat existing medical conditions. The programmes and services include:

clinical medical care

Employees have access to Chevron hospitals in Lagos (Lekki and Gbagada), Warri and Escravos all year round. These facilities provide general and specialized medical care, including pediatric, surgical, obstetric and gynaecological, nutrition, and physiotherapy services. Employees in Abuja have access to external health facilities. Access to external specialist care is also provided in all locations for dental and eye care, and for other specialty care that is not provided internally.

preventive periodic medical screening (PPMS)

The PPMS programme provides medical screening for employees, spouses and

dependents. The goal is to proactively manage health issues through early detectionw. It also provides opportunities for health promotion and returning defaulting patients with chronic medical conditions to track.

fitness for duty (FFD) process

FFD is a global standardized process designed to enable employees safely perform physical, psychological and cognitive requirements of their job without risk to self, others or the environment. The goal is to maintain medical fitness for work that optimizes safety, increases productivity, retains experienced workers, and improves employee morale. The process specifically identifies health-sensitive and physically demanding jobs and develops appropriate evaluations for the various job categories.

occupational hygiene programmes

Occupational hygiene and medical surveillance programmes continue to ensure the protection of workers from workplace exposures.

health promotion programmes and opportunities

Health awareness and promotion programmes on communicable and non-

communicable diseases occur throughout the year. Webinars, seminars, lunch and learn sessions and health moments were held on relevant and topical issues including healthy lifestyle, high blood pressure, mental health and stress. Chevron Nigeria joined the global community to commemorate the days designated by the WHO to highlight specific health issues including HIV/AIDS, malaria, tuberculosis, heart health and diabetes.

Automated blood pressure machines are provided at office and offshore locations to encourage employees to self-monitor and track their blood pressure readings. Employees are also encouraged to utilize BMI stations located in offices to self-monitor weight, height and body mass index (BMI).

healthy heart programme (HHP)

The enhanced HHP was re-launched in 2016 to help employees improve long-term health by supporting healthy lifestyle choices through cardiovascular (heart) health education and activities. The programme provides mitigation against individual risk factors identified by the Health Risk Assessment (HRA) tool. Online access to educational information, telephonic health coaching, health education, specialist referral and other support services provide integrated care.

physical fitness programmes

Employees have access to designated fitness centers in various locations. Group health walks and aerobic exercise programmes occurred in all locations throughout 2016 to prevent obesity, assist in weight reduction, enhance wellness and optimize heart health.

peer health educators (PHE) programme

The Peer Health Educators programme is an integral part of the company's commitment to the wellbeing of its employees and communities in its areas of operations. The PHEs provide peer-to-peer health education within the workforce on HIV, malaria, tuberculosis and cardiovascular health. They also hold community outreach programmes.

employee assistance programme (EAP) and work-life services

EAP promotes and sustains a psychologically healthy and resilient workforce to support safe





We have an inclusive work environment that values the uniqueness and diversity of individual talents, experiences and ideas

and successful operations. EAP provides confidential consultation for work related, personal and family problems. In 2016, EAP continued to provide support and interventions for management and business partner consultations regarding people and work group issues. Management of change, critical incident debriefing and stress management provide significant value to the organization through health, safety and mental well-being of employees.

2016 key diversity programmes

Chevron has an inclusive work environment that values the uniqueness and diversity of individual talents, ideas and experiences. In Nigeria, we have three main employee networks; the Chevron Women's Network (CWN); The Boomers Network and the XYZ Network. These networks support, organize and execute various diversity initiatives and programmes that foster Chevron's diversity objectives and its vision of being the energy company most admired for its people, partnership and performance.

In 2016, the company introduced the NMA cultural celebration series which featured traditional dances, cuisine and historical write-ups on Efik and Bini cultures. This was aimed at making employees appreciate the various cultures represented in the workplace. The networks held various activities including: the celebration of World Autism Day; workshops and seminars and visits to charity homes.

operating responsibly

Entrenched in The Chevron Way is the commitment to protecting people and the environment. This includes developing energy safely and reliably to power human and economic progress

in this section

- Chevron has built an Operational Excellence (OE) culture on the belief that incidents are preventable
- In 2016, the company improved its safety performance with a "total recordable incident" rate of 0.060 and a "days away from work" incident rate of 0.012
- We continue to implement projects to reduce routine associated gas flaring
- We strive to achieve environmental excellence by minimizing our "footprints" and conserving biodiversity
- We take critical steps to prevent the risk of emergencies or incidents in our workplace
- We have a strategic phase development for commercialization of produced gas throughout our operations





operational excellence

Chevron has a rigorous Operational Excellence Management System (OEMS) that translates into world-class performance. We have built an Operational Excellence (OE) culture on the belief that incidents are preventable. We have policies, processes, tools and behavioral expectations in place to assist us in achieving this goal. Our vision is to be recognized and admired by industry and the communities in which we operate as world-class in process safety, personal safety and health, environment, reliability and efficiency.

We systematically manage OE to:

- Achieve an incident and injury-free workplace
- Promote a healthy workforce and mitigate significant workplace health risks
- Identify and mitigate environmental and process safety risks
- Operate with industry-leading asset integrity and reliability
- Efficiently use natural resources and assets

OE performance

In 2016, we maintained our focus on preventing serious incidents and fatalities. Our safety performance record included a "total recordable incidents" rate of 0.060, and a 0.012 "days away from work incidents" rate, both being below the thresholds set for the year.

We implemented programmes to drive our OE performance with renewed vigor and emphasis on operational discipline, process safety, strengthening the safeguards we have in place, and increasing our efforts in preventing high-consequence events.

2016 global OE focus campaign

The annual enterprise-wide Global OE Focus Campaign reaffirms our OE commitment. Activities during this week-long initiative are organized to facilitate discussions on improving OE performance. The essence of this is to ensure the collective awareness on safeguards put in place by the company and their expected functionality. The location wide discussions further educate employees on how to prevent incidents. This 2016 campaign which was focused on "Operational Discipline on High Potential Consequence Tasks - Preventing Serious Incidents." took place from February 15 - 19, 2016, across all Chevron locations in Nigeria.

During the campaign, Chevron Nigeria reviewed the activities representing the highest potential OE consequences, and continued developing the skills and commitment of every worker in hazard recognition and safeguard verification in every phase of work. At Chevron, we believe learning from events with highseverity potential outcomes and staying committed to operational discipline in every work phase will help us maintain focus and prevent serious injuries and fatalities.

preventing serious injuries and fatalities

This programme reinforces the renewed focus on activities that have the potential to result in serious injuries and fatalities. The programme participants analyzed the progress we made in our safety performance in past years. It refocused the workforce on consistently and proactively identifying hazards and mitigating the hazards by using existing job planning tools including Planning Phase Hazard Analysis (PPHA) and Job Safety Analysis (JSA) and performing required risk assessments. Enhanced PPHA and JSA tools are used at the job planning phase to identify and mitigate potential hazards associated with highrisk activities.

A key focus of the serious injuries and fatalities prevention efforts in 2016 was the building of fluency in the refreshed Managing Safe Work (MSW) Process and the use of the associated tools.

The CNL Leadership Team reviewed all incidents with high potential consequences to determine if proper safeguards were in place. The periodic reviews provided better understanding of our potential exposures to high consequence events and helped prevent incidents. The reviews sharpened our focus on OE and included sharing of lessons learned.

process safety

As part of efforts to ensure Process Safety, we rely on the Operational Excellence Management System (OEMS). This system is effective because it requires leader-driven assessment of our strengths as well as gaps, timely completion of risk reducing actions, regular progress reviews and a drive for continual improvement. We have grown over the course of our process safety journey from integrating the Chevron Way values up to safeguard verification, which was one of the 2016 focus areas.

In 2016, we continued the Safeguards Verification programme and the deployment and use of a data collection tool, which resulted in improved safety tracking and data analysis. Regular Process Safety Leadership Team meetings were held all levels of the organization to review process safety metrics and shape our process safety performance. A key global tool for process safety metrics, the Pulse Dashboard was also deployed in NMA in 2016. This is a cross-functional tool that offers improved reporting as well as drives accountability and the behaviors needed to improve our process safety and reliability performance.

In 2016, we continued to implement the plan for each of the four process safety standards. We also made significant strides in the closure of action items from Strategic Process Safety Audit (SPSA) and the Base Business (BB) audits. All these efforts have resulted in process safety improvements and significant reduction in process safety gaps across the business unit.

managing safe work (MSW)

The Managing Safe Work (MSW) process was refreshed and deployed in 2015 to further enhance safe work practices and improve performance in prevention of serious injuries, fatalities and process safety incidents. The refreshed MSW process introduced human performance and fatality prevention concepts; incorporated learnings from MSW field verification; and enhanced the existing process through associated procedures, standards, and safe work practices (SWP).

Building on the successful launch, in 2016 we completed the review of existing MSW documents and increased the workforce fluency in the refreshed MSW process, which sets the basis for achieving an injury-free workplace by establishing measures and behaviors that help us perform work the right way, every time.

Dissemination of the refreshed MSW process allowed leaders to engage the workforce in the field, providing increased understanding of MSW, operational discipline and clear performance expectations. Their role modelling shared values translate through behaviors and actions to the workforce, and help to instill an increased sense of operational discipline as well as aid conformance with agreed HES expectations. The quarterly meetings of the Asset MSW Sponsors along with the NMA Sponsor helped shape the process activities to achieve expected results.

contractor HES management (CHESM)

To assure the safety of contractors working with the company, we held several forums for sharing of best practices, and dissemination of information, to eliminate HES incidents and injuries among contractors. These forums also provided opportunities for the contractor management teams to interact with Chevron leaders to discuss opportunities and challenges, as well as demonstrate Chevron management commitment to incident free operations within our contractor workforce.

Also, in 2016, we deployed the refreshed CHESM Process and Information Technology (IT) tool. The refreshed CHESM process focused on high risk profile work scopes and further clarifies accountability for contract owners and other key role players, while the IT tool integrates the CHESM process, contract owner, and contractors with other OE processes such as MSW and Incident Investigation and Reporting (II&R). These ensure that contract owners effectively manage HES concerns during the execution of their contracts.

proactively assessing HES risks

One of the foundations for successful management of process safety in our facilities is the HES Risk Management process. In 2016, NMA continued to implement Process Hazard Analysis (PHA) studies for existing facilities to ensure that known process hazards have been adequately identified and mitigated, and process changes through the Management of Change process have not introduced new hazards to the facilities. As a result, two initial PHA and seven PHA revalidation studies were conducted for CNL facilities using multifunctional teams with expertise in operations, engineering, HES, maintenance, mechanical integrity, and other relevant areas.

Similarly, revalidation was carried for the Integrated Hazard Identification (IHAZID) studies for the Supply Chain Management, and Drilling and Completions organizations. The PHA and IHAZID revalidations were organized to meet the requirements of subprocedures three and five of the HES Risk Management process, which requires that initial studies are revalidated every five years. These allow Chevron to systematically identify and evaluate hazards and related accident scenarios to ensure adequate safeguards are in place to prevent operational disruptions. It also assures that the company fully understands its risk profile to help ensure that efforts are properly focused on implementing appropriate risk reduction plans as part of our drive towards incident-free operations.

emergency response management – planning, training and resources

Our goal is to ensure all steps are taken to prevent the risk of emergencies or incidents in our operationsand be prepared to respond to emergencies. However, should this occur, the company is prepared to respond to such situations. Chevron has a comprehensive Emergency Response Plan, organizational structure, management processes at varying levels, and tools in place to respond safely and effectively to emergencies.

Throughout 2016, CNL practiced and initiated a variety of programmes and activities that demonstrated its commitment to emergency preparedness. These included Activations Drills involving regulators and external stakeholders testing various scenarios to validate the effectiveness of our preparedness and response plans. These exercises often require the deployment of Oilmap -our oil spill trajectory application for offshore and deepwater spill scenarios.

We also held a Deepwater Subsea Well Control Plan validation workshop as part of proactive efforts to develop capabilities to respond to worst case scenerios (Tier 3) incidents involving subsea wells. The workshop increased the subsea response knowledge of the deepwater personnel and helped Chevron optimize the relevant resources required for managing subsea incidents.

environmental stewardship

Our environmental stewardship process lays the foundation for sound environmental management through the identification, assessment and management of environmental risks from project inception to operations and through decommissioning.

We recognize the importance of minimizing our footprints and conserving biodiversity. We strive continually to achieve environmental excellence by assessing potential impacts from our operations on the habitat and ecosystem.

In 2016, we conducted several environmental studies to support our planned projects, including the Environmental Impact Assessments (EIAs) for CNL Joint Venture



infill development drilling campaign. These EIAs assured Chevron and the regulators that potential environmental, social and health impacts that may arise from the drilling of 35 planned wells from 2017-2019 have been adequately identified and if any mitigated. Also, Environmental Evaluation Studies (EES) were conducted for joint venture offshore fields and Agbami deepwater operations as part of ongoing monitoring of our footprints. The EES allows the assessment of the effectiveness of our environmental management practices and provides the assurance to stakeholders and regulatory bodies that our safeguards are effectively managed to minimize impact to the environment in accordance with industry best practices.

As part of efforts to build organizational capability, we deployed the Environmental Social and Health Impact Assessment (ESHIA) integrated training to all key NMA ESHIA SME/practitioners (HES, Policy, Government and Public Affairs (PGPA), Health, Legal & Operations) including NMA Qualified ESHIA Facilitators (QEFs). The training supported our ES goal by ensuring that NMA builds the required skill sets to implement the requirements effectively as ESHIA SMEs and QEFs for project executions and operations.

In 2016, we also commenced the implementation of the Leak Detection and Repair (LDAR) programme aimed at identifying and eliminating hydrocarbon leaks from equipment. Key employees were trained to use infrared hydrocarbon cameras to identify fugitive emissions from pumps, compressors, valves and other equipment.

gas flares out strategy

We continue to implement and support projects to reduce routine gas flaring from our operations. Reduction in gas flaring has helped reduced the devastating effect of climate change, which has affected the socio-economic status and health of the world. We also have a strategic, phased development plan to commercialize produced gas throughout our operations, thereby reducing gas flaring. These projects include: the Escravos Gas project; West African Gas Pipeline project; Escravos Gas-to-Liquids project; the Sonam Field Development project; and the Abiteye and Makaraba Non-Associated Gas (NAG) Development projects among others.

Since 2008, activities carried out by the NNPC/CNL joint venture have reduced routine gas flaring by more than 90 percent in the Niger Delta through sustained investments, demonstrating its strong commitment to elimination of routine flaring and beneficial utilization of gas resources.

NNPC/CNL JV remains an industry leader in consistent and growing supply of high quality gas to the domestic and regional markets, with strong focus on Operational Excellence, Environmental Stewardship and enduring Stakeholder Partnerships

"

Chevron has a comprehensive Emergency Response Plan, organizational structure, management processes at varying levels, and tools in place to respond safely and effectively to emergencies.

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nigerian content

Chevron companies in Nigeria help to create prosperity in our communities through our supply chain and workforce investments. We contribute to the growth of local economies through partnerships and capacity building of local businesses

in this section

- Chevron companies reserve significant portions of work and supplier opportunities to benefit indigenous companies and local community contractors. CNL spent \$2.5 billion on Nigerian content in 2016
- We completed load out and installation of the Sonam Non-Associated Gas (NAG) Wellhead Platform topsides and bridge connection fabricated at Nigerdock. The Sonam Development Project included approximately 4,600 metric tonnes of fabrication work at Nigerdock facility, Snake Island
- Star Deepwater Petroleum Limited, a Chevron company, and its co-venturers in the Agbami field, partnered with FMC Technologies, an indigenous company to assemble the first subsea Horizontal Christmas Tree
- CNL donated barite mining equipment worth \$1. 4 million to the Association of Miners and Producers of Barite (AMAPOB) at Gboko, Benue State
- CNL supported some local contractors to acquire the Dynamic Position Platform Supply Vessels (DP PSVs) and other vessels



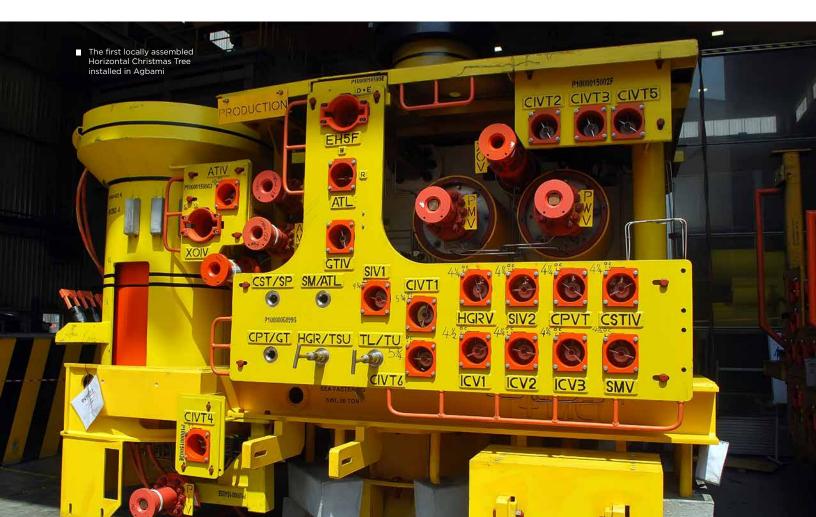
Chevron is committed to supporting economic growth in Nigeria by contributing to capacity building in the nation's oil and gas industry, empowering Nigerian service providers and suppliers through human and institutional capacity development, local patronage, work scope reservation and fostering of business partnerships. This commitment has helped Nigeria and Nigerians build wealth from the proceeds of oil and gas while developing local commerce and industry.

Chevron developed and implemented a policy on Local Content Development (LCD) before the enactment of the Nigerian Oil and Gas Industry Content Development Act in 2010. The main objective was to encourage the participation of Nigerian companies in the oil and gas industry through the deliberate creation of business opportunities for Nigerian service providers and suppliers. CNL consistently reserves significant portions of job scopes to benefit local community contractors and indigenous companies from its areas of operation. The company also strives to maintain compliance in job awards to Nigerian contractors on small, medium and major capital projects.

Chevron established the first and only Simulation Training Facility for Operations and Maintenance training in Nigeria which is operated by a local contractor, Prime Atlantic Cegelec Nigeria.

chevron's content development philosophy:

- Compliance with the Nigerian Oil and Gas Industry Content Development Act 2010
- Leverage Chevron's Nigerian Content Strategy and Strategic Intent to deliberately and consistently grow Nigerian content
- Employment and empowerment of Nigerians to take on leadership roles
- Empower Local Community Contactors (LCCs) to participate in our business
- Continue to update existing business processes and procedures to optimize Nigerian content value



capacity development Initiatives:

- Existing Facilities Upgrade: CNL supports upgrade of local facilities to drive in-country fabrication e.g. Gramen yard jetty rebuild (\$5 million) which commenced in 2015 was completed in Q2, 2016
- Training: (Executive/management training, technical/professional skills training, on-the-job training, Nigerian Content Human Capacity Development Initiative training through project execution
- Contractors' Forum: CNL organizes supplier forums to educate contractors on its contracting/tender processes, opportunities within the NC Act and compliance requirements

direct interventions:

- Funding of selected phases of Capacity Development Initiatives (CDIs) e.g. commissioning and handing over of \$1.4 million worth of barite mining equipment donated to the AMAPOB to support development of local barite mining in Nigeria
- Preferential patronage of qualified local suppliers
- Technical support and sponsorship of technical audits and design assistance for manufacturing processes during the establishment of new plants and facilities or upgrade of existing plants and facilities
 - supported asset acquisition CNL supported local contractors to acquire assets such as DP PSVs and other vessels. Ongoing 5-year contracts with local contractors for the supply of vessels total USD342 million
 - facilitated partnerships between local and foreign contractors Hyundai Heavy Industries partnered with Nigerdock on the construction and fabrication of the 3,000MT Sonam Non Associated Gas (NAG) Well Platform to support Domestic Gas Supply obligation

collaborated with industry colleagues

CNL collaborates with other International Oil Companies (IOCs) under the Oil Producers' Trade Section (OPTS) of the Lagos Chamber of Commerce and Industry (LCCI), and the Nigerian Content Development and Monitoring Board to implement local Capacity Development Initiatives (CDIs) in designated areas and encourage patronage of entities that were beneficiaries of industry CDIs like Nigerdock, Gramen Petroserve and Kaztec

• utilized of local contractors for incountry fabrication

CNL supports NipeX utilization -Ensure use of Nigerian contractors through the approved tendering process. This included support for community contractors to ensure their registration on the NipeX portal

Sponsorship of seminars, conferences and multimedia programmes, amongst others to promote Nigerian Content Development

CNL personnel held leadership roles in Nigerian content development The immediate past Chairman/ Managing Director, Clay Neff was the Chairman of the OPTS of the Lagos Chamber of Commerce and Industry (LCCI) from September 2015 to December 2016. Raymond Wilcox, the immediate past General Manager, NCD chaired the Nigerian Content Sub-Committee of OPTS from July 2015 until his retirement from the company in May 2016. Soga Oduselu, current General Manager, NCD, is a member of the Steering Committee for Nigerian Content Consultative Forum and a member of the Advisory Council for the Nigerian Content Development Fund

local content issues and opportunities, Chevron utilizes the preferential selection and scope reservation system which ensures patronage of indigenous companies. The Global Memorandum of Understanding (GMoU), the company's community engagement model for conducting business with communities in our areas of operations is also employed to extend benefits of Nigerian Content Development (NCD) to Local Community Contractors around our areas of operation.

Chevron also focuses on sustainable rather than superficial Nigerian Content Development programmes and embeds Local Content as a management philosophy in all our projects and decision making processes. We use a Contractor Management Process (CMP) application for equitable distribution of work/ job opportunities to local community contractors. About 40 local contractors worked with CNL in 2016 providing diverse essential services, which include labour; engineering services, fabrication and construction; tank repair and upgrade; manufacturing assembly; transportation; installation and pre-commissioning; and project training. Other areas include human capacity development initiatives, logistics, procurement, media/printing and local community content.

significant achievements in 2016

- First fully assembled -in-Nigeria Subsea Horizontal Xmas Tree: The Horizontal type Subsea Wellhead Xmas Tree (XT) which is rated to 10,000 psi working pressure and weighs 55 metric tonnes was fully assembled by FMC Technologies, the Subsea Equipment Vendor (SEV) to the Agbami Phase 3 project at the Nigerian manufacturing plant in the Federal Ocean Terminal (FOT) Onne, Rivers State
- Fabrication of Agbami production manifolds for Agbami Phase 3 project in Nigeria by FMC Technologies/ Aveon Offshore Nigeria Limited
- Safe, timely and successful

installation of subsea equipment including, flexible flowlines, umbilicals and jumpers on Agbami Phase 3 project by a Nigerian Contractor – Marine Platforms Limited (MPL). MPL handled the entire scope of transportation, installation and pre-commissioning of equipment which was completed two weeks ahead of schedule and delivered below cost

- CNL received an award from Businessday Newspaper as the Best Local Content Compliant JV Company in 2015 due to the following achievements:
 - Robust Human Capacity Development Initiative which included the training of 161 Nigerians in construction processes (welding, fitting, scaffolding etc.) at Nigerdock in collaboration with HHI among others
 - 48 Nigerian understudies successfully took over roles from expatriates
 - The engagement of Nigerian contractors like Sigmund Engineering, SCC Pipe Mill Abuja, etc.
 - The company achieved 100% of its target budget on sponsorship and partnership which included providing an advance payment of over \$5 million to Gramen Petroserve Nigeria Limited, an indigenous company with 100% Nigerian workforce to build a jetty for load out of fabricated structures for its Escravos Produced Water Disposal (PWD) & Meji Living Quarters projects
- CNL demonstrated unprecedented support for the local barite mining industry by donating barite mining equipment worth \$1.4 million to the Association of Miners and Producers of Barite (AMAPOB) in the fourth quarter of 2016. The donation agreement between CNL and AMAPOB included training for AMAPOB members to enable them use the equipment to its full potential. The equipment is expected to boost the supply and quality of local barite,

reduce importation of barite and create jobs for the local communities

- First edition of the CNL Nigerian Content Brochure which showcases Chevron's Nigerian Content achievements (pre & post the NOGICD Act) was published. Copies were distributed at the Nigerian Association of Petroleum Explorationists (NAPE) Conference & Exhibition which was well attended by government functionaries, captains of industry and other stakeholders in the Nigerian Oil & Gas Industry
- Chevron upgraded simulator hardware/ software at the Simulation Training Facility for Operations and Maintenance in Ogere, Ogun State
- USD200 million per annum scholarship over 5 years for Nigerian seamen continued at PEM Offshores, a marine training facility in Lagos
- USD180 million contract awarded to local consulting firm, Lonadek to develop and pilot an HCDI training plan for CNL's Drilling and Completions unit in progress. As part of this initiative CNL partnered with Lonadek to conduct a stakeholder alignment workshop, "Competency Development in Drilling and Completions, Challenges and Opportunities." This workshop sought to develop holistic and inclusive initiatives to effectively develop and harness local talent. The

workshop, which was an industry first, drew representatives from the public and private sectors including Nigerian Content Development and Monitoring Board (NCDMB), Bank of Industry (BOI) and other financial institutions, Department of Petroleum Resources (DPR), National Petroleum Investment Management Services (NAPIMS), International Oil Companies (IOCs), service providers, and associations such as the Nigeria Society of Engineers (NSE), International Association of Drilling Contractors (IADC) etc.

- CNL assisted Gramen Petroserve Nigeria Limited, a 100 percent Nigerian company with a 100 percent Nigerian workforce with its jetty rebuild project with an advance payment of USD5 million. Jetty rebuild was completed in Q2, 2016.
- Sonam Development Project: Completed load out and installation of the Sonam Non-Associated Gas Wellhead Platform topsides and bridge connection fabricated at Nigerdock. The Sonam Development Project covers approximately 4,600 metric tonnes of fabrication work at Nigerdock facility, Snake Island
- Completed fabrication and load out of Okan Pig Receiver Platform (Okan PRP)



at both Idmon and NigerStar fabrication yards in Warri

- Installation of 32km 24" pipeline from Sonam Platform to Okan NWP platform by West African Ventures Limited
- Coating of Sonam Development Project and Escravos Export System Project (EESP) pipes by Pipe Coaters Nigeria Limited
- CNL procured 2,300 locally assembled Zinox desktops and 200 Zinox laptops from Task Systems Ltd., a Nigerian company, in 2016 at a cost of over USD3 million, to replace aging computers that were not compliant with an impending software upgrade

nigerian content human capacity development initiative (NCHCDI) training:

- agbami phase 3 subsea engineering training:
 - Chevron sponsored four Nigerian engineers for subsea engineering training in France. The training equipped participants with the requisite technical skills on the Agbami Phase 3 project, which added five new wells and two additional drill centers. Chevron sponsored the training in partnership with the Nigerian Content Development and Monitoring Board (NCDMB) and Technip Offshore Nigeria Limited
 - Ongoing Human Capacity Development training for 6 young Nigerian Engineers in subsea engineering at FMC Technologies facility, Onne
 - Commenced subsea engineering training for 5 Nigerian graduates on the transportation and Installation scope

• okan GGCP FEED Training:

Completed six-month Front End Engineering Design (FEED) training for seven Nigerians under the Okan Gas Gathering Compression Platform (GGCP) Debottlenecking Project. The training which held at Cakasa Nigeria Company, Lagos focused on HES, Process, Piping, Instrumentation, Structural and Mechanical engineering design amongst others

• meji GGCP FEED training:

Completed six-month Front End Engineering Design (FEED) training for seven Nigerians under the Meji GGCP Debottlenecking Project. The training which held at Dover Engineering Limited, Port Harcourt focused on HES, Process, Piping, Instrumentation, Structural and Mechanical engineering design amongst others

escravos trunking radio project training:

- Completed 6-months vocational training for 4 Nigerian trainees on the Escravos Trunking Radio System Upgrade Project in Escravos. The project involved the upgrade of a critical communication system used in the oil and gas industry to communicate during emergency response, security, construction, and other field operations
- CNL supports the Nigerian Content Development and Monitoring Board (NCDMB) on Board generated initiatives including a 12-month Earth Science internship programme at CNL's office in Lagos. The programme, an initiative of the NCDMB in collaboration with CNL is to give the students first-hand practical experience in Geosciences, and Drilling and Completions (D&C) and consolidate their classroom experience in university

local community contract milestones and accomplishments in 2016

- CNL's LCC unit collaborated with the Foundation for Partnership Initiatives in the Niger Delta (PIND) to facilitate effective market connection between large companies operating in the Niger Delta region and the local small and medium-sized enterprises (SME) on a pilot capacity development initiative on poultry business with active participation of five Local Community Contractors (LCCs). One of the contractors laid the foundation for a Broiler Processing plant in Okitipupa, Ondo State
- Developed Contractor Management Process (CMP) application for equitable distribution of opportunities to LCCs
- Organized Business Management Training for over 200 LCCs to address some identified business management gaps
- Several teams utilized Local Community Contractors for delivery of their projects, some of which are:
 - Sonam Development Project (e.g. NDT Services, geophysical survey, diving services, supply vessels, crew boats, security vessels, catering services and AGO supply
 - Escravos Fence Surveillance/ Patrol contract for the supply of a Passport 19 speedboat for Escravos perimeter fence surveillance/patrol
 - Okan-Meji GGCP
 Debottlenecking Project e.g.
 Procurement of bulk material
 valves and pipe fittings,
 transportation of fabricated
 items, labour, AGO supply,
 vessel supply etc.
 - Agbami Phase 3 Project e.g. food supply, vessel supply, labour supply and transportation and logistics

- The following projects also had work scopes reserved for LCCs:
 - Warri Dock repairs
 - Abiteye NAG
 - Tank Repair and Upgrade (TRU) Project
 - Tank Cleaning Project
 - Covering exposed EGP 3A&B 24" Pipelines
 - EGTL Maintenance

CNL spend on Nigerian Content in 2016 was USD4 billion or 64 percent of total expenditures (including company labor costs). 2016 LCC spend in materials procurement was USD55.5 million and on services USD1.5 billion or 13% of total services (indirect subcontract sums are not included)

chevron plans regarding LCC and NCD for the future

- Enhanced partnership with NCDMB, other IOCs and industry stakeholders
- National supplier development and leveraging Nigerian Content as a business enabler
- Sustained and value enhancing local capacity development initiatives both human and institutional
- Continued focus on training of Nigerians and national workforce development
- To continue to grow LCC capacity and participation in Chevron businesses
- Effective public relations, communications and legislative advocacy on NC activities and issues



In 2016, Chevron companies in Nigeria received several awards and honours for their significant contributions to the socio-economic development of the country and exemplary corporate citizenship.

some of chevron nigeria's 2016 awards

• Chevron Nigerian Limited was conferred with an Outstanding Corporate Tax Payer Award by the Delta State Government on January 18, 2016. The Award was presented by Delta State Governor, Ifeanyi Okowa, at a stakeholders retreat on improving internally generated revenue in Delta State



- CNL was honoured by the Lagos State chapter of the Nigerian Institute of Public Relations (NIPR) for what the Institute described as "the company's outstanding contribution to the development of Public Relations in Lagos State"
- CNL was conferred with the Green Label Award by the Nigerian Environmental Society (NES) in recognition of the company's laudable projects on sustainable development, good environmental management and conservation practices
- CNL emerged as one of the winners at the 2016 edition of the Sustainability, Enterprise and Responsibility Awards (SERAs) ceremony which took place

at the MUSON Centre, Onikan, Lagos. The company was honoured as the Best Company in Promotion of Good Health and Well-being in recognition of its contributions to the success of the Prevention of Mother-to-Child Transmission of HIV (PROMOT) programme in Bayelsa State

 CNL was honoured at the 20th edition of the annual Musical Society of Nigeria (MUSON) Festival for its consistent support for the Society, widely regarded as Nigeria's foremost repository of Music, Arts and Culture. CNL was recognized for being the longest running sponsor of the festival





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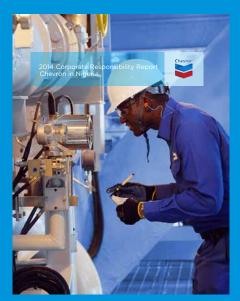
Sola Adebawo, Manager, Communications, receiving the award for the Company's Outstanding Contribution to the development of Public Relations in Lagos State from Hon. Tunde Braimoh, former Chairman, Kosofe Local Government Area

cautionary statement relevant to forward-looking information

This Corporate Responsibility Report by Chevron Nigeria contains forward-looking statements relating to the manner in which it intends to conduct certain of its activities, based on its management's current plans and expectations. These statements are not promises or guarantees of future conduct or policy and are subject to a variety of uncertainties and other factors, many of which are beyond our control.

Therefore, the actual conduct of our activities, including the development, implementation or continuation of any programme, policy or initiative discussed in this report, may differ materially in the future. The statements of intention in this report speak only as of the date of this report. Chevron Nigeria undertakes no obligation to publicly update any statements in this report.

As used in this report, the term "Chevron Nigeria" and such terms as "the company," "their," "our," "its," "we," and "us" may refer to one or more of the Chevron companies in Nigeria or to all of them taken as a whole. All these terms are used for convenience only and are not intended as a precise description of any of the separate entities.



2014 corporate responsibility report







2016 corporate responsibility report



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