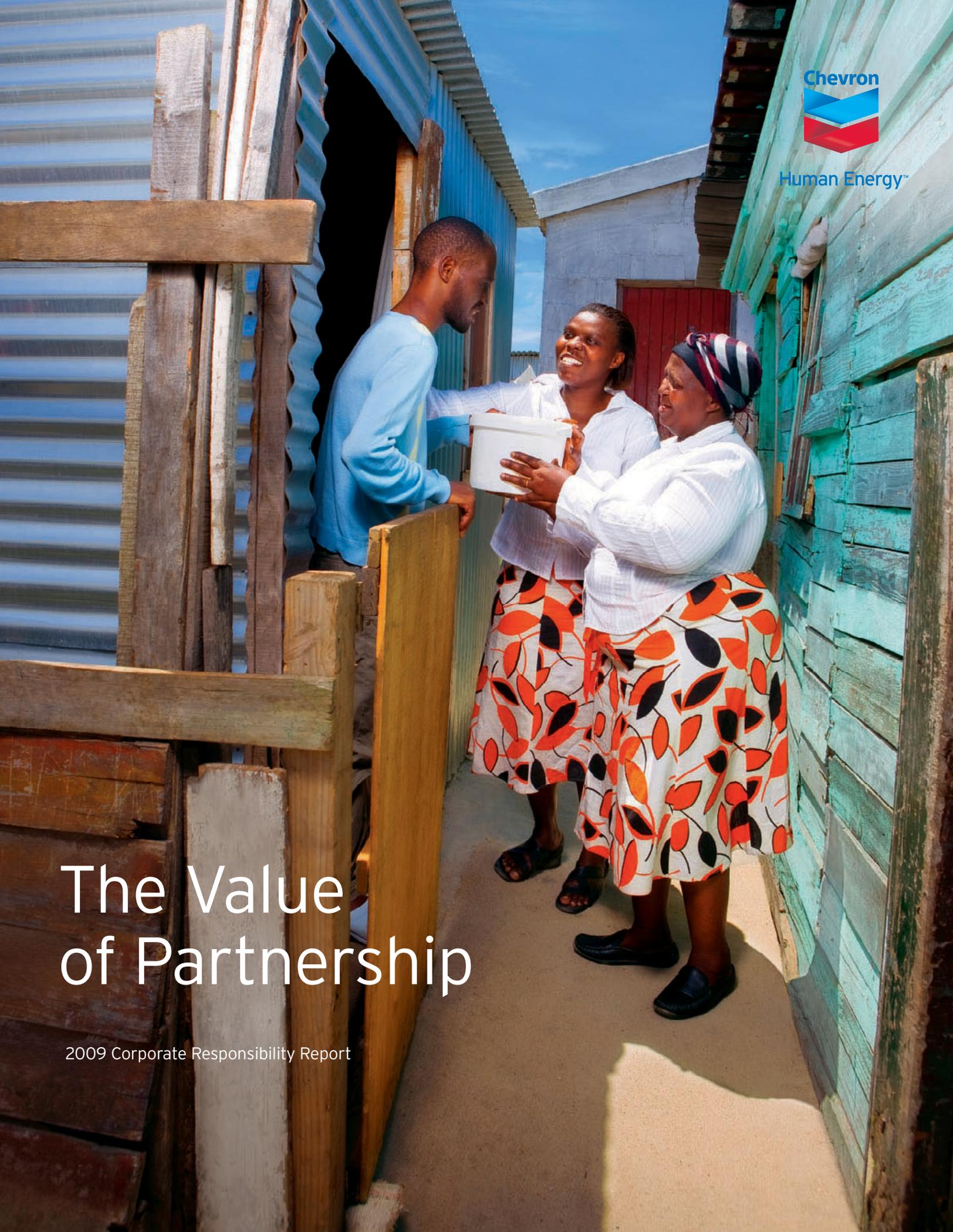




Human Energy™

The Value of Partnership

2009 Corporate Responsibility Report



Welcome

We believe that our business – providing energy – is necessary for human progress and is intrinsically tied to the quality of life in societies throughout the world. We welcome you to read this report and visit our Web site to learn how we operate responsibly to help meet the need for safe, reliable and affordable supplies of energy.

Corporate responsibility at Chevron means demonstrating the vision and values of The Chevron Way throughout our corporation, throughout our operations, and throughout our partnerships. In this document – our eighth annual Corporate Responsibility Report – we are proud to share how our environmental, social and governance systems, processes and actions support our vision to be *the* global energy company most admired for its people, partnership and performance. This report discusses our seven pillars of corporate responsibility: the environment, health and safety; human rights; stakeholder engagement; community engagement; workforce; supply chain; and ethics.

We are deeply committed to conducting business in a socially responsible and ethical manner, and this report outlines our efforts to continually improve our performance and practices. The content was selected because of its significance to our business and its importance to our partners: communities, employees, investors and nongovernmental organizations that have an interest in our industry. Our corporate responsibility efforts are led by all employees and are supported by a team of subject matter experts in the environment, climate, health, safety, human resources, procurement, technology and social investment.

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On the Cover

Caregivers Pinkie Sindi (center) and Nothobile Nombulelo Nomadluka (right), from the Dunoon Community Home-Based Care Center, bring soup to a homebound man suffering from HIV/AIDS.

In Dunoon, South Africa, near Chevron's Cape Town Refinery, Chevron collaborated with the Western Cape Department of Social Development and the nonprofit Heavenly Promise to create the center, which women from the Dunoon community manage and staff. The partnership provided project management training to the center's staff, enabling the center to be highly successful – run by the community for the community. Watch the video at Chevron.com/Dunoon.



Fighting Tuberculosis – One Driver at a Time



Above: As part of Chevron's \$30 million commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, we use our network of more than 850 Caltex service stations, terminals and other facilities in the Philippines as centers to disseminate information about tuberculosis prevention and treatment. Here, Caltex attendant Dexter Diola shares information with Jeepney driver Eduardo Torno.

In a similar Global Fund partnership in Thailand, we distributed more than 40,000 HIV/AIDS-awareness brochures to youth who stopped at Bangkok service stations. Retailers are receiving positive feedback on the program.

Chevron is distinguished as the first Global Fund Corporate Champion, implementing programs in Angola, Indonesia, Nigeria, the Philippines, South Africa and Thailand. The Global Fund selected us because of our highly successful community engagement programs to tackle HIV/AIDS and malaria and our award-winning HIV/AIDS workplace programs.

Organizational Profile



Upstream

Strategy:
Grow profitably in core areas and build new legacy positions.

Upstream explores for and produces crude oil and natural gas. Major producing areas include Angola, Australia, Azerbaijan, Bangladesh, Brazil, Canada, Denmark, Indonesia, Kazakhstan, Nigeria, the Partitioned Zone between Saudi Arabia and Kuwait, Thailand, the United Kingdom, the United States, and Venezuela. Major offshore exploration areas include western Africa, Australia, Brazil, Canada, the Gulf of Thailand, the United Kingdom and the U.S. Gulf of Mexico.



Gas

Strategy:
Commercialize our equity natural gas resource base while growing a high-impact global gas business.

Chevron is involved in every aspect of the natural gas business – production, liquefaction, shipping, regasification, pipelines, marketing and trading, power generation, and gas-to-liquids technology. We hold the largest natural gas resource position in Australia and have significant holdings in western Africa, Bangladesh, China, Indonesia, Kazakhstan, North America, the Philippines, South America, Thailand, the United Kingdom and Vietnam.



Downstream

Strategy:
Improve returns and selectively grow, with a focus on integrated value creation.

Downstream includes manufacturing, fuels and lubricants marketing, supply and trading, and transportation. Significant areas of operations are southern Africa, Latin America, North America, Southeast Asia, South Korea and the United Kingdom. We hold interests in 16 fuel refineries and market under the Chevron, Texaco and Caltex brands. Products are sold through a network of retailers and service stations.



Renewable Energy

Strategy:
Invest in renewable energy technologies and capture profitable positions.

Chevron is the world's largest producer of geothermal energy, with operations in Indonesia and the Philippines. The company has forged alliances to develop other forms of renewable energy, including biofuels from nonfood plant sources. Chevron Energy Solutions Co. helps internal and external clients improve their energy efficiency, conserve energy, and install alternative energy systems that use solar power, fuel cells and biomass.



Other Businesses

Chevron Phillips Chemical Co. LLC, our 50 percent-owned equity affiliate, is one of the world's leading manufacturers of commodity petrochemicals. Chevron Oronite Co. LLC develops, manufactures and markets worldwide quality additives that improve the performance of fuels and lubricants. As of January 2010, these two companies are being reported as part of Downstream. Other businesses include mining, power generation, and research and technology.



Enabling Strategies

Three enabling strategies apply to every organization across the enterprise:

- Invest in people to achieve our strategies.
- Leverage technology to deliver superior performance and growth.
- Build organizational capability to deliver world-class performance in operational excellence, cost management, capital stewardship and profitable growth.

Operational Excellence Management System

We seek to develop a culture in which everyone believes that all incidents are preventable and that "zero incidents" is possible. This requires active leadership and all employees to be engaged.

Chevron's Operational Excellence Management System (OEMS) describes the company's uniform approach to systematic management of safety, health, the environment, reliability and efficiency. Lloyd's Register Quality Assurance, Inc., attested that OEMS is implemented throughout the corporation and that it meets all the requirements of both the International Organization for Standardization's environmental management systems standard (ISO 14001) and the Occupational Health and Safety Assessment Series requirements for occupational health and safety management systems (OHSAS 18001).

In 2007, we voluntarily undertook a systematic approach to identifying and managing risks. During our initial review, we identified 307 potential risks that warranted additional action, in the form of either risk reduction measures or a more detailed review to better assess the potential risk and determine appropriate action. By the end of 2009, additional reviews and risk reduction plans, when appropriate, had been completed for 299 of those potential risks, with eight remaining risk reduction plans anticipated to be completed in 2010. The results of this process will allow us to tailor OEMS more effectively in the most material areas.

Additionally, the Corporate OE Audit Group conducts audits across the enterprise. OEMS processes and performance are audited every three years for operations groups and five years for staff groups. Other staff groups are reviewed as performance indicators warrant. Management receives the results of the evaluations, and groups report annually to the corporation on their progress in addressing significant issues.

Operating and Financial Highlights^{1,2}

	2008	2009
Net production of crude oil and natural gas liquids (Thousands of barrels per day)	1,649	1,846
Net production of natural gas (Millions of cubic feet per day)	5,125	4,989
Net production of oil sands (Thousands of barrels per day)	27	26
Total net oil-equivalent production (Thousands of oil-equivalent barrels per day)	2,530	2,704
Net proved oil-equivalent reserves ^{3,4} (Millions of barrels)		
– Affiliated companies	3,291	3,012
– Consolidated companies	7,905	8,303
Income tax expense	\$19,026	\$7,965
Payroll costs ⁵	\$4,473	\$4,627
Employee benefit costs ⁶	\$2,196	\$2,473
Net income attributable to Chevron Corporation	\$23,931	\$10,483
Capital and exploratory expenditures	\$22,775	\$22,237
Total assets at year-end	\$161,165	\$164,621
Return on stockholders' equity	29.2%	11.7%

1 Production statistics and capital and exploratory expenditures include equity in affiliates.

2 Currency amounts are US\$ millions.

3 Liquids consist of crude oil, condensate, natural gas liquids and synthetic oil. For 2009, this includes 460 million barrels of synthetic oil from Canadian oil sands. None are included for 2008.

4 At year-end.

5 Excludes incentive bonuses.

6 Includes pension costs, employee severance, savings and profit-sharing plans, other post-employment benefits, social insurance plans, and other benefits.

Sustainable Energy for the 21st Century

Today more than ever, global economic prosperity and quality of life depend on supplies of reliable, affordable energy. Developing that energy safely and responsibly is an imperative.



It's an honor to lead Chevron into a future that builds upon a tradition of producing energy in a safe, environmentally sound and socially responsible manner. In this year's Corporate Responsibility Report, our intent is to give you a glimpse of how Chevron employees do so every day.

Integrating corporate responsibility into our business is an important part of how we produce and deliver energy. As a result, we create enduring economic and social value. For example, in 2009, we sanctioned our Gorgon liquefied natural gas project off the northwest coast of Australia. Gorgon is the largest energy project in our history and will integrate environmental, economic and social benefits for our company, our community, and our business and government partners. It's a \$37 billion investment that is expected to generate thousands of jobs and produce energy for millions of homes and businesses in Australia, Asia and beyond for the next 40 years.

To reduce Gorgon's carbon emissions, we will include one of the largest CO₂-injection projects in the world. At the same time, Gorgon will sustain the environmental integrity of Barrow Island, a Class A nature reserve that has been a model for the coexistence of energy development and biodiversity since Chevron began oil operations there in 1964.

Gorgon is representative of the enduring energy partnerships needed to be successful in the 21st century – partnerships that involve local, national and international

stakeholders, both public and private, working together to benefit millions of people. This type of partnership, one of Chevron's fundamental strengths, is a constant theme you'll encounter as you read this report.

Our significant energy investments and on-the-ground partnerships around the world not only help meet the world's long-term demand for energy, but they also help create jobs, support local supply chains, and strengthen economies and communities. We work closely with communities to design and implement strategic community engagement programs to advance health, education and sustainable socioeconomic development. We recognize that our business performance and growth depend on the well-being of the communities where we operate.

Chevron's 2009 accomplishments that advanced our corporate responsibility objectives are covered in this report. Highlights include the following:

- We achieved record safety performance, with fewer workplace injuries than ever before, and we continue to work relentlessly to achieve our target of zero incidents.
- We advanced our three-year, \$30 million investment in the Global Fund to Fight AIDS, Tuberculosis and Malaria. We are working with new and existing partners in six countries – Angola, Indonesia, Nigeria, the Philippines, South Africa and

Thailand – to expand the Global Fund's reach in combating these diseases.

- We continued our engagement on the issue of climate change. In the 2009 Carbon Disclosure Leadership Index, Chevron ranked first among global companies in the energy sector. We have become more energy efficient in our global business functions, a significant step in reducing our carbon footprint.
- We adopted a new Human Rights Policy, which builds on Chevron's longstanding commitment to respecting human rights. Our new policy will lead to more consistent and rigorous global implementation of our human rights processes in our operations.

As I visit our operations around the world, I am privileged to see firsthand how our employees get results the right way, operating with the highest standards of ethics and integrity. It's a source of pride for all of us, but we know we can never rest. The expectations of our investors, governments and communities – and our own expectations – are high. We are constantly guided by the values expressed in The Chevron Way.

A handwritten signature in black ink, appearing to read "John S. Watson". The signature is fluid and cursive, written over a white background.

John S. Watson
Chairman and
Chief Executive Officer

Living Our Values

Corporate responsibility is intrinsic to the way we do business. In our many activities and in the many regions where we operate, we are guided by our vision and values, as expressed in The Chevron Way. Our values are more than just words on a page. At all levels of the organization, our employees demonstrate their commitment to The Chevron Way in their work each day. A selection of their stories follows.

To read about our vision and values, please visit Chevron.com/ChevronWay.

Trust

In 2009, we reached a milestone of 1 billion barrels produced at the Takula Field. Throughout my 27 years working on this platform, I have witnessed the gradual development of the field and have seen the team work together as a family. This has helped us build trust in each other and a culture to ensure that everybody stays safe. Having trust in our co-workers is an important part of our accomplishment, especially offshore. I am proud to have been a part of this team.

Paulo Luquimbi
Area Project Coordinator
Cabinda Gulf Oil Co. Ltd.
Takula Field, offshore Angola



High Performance

In my role of leading the company's energy efficiency improvement efforts, I see many examples of high performance. It is inspiring to watch our Energy Teams drive toward better performance and close efficiency gaps – be it by managing our steam systems better, reducing flare losses, developing new best practices or piloting new technologies. Part of my role is to connect the dots. When I see improvements in one operation, I share those practices with other operations where they might be applied. We measure our performance against our internal best and our external competition, so we really understand what it takes to be excellent.

Tim Nelson, Corporate Energy Coordinator
Chevron Global Manufacturing
San Ramon, California, U.S.

Protecting People and the Environment

The best part of my job is working with people who are passionate about protecting the environment and who know it is good for business. Some of our facilities are home to plant and animal species that are no longer found in surrounding areas, species such as the bee orchid that grows within the Pembroke Refinery, United Kingdom, and the red-legged frog in restoration ponds at Guadalupe Dunes, United States. In Indonesia and Australia, we operate safely in nature reserves and have a longstanding record of protecting the environment.

[Sarah Connick](#), Biodiversity Manager
Chevron Corporation, San Ramon, California, U.S.



Ingenuity

Area 1-7S at Duri Field in Indonesia has 700 wells, and one of our biggest challenges as field operators is to prevent leakage from wellhead stuffing boxes. We regularly use tools such as V-belts or polished rod clamps to hold the upper assembly when replacing worn rubber. Our team saw an opportunity to make this process safer and more efficient, and we had the full support of our team leader. We named our new tools after our inventors: the MexTon Clamp (for Mexwel and Toni) and the AfDar Anchor (for Afrizal and Darlis). Our invention was presented at Chevron's Heavy Oil Operational Excellence Forum in 2009, and it later received the Teladan Award for exemplary achievement. This story proves that ingenuity can have a big impact and there are no challenges that cannot be overcome. We are very proud of this achievement. Go, Area 1-7S!

[Gunawan](#), Field Operator
PT. Chevron Pacific Indonesia
Duri, Indonesia



Diversity

As a company operating at many different locations around the world, Chevron greatly values diversity. My research team is a multinational group from India, Turkey, Pakistan, China, Cambodia, Costa Rica and the United States. We greatly benefit from that. We all bring a different view to the table.

[Oya Karazincir](#) (right)
Enhanced Oil Recovery Consultant
Chevron Energy Technology Co.
Houston, Texas, U.S.

Integrity

Integrity is dear to me, and I am gratified to see that it is also valued by the company. Coming from an engineering background, I didn't expect to learn much biology while working for Chevron. But as a senior remediation engineer, I and my team have to consider animal behavior and needs when working in wildlife habitats. This has become an enjoyable part of my job, and my appreciation for the company's efforts to do the right thing has grown. I'm proud to work for an ethical company that operates responsibly, not only because it has to but because it wants to.

[Yasser Fahmy](#), Ph.D., PE, Project Manager
Chevron Environmental Management Co.
Brea, California, U.S., and
Wafra Oil Field, Partitioned Zone



Partnership

I see how our company's valuing partnership is put into action where I work. At our nonoperated joint-venture refinery in Singapore, we encouraged our partners and contractors to participate in processes that were new to them but familiar to Chevron employees – such as evaluations and safety sessions – and to participate in celebrations of successes along the way. This inclusion helped create team spirit and provided a level of transparency and common knowledge that benefited the project. Through Chevron's shared commitment of resources (time, money and knowledge) by our employees and the company, our partners and contractors saw that they weren't on their own for safety and environmental performance. We demonstrated that we wanted their employees to be as safe as our own employees.

[Karl Kimball](#)
Project Manager, Mogas Cogen Project
Singapore Refining Co., Singapore

Priorities, Progress and Plans

Priority Area

What We Said We Would Do in 2009

Environmental

- Continue to reduce flaring and venting in our operations where feasible.
- Advance the “I Will” campaign to continue to reinforce energy conservation and efficiency.
- Continue to promote consumer energy efficiency at WillYouJoinUs.com, and educate and engage people on global energy issues.
- Work to LEED-certify (Leadership in Energy and Environmental Design) some facilities in Texas and California.
- Begin reporting total waste metrics.
- Develop a reporting protocol, to roll out in 2010, for total water use.
- Continue Operational Excellence Management System (OEMS) alignment with industry standards to achieve performance objectives and improve operations.

Socioeconomic

- Implement Environmental, Social and Health Impact Assessment (ESHIA) for all major Upstream capital projects worldwide.
- Deploy a best-practices guide for using local suppliers.
- Promote the recommendations made to then President-elect Obama and the U.S. Congress on energy, the environment and the economy.
- Improve collaboration with stakeholder groups in areas key to Chevron’s business objectives.
- Develop programs, working with local communities, to promote human progress and economic development.
- Continue negotiating successor agreements with Regional Development Committees (RDCs) in the Niger Delta.
- Launch the Global Fund to Fight AIDS, Tuberculosis and Malaria partnership programs in Nigeria, Indonesia, Angola and Thailand.
- Roll out a cardiovascular health benefit program companywide.
- Sustain our commitment to reduce all incidents to zero.
- Develop and pilot computer-based and instructor-led employee training on tuberculosis.
- Strengthen our commitment to Operational Discipline (“Every task, the right way, every time”).
- Continue global promotion of the Voluntary Principles on Security and Human Rights.
- Continue to deploy internally the company’s Guidelines on the Voluntary Principles.

What We Did in 2009

- Reduced emissions from flaring and venting by 8 percent, and advanced several major projects. ▲
- Received LEED Silver certification for a facility in Anchorage, Alaska. Submitted applications for LEED certification at four additional facilities. ◆
- Developed and rolled out new tools to help manage greenhouse gas (GHG) emissions from proposed capital projects. ▲
- Decreased our own energy consumption per unit of output by 30 percent since 1992, which is further improvement from 2008's 28 percent decrease since 1992. ▲
- Achieved the final investment decision on our Gorgon Project, which includes carbon dioxide injection. ▲
- Began reporting total waste. ▲
- Developed an improved compliance assurance and environmental management tool for enterprisewide application. ▲
- Completed our environmental strategy review, which informed the development of a water strategy and environmental processes. ◆

What We Plan to Do Next

- Advance plans to reduce flaring where feasible.
- Work toward our five-year goal of top-quartile energy efficiency performance under the ENERGY STAR® program, for our major, owned North America office facilities.
- Begin collecting total water-use data.
- Deploy our corporate environmental stewardship process.
- Develop a corporate freshwater strategy.

- Implemented ESHIA for all major Upstream capital projects worldwide, and began implementation for small capital projects. ▲
- Deployed a best-practices guide for using local suppliers, and adopted that guide as a Global Upstream process. ▲
- Promoted recommendations on policy matters that include the economy, energy, climate change, international issues, and research and development. ◆
- Achieved attestation from Lloyd's Register Quality Assurance, Inc., that our OEMS meets all requirements of ISO 14001 and OHSAS 18001 and is implemented throughout the corporation. ▲
- Invested more than \$144 million in community engagement initiatives. ◆
- Negotiated eight agreements with RDCs in the Niger Delta. ▲
- Launched Global Fund partnership programs in Nigeria, Indonesia, Angola and Thailand. ▲
- Increased Chevron's commitment to Chevron Humankind from \$10 million to \$15 million, which resulted in \$48 million in employee donations and company matches to more than 10,000 nonprofits. ▲
- Experienced our safest year ever. ▲
- Continued to roll out our cardiovascular program, which now reaches more than 14,000 employees. ◆
- Mourned the loss of nine people in 2009 who were working on our behalf. ▼
- Completed assessment of tuberculosis training in the Philippines, and are revising the global training based on feedback. ◆
- Developed an Operational Discipline intranet site for deployment in 2010. ◆
- Conducted training on the Voluntary Principles for more than 2,300 private and public security providers globally. ▲
- Engaged stakeholders in drafting our Human Rights Policy, which we adopted. ▲

- Evaluate the initial outcomes of our Global Fund program.
- Update guidance on our Social Impact Assessment.
- Continue to promote our commitment to zero incidents.
- Deploy a revised tuberculosis training program.
- Begin to deploy our Human Rights Policy, which includes revising training and enhancing security processes.

Climate Change and Chevron's Response

We are working to reduce greenhouse gas (GHG) emissions related to our operations and products and to implement innovative solutions that expand our portfolio to meet the demands of our customers for affordable, reliable and clean supplies of energy.

As we work to reduce GHGs, our collective challenge is to create solutions that protect the environment without undermining the growth of the global economy.

Our Action Plan on Climate Change

In 2001, Chevron began implementing its Action Plan on Climate Change to manage and reduce GHG emissions. The plan calls for reducing emissions and increasing energy efficiency; investing in research, development and improved technology; pursuing business opportunities in promising, innovative energy technologies; and supporting flexible and economically sound policies and mechanisms that protect the environment.

In 2009, our total emissions were 57.4 million metric tons, better than our goal of 60.5 million metric tons.¹ Our GHG emissions intensity in 2009 was approximately 33 metric tons of CO₂ equivalent per 1,000 barrels of net oil-equivalent production from our Upstream operations, down from 37 metric tons in 2008. Our Downstream intensity was approximately 36 metric tons of CO₂ equivalent per 1,000 barrels of crude oil that was input into our refineries, the same as in 2008. Our preliminary goal for 2010 is 59.0 million metric tons. While we expect normal production levels and emissions to resume in areas where disruptions occurred, we also expect to sustain the emission reductions achieved by maintaining energy efficiency improvements and by reducing flaring and venting. We estimate that combustion of our products resulted in emissions of approximately 410 million metric tons of carbon dioxide in 2009, approximately 7 percent more than the 382 million metric tons in 2008.² When compared with the International Energy Agency's *Key World Energy Statistics* (2009 edition), these emissions represent approximately 1.4 percent of global CO₂ emissions from fossil fuels, which is lower than the 1.7 percent of global CO₂ emissions when we first began estimating the GHG emissions from our products in 2002.

Reducing Emissions – Flaring

In 2009, Chevron advanced several flare reduction projects and reduced overall GHG emissions from flaring and venting by 8 percent. Managing the routine flaring and venting of "associated" gas (the natural gas extracted with crude oil during production) is an ongoing challenge for Chevron and other operators in countries having limited infrastructure for delivering natural gas where it can be put to beneficial use. For the past seven years, we have been a partner in the World Bank-led Global Gas Flaring Reduction Initiative to facilitate flaring reduction. We have executed a series of commercial projects to capture and use the gas, with the cooperation of industry and government partners.

We identified additional activities that, if successful, will eliminate 80 percent of our pre-existing flares and will create facilities



Flare Reduction

As of year-end 2009 in Kazakhstan, Tengizchevroil – in which Chevron is a 50 percent partner – no longer flares natural gas except when necessary for safety. Through the four-year, \$258 million gas utilization project, gas that previously would have been flared or vented can now be processed for sale or used to support plant operations.

to enable other operators to reduce their flaring and control future levels.

Angola With the completion of the Takula Gas Processing Platform and the Takula Flare and Relief Modifications (FARM) projects, routine gas flaring was reduced in the Takula Field offshore Angola by approximately 50 million cubic feet per day (mmcf/d). In June 2009, modifications were completed in the Takula area to end routine flaring.

The Block O FARM project is one of several that play an important role in eliminating routine flaring in Chevron's operations. The Takula Gas Processing Platform, placed into service in December 2008, added gas compression capacity in the Takula Field. The Cabinda Gas Plant, whose commissioning began in 2009, will eliminate an additional 7 mmcf/d of routine flaring at the Malongo terminal. The Malongo Field portion of the project is scheduled to begin in 2011 and will enable us to complete the Block O Area A projects to capture and redirect gas to compression facilities so that the gas can be exported, extracted, reinjected or used in liquids recovery. Reinjected gas will be available for future recovery if needed for field operations or for commercialization opportunities.

Nigeria For more than 15 years, Chevron has invested in a series of flare reduction projects in Nigeria, including projects that focus on capture and delivery of natural gas from existing flares and other projects that create the opportunity for previously flared gas to serve new gas markets throughout western Africa. By mid-2009, the offshore Agbami facility was operating with no routine flaring through reinjection of associated gas, demonstrating the ability to develop new oil production facilities without flaring. Chevron continues to work with its production partners in Nigeria on a series of additional projects to address the remaining flares.

GHG Emissions by Source¹

Millions of metric tons of CO₂ equivalent

■ Combustion ■ Flaring and venting ■ Other



GHG Emissions by Sector¹

Millions of metric tons of CO₂ equivalent

■ Upstream ■ Downstream ■ Other



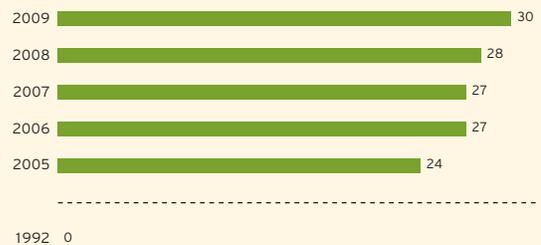
Total GHG Emissions by Type¹

Millions of metric tons of CO₂ equivalent

	Direct ³	Indirect ³	Grid Credits ³	Net
2009	60.8	-2.4	-0.9	57.4
2008	63.0	-2.2	-1.2	59.6
2007	63.8	-2.9	-0.5	60.4
2006	65.4	-3.0	-0.9	61.5
2005	62.3	-2.7	-0.7	58.8

Energy Efficiency Performance

Percentage improvement since 1992 baseline



See page 11 for more information.

¹ Chevron's net decrease of approximately 2.2 million metric tons of CO₂ equivalent emissions from 2008 to 2009 can be attributed to reduced flaring from Cabinda (Angola), and to Nigerian gas processing shutdowns, shut-in offshore wells and pipeline vandalism. Production decreases at U.S. Midcontinent and Alaska operations, as well as declining demand for products and shutdown of process units at the Richmond, California, refinery, also accounted for the emission reductions. Decreases were offset by increased emissions due to increased production at Tengiz, Kazakhstan, and in the U.S. Gulf of Mexico (particularly resulting from Blind Faith and Tahiti fields' coming onstream), and due to the increased throughput from the Pembroke, United Kingdom, refinery.

Chevron's GHG emissions data are reported on an equity basis for all businesses in which Chevron has an interest except as noted below. The following entities are not currently included in the Chevron corporate greenhouse gas inventory: Chevron Phillips Chemical Co., the Caspian Pipeline Consortium, Azerbaijan International Operating Co., the Chad/Cameroon pipeline joint venture, Caltex Australia Ltd.'s Lytton and Kurnell refineries, and other refineries in which Chevron has an equity interest of 16 percent or less. These are entities over which Chevron does not have full operational control or which do not generally follow Chevron's corporate GHG inventory protocol or a compatible protocol.

Due to rounding, individual numbers may not sum to the total numbers.

² Product emissions are calculated based on total 2009 upstream liquids, gas and coal production. The emissions factors used are from the American Petroleum Institute's *Compendium of Greenhouse Gas Emissions Estimations Methodologies for the Oil and Gas Industry*, published in 2004.

³ Direct emissions come from sources within a facility. Indirect emissions come from electricity and steam Chevron imports, less the emissions credits from electricity and steam Chevron exports. Grid credits account for the electricity Chevron exports that is produced more efficiently than electricity from the regional or national grid.

The first two stages of the Escravos Gas Project (EGP) in Nigeria – EGP-1 and EGP-2 – were completed in 1997 and 2000, respectively. EGP-2 raised the company's gas processing inlet capacity from 165 mmcf/d to 285 mmcf/d. EGP-3, a follow-up to EGP-1 and EGP-2, is expected to begin operation in 2010. EGP-3 will process up to an additional 395 mmcf/d, part of which will be used as feedstock for the Escravos Gas-to-Liquids Project.

The Escravos Gas-to-Liquids Project will upgrade approximately 325 mmcf/d of gas into almost 33,200 barrels per day of high-quality diesel, naphtha, and liquefied petroleum gas. Construction began in 2006, and first production is forecasted for 2012.

The West African Gas Pipeline, a 421-mile (678-km) high-pressure natural gas pipeline, constructed and operated by the West African Gas Pipeline Co., of which Chevron is the largest shareholder, has an initial capacity to transport 170 mmcf/d of natural gas from Nigeria's Niger Delta to Ghana, Togo and Benin. The West African Gas Pipeline transports gas that would have been flared to now fill energy supply gaps in western Africa. This will help us reduce emissions because it allows access to markets and provides the ability

to deliver gas to end users. The pipeline began transporting gas in 2008 and will be complete in 2010.

Manufacturing Our eight Chevron-operated refineries created a formal network in 2009 to share best practices in flare reduction. The refineries are working to reduce flaring through flare gas recovery, source control, and maintenance practices and procedures, and they have shared their successes for several years. Chevron's Pembroke, United Kingdom, refinery started using a sulfur oxide reduction catalyst in the cracking process after U.S.-based refineries found that the catalyst successfully reduced sulfur oxide. Other flare reduction techniques were found to improve energy efficiency and produce cost savings.

Reducing Emissions – Carbon Dioxide Injection

Chevron has several major natural gas investments off the western coast of Australia, including the Gorgon Project, which will include the world's largest commercial-scale GHG storage site. The Gorgon Project will position Australia as a leader in the application of GHG storage, with up to approximately 3.4 million metric tons a year of CO₂ being injected and

stored underground. Over the life of the project, it is anticipated that approximately 120 million metric tons of GHG emissions will have been avoided because of the Gorgon CO₂-injection project.

The proposed injection location will be on the northeast coast of Barrow Island near the gas processing plant. This site was selected to maximize the migration distance from major geologic faults and to limit environmental impacts. The injection wells will be directionally drilled from discrete surface locations to minimize the area of land required for the well sites, surface facilities, pipelines and access roads. Extensive monitoring, including well-pressure measurement and seismic surveys, will provide information required to update the reservoir models and predict the behavior of the injected CO₂. The Gorgon Project is the first project to be regulated under legislation dedicated to GHG storage and is the world's first large-scale storage project to have been subjected to an exhaustive, publicly available environmental impact assessment. Project construction has begun, and injection operations are anticipated to begin in 2014.

Chevron and its partners are committed to sharing data from the project to aid in the

**Office Facility Fitness
Six Principles of Sustainability**

More than 100 Chevron office facilities are managed by the Chevron Business and Real Estate Services team, which is guided by its Six Principles of Sustainability. To learn more, please see the video at Chevron.com/ChevronEfficiency.

<p>1</p> <p>Improve Energy Efficiency</p> <p>We improve our facilities' efficiency with the implementation of technology and operating procedures. Using the ENERGY STAR® program of the U.S. Environmental Protection Agency, our goal is to achieve top-quartile energy efficiency within five years.</p>	<p>2</p> <p>Optimize Water Consumption</p> <p>In addition to tracking our water use, we install water-saving fittings and fixtures. We also have a project to use local recycled water for cooling towers and for a large landscape-irrigation system at our headquarters in San Ramon, California.</p>	<p>3</p> <p>Manage and Reduce Material Flows</p> <p>Our projects increasingly incorporate materials made from recycled or renewable content. We reuse our modular work spaces and furnishings. We implemented recycling programs at various office sites worldwide to divert our landfill-bound waste.</p>	<p>4</p> <p>Manage and Improve Indoor Environmental Quality</p> <p>Through guidance provided by the U.S. Green Building Council's LEED program, we are identifying ways to improve our operations. Making use of natural light is one practice used at many of our sites.</p>	<p>5</p> <p>Involve Tenants in Sustainability</p> <p>We partner with Chevron employees to promote conservation. Ride-sharing and Lug-a-Mug programs (to use nondisposable cups) are examples of how employees contribute to our success.</p>	<p>6</p> <p>Continually Improve Our Sustainability Program</p> <p>We continue to identify efficiencies, learn from best practices and implement improvements.</p>
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Chevron proactively works with government and nongovernment stakeholders to find solutions to climate regulatory issues. In the United States, we worked closely with the California Air Resources Board and the Western Regional Air Partnership (WRAP) – a collaborative group of state governments, tribal governments and various federal agencies – to develop the first voluntary methods in the country for reporting GHG emissions from oil and gas production for use by the Climate Action Registry. Our goal is to find cost-effective ways to accurately measure and control emissions in order to establish an accurate inventory base for future emissions reduction programs. Chevron contributed by sharing our operating and technical experience with stakeholders through facility tours

for government agency staff and participation in the WRAP Technical Working Group.

In California, we assisted in developing the first mandatory GHG reporting regulation in the United States and in generating an accurate statewide GHG emissions inventory. Chevron continues to work with WRAP and the Western Climate Initiative, a group that includes several Western U.S. states and Canadian provinces, to develop the first U.S. mandatory emissions reporting methodology designed specifically for onshore oil and gas production. By working collaboratively, we hope to contribute to a program design that achieves an effective balance between the need for accuracy and practical, safe execution.

development of future injection projects. For detailed information on the project, please visit ChevronAustralia.com and see the video at Chevron.com/GorgonVideo.

Chevron continues internal research and development and participates in global industry-led projects to reduce both the long-term risk of CO₂ geologic storage and the cost of CO₂ capture from emissions sources. Chevron also provides technical leadership to the industry-led CO₂ Capture Project for field trials of surveillance equipment and capture demonstrations, the Petroleum Technology Research Centre's Weyburn-Midale Project for CO₂ storage from enhanced oil recovery operations, and the broad-based carbon capture and storage programs of the Australian Cooperative Research Centre for Greenhouse Gas Technologies.

Improving Efficiency

As of 2009, Chevron decreased the total energy the company needed to complete all its business functions by 30 percent compared with the energy the company would have used in 1992 to complete equivalent functions. The 2009 cost of energy to the company was approximately \$4.7 billion. Total 2009 energy consumption for Chevron's operated assets was approximately 916 trillion Btu. Fuel combustion is the leading source of GHG emissions from our operations, so increasing our overall energy efficiency

signifies a corresponding decrease in carbon emissions.

Energy Efficiency Excellence In May 2009, Southern California Gas Co. recognized our El Segundo Refinery with the Project of the Year award as part of its Energy Efficiency Excellence Awards program. Since 2006, when refineries became eligible to participate in the gas company's efficiency programs, the El Segundo Refinery saved more than 9 million therms of natural gas, three times more than any other program participant.

Chevron's El Segundo Refinery also participates in Southern California Edison's rebate and incentive programs. The refinery received the largest incentive in 2008 for its work associated with the Heavy Crude Project.

LEED Certifications Chevron completed its first LEED-certified green-building project at its facility in Louisiana in 2008. Developed by the U.S. Green Building Council, LEED (Leadership in Energy and Environmental Design) is an internationally recognized certification system providing independent, third-party verification that a building or community was designed and built using strategies aimed at improving performance across sustainability metrics. In 2009, Chevron completed a LEED-certified green-building project in Anchorage, Alaska. That facility received

LEED Silver certification. We are pursuing LEED certification for new construction and existing buildings at four other Chevron sites.

Philippines Commitment to Efficiency

In January 2009, Chevron Geothermal Philippines Holdings, Inc., became the first multinational energy company to sign a pledge with the Philippines Department of Energy (DOE) to commit to energy efficiency. As part of the agreement, the DOE conducted an energy audit of the company's Makati office and recommended changes in energy-consuming operating practices and equipment. Chevron implemented changes and is using the audit as a baseline to monitor energy consumption and validate savings.

Pursuing Business Opportunities and Investing in Research, Development and Technology

We invest in research partnerships and demonstration projects to develop renewable energy, improve efficiency and reduce emissions. Chevron Energy Technology Co.'s (ETC) internal team of experts focuses on advanced energy technologies and on helping Chevron successfully compete in future energy markets. ETC's projects in 2009 included research and development of advanced lubricants from nonconventional sources, solar technologies, waste heat and waste pressure to energy, energy storage and transmission, bioenergy, geothermal power, water treatment and reuse technologies, and carbon capture and storage.

Consistent with our Action Plan on Climate Change, we recognize the need to reduce GHG emissions where possible. Appropriately incorporating climate considerations into business decision making is key to achieving this goal. To this end, we identify and incorporate into our business planning anticipated financial and operational impacts of carbon regulation.

For development and approval of major capital projects, we estimate a project's incremental emissions profile, assess the financial impact of GHG regulations, and describe the emissions reduction options considered and implemented. We developed tools to identify, assess and rank emissions reduction methods; conduct



Geothermal Power

Certified Emission Reduction Projects Chevron's 110-megawatt Darajat Unit III geothermal power plant in West Java, Indonesia, reached an important milestone in 2009 by earning the company's first Clean Development Mechanism (CDM) Certified Emission Reductions (CERs). This United Nations-administered program is rigorous and requires detailed measurements and third-party verification to determine the quantity of emissions avoided. Darajat Unit III is one of only two CDM projects registered by a U.S.-based international oil company and is Chevron's largest geothermal energy project to date. The project is expected to produce 650,000 CER credits annually.

The Darajat project is expected to avoid

650,000
metric tons
of CO₂ emissions
annually.

economic analysis; and integrate GHG factors into decision making and overall project development and management.

For example, one tool helps identify and assess the viability of potential Clean Development Mechanism (CDM) carbon emissions reduction projects. (The CDM is an agreement under the Kyoto Protocol that encourages investment in ventures to reduce emissions in developing countries.) Our new CDM tool offers a systematic approach to prioritizing opportunities and assessing the likelihood of their success.

In 2009, Chevron Energy Solutions completed what is believed to be the largest solar and energy efficiency project for a public school district in the United States. The project, in San Jose, California, includes a total of 5.5 megawatts of solar power at 14 different sites and is expected to reduce the district's energy costs by

more than 30 percent – more than \$25 million – over 25 years. The district was not asked to provide any capital investment, allowing it to retain its capital budget for other projects. We estimate that the project will result in decreased carbon emissions of approximately 100,000 metric tons, equivalent to planting more than 1,400 acres (567 hectares) of trees.

Supporting Flexible and Economically Sound Policies

We believe that a successful climate policy will be one in which the reduction of GHGs is accomplished equitably by the top emitting countries of the world through long-term and coordinated national frameworks. Our Seven Principles for Addressing Climate Change summarizes the fundamental aspects of achieving an economically viable carbon management program. These principles should be components of any carbon emissions reduction program

in the United States and elsewhere. Please visit Chevron.com/7Principles.

The California Global Warming Solutions Act of 2006 (AB 32) is legislation outlining a plan to reduce GHG emissions. Under AB 32, companies are required to begin reporting their emissions in 2010. Chevron took early action, and in 2009, began voluntary external verification and reporting of our California emissions from 2007 through 2009 at our Richmond, El Segundo, San Joaquin Valley and Global Power operations facilities.

Upgraded System to Track GHGs

During the fourth quarter of 2009, we began deploying the corporatwide Chevron GHG and Energy Reporting System (CGERS™), a state-of-the-art tool that replaced our existing system for tracking our global GHG emissions and energy use. The Web-based application incorporates industry best practices in GHG accounting and reporting, covering all six of the main GHGs and emissions from Chevron's products and from direct and indirect emissions sources. CGERS™ also was developed to align with existing and emerging regulatory requirements by incorporating mandatory reporting methods with a high level of transparency and automation. The application helps us manage our GHG footprint by making our emissions data more accessible to key managers.

Carbon Disclosure Project's Leadership Index Top Score

In 2009, Chevron tied for the highest rating in the energy sector in the Carbon Disclosure Project's (CDP) Leadership Index, which highlights the companies within the FTSE Global 500 Index that display the most professional approach to corporate governance in climate change disclosure practices. High scores indicate good internal data management and understanding of climate change-related issues affecting the company. Chevron has been in the Leadership Index four of the past five years. To be included, a company must score in the top 10 percent of those that respond to the CDP questionnaire and make its disclosure publicly available on the CDP Web site, where Chevron's response can be viewed at CDProject.net.

Emerging Energy

Chevron is a world leader in developing and delivering energy from oil and natural gas, which will remain the world's predominant sources of energy for decades to come. To meet the growing demand of developing economies, we will need every energy source available, including efficiency and renewables.

We believe that the skills honed over our 130 years of experience to find, produce and deliver energy will one day lead to commercial-scale development of renewable resources. To reach this point, we are focusing on research and development of renewable energy technologies that are scalable, sustainable and profitable.

Chevron is taking a pragmatic approach to renewable energy – pursuing and focusing on those technologies that leverage our core competencies, assets or competitive advantage. These include geothermal, advanced biofuels, solar, and energy efficiency technologies. We conduct internal research and collaborate with governments, businesses and academia in researching and developing alternative and renewable energy sources. Through these partnerships, we share information and are helping advance technology as we look at providing renewable energy for future generations.

Geothermal Energy

Chevron is the largest producer of geothermal energy in the world, supplying 1,273 megawatts of installed electricity-

generating capacity in Indonesia and the Philippines. Our facilities provide enough energy to meet the needs of 16 million people in these countries. Technologies and processes used in geothermal production have much in common with those for oil and gas. Chevron leverages its experience in reservoir characterization and drilling safely and efficiently to produce this renewable resource.

Energy Efficiency Business

We believe the most immediate and cost-effective new sources of energy come from conservation and energy efficiency. Our subsidiary Chevron Energy Solutions Co. (CES) is dedicated to helping its clients and our own company become more energy efficient and reduce emissions through facility upgrades and the incorporation of renewable and alternative energy sources. Chevron is the only one of our peer group of companies that has made a viable business out of energy efficiency.

In 2009, we reinforced our commitment to efficiency by endowing the Chevron Chair in Energy Efficiency at the University of

California at Davis. The person appointed will direct the world's first university center of excellence in energy efficiency.

In 2009, Chevron Energy Solutions completed a 100-kilowatt solar photovoltaic system for the U.S. state of Colorado at its Department of Revenue building and a 10-kilowatt solar system at the State Capitol building. The installations were part of a CES-managed \$20 million, six-year energy upgrade of more than 20 buildings and included energy-efficient lighting, heating, ventilation and air conditioning; energy management systems; water conservation; and ground-source heating and cooling at the governor's residence. The comprehensive project, which resulted in the U.S. Green Building Council's LEED certification of five buildings, is expected to reduce energy costs by more than 25 percent and reduce CO₂ emissions by more than 7,600 metric tons per year, equivalent to removing nearly 1,500 cars from the road.

CES also completed in 2009 the nation's largest energy efficiency and solar

STAKEHOLDER
ENGAGEMENT

Research Partnership



Exploring the potential benefits associated with any emerging energy source can be encouraging. But the path to commercializing new energy sources presents many challenges. The best way to solve these challenges is through collaboration. Chevron's strategy for biofuels development is to collaborate with the best talent at other companies, universities and government laboratories – to combine their knowledge of biomass with Chevron's expertise in making high-quality transportation fuels. Partnerships include Catchlight Energy LLC, our joint venture with Weyerhaeuser Co., and collaborations with the U.S. National Renewable Energy Laboratory, Georgia Institute of Technology, University of California at Davis, Texas A&M University, and the Colorado Center for Biorefining and Biofuels.

In developing advanced biofuels, successful feedstocks need to be scalable, sustainable and economically viable. They must have optimal physical and chemical properties and be able to thrive on marginal land that would not otherwise be used for food. Over the past few years, Chevron acquired a tremendous amount of knowledge about biomass and narrowed its list of potential biofuel feedstocks from more than 100 to fewer than 10.

Left: Michelle Long, manager of feedstock supply for the Biofuels business unit of Chevron Technology Ventures, inspects a field of castor at College Station, Texas. Castor produces seeds that are not used for food. The seeds are crushed to release an oil that could be converted to transportation fuel.



Tracking the Sun

At Chevron headquarters in San Ramon, California, we are testing a group of advanced solar technologies. The project is part of a collaboration between Chevron Energy Solutions Co., Chevron Technology Ventures, and Chevron Business and Real Estate Services (CBRES). The four different technologies employed will all operate under the same weather conditions and solar intensity to provide easily comparable

data that will be evaluated and considered for future energy efficiency projects at other Chevron sites. Intended for data collection only, the small demonstration is large enough to power about four average-sized households. The project is part of the CBRES sustainability initiative in which Chevron looks for opportunities to improve energy efficiency, optimize water consumption, manage material flows and improve indoor environmental quality within its own

facilities. To see the video, please visit Chevron.com/ChevronEfficiency.

Above: Dane Zehrung, CBRES sustainability strategy advisor, inspects the last of four types of panels installed. These panels are an example of concentrating photovoltaic technology. They use lenses to focus the sun's energy and pivot to track the sun, maximizing the amount of energy captured.

electric system at a transit facility, for the Los Angeles County Metropolitan Transportation Authority (Metro). The 6,720 solar panels at Metro's central maintenance facility for buses are designed to produce 1.2 megawatts of renewable energy. Along with other energy-efficient improvements, the project is expected to cut the facility's annual \$1.1 million energy bill in half and reduce its purchase of utility power, which is anticipated to reduce carbon emissions by more than 3,700 metric tons.

Advanced Solar Technologies

In 2010, Chevron Technology Ventures (CTV) plans to have completed what may be the largest concentrating solar photovoltaic power plant in the United

States. The demonstration plant, located at Chevron Mining Inc.'s Questa Mine in the state of New Mexico, will use lenses to focus sunlight onto three-layer solar cells. The technology is anticipated to be twice as efficient as traditional solar panels.

In a project in Coalinga, California, Chevron is researching solar technologies that may help increase production without increasing the carbon footprint. CTV is constructing a demonstration solar thermal plant to generate steam for injection into wells to heat the petroleum and enable flow. More than 7,000 mirrors will direct the sun's energy onto a large steel vessel of water to generate steam. The demonstration will help determine whether solar thermal technology is

viable for deploying in commercial-scale projects at other Chevron facilities. CTV contracted with BrightSource Energy, Inc., a company Chevron has invested in since January 2007. This will be BrightSource's largest engineering, procurement and construction project to date, allowing BrightSource to explore nontraditional applications of solar technology for the oil and gas industry.

Biofuels

Biofuels are one of Chevron's renewable energy focus areas. We believe that biofuels that complement conventional transportation fuels will play an increasing role in meeting the world's growing energy needs and will present a business opportunity. Our interest lies in fuels made from

Energy, Technology and the Environment Team Up



Building and operating a large-scale solar plant on a remediation site entails a combination of expertise. That expertise was found in the collaboration of three Chevron companies: Chevron Technology Ventures (CTV), Chevron Environmental Management Co. (CEMC) and Chevron Energy Solutions Co. (CES). In developing and installing the Brightfield solar project in Bakersfield, California, the team chose the site to demonstrate beneficial reuse and selected a small group of next-generation solar technologies, among hundreds.

“We want more information about the opportunities and challenges associated with renewable energy facilities so that we can determine whether they

are alternatives that may help us make even better use of some properties undergoing remediation,” said Leslie Klinchuch, with CEMC.

The team focused on four available sites in California, each conducive to solar technology deployment. They decided on the Bakersfield location because it is close to the Chevron-operated Kern River Field, which could absorb the energy produced. The location also allowed for easy connection to the grid. Finally, the site was large enough to accommodate sizable installations of the different technologies. The project is expected to generate an initial peak output of approximately 740 kilowatts, but it is designed for potential expansion over time.

“We wanted to learn as much as possible about each of these technologies in a short time, including ease and cost of installation as well as side-by-side comparison of their performance and reliability,” said CTV project manager Adam Williams.

Selecting from 180 solar technology suppliers, which include many startups, required the development of extensive industry

knowledge and a detailed screening process. The team met with 40 different suppliers, toured 20 facilities and eventually settled on eight technologies that could have the potential for a strategic fit for Chevron and CES clients.

“The solar industry has seen such phenomenal growth over the past five years. There are a lot of new entrants competing to bring their technologies to market. We had to find the most promising technologies and viable suppliers,” said CES project manager Raphael Varieras.

The suppliers will benefit by demonstrating their pre-commercial technologies and gathering data. Chevron will be able to compare the technologies and evaluate whether any of them have potential for use at other Chevron sites and for sites of CES’ external clients. Please see the video at Chevron.com/Brightfield.

Above: Collaborating on the Brightfield project are project managers from several Chevron businesses, (from left) Leslie Klinchuch, CEMC; Adam Williams, CTV; Raphael Varieras, CES; and Jerry Lomax, vice president of Emerging Energy.

feedstocks that do not materially affect food or feed supplies.

The biofuels business shares many of the characteristics with Chevron’s traditional petroleum business in that it involves using advanced engineering and manufacturing to convert raw materials into high-quality transportation fuels. Because of this, Chevron is well positioned to make significant contributions to this evolving industry. However, there are significant challenges to building an advanced biofuels industry that is scalable, environmentally sustainable and economic. Chevron believes that these challenges can be overcome and is working and investing to do so through both internal research and development and collaboration with industrial partners,

national laboratories and universities. In 2009, we completed equity investments and research agreements with industrial biotechnology companies, some of which have the potential for Chevron to acquire feedstocks and license rights to conversion technologies.

Catchlight In 2008, Chevron and Weyerhaeuser Co., one of the world’s largest forest-products companies, formed Catchlight Energy LLC, a 50-50 joint-venture company focused on developing next-generation renewable transportation fuels from forest-based sources. In 2009, Catchlight continued research and development on conversion technologies while working to validate the sustainability and scalability of its biomass supplies.

Hydrogen

In December 2009, we concluded a five-year study with the U.S. Department of Energy in which we operated demonstration hydrogen fueling stations. Through our participation, we demonstrated that the technologies tested could be operated safely. But several barriers to wide hydrogen deployment as a transportation fuel remain, including cost and energy density. To deliver the same amount of energy would require hydrogen storage and fueling facilities two to four times larger than comparable gasoline stations. It will take years, possibly decades, to develop the production, storage and distribution technologies needed to make hydrogen commercially available to retail users in a wide geographic area.

Environmentally Sound Development



Chevron develops energy with a commitment to protecting the environment. Our workforce embodies this commitment by developing new projects in an environmentally sound manner and continually improving the environmental performance of existing operations.

Our environmental stewardship is managed through our Operational Excellence Management System, which has processes that examine life-cycle impacts, from initial assessments to site closure and transfer. Together, these processes systematically drive improvements in safety, health, the environment, reliability and efficiency.

Impact Assessment

Chevron performs a risk-based Environmental, Social and Health Impact Assessment (ESHIA) on all major capital projects to identify potentially significant project-related impacts. These include

impacts to surrounding communities, natural resources, biodiversity, air quality, land use, waste management, noise and public health. ESHIA also identifies opportunities for avoiding, reducing and mitigating potentially negative impacts and for enhancing project benefits.

The process is iterative and requires engagement with and input from key stakeholders through the project's life cycle. Since its inception, the ESHIA process has been applied to more than 690 capital projects worldwide.

In one such project in northern Colombia, Chevron extension facilities for gas

production were planned to be situated in Wayúu territory. The Wayúu tribe is the largest Colombian indigenous group, with nearly 120,000 non-Spanish-speaking people. As part of Chevron's ESHIA process, the project team learned that the proposed site was near the community's water reserves and pathways used to reach the ocean.

By changing site plans, the company received the required environmental permits on schedule and established the foundation for a constructive relationship with all the stakeholders. To strengthen this relationship, the company invited

Beneficial Reuse: Renewables

In conducting remediation at the Casper, Wyoming, site of a Texaco refinery decommissioned in 1982, Chevron wanted to find a sustainable, beneficial reuse of the land – and the company knew that wind energy was a resource with high potential in that part of the state. Chevron engaged the community through town hall meetings and ongoing dialogue and worked closely with state and local government in developing the plan. The company's engagement with the community and careful study of the ecological, meteorological and environmental data were important components in gaining approvals throughout the permitting process. With the property once again generating energy and back into commercial use, the project is able to help the county by expanding the local tax base, which can increase the funds available for schools, roads and other public needs.



Construction began on Chevron's first wholly owned commercial wind project in June 2009 and was completed in December 2009. The 1,400-acre (567-hectare) property hosts an 880-acre (356-hectare), 11-turbine wind farm. The farm's energy output of 16.5 megawatts, enough renewable energy to power approximately 4,400 homes, is sold to a local utility company for distribution to customers. The wind farm operates on the northernmost part of the property, and remediation at the site continues.

Left photo: Surveying the site of a former Texaco refinery that now hosts a wind farm are Chevron Global Power Co. employees Chris Buchholz, construction and operations manager, and Kara Cox, project engineer.

Wayúu leaders to visit operations and talk about their culture and concerns. The visit created a common understanding of how the company would operate on the Wayúu's land.

The tribe's main economic activity is fishing. Chevron and the community worked with a local civic organization to develop a long-term program to protect the environment and improve the fishermen's safety, quality of life and income.

Operating With Excellence

Chevron's Operational Excellence Management System (OEMS) meets

all the requirements of both the International Organization for Standardization's environmental management systems standard (ISO 14001) and the Occupational Health and Safety Assessment Series requirements for occupational health and safety management systems (OHSAS 18001), which is attested to by Lloyd's Register Quality Assurance, Inc. More than 1,800 employees completed OE training and certification in 2009, bringing the year-end total to 13,500. Also by year-end, 19,300 employees had completed the OE Leadership Roles and Behaviors session.

OEMS is complemented by Environmental Performance Standards in our exploration and production organization. These standards set requirements and processes for many environmental aspects, including flaring, waste management, produced water and drilling discharge.

We increased our focus on spill minimization, efforts that resulted in 2009 volumes returning to 2007 levels. In the process, major spill incidents (of 100 barrels or more) declined 41 percent from the number of spills in 2008.

From 1991 to 2008, our Pascagoula Refinery implemented a hazardous-waste reduction program that combines waste elimination and recycling. During a period when refinery output rose, overall waste generation decreased by 39 percent – or almost 1,174 metric tons – with a 99 percent reduction in spent caustic waste and a significant reduction in oily sludge, which is now recycled. Other efforts at the refinery reduced laboratory solvent hazardous waste by 61 percent. Approximately 600 million metric tons of cooling water are recirculated each year. Per year, water treatment recovers 1.4 million barrels of oil; 12,000 metric tons of ammonia; and 275,000 metric tons of sulfur, which is used for fertilizer.

In 2009, we began reporting a total waste metric to track the amount of total hazardous and nonhazardous waste that is recycled (which includes reused and recovered) from our operations. In our first year of reporting, total recycling was 67 percent of generated hazardous waste and 45 percent of generated nonhazardous waste. Starting in 2009, we began to track chemical oxygen demand and total ammonia nitrogen discharges from our refineries.

Water

Access to fresh water is vital to communities and, in some areas where we operate, is in limited supply. In 2009, we began to roll out guidance for reporting total water use, which we will deploy corporatwide in 2010. This can help the company identify areas of potential supply risk, which we plan to address through water conservation, reuse and other efficiency methods. Several water conservation projects are already under way.

Global Emissions to Air^{1,2,3}

Metric tons

■ Upstream ■ Downstream ■ Other

VOCs



SOx



NOx



Global Emissions to Air by Sector^{1,2,3}

Metric tons

		Upstream	Downstream	Other
VOCs	2009	225,949	39,630	240
	2008	201,209	18,648	1,878
	2007	240,716	18,788	1,136
	2006	357,727	26,100	87
	2005	445,049	23,442	212
SOx	2009	125,520	15,997	536
	2008	97,731	18,496	8,810
	2007	63,223	20,451	7,970
	2006	82,922	25,574	9,714
	2005	87,455	23,986	7,433
NOx	2009	110,068	12,133	711
	2008	95,717	12,282	26,785
	2007	121,378	14,041	9,257
	2006	113,001	16,020	9,083
	2005	97,829	15,837	8,250

1 We improve our methodology and scope for reporting global emissions to air annually, making year-to-year comparisons difficult. Our focus is to continually improve our reporting practices.

2 Volatile organic compounds (VOCs) derive primarily from fugitive emissions from equipment (such as valves, pumps and compressors), flaring and venting, and flashing gas. Nitrogen oxides (NOx) and sulfur oxides (SOx) occur during combustion.

3 During 2009, improvements in estimation methodologies in several reporting units resulted in variances in reported emissions compared with 2008.

Global VOC emissions were higher than in 2008 primarily due to the Nigeria/Mid-Africa business unit's

Petroleum Spills^{4,5}

Volume in barrels

■ Spills to land and water ■ Volume recovered ■ Secondary containment



4 Secondary containment volume – which is not released to the environment – is included in the total volume listed at the end of each bar. Approximately 14 percent, or 1,289 barrels, of the total volume was spilled to secondary containment in 2009.

Average Oil Concentration in Discharges to Water⁶

Parts per million

■ Upstream ■ Manufacturing and Chemicals



6 Global Upstream average oil concentration in discharges to water decreased in 2009, mainly due to additional well-injection capacity, which allowed the Partitioned Zone business unit to cease discharging produced water as of June 2009. Manufacturing and Chemicals average oil concentration in discharges to water increased, mainly due to a process upset and wastewater-treatment maintenance issues at our Pascagoula, Mississippi, refinery. A new effluent treatment plant at Pascagoula came fully on line in November 2009.

improved estimation of vented gas volumes, the Eurasia business unit's replacement of default emissions factors with locally specified data, and Global Marketing's estimation of storage tank and loading emissions for the first time. This gain was partially offset by reductions due to improved reporting by the Asia South business unit and decreased production in Alaska, United States.

Global SOx emissions were higher than in 2008, mainly due to the Eurasia business unit's improved reporting and to the Partitioned Zone (between Saudi Arabia and Kuwait) business unit's increased sour gas production and improved reporting of gas production and flaring.

Petroleum Spills⁵

Number of spills



5 All spills to water are included. Spills to land and secondary containment that are greater than or equal to one barrel are included.

Fines and Settlements⁷

Environmental, Health and Safety Fines and Settlements

YEAR	04	05	06	07	08	09
Total number	469	577	699	684	564	460

7 We reduced the number of incidents resulting in fines and settlements for alleged violations of environmental, health or safety regulations to 460 in 2009 from 564 in 2008. Environmental fines and settlements were \$5.9 million in 2009 and accounted for 0.17 percent of our total environmental expenditures. Total environmental expenditures were \$3.5 billion, of which capital expenditures were \$1.7 billion and noncapital expenditures were \$1.8 billion. Health and safety fines and settlements accounted for approximately 8 percent of the total fines and settlements, representing \$0.5 million.

Global NOx emissions were lower than in 2008, mainly due to improved reporting by the IndoAsia business unit and the completion in 2008 of a drilling program at Indonesia geothermal and power operations.

U.S. Refining (Manufacturing) data on emissions to air are no longer additionally reported separately, as this report is enterprisewide and global in nature.

Global Gas, previously reported as "other," was included with Upstream in 2009. "Other" includes Chemicals, Chevron Business and Real Estate Services, Chevron Mining Inc., Chevron Environmental Management Co., and Corporate Aviation.

Due to rounding, individual numbers may not sum to the total numbers.



Thailand

In our plan to construct a new facility to support our offshore operations in Thailand, we are applying our Environmental, Social and Health Impact Assessment (ESHIA) process to assess environmental and social factors in the area. Information gathered from these environmental baseline studies and through community meetings will shape project design. Here, the team samples plankton in seawater.

Testing the Waters

Our ESHIA process is required for all Chevron-operated major capital projects. The process includes screening for potentially significant impacts early in the project design phase, followed by scoping, impact assessment and mitigation plans if necessary. Smaller Chevron-operated projects are prescreened, and ESHIA is applied where needed. More than 690 major capital projects now apply ESHIA.



Partners in Seismic Research



Energy companies have been using seismic imaging for approximately 80 years. In seismic imaging, sound waves bounce off underground rock structures to reveal possible oil- and gas-bearing formations. Seismologists use ultrasensitive microphones to record the sound waves' echoes reflecting on the structures within the earth. By studying the echoes, petroleum geologists seek to calculate the depth and outlines of underground formations. This analysis may help them identify hidden oil- and gas-bearing reservoirs.

Chevron is participating with a number of oil and gas companies and the International Association of Geophysical Contractors,

through the International Association of Oil & Gas Producers, to fund research studies under the Joint Industry Programme on Sound and Marine Life. The primary scope of the program's research, conducted by independent researchers and contractors, is to gain additional understanding of the potential effects of sound from the oil and gas industry's offshore exploration and production activities and how the potential effects may be mitigated.

Project results and progress in technology development, especially tools that detect marine animals in the water column and that better describe sound from industry sources, have advanced our understanding

of the potential effects of sound on tissues and animal behavior.

Additional information about the potential effects of sound exposure can support oil and gas project planning and inform the scientific community and regulators about potential environmental effects. This information may also assist in making science-based decisions and promoting permitting efficiencies.

Above: In the Hjørundfjord, western Norway, tests are conducted to characterize the amplitude and frequency range of sound energies from air guns that are used in seismic surveys. The tests measure the sound up to 50 kHz.

Chevron's El Segundo Refinery is the largest single user of reclaimed water in California. Approximately 80 percent of the 275 million gallons of water used each month in process applications is recycled water from the West Basin Municipal Water District's treatment plant. To enable the refinery to use this water, Chevron invested \$35 million and partnered with the water district to build denitrification and reverse osmosis treatment facilities to obtain the quality required for reuse in the refinery.

At present, Chevron's Richmond Refinery uses 4 million gallons of reclaimed water every day for cooling towers, landscaping and controlling dust. The refinery provided a site on which the East Bay Municipal Utility District is building an advanced reclaimed-water treatment facility. This

new facility will use leading-edge water treatment technologies, including micro-filtration and reverse osmosis, to produce recycled water of a quality that exceeds the stringent unrestricted-use requirements set by California's Department of Health. When completed in early 2010, this facility will allow Chevron to double the amount of reclaimed water used in the refinery and improve the quality of the boiler feed water used to make steam. Every gallon of reclaimed water used in the refinery saves an equivalent amount of fresh drinking water for California homes and businesses.

In the Partitioned Zone between Saudi Arabia and Kuwait, Chevron is using produced water for steamflood operations in a large-scale pilot project. Poor-quality produced water from the Eocene Field is

processed to generate high-purity water that is made into steam and injected into the reservoir. To prepare for this \$340 million pilot project, 40 Saudi and Kuwaiti nationals spent 18 months at our San Joaquin production fields in Bakersfield, California, learning about steamflood technology. These employees are now supervisors, technicians and operators of the project in the Partitioned Zone.

Site Closure and Remediation

Chevron has been operating oil and gas facilities for more than a century, and in that time, best practices and technologies have evolved to better protect people and the environment. Some of our older sites have legacy environmental contamination that we are either presently remediating or have plans to address. Chevron Environmental Management Co. (CEMC)

manages most of the company's portfolio of environmental remediation, abandonment and decommissioning projects to develop the best end-of-life solutions for assets and to prioritize the timing appropriately. In 2009, CEMC spent more than \$700 million to address these issues.

Since 2008, CEMC has been restoring a segment of the Illinois and Michigan Canal adjacent to a former Texaco refinery in Lockport, Illinois. The canal was built in the mid-1800s to provide a shipping route from the Great Lakes to the Mississippi River. The canal runs approximately 100 miles (161 km) and runs through the former refinery for about two miles (3.2 km). Closed for commercial navigation in 1933, the canal was designated a U.S. federal National Heritage Corridor in 1984. CEMC began activities in August 2008, cleaning two miles of the canal adjacent to the

Product Stewardship

Product stewardship is an integral part of Chevron's policy to protect people and the environment. It involves identifying, assessing and managing potential environmental, health, safety and integrity risks throughout a product's life cycle – from conception to consumption, recycling or disposal.

In 2009, we continued implementing our standardized product stewardship process in all our global Downstream business units. And we extensively assess existing and new products and activities.

Our product integrity process, a key component of product stewardship, helps us manage risks to quality as our products move from the point of manufacture to the final customer. Onsite facility inspections at refineries and terminals help ensure that the necessary hardware, procedures, training and testing are in place. In 2008 and 2009, we conducted assessments at all Chevron refineries.

former refinery. The sediment removal was completed in November 2009. Overall, more than 90,000 cubic yards (69,000 cu m) of sediment were removed from the canal, and more than 12,000 feet (3,700 m) of canal bed and walls were cleaned. CEMC received positive responses from the community on this project, including direct feedback from residents.

Biodiversity

Chevron adopted a Biodiversity Statement in 2007 and requires a biodiversity assessment as part of its ESHIA process for major capital projects. Our Health, Environment and Safety staff work to protect habitats near our operations and share their best practices through the Chevron Biodiversity Network. To read our Biodiversity Statement, please visit Chevron.com/Biodiversity.

Chevron Upstream Europe has had a close relationship with the Royal Society for the Protection of Birds in Scotland for 10 years. Over that time, we contributed more than \$190,000 to projects in Scotland, which include habitat creation and restoration for species with declining populations, a field teaching position in Shetland, new wildlife-identification displays, and the installation of cameras that beam live images of endangered hen harrier chicks in their nests to viewers at a visitor center. One habitat management project, ongoing since 1999, aims to help safeguard an array of bird species on the Cromarty Firth, where Chevron has an operational presence. This project is particularly important as the Cromarty Firth lies on the "European flyway," a major migratory route for several species.

Environmental Education

In December 2009, Chevron announced that it would donate more than \$1.5 million to the Environment Ministry of Angola over the next two years to aid the country's environmental management program. The funds will help in various ways. Along with supporting education, the funds will help train ministry staff in techniques for analyzing and tracking indicators, such as noise and greenhouse gas emissions.

Emergency Preparedness and Response

Chevron has a long history of providing a range of disaster support, such as helping

Wheatstone

Approximately 62 miles (100 km) from Barrow Island, offshore Western Australia, lies Wheatstone, a Chevron-operated gas field discovered in 2004. Gas from Wheatstone is expected to be transported to liquefied natural gas facilities based near Onslow, on the west coast of Australia's Pilbara region. Chevron is undertaking a comprehensive Environmental, Social and Health Impact Assessment to identify potential impacts.

Below: Ann Hayes (right), a member of the local indigenous Thalanyji group, assists Chevron contract botanist Jerome Bull, from Onshore Environmental Consultants, during a botanical survey of the preferred Wheatstone facility site.



employees cope with disasters, providing humanitarian relief, planning for business continuity and maintaining product supplies for use after a disaster. In 2009, Chevron responded to an earthquake in Sumatra, typhoons in the Philippines and a volcano in the U.S. state of Alaska.

In 2009, Chevron business units conducted oil spill response exercises in Thailand; Vancouver, Canada; and the U.S. state of Hawaii. The Thailand drill aimed to enhance the capability of multiple operating groups to integrate their resources in the event of a large oil spill. The exercise included more than 150 participants from Chevron, government agencies, and spill response service providers.



Harboring Hatchlings

In Angola, Chevron has operations in Cabinda and is the majority shareholder in Angola LNG Ltd. in Soyo, northern Angola. Both operations are working to research, monitor and protect endangered marine turtles – including the olive ridley, green and leatherback – and their nesting rookeries.

Since 2006, the Angola LNG Project and the Wildlife Conservation Society have collaborated to create Project Sereia, a program that works closely with local fishing communities on the 12.5-mile (20-km) Sereia peninsula to teach them the benefit of conserving turtle populations and, in the future, help fishermen and their families identify ecologically sustainable alternatives to poaching turtles and their eggs. The 2007-2008 ratio of one turtle alive to every eight dead improved in 2008-2009 to 1-to-1.

Project Sereia noted that not one turtle has been poached by the local villages this season (2009-2010).

Chevron subsidiary Cabinda Gulf Oil Co. Ltd. protects the endangered sea turtles and their nesting beaches on the 1.9-mile (3-km) stretch of beach north of the Congo River, near the Malongo operations base in Cabinda. Annually from late September to mid-March, during nesting season, Chevron scientists locate nests, tag the turtles, and evaluate hatch success. Members of Cabinda's fishing community and Chevron environmental engineers together protect the nests. Since 2002, they have observed more than 900 nests and 16,000 hatchlings.

Above, from left: An olive ridley hatchling near Malongo; a bale of olive ridley hatchlings near Soyo.

Ecuador Litigation Update

As previously reported, Chevron is the defendant in a longstanding lawsuit alleging environmental contamination associated with its subsidiary Texaco Petroleum Co.'s (Texpet) past operations in the Oriente region of Ecuador. The suit is now before a local court in Ecuador. Chevron recognizes the serious challenges faced by the people of the Oriente region but rejects the plaintiffs' contentions that Chevron is responsible for addressing their current socioeconomic and environmental issues

while they do not acknowledge the Ecuador government's failure to provide necessary infrastructure. Independently verified scientific evidence presented to the court has shown that the remediation Texpet carried out was effective and complied with the legal and technical requirements established under agreements with the Republic of Ecuador and its state-owned oil company, Petroecuador, as well as with internationally accepted standards at the time. Moreover, full responsibility for the existing environmental problems lies with

Petroecuador, which has been the sole owner and operator of the oil fields for the past two decades, as it failed to remediate its share of the consortium fields, fails to maintain its facilities, and has a long and well-known record of oil spills and environmental neglect.

There are serious questions about the conduct of the trial and the legitimacy of the plaintiffs' evidence, which Chevron will continue to challenge. Among other issues, evidence shows that Richard Cabrera, a court-appointed engineer who delivered the damages assessment against Chevron, has a serious conflict of interest. Cabrera is a founder of, and holds the largest ownership position in, a remediation company that is approved to work for Petroecuador and stands to profit from any judgment against Chevron. Despite his obligation to do so, Cabrera failed to disclose these interests to the court. Chevron provided this information to the court in support of the company's renewed request that the court strike Cabrera's grossly exaggerated and unsupportable damages assessment.

In addition, in August 2009, Chevron presented to Ecuador and U.S. officials evidence, including audiovisual recordings, of a \$3 million bribery scheme involving government officials and the judge presiding over the lawsuit, and revealing that the judge had prejudged the case. In February 2010, the report submitted by an independent expert retained by Ecuador's Judicial Council confirmed that the audiovisual recordings that Chevron presented were authentic and unaltered and contained the voices of the individuals identified by Chevron as participants in the scheme. While the judge in question is no longer presiding over the case, his past rulings have yet to be rectified, and his actions have not been sanctioned. The Ecuador judiciary's failure to act on this matter and the Ecuador government's continued interference in the case cast further doubt over the legitimacy of the trial and the government's commitment to the rule of law.

Chevron maintains a comprehensive Web site – in both English and Spanish – on this matter: Chevron.com/Ecuador.

Communities and Business Succeeding Together



George L. Kirkland

Vice Chairman
Chevron Corporation

Left: Chevron's partnership with the Pediatric Hospital in Luanda, Angola, dates back to 1989. Since then, Chevron subsidiary Cabinda Gulf Oil Co. Ltd. and its Block 0 and Block 2 partners have invested more than \$2.6 million to address critical needs. In 2009, Chevron Corporation donated \$500,000 to build a new surgery unit.

On a visit with other company executives, George Kirkland met with hospital director Dr. Luis Bernardino (center) and Dr. Margarida Correia, head of the emergency unit. In the background is translator Helder Paulo.

George Kirkland assumed the position of vice chairman in January 2010. He joined Chevron in 1974 and has been responsible for global exploration, production and gas since 2005.

What experiences in your career have shown you the importance of community engagement?

Everyone is shaped by his or her experiences. The more places you are, the more you see, and you gain a greater understanding of how the world works. My first experience working outside the United States was when I went to Indonesia when I was 28 years old. In my time there, I saw the need for building partnerships, cooperation and trust between host communities and our operations – so it was a great experience for me.

I also went to Nigeria for about seven years. We've been in Nigeria for a long time, and our operations are integrally tied to the communities. Through my experiences living in Indonesia, in Nigeria, throughout North America, and in each of the countries where we operate, I saw firsthand the needs of governments and communities. And I have an appreciation of the value that we, as a company, bring. I've learned throughout my career that for us to be successful in meeting the world's demand for energy, we have to form partnerships aimed both at developing energy resources and at building capacity in our host countries.

How do you respond to the expectations of governments and communities?

We work closely with both communities and governments where we operate to create an environment where our presence is mutually beneficial. While we cannot, and should not, replace the government, our involvement is a delicate balancing act, and we want our host communities to benefit from our presence.

The key to being welcome and effective is to be engaged with communities and government leaders. Engagement is core to how we operate and develop relationships and, from my perspective, is one of our key strengths as a company.

How has your interaction with the communities in Nigeria and Indonesia changed your perspective on our role as an energy company?

For me, this interaction reinforced that we are deeply involved in and closely linked to our host communities. You learn that very quickly when you're in an international setting.

Because of the scale of our operations, we are able to create opportunities for governments and communities in education, health, development, employment and alternate income streams. So, our engagement activities help create an essential connection between our business and the communities. And, in turn, healthy communities – economically, medically,

educationally – are very good places in which to do business.

I think it is also important to say that our employees exemplify our commitment to the communities. This is certainly true in Indonesia and Nigeria, and I've witnessed it in all our areas of operation. Our employees understand the value of, and are personally involved in, being a positive presence. This is where they live, where their children go to school – they, too, want their communities, as well as their employer, to be successful.

Please explain the link between community success and business success.

In our business, as I mentioned, building and sustaining mutually beneficial relationships with governments and communities are essential for success. Any time we are well engaged with our local host communities and governments, we all realize the benefits.

In many instances, our operations are a catalyst for progressing community development. To create a network of suppliers for our operations, for example, we work with governments and communities to develop local businesses, create jobs and develop a skilled workforce.

A constant goal is to create an environment for mutual success. The end result is sustainable community growth for our neighbors and a positive operating environment for our company.

Promoting Human Progress and Economic Development



Chevron's community engagement programs are strategic investments in the future of communities and our business success – across cultures and continents and amid complex socioeconomic environments.

Above: Students from the Rainbow Village project in Rach Gia, Vietnam, take a break from their studies (see page 29).

Our ability to build mutually beneficial long-term relationships is enhanced by investments that simultaneously provide lasting community benefits and direct business value. This approach involves working cooperatively with host governments, communities and civil society, nongovernmental organizations, and aid agencies to assess and understand socioeconomic conditions. Our three primary focus areas for community investments are improving access to basic human needs, enabling education and training opportunities, and promoting sustainable livelihoods. Each element helps contribute to socioeconomic progress. In 2009, Chevron invested \$144 million in

our global partnerships and programs: 48 percent in North America; 20 percent in Africa; 14 percent in Asia-Pacific; 14 percent in Eurasia, Europe and the Middle East; and 4 percent in Latin America.

Improving Access to Basic Human Needs

Improving the quality of life in communities where we operate requires having access to health care, food, water, housing, sanitation and other basic needs. Chevron leverages its funding, organizational capabilities, technology and personnel to aid communities. In Bangladesh, where we provide employment for 2,700 workers and meet more than 45 percent of the country's natural gas needs, we established three Smiling Sun clinics to provide health services to villagers. In 2009, a structure for a permanent clinic was inaugurated, and more than 100 teachers in Bibiyana

received first-aid training. With the support of local and international partners, approximately 8,000 villagers near our Bibiyana and Moulavi Bazar gas fields receive services from these clinics each month. Such investments can stabilize local conditions to improve operating environments and foster economic development.

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Our efforts to fight disease show how our long-term business interests and commitment to corporate responsibility are linked. Chevron is the first Corporate Champion of a three-year, \$30 million investment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, a public-private partnership created in 2002 with support from the United Nations. We are working with Global Fund grant recipients in Angola, Nigeria,

South Africa, Indonesia, Thailand and the Philippines to stem the spread of these diseases. These are communities where we have significant operations and a large employee base, and where Global Fund partnerships can help leverage or expand our existing community engagement and public health efforts. In 2009, the second year of the program, all six of our in-country partnerships were under way.

We worked with a recipient of Global Fund resources in Thailand – Program for Appropriate Technology in Health (PATH) – to increase HIV/AIDS awareness and education among Chevron employees, Thai youth and Caltex customers in Bangkok. Together, we organized the first AIDS Education Youth Camp, strengthening leadership skills and HIV/AIDS awareness of 25 youth leaders. We introduced PATH's Parents Network to Chevron employees to help parents improve their understanding of HIV/AIDS and enhance communication about the disease with their children. PATH partnered with Caltex retailers and attendants to distribute approximately 40,000 brochures with HIV/AIDS information at Caltex stations in Bangkok.

Chevron Nigeria Ltd. and the National Agency for the Control of AIDS launched a Workplace Wellness program with 10 Lagos-based small and medium-sized enterprises and nonprofits. The program provides technical support, advocacy and a system for monitoring wellness practices.

In the Philippines, we are partnering with the Global Fund to fight tuberculosis, the sixth-leading cause of mortality and morbidity, according to the Philippine Department of Health. Thus far, our contributions have helped train more than 12,000 service providers to detect tuberculosis. Through these efforts, more than 6,900 new cases were detected, of which 1,300 were drug-resistant. To complement the Global Fund partnership, Chevron employees, Caltex retailers and service station employees participated in awareness events; Caltex.com/ph provided retailers with information and referrals. Through its network of Caltex stations, Chevron is planning an education and awareness campaign aimed at public-transport motorists. The campaign will focus on prevention and early detection.

STAKEHOLDER
ENGAGEMENT

Partnership Through Community Consultation



During a two-year Arctic exploration program, our community engagement team, as part of our Environmental, Social and Health Impact Assessment process, held numerous meetings with residents from Anaktuvuk Pass and other villages on Alaska's North Slope. Anaktuvuk Pass is the last remaining settlement of the Nunamiut (People of the Land) Inupiat communities in Alaska (pictured).

The meetings enabled the residents to learn about Chevron's drilling plans and express concerns about the possible effects on village life and their relationship to the land – including subsistence hunting activities. The consultation process gave us an opportunity to adjust project planning to mitigate these issues, including taking special care around the drill site to prevent disruption to local culture.



Before exploration, we also conducted baseline studies of the area's environment and wildlife, which resulted in modification to the drilling plans in order to reduce potential impacts.

In another environmental effort that the company started in Alaska in 1991, Caring for the Kenai, Chevron and partner Tesoro Corp. sponsor an environmental awareness contest in which students compete for cash awards by developing practical, applicable solutions to preserve and improve the local environment. The students identify the issues they wish to address. Several first-place winners of this nationally recognized program received President's Environmental Youth Awards from the U.S. Environmental Protection Agency for their projects. To learn about Caring for the Kenai, visit CaringForTheKenai.com.



Training Teachers and Students

Chevron is partnering with several organizations, including *The Jakarta Post* and the Newspaper in Education Institute, in a unique program to teach English. The program is based on the idea that using the newspaper as a living textbook can make teaching and learning English enjoyable, interactive and relevant. Chevron supports the program by organizing training in communities near company operations. More than 750 students and 300 teachers from junior and senior high schools in Indonesia's Riau and East Kalimantan provinces benefited from this training since Chevron's participation began in 2008.



United States

Fifth-grade girls experience the visualization center at Chevron headquarters in San Ramon, California, through TechBridge, a company-supported program of the Chabot Space and Science Center in Oakland, California. During field trips at Chevron, women in engineering and other technical fields serve as role models to introduce girls to science and engineering and try to spark the girls' interest in those fields. See the video at Chevron.com/TechBridge.

Unlimited Possibilities



Community Engagement

In Angola, the Ministry of Health is our partner in combating malaria, where our Global Fund contribution in 2009 helped provide anti-malarial treatments to children under 5 years of age and pregnant women. More than 440,000 long-lasting, insecticide-treated nets were distributed to families to help with prevention.

Living With HIV/AIDS in South Africa

In the Dunoon community, near our refinery in Cape Town, South Africa, 50 percent of the people are suffering from HIV/AIDS. Many living with the disease have few opportunities to eat regular meals, which limits the effectiveness of anti-retroviral treatments.

When community leaders approached our community advisory panel about the urgent need to provide assistance to those living with HIV/AIDS, Chevron – collaborating with the Department of Social Development, community leaders and a local nongovernmental organization called Heavenly Promise – established the Dunoon Community Home-Based Care Center in 2009.

The program trained caregivers from the community who bring nearly 150 meals each week to homebound people with the disease. Beyond supplying funding to build and stock the facility, Chevron and its partners provided project management training to community women to run the center. Thus, the community has taken ownership of the center and keeps it

sustainable. To learn more, please see the video at Chevron.com/Dunoon.

Responding to Natural Disasters

In the past five years, Chevron supported response, relief and recovery efforts after 21 natural disasters, engaging communities through local partnerships to restore access to health care, water, food and shelter, and to implement efforts for lasting recovery. In August 2009, Chevron, which partners with the China National Petroleum Corp. on the Chuandongbei gas project in China, donated \$600,000 to enhance health care facilities and improve care at a hospital in rural Dazhou. This was Chevron's second major contribution in the Sichuan province. Since 1983, the company has directed more than \$100 million to disaster relief and recovery.

In Indonesia, we responded to a series of earthquakes by providing immediate assistance, including dispatching a Chevron medical team of three doctors, 12 paramedics and a psychologist. We transported 50 Indonesian Red Cross doctors in a company-chartered plane and donated food, water, clothing, medicine, sanitary supplies and carpentry equipment. The company matched the funds employees raised for relief, recovery and rebuilding.

Enabling Education and Training

Our investments in education and training contribute to local development and build constructive relationships that improve our ability to conduct business.

Science, Technology, Engineering and Mathematics (STEM)

Chevron invests in STEM programs to support its business objectives to help develop employment skills and contribute to economic progress. In 2009 in Thailand, we sponsored summer camps in geology and geophysics for high school students. We also supported graduate studies in petroleum geoscience at Chulalongkorn University and provided 61 scholarships in engineering and geoscience.

Chevron's California Partnership is a \$7 million initiative launched in 2009 to broaden our partnerships with nonprofits that support underserved communities. Initially, 18 nonprofits were selected that provide education, entrepreneurial skills and job training in communities where we operate. Our contribution brought our total community investment in the state to \$21.8 million in 2009.

Chevron Philippines consolidated its education and job training initiatives for underserved youth under the Chevron Energy for Learning™ program. The company partners with local communities, governments and nonprofits to provide opportunities for at-risk youth, who include former street children, out-of-school youth and children in conflict with the law. Since 2006, the KAPATID program, a partnership with the Marcellin Foundation and the Education and Employment Alliance, has provided technical training and job placement services to more than

SEEDS of Change



Project SEED (Summer Experiences for the Economically Disadvantaged) encourages achievement in science among high school students from economically disadvantaged backgrounds. Elaine Yamaguchi, a Chevron scientist based in Richmond, California, spearheads Chevron's participation in this national program, which the American Chemical Society established in 1968. She volunteers 200 hours a year matching candidates with mentors. "This is the most important thing I've done in my life – mentoring these students," she

said. Over the past 10 years, Chevron provided research opportunities for 40 students and contributed \$100,000. One student, Jingxun Chen, spent eight weeks testing engine oils in the laboratory under Chevron's guidance. She is now a freshman scholarship student at Massachusetts Institute of Technology.

Left: Chevron chemist and mentor Jennifer Barbarow and chemist Bob Drues examine fractions that mentee Jingxun Chen separated from a test oil.

337 out-of-school youth, at least 73 percent of whom are now employed. The Loaves and Fishes program in 2009 opened three bakeries operated and managed by former street children and children in conflict with the law. And through the Caltex Mentor Program, more than 1,000 volunteers – from the workforce, retailers and business partners – have helped improve literacy at 24 public elementary schools for the past five years.

Chevron's refinery near Cape Town, South Africa, trains disadvantaged students, helping address a shortage of local skills in the oil, gas and chemical manufacturing industries. Students participate at the refinery in a mentorship program with employees and managers. In 2009, we funded 11 student scholarships to Stellenbosch University, The Cape Peninsula University of Technology and the University of Cape Town. We provided artisan training to 179 students from Northlink College.

Saudi Petroleum Services Polytechnic in Dammam, Saudi Arabia, is the country's first institute to train students for field-service jobs in the country's petroleum industry. In 2008, Chevron and partners launched the institute, which in 2009 added faculty, facilities and courses and admitted a second class of more than 200 students. The first class will graduate in 2010.

Partnership to Provide Education Since 2002, Chevron and the Discovery Channel Global Education Partnership (DCGEP) have worked with government education agencies to improve learning and complement national education priorities. Through the initiative, Learning Centers are established at underserved primary schools. Teachers receive three years of training and mentoring and are provided with televisions, DVD players and libraries of high-quality, locally relevant educational videos to complement their lesson plans. So far, 65 Learning Centers have been established in Angola, Nigeria, South Africa and Brazil, including 15 new centers in South Africa and Brazil in 2009. More than 2,400 teachers, 104,000 students and 312,000 community members are involved. Ninety-three percent of Chevron-sponsored Learning Centers are self-sustaining after three years. Since the program began, 43 Chevron-sponsored schools graduated

Sustainable Livelihoods

Chevron collaborates with local stakeholders to address community needs. Chevron Nigeria Ltd. partnered with nongovernmental organizations and the Egbema-Gbaramatu Central Development Committee (composed of a cluster of Ijaw communities near company operations) to conduct a sustainable livelihood assessment to prioritize needs and measure the viability of proposed projects. The fish and poultry farm in Benikrukru is one such project. Plans are to stock the farm and start up in 2010. The community set up a four-person management board to handle the operation when the farm is completed.

from the program and continue operations under their own management.

Chevron and DCGEP build local capacity by hiring trainers from the community and empowering teachers to be agents of change. Participating schools report an increase in student enrollment, improved motivation and academic performance, and a decrease in absenteeism. The centers become focal points in the community. Parents and community groups lead projects addressing topics such as the environment, AIDS, teen pregnancy and malnutrition. During a garbage crisis in Caracas, Venezuela, the community used video programming and the Learning Center to inspire a grassroots movement to improve trash collection – and subsequently launched a recycling campaign to increase awareness of environmental issues.

In Vietnam, we are working to increase educational opportunities for children in the Mekong Delta. In 2009, in partnership with the National Fund for Vietnamese Children, a Chevron-led consortium – composed of Chevron Vietnam, Mitsui Oil Exploration Co. Ltd., and PTT Exploration and Production Public Co. Ltd. – granted scholarships to 235 schoolchildren in Can Tho. The initiative is part of a larger program that we led to provide scholarships

to more than 700 children in Ca Mau, Kien Giang and Can Tho.

Chevron Canada is a 16-year sponsor of the Chevron Open Minds program, which began in Calgary, to improve students' literacy, writing skills and desire to achieve through experiential learning. In 2009, we committed an additional \$500,000, bringing total funding, including matching grants, to more than \$4 million since our sponsorship began. The program motivates students from first through eighth grade by moving their classrooms for weeklong excursions to the Calgary Zoo, the Glenbow Museum, the Cross Conservation Area and the TELUS World of Science. Since 1993, more than 50,000 students and 2,000 teachers have participated in the award-winning program, which was expanded in 2009 to Fort McMurray, Alberta, and to St. John's, Newfoundland and Labrador.

The Chevron Human Energy School Network was established in 2008 in Thailand in collaboration with the Ministry of Education's Office of the Commission for Basic Education to teach students about environmental issues such as water use and waste recycling. In 2009, the program included 20 schools from 18 provinces, involving teachers, students, parents and community members. Chevron provides financial support and technical assistance. In 2010, an additional 30 schools will participate.

Supporting Sustainable Livelihoods

Chevron is committed to improving social, environmental and economic conditions where we operate. Our focus on sustainable employment opportunities promotes self-sufficiency. With partners, we identify programs to promote a better standard of living, create a more stable operating environment and improve relationships.

Computer literacy is essential to compete in today's global economy. In 2007, Chevron partnered with the Fisheries Department of Malaysia to equip a community center in the rural fishing village of Kuala Pahang, in the Pekan district, and provide basic computer and language classes. The program has had more than 420 registered students, ages 5 to 50, since the program began and has helped improve the computer literacy levels of residents, including



Chevron Humankind

Chevron employees show their commitment to benefiting their communities by volunteering and donating. The company helps support those efforts through Chevron Humankind, which matches U.S. employees' and retirees' financial contributions to nonprofit organizations and provides grants for volunteer time.

Since the program began in 2008, participant contributions and company matches resulted in \$48 million to advance the important work of nonprofits to strengthen local communities.

More than 17,000 participants supported more than 10,000 nonprofits.

Above: Employees Kassie Eckhart (left) and Erin Matsumoto are two of 30 Chevron volunteers who partnered with the nonprofit GRID Alternatives to install two rooftop solar electric systems at a Habitat for Humanity housing development in Oakland, California, in September 2009. The project will provide 3.6 kilowatts of clean power and save homeowners more than \$30,000 in electricity costs over the systems' life spans.

Rainbow Village

Children in Rach Gia – in the Kien Giang province of Vietnam – who lived with their families in the city's garbage dump and were vulnerable to trafficking and other abuses now attend a safe, new school.

In collaboration with Habitat for Humanity Vietnam and their non-governmental organization partners, Chevron and fellow donor companies are helping change the situation for these children and their families.

The Rainbow Village project opened a school and now provides scholarships to ensure that the children can attend. The partnership also opened a training and resource center, built water and sanitation systems, and helped move 24 families into newly constructed homes, with 12 more homes under construction at year-end. Many community members participated in construction training onsite and now use the skills they learned during the project in their work with local contractors. The support of government partners led to participants' gaining title to their homes.

Chevron employees participated in Habitat Vietnam's activities by joining in home-building activities in the Tien Giang and Hai Duong provinces.

Below: Thi Huyen and her family enjoy their new home.



fishermen. In 2009, Chevron transferred full project management to the Fisheries Department and a fishermen's association, which now continue the programs.

Promoting Women

Chevron Vietnam recently began working with the nonprofit Save the Children in the Mekong Delta to support sustainable livelihoods for disadvantaged women. Our commitment is designed to improve the economic status of 850 women in low-income households in the areas of animal husbandry, homestead gardening, aquaculture and service businesses. Assistance includes providing access to financial services, including loans and financial-skills training. The program engages local organizations, such as the women's unions, and strengthens their ability to deliver services on an ongoing basis. These programs are being implemented in areas where our gas-to-power project pipeline will be located.

Chevron Bangladesh and nonprofit employment organization Hathay Bunaro partnered in 2009 to establish a training center for underprivileged women of Kamalganj, Moulavi Bazar. Hathay Bunaro employs 3,500 artisans across a network of 33 rural cooperatives to create hand-knitted, crocheted and embroidered goods sold in markets around the world. The training gives women income-generating skills by creating sustainable, fairly paid, flexible and local employment opportunities.

Chevron also initiated a five-year, \$250,000 scholarship program with the new Asian University for Women in southeast Bangladesh. It is the only university in Bangladesh exclusively for women. In 2009, the university enrolled its first undergraduates, with students from Bangladesh, Cambodia, India, Nepal, Pakistan and Sri Lanka.

A partnership with the Association of Business Women of Kazakhstan and local government agencies began in 2009 to address high rates of unemployment and poverty among women in Astana and the Almaty area. The program focuses on training women in food preparation, home repair and child care. More than 440 women participated. Eighty percent found employment, and 10 percent started their own businesses. The project coincided with

Supporting Local Business in California

To help assist local businesses in Richmond, California, Chevron in 2009 invested \$30,000 in the West Contra Costa Business Development Center. This nonprofit agency helps local small, minority- and women-owned businesses gain the skills and resources needed to be competitive and grow. One goal of the center is to bring 20 businesses to the \$500,000 revenue level, which is expected to generate more than 200 new jobs and \$20 million for the local economy. In addition to this investment, in 2009 Chevron spent more than \$54 million with small businesses in Richmond.

Below: Sergio Tostado's gardening business, New Era 2000 Landscaping, is one of the more than 170 businesses that benefit from Chevron-funded programs. In the background is Salvador Albarrau.



a government-initiated program, Road Map, to increase professional development and support employment and self-employment.

Stability Through Partnership

In 2005, Chevron Nigeria Ltd. (CNL) launched a model program that empowers communities to determine what they need to improve their quality of life. This collaborative process – involving CNL, communities, government and nongovernmental organizations – is designed to foster peace and stability in areas where we operate. Our program led to the creation of eight Regional Development Committees, now representing more than 425 communities

and approximately 850,000 people. Some communities that once were hostile toward each other now work together to build hospitals, introduce electricity to rural areas and conduct job-training programs.

By the end of 2009, these committees were managing 192 infrastructure projects, of which 110 are complete. Among them are six solar-powered water projects in the Izombe region that have helped alleviate the perennial water shortage in some communities. Rural communities in the Bayelsa and Rivers states benefited from electrical expansion projects, and a new hospital was built for the Dodo River communities. Housing projects enabled displaced Itsekiri families to return to their communities, and more than 1.9 miles (3 km) of walkways improved access for Ilaje communities. Microcredit programs provided job training and opportunities for 1,600 men and women in the region.

Each committee signs a Global Memorandum of Understanding (GMOU) with CNL that is based on the principles of transparency, accountability and sustainability. CNL and its joint-venture partner, Nigerian National Petroleum Corp., provide funding for governance, administration, project and partner costs. Since 2005, we have contributed more than \$46 million to the committees. In 2009, the program received funding from the United States Agency for International Development (USAID) to build the committees' administrative capabilities – the first time international donor support was provided. With this collaborative foundation in place, CNL negotiated new three-year extensions with all eight committees in 2009. Chevron and USAID established a new partnership in 2009 to build the capacity of these committees, working with other organizations in the region and establishing a growing network of support for development.

"If there is anyone out there who still doubts the workability of the GMOU, who still wonders if the GMOU can deliver in our time, today's commissioning is an answer to your questions," said Berry Negresse, chairman of the Dodo River Regional Development Committee, at the opening of the 45-bed Amatu cottage hospital, a community-driven project in the Niger Delta.

A Corporate Leader

“The United States Agency for International Development (USAID) and Chevron are partnering to build and deliver economic development programs in several countries throughout the world, including Angola, Brazil, Indonesia, Nigeria, Kazakhstan and Turkmenistan. Since 2002, Chevron has been a corporate leader in USAID’s Global Development Alliance approach of engaging public- and private-sector assets to make a difference for the world’s poorest. Together we worked to build community entrepreneurial capacity, train women and youth for productive employment, revitalize agriculture, jump-start small businesses, rebuild basic infrastructure after disasters, and contribute to local conflict mitigation and peace-building efforts. Our partnership with an innovative industry leader like Chevron demonstrates that private companies have a unique role and a special comparative advantage to offer development. This type of public-private collaboration is truly significant in that it promises longer-term, more sustainable results, and I challenge other corporate leaders to follow Chevron’s example.”

Alonzo Fulgham
Acting Administrator, USAID

Right: U.S. Secretary of State Hillary Clinton congratulates Chevron’s Alan Kleier after witnessing the signing of the Memorandum of Understanding (MOU) between Chevron, USAID and the Cooperative League of the United States of America (CLUSA). The MOU supports Angola’s continued focus on developing a diversified and sustainable economy by supporting financial, educational, technical and training services to help improve the commercial viability of small to medium-scale farms. This MOU builds on the Angola Partnership Initiative, which started in 2002 with an initial commitment of \$25 million from Chevron Corporation.

Partnerships With USAID

Turkmenistan In 2009, we launched Chevron Nebitgaz B.V. in Ashgabat, Turkmenistan, to pursue opportunities in the hydrocarbon sector. To understand and address the country’s highest-priority needs, we collaborate with Turkmen nationals, the government of Turkmenistan and local community groups. “There is no better way to become trusted members of the community than to become part of the community,” observed Douglas Uchikura, president of Chevron Nebitgaz.

Chevron is working with USAID in Turkmenistan to demonstrate a sustained, country-driven commitment to growth and prosperity that is mutually beneficial. An initiative on International Financial Reporting Standards works with university professors, Turkmen oil and gas sector specialists, and local accountants to conform to these standards. Also, a partnership program with Junior Achievement provides business education to 20,000 Turkmen youth each year to prepare them for success in the global economy. Chevron and USAID also collaborate with the Ministry of Health and Medical Industry to support youth centers that provide language and computer classes, social activities, and referrals for medical treatment to 30,000 youth annually.

The USAID representative for Turkmenistan, Ashley Moretz, said, “The partnership with Chevron provides an excellent opportunity to expand and improve cooperation with USAID’s long-term partners in Turkmenistan. As the country builds its own model for development, USAID and Chevron are responding to Turkmenistan’s national priorities by bringing international standards and experience to mutually beneficial projects.”

Brazil In December 2009, we announced a partnership with USAID, local nongovernmental organizations and government agencies to improve job opportunities for women in Brazil. Our three-year, \$1.6 million program in Rio de Janeiro and Espirito Santo will provide training and job placement programs.

Clinton, in her remarks, spoke about this collaboration as “a model of the global architecture of cooperation we are building through partnership with and beyond government. The partnership between USAID, Chevron and CLUSA represents a new approach to development assistance.”

At left is Angola’s Minister of Agriculture Afonso Pedro Canga. Behind Alan Kleier is Angola’s Minister of External Relations Assunção Afonso dos Anjos.



Developing Human Energy

We invest in people to improve our global capability to reach our strategic goals and outperform our strongest competitors. Our Invest in People strategy promotes workforce and leadership development. Building employees' professional skills strengthens our organizational capability while enhancing personal learning and enrichment.

Safety

Our commitment to the health and safety of our employees and contractors is recognized in The Chevron Way, managed through our Operational Excellence Management System, and reinforced at all levels of the corporation. Chevron's efforts to create and maintain a safety culture include starting meetings with safety moments, tracking and awarding business units for strong safety performance, sharing best practices and lessons learned, and using behavior-based safety evaluations. Our Zero Is Attainable (ZIA) awards are granted to eligible organizations that complete 1 million work hours or 1,000 days worked with no workforce Days Away From Work incidents and no fatalities. In 2009, 61 eligible organizations received 111 ZIA awards.

While we had our safest year ever, we did not meet our target of zero fatalities in 2009. Each fatality is thoroughly investigated, and the chairman reviews the results. Incident reports and lessons learned are distributed throughout the company. Motor vehicle safety remains a challenge that we are addressing through training, and we hold awareness events during Global Road Safety Week. Our workforce's increased awareness has reduced our most severe motor vehicle incidents by 73 percent since 2007.

Approximately one-third of all recordable injuries suffered by our workforce from 2004 through 2009 were hand injuries. In 2009, we focused on improving our performance during Global Hand Safety Week, when tools and information were disseminated to our workforce.

Process safety management is focused on reducing the likelihood and severity of unplanned releases that can result in environmental or safety incidents. As a result of Chevron's efforts in process safety

and reliability, in 2009 we experienced our highest rates of reliability; and our manufacturing unit's 2008 performance ranked us among the best in our competitor group in Solomon Associates' study published in 2009.

Health

Chevron invests in the health of employees to improve productivity, reduce costs related to employee health, and optimize employee physical health and mental well-being. Our programs include an award-winning HIV/AIDS training program and policy and programs to support employees who want to make positive lifestyle changes. In 2009, we advanced these initiatives by completing a tuberculosis training program similar to our HIV/AIDS program, continued to roll out our cardiovascular program, and increased onsite health fairs and screenings. We launched a version of our HIV/AIDS training without Chevron branding that can be shared with our supply chain partners and communities where we operate.

Chevron is currently implementing a Fitness for Duty process, which confirms or identifies the circumstances under which employees are able to safely perform essential physical, psychological and cognitive requirements of their job without risk to self, others or the environment. In addition, we are continuing to implement our Occupational Hygiene process with the support of a corporate center of excellence, which is working to build technical capacity and is establishing networks to share successful practices and lessons learned.

Chevron launched a cardiovascular health program in 2007 and, since then, continues to deploy it in more countries around the world. In 2009, 48 percent of employees at locations where the program has been launched participated in the program, which includes a risk assessment and personalized recommendations and coaching. Johnny Pak, a refinery business manager in Pascagoula, Mississippi, started the cardiovascular program in early 2008,



Healthy Families

At Tengizchevroil LLP, in which Chevron is a 50 percent partner, citizens of Kazakhstan compose 83 percent of the workforce and hold 75 percent of the managerial positions. The company offers ongoing training and development programs to help employees advance to positions of increasing responsibility.

In December 2009, Tengizchevroil achieved 23 million work hours with no company Days Away From Work injuries.

Above: Tengizchevroil employee and legal counsel Alexandr Borzilov with his wife and daughter.

shortly before his 40th birthday. In not quite two years in the program, Pak progressed from walking around his neighborhood to running several miles without stopping. He lost 35 pounds and improved his blood pressure. The key to his success was being accountable to his coach for meeting his goals. "I have many people counting on me," said Pak, "my family, my friends, my work colleagues, and I plan on being there to serve them for a long, long time."

Arrive Alive

Every day, our employees and contractors maneuver through crowded, busy streets to go to work and return home to their families. Our goal is that they arrive safe.

Over the past five years, we invested \$10 million and more than 54,000 hours in our Arrive Alive program, collaborating with other private-sector companies, international donors and governments to implement programs to help eliminate traffic accidents and fatalities. The program is well established in five countries: El Salvador, Guatemala, Nigeria, South Africa and Uganda.

In 2009, we were recognized with the Prince Michael International Road Safety award. In presenting the award, HRH Prince Michael of Kent, Patron of the Commission for Global Road Safety, said, "The company rates road safety highly and is an example to all in the corporate sector of the importance of sharing knowledge – a vital ingredient for building sustainable road safety programs in any country."

In South Africa, Chevron is a member of the Global Road Safety Partnership. We sponsored two programs for schoolchildren because, as pedestrians, children are some of the most vulnerable road users. The programs reach 22 primary schools and nine high schools near a busy road with heavy pedestrian traffic. The older students used music, dance and humor to convey road safety challenges and solutions.

Amelia Haycock, Chevron Arrive Alive coordinator for South Africa, said about the programs, "It was an incredible experience to see the impact of our involvement in the community, in particular, the leaders of tomorrow embracing safety."



Strength in Diversity

In April 2009, Chevron was recognized as the University of Texas at Austin's 2009 Partner of the Year for Equal Opportunity Engineering (EOE) for our outstanding and consistent support of recruitment, academics and professional development; for encouraging employees to serve as role models through involvement in events hosted by the EOE program, the Pi Sigma Pi Minority Academic Engineering Society,

the National Society of Black Engineers and the Society of Hispanic Professional Engineers; and for proactively recruiting diverse engineers for summer internships and full-time positions.

Above: In Houston, Texas, Chevron Energy Technology Co. lab technician Markeith Tennison works within a multinational research team.

Investing in People

Despite challenging economic times, Chevron continues to recruit to meet strategic future needs. Efforts to develop our existing workforce remain on schedule. Our Horizons development program for technical specialists – in many areas, such as health, environment and safety; petroleum engineering; and information technology – had 2,500 participants in 2009, up from 2,300 in 2008. This five-year investment in cross-functional training accelerates employee development on the job, providing exposure to our business while sharpening competencies.

After Horizons, technical employees can participate in Pathways, an employee-driven career development program designed to expand the technical and professional skills of employees and strengthen the long-term capability of the company. More than 4,600 employees participated in 2009, up from 3,000 employees in 2008.

Eighteen field operators from PetroChina, a subsidiary of the China National Petroleum

Corp. and our joint-venture partner on the Chuandongbei gas project in China, trained at our Employee Resource Training Center in Lafayette, Louisiana, for three months in 2009. Since returning to China, they have been sharing their knowledge and training other PetroChina operators. Chevron's ability to operate sour gas fields and plants safely and efficiently is one of the reasons we were selected in 2007 to develop and operate the Chuandongbei project as part of a 30-year partnership. Many of PetroChina's operators, although having years of experience, were new to working with sour gas or high-pressure production. Chevron developed the training after giving all the Chuandongbei field operators a comprehensive knowledge and skills assessment to identify gaps.

Through Chevron's University Partnership Program, we collaborate with key universities around the world through scholarships, grants, and departmental support. Chevron has provided funding in excess of \$15 million per year to help develop academic excellence, research and alliances that

provide students with the skills needed for careers in the energy industry.

Partnership schools in non-U.S. locations are based on Chevron's key areas of operation, including Western Australia, Indonesia, Kazakhstan, Scotland (North Sea) and Thailand. Efforts are under way to explore partnerships in additional countries, including Angola, Brazil and Nigeria. A portion of our international effort focuses on partnering world-class institutions with less developed programs in order to strengthen the faculty and curriculum.

In the United States, we have sought out alliances at major institutions, including Stanford University, Texas A&M University, Louisiana State University, University of Texas, Colorado School of Mines, University of California at Davis, and Massachusetts Institute of Technology. We also are connected to a network of more than 100 schools in the United States. These relationships enable Chevron not only to help foster talent in critical disciplines – such as engineering, earth science, finance, information technology and environmental science – but also to help facilitate growth of minority participation.

Diversity

Diversity is one of The Chevron Way values and is a competitive advantage to the company by promoting innovation through different perspectives and experiences. The percentage of women and non-Caucasian men represented at the senior executive level has grown 10 percent since global diversity tracking began in 2002. Employee networks support diversity and innovation in the workforce. The number of worldwide memberships in Chevron's 11 employee networks, which can include individuals who are members of multiple networks, grew from approximately 18,000 in 2008 to approximately 21,000 in 2009.

Employee networks are groups of employees focused on dimensions of diversity, such as gender, race, sexual orientation, age, disability and nationality. Networks are initiated by employees, are formally structured, and are aligned with Chevron's diversity values and strategies. The networks are inclusive, and each is open to any employee who wants to support the network's mission, vision and objectives.



Workforce Nationalization

Chevron has been operating in Colombia for more than 80 years and is the largest natural gas producer in the country, supplying 65 percent of the country's natural gas needs. For gas production operations, more than 95 percent of the workforce is Colombian and includes workers from the Guajira region and nearby indigenous Wayúu communities.

In 2009, Chevron Colombia succeeded in having no motor vehicle crashes and no spills, and it also received a Zero Is Attainable award for its safety performance that year. Between 2004 and 2009, Colombia had no Days Away From Work incidents.

Above: Gustavo Plata is an offshore operations engineer on the Chuchupa A gas platform.

STAKEHOLDER
ENGAGEMENT

Engaging Employees

We engage with our employees through employee networks, town hall meetings, intranet communications, publications, an annual corporatewide teleconference with the chairman and periodic surveys. In 2009, several topical surveys on business strategy, program effectiveness, communications and other issues provided management with employee opinions.

Employees started and manage Chevron's 11 employee networks, which are open to any employee. The networks foster career development and often organize volunteer activities. In 2009, the XYZ (which addresses issues relevant to the X, Y and Z generations) and Boomers (which addresses issues relevant to the Baby Boom generation) networks in Bakersfield, California, were asked to hold an ingenuity brainstorming session with business leaders. Topics were sustainability and adding business value as the company

plans for compliance with California's climate change legislation.

The group leveraged their diverse backgrounds and practical work experience to provide fresh perspectives on reducing greenhouse gas emissions in the area's Upstream operations. From the hundreds of ideas generated, some key proposals were to consider a Lean Sigma statistical analysis tool to improve energy efficiency and steam management, alternative energy technologies to increase steam generation efficiency, and a regional mass transit option for employee travel to multiple field locations.

Chevron scientist Susann Nordrum said, "What struck me most was that the perspectives of geologists and reservoir engineers were really different from the typical chemical and mechanical engineering approach."

Total Recordable Incident Rate¹

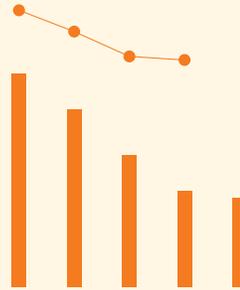
Incidents per 200,000 work hours



YEAR	05	06	07	08	09
Workforce	0.41	0.42	0.35	0.36	0.27
Benchmark	0.84	0.59	0.56	0.55	N/A
Employees	0.38	0.34	0.40	0.31	0.32
Benchmark	0.61	0.51	0.49	0.47	N/A
Contractors	0.42	0.46	0.34	0.37	0.26
Benchmark	0.67	0.64	0.61	0.59	N/A

Lost-Time Incident Frequency¹

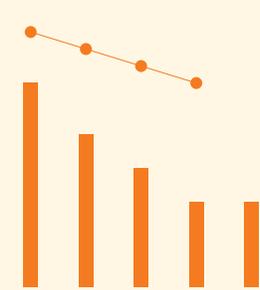
Incidents per million work hours



YEAR	05	06	07	08	09
Workforce	0.60	0.50	0.37	0.27	0.25
Benchmark	0.78	0.72	0.65	0.64	N/A
Employees	0.84	0.41	0.48	0.33	0.33
Benchmark	0.77	0.64	0.57	0.57	N/A
Contractors	0.49	0.53	0.33	0.25	0.23
Benchmark	0.79	0.78	0.71	0.67	N/A

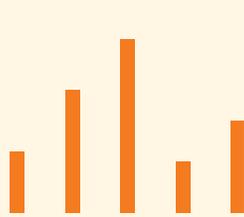
Days Away From Work Rate¹

Incidents per 200,000 work hours



YEAR	05	06	07	08	09
Workforce	0.12	0.09	0.07	0.05	0.05
Benchmark	0.15	0.14	0.13	0.12	N/A
Employees	0.16	0.08	0.09	0.07	0.07
Benchmark	0.15	0.13	0.11	0.11	N/A
Contractors	0.10	0.10	0.06	0.05	0.04
Benchmark	0.15	0.15	0.14	0.13	N/A

Work-Related Fatalities



YEAR	05	06	07	08	09
Workforce	6	12	17	5	9
Employees	2	1	3	0	0
Contractors	4	11	14	5	9

Motor Vehicle Safety

Company motor vehicle incidents per million miles driven



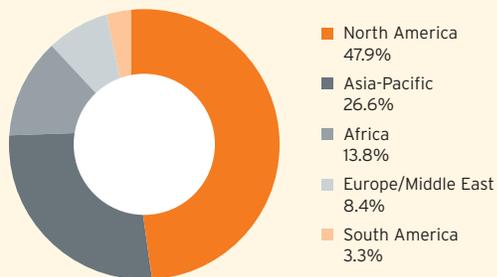
Data include catastrophic, major and serious incidents.

Global Diversity

YEAR	08	09
Women in total workforce	22.7%	22.9%
Women represented at midlevel and above	11.5%	11.7%
Women and non-Caucasian men represented at senior executive level	24.8%	26.5%

Global Workforce at Year-End 2009

Geographic breakdown



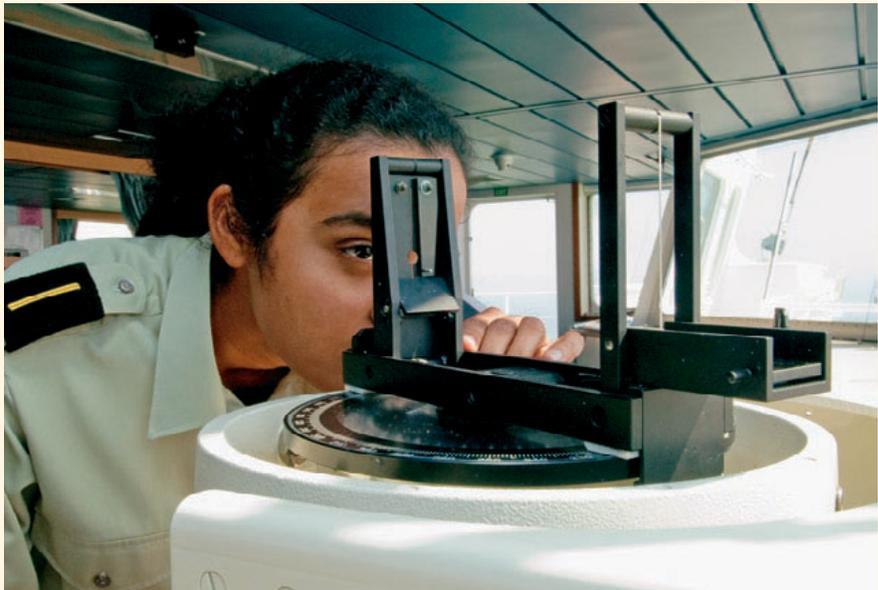
At year-end 2009, Chevron's worldwide staffing was 59,963 (excluding approximately 4,200 service station employees). This represents a decrease of 2.66 percent over the previous year. U.S. workers numbered 27,948, and approximately 14.3 percent were represented by unions.

U.S. Equal Employment Opportunity Commission Statistics

YEAR	07	08	09
Minorities among total employees	33.9%	35.3%	34.9%
Women among total employees	29.0%	29.2%	28.9%
Minorities among executives and senior managers	9.6%	11.0%	11.2%
Minorities among first- and midlevel managers	26.5%	26.9%	27.5%
Women among executives and senior managers	14.1%	15.0%	14.4%
Women among first- and midlevel managers	25.6%	24.7%	27.4%
Minorities among professionals	29.1%	30.6%	31.4%
Women among professionals	32.0%	32.4%	32.4%

¹ American Petroleum Institute's *Benchmarking Survey of Occupational Injuries, Illnesses, and Fatalities in the Petroleum Industry* data are used as industry benchmarks. 2009 benchmark data were not available at the time of publication.

The Young Mariners



Chevron operates one of the world's most efficient shipping fleets while maintaining strong safety and environmental performance. Knowing that a well-trained, experienced workforce is needed to sustain operational excellence, Chevron acted to increase the number of qualified cadets coming into its workforce by building an oil tanker that is dedicated to training the next generation of ship officers and engineers. In 2007, Chevron commissioned the 800-foot-long (244-m) *Capricorn Voyager*, a vessel equipped with an extra deck that allows for the training of 12 cadets onboard.

When cadets join Chevron, they have already spent about three years in classes at a maritime academy. They then spend one year at sea either on the *Capricorn Voyager* or onboard another of Chevron's vessels, learning both the theoretical and practical sides of vessel operations. While on the ship, cadets are involved in day-to-day operations, which include navigation, loading and unloading cargo, and maintenance and operations of the engine room and machinery. After passing required licensing examinations, the cadets move up to either third mate or third assistant engineer, the initial classifications for licensed officers.

"We bring young men and women onboard who have limited practical experience at sea and put them in a position where they can become ship officers," said *Capricorn Voyager* Captain Geoff Grannon, a seasoned mariner who first went to sea in 1972. "Three years ago, we had first-trip cadets on the ship. They're sailing now on ships within the company as third mates and third engineers."

These new officers enhance Chevron's diverse mariner workforce, as more than 80 cadets from 10 countries have participated in the program to date. Chevron attracts cadets from many different countries – Angola, Croatia, India, Ireland, Italy, the Philippines, Turkey and the United Kingdom, among others.

This diversity allows young officers in training to bring a fresh perspective to their shipboard roles, according to first mate Vivek Mathew, who has been sailing for 15 years: "The cadets often bring up valid points related to safety, and we modify our procedures for job-safety analysis and risk assessment based on their feedback."

In addition to applying theoretical knowledge to practical training, the cadets are immersed in Chevron's safety culture.

As with all Chevron operations, safety is a clear priority for all personnel. Even with a constant mix of inexperienced cadets and seasoned crew, the ship has operated since it began sailing in 2007 without a recordable injury. "The safety culture onboard the *Capricorn Voyager* is something you don't always see in other companies," said deck cadet Sanjay Kumar from India, who recently finished his first year in the program. "I'm in contact with my friends in different shipping companies, and it appears that our focus on safety is far, far ahead."

The enthusiasm of the cadets is matched by that of the professional seafarers who work with the cadets when they become junior officers. "I've had feedback from chief engineers around the fleet on the qualifications of the cadets, and it's been very good," said *Capricorn Voyager's* chief engineer Mike Packer. "The cadets are very prepared to take what they've learned and apply it as they continue with their careers."

Above: Cadets in the training room on the *Capricorn Voyager* are (from left) Smrati Bisen and Sanjay Kumar from India and Grant McPhail from the United Kingdom. Looking through the viewer is Smrati Bisen.

Building Capacity

One of Chevron's most significant impacts on economic development is derived from efforts to build capacity in our suppliers and local workforces.

In 2009, we spent approximately \$40 billion on goods and services from suppliers and contractors ranging from large multinationals to locally based small and medium-sized business.

Through our Contractor Health, Environment and Safety Management (CHESM) process, we work with suppliers to increase accountability and continually improve their performance in these areas. Since 2005, our contractor Total Recordable Incident Rate was reduced by 38 percent, from 0.42 incident per 200,000 work hours in 2005 to 0.26 in 2009. Suppliers are selected for periodic audits based on a risk ranking determined by the nature of the work to be performed and responses to a questionnaire on supplier policies, processes and performance. The audits cover health, environmental and safety standards and compliance. For instance, contractor BBL Falcon Industries Ltd. earned a mid-range score on our CHESM evaluation.

STAKEHOLDER ENGAGEMENT **Supplier Engagement**

Through our local content programs around the world, we engage suppliers to help build their capacity. Our Contractor Health, Environment and Safety Management program and our programs for small, minority- and women-owned businesses help our contractors and suppliers achieve sustained growth and improved performance, which carries over into their work for other companies.

In October, Chevron hosted the 2009 Supplier/Contractor Safety Forum in Houston, Texas. Attendees included senior executives from approximately 60 key contractor and supplier companies and more than 180 business partners and Chevron managers. Speakers included executives from Chevron and supplier companies. The day comprised sharing practices and discussing what it takes to build and sustain a safety culture. The three key messages distilled from the forum were "make it personal, raise risk awareness and convey that safety is 24/7."

With mentoring, guidance and assistance from Chevron, BBL Falcon increased its score to the top tier.

Local Content

In 2008, Chevron developed local content guidelines to promote sustainable, high-quality local capacity and capability. In 2009, the company launched a "community of practice" to enable Chevron's local content specialists from around the world to share best practices and report outcomes.

In Kazakhstan, Chevron holds 50 percent ownership of Tengizchevroil LLP (TCO), which has continually improved its Kazakh supplier program. This improvement is evident in TCO's strong local content spending in 2009 of \$1.2 billion, or 51 percent of the amount spent with third parties. TCO continues to focus on building the capacity of potential and current suppliers. In 2009, 614 Kazakh suppliers and 60 new suppliers were recommended for tenders. TCO held supplier development seminars, sponsored a database for local companies to market their services online to the oil and gas industry, and opened a vocational school in Kulsary to build local capacity in this industry. In addition, TCO used in-country engineering contractors for facilities and capital projects.

Our Frade deepwater development in Brazil, which began production in 2009, required construction of three support vessels. As local content is a key factor in any Chevron project, the ships were built in Brazil. One was built in Niterói, in the state of Rio de Janeiro, and the others were built in the state of Santa Catarina. Chevron is leading initiatives to enhance the exposure and the participation of local industry in Brazil.

Chevron Nigeria Ltd. (CNL) works to establish self-sustainable Nigerian companies that can compete in Nigeria as well as in the global market. The CNL Nigerian content strategy includes preferential selection, facilitation, empowerment of local competencies, and research and



Chevron committed \$20 million over five years to establish a center of excellence in renewable power and energy efficiency at the Qatar Science and Technology Park in Doha. Opened in 2010, the Center for Sustainable Energy Efficiency will train Qatari engineers, scientists, and students in energy technologies that could work well in the region's desert climate. Chevron brings its global expertise in energy efficiency and renewable power.

development. Building on this strategy promotes capacity building by sponsoring entrepreneurship courses in partnership with the Lagos Business School. Since the establishment of the supplier development program in Nigeria in 2006, more than 500 contractor companies have benefited from these courses and training. In 2009, CNL adopted the Local Community Content Strategy and Guidelines with a focus on implementation, compliance and communication, capacity building, and small business development. Leveraging these programs, Chevron replaced two international vessels with two Nigerian flagged vessels that have Nigerian captains and crews. The new vessels are more efficient and reliable than the previous vessels, and have resulted in a cost savings of \$600,000 per year.

The Gorgon Project in Western Australia is committed to maximizing indigenous participation through construction, and we seek to identify sustainable opportunities

for participation in long-term operation. Chevron's Australia business unit held a Meet the Supplier event to provide local indigenous businesses with an opportunity to present their products and services to Chevron's supply chain personnel and prime contractors and to explore opportunities on the Gorgon Project. Local Pilbara indigenous businesses, including logistic companies, catering services, media organizations, yard services and civil contractors, exhibited at the event.

Supplier Diversity and Engagement

Our supplier diversity and small business programs add value to our core business and help our partners grow. So that our supplier base reflects our customers and the markets we serve, our strategy includes utilization, training and education, tracking, certification, and outreach. In 2009, Chevron spent approximately \$2.7 billion on goods and services from small business concerns in the United States. We also spent \$319 million with minority-owned businesses and \$433 million with women-owned businesses.

We entered into an agreement with Louisiana-based MBE Gulf 33 Valve Pros, Inc., in 2009 to perform valve maintenance for our Blind Faith operation offshore. Gulf 33 is minority-owned and has a strong focus on safety and service quality.

In 2009, we increased our strategic sourcing that supports diverse businesses. Chevron entered into a master agreement with Cust-O-Fab, a minority-owned business in Tulsa, Oklahoma, for heat exchangers, critical equipment that involves high temperatures and pressures for cooling fluids in Upstream and Downstream operations. This agreement applies to all business that is to be transacted across Chevron business units worldwide. Cust-O-Fab, which primarily has done work for our Downstream operations in North America, will gain access to international business opportunities across our global operations. This agreement gives the supplier greater responsibility for ensuring that engineering and fabrication meet our quality and reliability standards, for increasing standardization, and for reducing costs. Cust-O-Fab won the agreement on its merits of quality and cost through a rigorously competitive process.



Health Training for Our Suppliers

Chevron takes an active role in its supplier relationships – often offering technical or health and safety training. In Houston, Texas, in March 2009, Chevron partnered with the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria and other organizations to sponsor a forum to provide education in health and in disease prevention to global supplier companies. Approximately 60 people from 23 companies attended. Additionally, Chevron is making its award-winning HIV/AIDS training available to suppliers. The training helps managers and supervisors prepare for situations ranging from handling gossip to providing refrigeration for medications. Training for employees aims to destigmatize the disease by emphasizing Chevron's belief that those infected with HIV/AIDS can remain productive members of the workforce.

Chevron Nigeria marked World AIDS Day by expanding its workplace-wellness program to local small and medium-sized businesses and nonprofit organizations, providing them with access to Chevron's educational and clinical resources. One such group is the Lady Mechanics Foundation, which trains women in auto mechanics.

Above: Tania Barron (left), a presenter from Environmental Resources Management, speaks with colleague Marie Ekani and Chevron's general manager of medical services, Richard Wilkins, M.D., at the health-related supplier forum in Houston, Texas.

In South Africa, Chevron has been an active supporter of the country's Black Economic Empowerment (BEE) program, which is designed to address inequities of the past by providing black South Africans with broader and more meaningful participation in the national economy. A key component of this important government program is Preferential Procurement, which measures the extent to which companies buy goods and services from BEE-compliant suppliers and from black-owned companies. Chevron's South African subsidiary, Chevron South Africa (Pty) Ltd., recently exceeded its goal of 50 percent of all nonhydrocarbon spending with qualified suppliers. Although Chevron is not listed on the Johannesburg Stock Exchange, this improvement on the Preferential Procurement score card and other key metrics raised the company's current overall BEE rating to the equivalent of 17 among the more than 400 publicly traded companies listed on that exchange. Chevron is now the top-rated publicly

traded integrated oil company operating in South Africa.

Training, Education and Outreach

Chevron continues to be a sponsor of the University of California at Los Angeles Management Development for Entrepreneurs program. In 2009, we sponsored Outsource Consulting in Oakland, California, and Jackson Services in New Orleans, Louisiana, to attend the program.

Chevron sponsored two women for the Women's Business Enterprise National Council (WBENC) 2009 Tuck-WBENC Executive Program, an intensive, five-day program to help WBENC-certified businesses that are beyond the startup phase to assess, improve and grow.

We track and measure our progress toward meeting diversity/small business targets, and we aim for continual improvement. We work with several certification programs to verify that businesses meet the criteria of ownership to qualify for our programs.

Our Commitment to Respecting Human Rights

Chevron's commitment to respecting human rights is embodied in The Chevron Way. To further this commitment, we adopted a Human Rights Policy in 2009.

Human Rights Policy

Social issues are part of a broader set of complex socioeconomic and security concerns. Although governments have the primary duty to protect and ensure human rights, Chevron recognizes that it has a responsibility to respect human rights and can play a positive role in communities where we operate. Our policy addresses four human rights areas relevant to our business: employees, security providers, community engagement and suppliers. We believe this new policy will increase awareness and clarify expectations for our employees, promote consistent application of processes and tools, and deepen our capability to manage human rights issues.

All employees will be required to comply with the policy. Additional training will be developed for employees in operating

environments where human rights issues may be more prevalent. Policy implementation will begin in 2010, and full implementation is expected by 2013. The new policy replaces our existing Human Rights Statement, deployed in 2006, and will become a standing corporate policy in our Business Conduct and Ethics (BC&E) Code. Our BC&E Code is available at Chevron.com/BusinessEthics.

Communities

Our respect for human rights also is expressed through engagement with the communities where we operate. Our programs that expand access to education, health care and economic development help empower individuals. We believe that our programs can have the multiplier effect of promoting respect for human rights and creating an enabling environment for stability and human progress.

Chevron's Social Impact Assessment, a process applied to new capital projects, builds trust and collaboration with communities. We partner with communities to develop measures that enhance project benefits and mitigate potential impacts on such issues as access to food, water and shelter; cultural practices and property; health; and social cohesion. Our assessment process is consistent with external guidelines, such as the International Finance Corp.'s Policy and Performance Standards on Social and Environmental Sustainability.

Voluntary Principles on Security and Human Rights (VPs)

Chevron continues to actively engage in the VP Plenary and is proud to be a founding member. In 2009, Chevron played a significant role in drafting a framework for expanding government participation and new guidelines to report implementation progress. Besides participating in the 2009 Plenary in Oslo, Chevron was invited by the VP Secretariat and the U.S. Department of State to serve as a workshop panelist on conducting VP risk assessments. Also, Chevron facilitated meetings in Indonesia and Bangladesh to help promote awareness of the VPs among government officials.

In 2008, we began implementing our Guidelines on the Voluntary Principles on Security and Human Rights. In 2009, Chevron and its security contractors conducted VP awareness presentations and training with public and private security providers in many of the communities where we operate. Globally, more than 1,870 private security providers and 500 public security providers received training.

In 2009, we developed a standardized process to add VP language into private security contracts. We also reviewed the implementation of the VPs in our business units through our Security Management Review process, which includes a procedure for reporting findings to local management and developing improvement plans.

Social Impact Assessment – Wheatstone Project

As part of its ESHIA process, Chevron is undertaking a comprehensive Social Impact Assessment for the Wheatstone Project. The assessment includes 20 separate studies on any potential project impacts to the Onslow community and the broader Pilbara region. Approximately 330 stakeholders were consulted, including residents, government agencies, major industries, tourism operators, visitors, service providers and local businesses.

Approximately half of Onslow's residents are Aboriginal, so a survey was designed in collaboration with key Aboriginal stakeholders. Five local Aboriginal people were trained to assist with research and individual interviews. Also, community members and schoolchildren were given cameras to document their concerns about impacts on their way of life. The data also will guide Chevron's Aboriginal employment and training programs.

Onslow residents discussed issues of general community concern, such as potential population change; employment; pressure on local services, especially health services; and exacerbation of existing social issues, such as alcohol misuse. Through the process, the community identified a range of responses to address their concerns. This information will be used to help develop the Wheatstone Social Investment Management Plan. Overall, those consulted were complimentary on how Chevron engaged them in the process and were positive about the project's potential to enhance the prosperity of Onslow.

Feedback sessions on the assessment and environmental studies complemented ongoing engagement through regular meetings, bulletins, briefings and media releases.

Case Study: Myanmar

As one of four partners, a Chevron subsidiary has a nonoperating, minority interest in the Yadana gas field offshore Myanmar in the Andaman Sea and in a 249-mile (401-km) natural gas pipeline. The Yadana Project is operated by Total, a French international energy company, and is helping meet the increasing demand for energy in Southeast Asia.

Myanmar is faced with many challenges. Chevron supports the efforts of the United Nations and the Association of Southeast Asian Nations to constructively engage with the government of Myanmar to improve conditions in the country and enhance humanitarian efforts. As a responsible nonoperator, Chevron engaged Ibrahim Gambari, the former U.N. special envoy to Myanmar, to encourage continued U.N.-government engagement.

The Yadana Project aims to play a constructive role in addressing Myanmar's health and economic development challenges. The project helps build the capacity of the local workforce and provides employment to approximately 900 people, 95 percent of whom are Myanmar nationals. The project initially invested \$10 million in training for the local workforce, and the annual training budget is \$800,000. The Yadana Project's sustainable socio-economic program contributes to positive change in the region and improves the lives of those living in the pipeline corridor.

Supporting Sustainability, Improving Lives

The Yadana Project funds programs to focus on health, education and training, economic development – loans to small businesses and agriculture and livestock programs – community development, and general infrastructure projects that benefit the area.

Approximately 50,000 local residents along the Yadana pipeline and in 25 nearby villages now have free, improved health care, as well as access to education and economic support through the community investment programs of the Yadana Project.

Outside the project area, the Yadana Project engages at the national level. Total has shared best practices with other

operators. Also, the project funds capacity building and other programs, which include HIV/AIDS treatment in Mandalay that currently provides anti-retroviral treatments to nearly 2,000 patients; a nationwide program to prevent blindness, which funded more than 100,000 cataract operations since 2001; and support to public orphanages that are home to 1,300 children in Yangon. Read about the programs at Burma.Total.com.

Along with partner funding, Chevron's subsidiary independently funds a program outside the pipeline corridor, through contributions to Pact, a U.S.-based non-governmental organization that has been providing health, microfinance and other programs in Myanmar for 10 years.

Third-Party Validation

Independent, third-party assessments of the Yadana pipeline region were conducted by CDA Collaborative Learning

Projects, a nonprofit organization based in Cambridge, Massachusetts; the most recent of five visits was in February 2008. Based on CDA's listening to the perspectives of a broad range of local stakeholders, these assessments found that people in the region of the Yadana Project feel that the consortium's socio-economic program has provided important benefits to the communities. The CDA assessments also noted opportunities for the Yadana Project to listen to stakeholders and work with other companies to improve corporate practices in Myanmar. The detailed reports can be found at CDAinc.com/cep.

Commitment to Myanmar's Future

Chevron continues to support the calls for a peaceful resolution to the issues facing Myanmar in a manner that respects human rights.

Below: Myanmar countryside.



STAKEHOLDER
ENGAGEMENT

Engaging in Human Rights

In 2009, to build upon our understanding of human rights issues in our operating areas, we engaged with a range of experts, including the United Nations Special Representative of the Secretary-General on business and human rights, the Institute for Human Rights and Business, The Fund for Peace, and the Danish Institute on Human Rights.

Together with the International Petroleum Industry Environmental Conservation Association, Chevron organized and hosted a conference on human rights and the extractive industry in sub-Saharan Africa. The conference convened in Cape Town, which enabled regional nongovernmental organizations, government officials and civil society to dialogue with us on collaborative solutions to business and human rights issues in the region.

Conducting Business The Chevron Way

Governance

For Chevron, good corporate governance means being transparent with and responsive to its stockholders while managing the company for long-term success. We communicate with our stockholders through reports, press releases and other formats. We meet frequently with stockholders to discuss governance, financial, environmental, social and policy issues. Stockholders can direct inquiries to the Board of Directors and submit proposals for inclusion in our proxy statement. Since 2000, we have worked with proponents of more than 80 stockholder proposals submitted for inclusion in our proxy statement, resulting in the agreed-upon withdrawal of more than 25 percent of those proposals. During the 2010 proxy season, we received eight stockholder proposals covering a range of topics, including corporate governance, executive compensation, and social and environmental concerns.

Chevron's commitment to good governance is seen in many other ways, too. All our directors stand for election each year; 12 of our 14 directors are nonemployees and independent; the board annually elects a chairperson; and we have a lead independent director. The past year, we added two new directors. Chevron's restated certificate of incorporation and bylaws do not contain supermajority vote provisions. Stockholders have the right to call for special meetings and recommend director candidates to the board. The board will reconsider any stockholder proposal that receives a majority of votes cast at the annual meeting. In addition, we adopted a policy of obtaining stockholder approval of any stockholder rights plan. More information can be found at Chevron.com/CorporateGovernance.

Lobbying

Chevron has a right and responsibility to advocate positions on proposed policies that will affect the company's ability to meet the growing demand for energy. We lobby ethically, constructively and in a bipartisan manner through direct communication with public officials. We also encourage our employees, retirees and others to communicate with officials when permitted by law. We comply with all registration and reporting regulations related to our lobbying activities.

Corporate Responsibility Management

Public Policy Committee of the Board of Directors

This committee assists the Board of Directors in identifying, evaluating and monitoring public policy trends and social, political and environmental issues that could affect the corporation's business activities and performance. It also reviews and makes recommendations for the corporation's strategies related to corporate responsibility and reputation management.

Global Issues Committee

A cross-functional subcommittee of the Executive Committee, this committee oversees policy and strategy development on issues of worldwide strategic importance, including corporate responsibility strategy.

Vice President – Policy, Government and Public Affairs

Responsibilities include Community Engagement, Stakeholder Engagement and Human Rights.

Vice President – Health, Environment and Safety

Responsibilities include Safety, Climate, Remediation, Waste, and Emissions to Air and Water.

Among other responsibilities, the following managerial positions have specific areas of accountability.

Vice President, Human Resources: *Workforce*

Corporate Secretary and Chief Governance Officer: *Governance and Ethics*

Chief Compliance Officer: *Ethics*

Director, Global Security: *Security and Human Rights*

Chief Procurement Officer: *Supply Chain*

Chevron is actively engaging the administration of U.S. President Obama and the U.S. Congress to provide perspective on the complexity of energy issues affecting the United States and the world. In 2009, our outreach included recommendations on policy matters regarding the economy, energy, climate change, international issues, education, and research and development. The goal is to help shape an effective and responsible U.S. energy policy. The recommendations include promoting energy efficiency and expanding and diversifying the country's energy portfolio.

Political Contributions

Chevron has strict policies and internal approval processes so that decision making and reporting on political contributions comply with the letter and spirit of all applicable laws. Global contributions in

2009 were approximately \$2.52 million to support candidates and political organizations that foster economic development, free enterprise and good governance. Totals include contributions to support our views on local and state ballot measures. Chevron employees, through the Chevron Employees Political Action Committee (CEPAC), contributed \$254,000 in 2009 to the election of candidates from both parties for U.S. federal office, as well as to local and state candidates in certain U.S. jurisdictions. By policy, CEPAC does not contribute to presidential candidates or national political parties.

A list of federal contributions that CEPAC made is on the U.S. Federal Election Commission Web site. Corporate political contributions made during the previous year are listed at Chevron.com/PoliticalContributions.

Revenue Transparency in Resource-Rich Countries

More than half of the world's population lives in countries rich in crude oil, natural gas and minerals. These resource-rich countries have the ability to generate revenues to facilitate development and reduce poverty. Chevron believes that the disclosure of revenues received by governments and payments made by extractive industries to governments could lead to improved governance in resource-rich countries. The transparent

and accurate accounting of these funds contributes to stable, long-term investment climates, economic growth and the well-being of communities.

Our commitment to promoting revenue transparency is reflected in our participation in the multistakeholder Extractive Industries Transparency Initiative (EITI). Chevron, which continues to support the efforts of the Oslo-based EITI Secretariat,

was elected to serve as a full member of the EITI board in 2009. Twenty-nine countries are now undertaking EITI's external validation process over the next two years to ensure that they are implementing the program according to agreed-upon standards. Two countries, Azerbaijan and Liberia, achieved validation. Through EITI, Chevron is working with a number of these governments to promote implementation.

Performance Recognition

A sampling of 2009 awards and recognition

Governance

National Association of Corporate Directors' *Directorship* magazine's top 20 ranking in "Best Governed Companies in the Fortune 500"
Corporate Secretary magazine's "Corporate Secretary of the Year" to Lydia Beebe
 Dow Jones Sustainability Index for North America, for the fifth consecutive year

Social and Economic Development

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria's Leadership Award for "Excellence in Business Action"
 Australia's Equal Opportunity for Women in the Workplace Agency "Employer of Choice for Women"
 University of Texas at Austin's Partner of the Year Award for "Equal Opportunity in Engineering"
 Human Rights Campaign Foundation's 100 percent rating on the Corporate Equality Index, for the fifth consecutive year

The American Chamber of Commerce honor for Chevron's partnership with the Eurasia Foundation of Central Asia to improve economic opportunity for local artisans
 Alfred P. Sloan Award for Business Excellence in Workplace Flexibility
 Kazakhstan's Paryz ("Responsibility") Gold Award to Chevron partner Tengizchevroil and Bronze Award to Chevron affiliate Karachaganak Petroleum Operating B.V., both for labor and social rights

Environment

U.S. Chamber of Commerce Business Civic Leadership Center's Corporate Citizenship Partnership Award to Chevron and the Discovery Channel Global Education Partnership
 Women's Business Enterprise National Council's Top Corporations, for the seventh consecutive year (U.S.)
 Indonesia's BPMIGAS Career Development Monitoring Awards to PT. Chevron Pacific Indonesia (third consecutive award) and Chevron Indonesia Co.

Carbon Disclosure Project's Leadership Index top score in the energy sector
 Indonesian Ministry of Energy and Mineral Resources' Aditama and Utama awards to Chevron Geothermal Indonesia and Chevron Geothermal Salak
 Indonesian Ministry of the Environment's Green Awards



Above: Chevron in Bangladesh is actively involved in improving educational opportunities for the communities near its three gas fields. In 2009, assistance to schools included funding 590 scholarships, a pre-primary program for 774 students in 26 informal schools, an endowment fund, and infrastructure support.

Assurance Statement

Scope of the Assurance

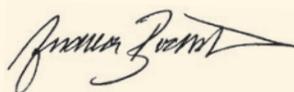
Lloyd's Register Quality Assurance, Inc. (LRQA) was engaged by Chevron U.S.A. Inc. to assure the reporting processes used in the creation of Chevron's 2009 Corporate Responsibility Report ("the Report"). The objectives of the review were to validate the integrity of Chevron's reporting processes and to evaluate consistency with the IPIECA/API *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (April 2005).

The LRQA scope of assurance was limited to processes for the reporting of health, environmental and safety (HES) performance indicators. Verification of the accuracy of data and information was not included in the assurance scope. The Report has been prepared and approved by Chevron management, who are solely responsible for the collection, presentation, and accuracy of all data and information contained within it.

Approach

Our assurance approach was risk-based and undertaken as a sampling exercise. It covered the following activities:

- Interviewing key personnel to identify and gain an understanding of Chevron's reporting requirements.
 - Reviewing the documented reporting requirements to validate consistency of scope, definition and reporting for each of the HES performance indicators.
 - Sampling three business units to assess local understanding and implementation of Chevron's HES reporting requirements.
- Reviewing the processes used at the corporate level to aggregate data and information for inclusion in the final report.
- ## Conclusions and Findings
- To form our conclusions, LRQA obtained sufficient evidence considered necessary for us to give limited, not absolute, assurance, as data and information were not verified back to original sources. Based on the scope of the assurance and the data and information presented for review, LRQA believes that Chevron's reporting process is effective in delivering HES indicators for the purpose of evaluating and communicating corporate performance in these areas.
- Our other conclusions:
- The methods used for calculating each HES performance metric are clearly defined and communicated.
 - Chevron's reporting requirements are understood and carried out. Data are collected at the business unit level, checked and aggregated into corporation-wide metrics.
 - Responsibility for annually reviewing and updating reporting guidelines is clear, with improvement in methodology regularly undertaken.



Andrea Bockrath

On behalf of Lloyd's Register Quality Assurance, Inc.
March 29, 2010

Third-Party Liability LRQA, its affiliates and subsidiaries and their respective officers, employees or agents are, individually and collectively, referred to in this clause as the "Lloyd's Register Group." The Lloyd's Register Group assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided unless that person has signed a contract with the relevant Lloyd's Register Group entity for the provision of this information or advice, and, in that case, any responsibility or liability is exclusively on the terms and conditions set out in that contract.

LRQA's Competence and Independence LRQA ensures the selection of appropriately qualified individuals based on a rigorous appraisal of their training, qualifications and experience. The team conducting the assurance of the Report was multidisciplinary and has been involved in assurance assessments from the outset of external verification of nonfinancial performance reports. LRQA's internal systems have been designed to manage and review assurance and certification assessments. This involves independent review by senior management of the outcome derived from the process applied to the assurance of corporate reports.

Independence of LRQA From Chevron LRQA and Chevron operate as discrete and independent legal entities. LRQA provides Chevron with third-party attestation assessment services to ISO 14001 and OHSAS 18001 as well as certification assessment services to other ISO standards. The assurance, attestation and certification assessment services are the only work undertaken by LRQA for Chevron.

Conflict of Interest LRQA is part of the Lloyd's Register Group. Lloyd's Register Group entities recognize that potential conflicts of interest may exist that could have an impact on its independent assurance and certification activities. Lloyd's Register Group entities are committed to identifying and managing such conflicts so that they do not adversely affect its independence and impartiality. To protect the integrity, neither LRQA nor any other Lloyd's Register Group entity will provide services that create a conflict and compromise the independence and impartiality of third-party assurance and certification. The Lloyd's Register Group entities will never verify their own solutions to a customer's problem.

About This Report

This report covers 2009 data and activities. We also occasionally mention events that took place in early 2010 when they help provide a clearer picture of our performance. This report covers our owned or operated businesses and does not address the performance of our suppliers, contractors or partners unless otherwise noted. All financial information is presented in U.S. dollars. Our previous report was published in May 2009 and covers 2008 data and activities.

We continue to be informed by reporting frameworks and guidelines that include the Global Reporting Initiative (GRI) and the *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, published in 2005 by the International Petroleum Industry Environmental Conservation Association (IPIECA) and the American Petroleum Institute (API). We included an index to help readers find information corresponding to the GRI and API/IPIECA indicators (see page 44).

This report, previous editions of our report and additional information can be found at Chevron.com/CorporateResponsibility. We welcome your comments and feedback.

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Cautionary Statement Relevant to Forward-Looking Information

This Corporate Responsibility Report by Chevron Corporation contains forward-looking statements relating to the manner in which Chevron intends to conduct certain of its activities, based on 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 program, policy or initiative discussed to forecast 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 undertakes no obligation to publicly update any statements in this report.

As used in this report, the term "Chevron" and such terms as "the company," "the corporation," "their," "our," "its," "we," and "us" may refer to one or more of Chevron's consolidated subsidiaries or affiliates 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, each of which manages its own affairs.

GRI and API/IPIECA Index

- This index refers to:**
- 2006 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), Version 3.0.
 - American Petroleum Institute/International Petroleum Industry Environmental Conservation Association (API/IPIECA) sustainability reporting indicators.

	GRI	API/IPIECA	Where Reported
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Indirect Economic Impacts	EC8 ⁴ EC9 ⁴		37-38
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Emissions, Effluents and Waste	EN16 EN17 EN18 EN19 EN20 EN21 EN22 EN23 EN24 EN25	ENV-1 ENV-A1 ENV-2 ENV-A2 ENV-3 ENV-A3 ENV-4 ENV-A4 ENV-A5 ENV-A6	8-22
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Compliance	EN28		22
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	Employee Satisfaction	SOC-A2	-
	Labor/Management Relations LA4 ³ LA5		35
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	Public Policy SO5 ⁷ SO6	SOC-3 SOC-A1	41
	Compliance SOC7 SO8		-
Product Responsibility	Customer Health and Safety PR1 PR5	H&S-5	21
	Product and Service Labeling PR3 ⁸		21
	Marketing Communications PR6		-
	Compliance PR2 PR4 PR7 PR8 PR9		-

Key to Indicators:
 Fully reported in 2009
 Partially reported in 2009
 Not covered in 2009
 Additional indicators in italics

Information responsive to these indicators appears on our Web sites:

- 1 Chevron.com
- 2 Chevron.com/AnnualReport
- 3 Chevron.com/BusinessEthics
- 4 Chevron.com/ca

- 5 WillYouJoinUs.com
- 6 Chevron.com/Biodiversity
- 7 Chevron.com/EnergyPolicy
- 8 Chevron.com/MSDS

Glossary

Bb

Barrels of oil-equivalent (boe) A measure to quantify crude oil, natural gas liquids and natural gas amounts using the same basis. Natural gas volumes are converted to barrels on the basis of energy content.

Biodiversity Refers to the diversity of life on Earth. It encompasses genera, species, habitats and ecosystems, and the processes that support them.

Biofuel Any fuel that is derived from biomass – recently living organisms or their metabolic byproducts – from sources such as farming, forestry, and biodegradable industrial and municipal waste.

Business Conduct and Ethics Code Describes proper business conduct within Chevron and includes an overview of several of the most important laws and policies governing that conduct. All employees and board members must understand and comply with the code.

Cc

Capacity building A key area of focus for Chevron's community engagement efforts, which means targeting support toward programs that help individuals and institutions develop the skills, capabilities and expertise they need to succeed.

Carbon sequestration Capturing and storing carbon dioxide in various ways, such as capture by vegetation or by injection into geologic formations for long-term storage, so that it does not enter or remain in the atmosphere as a greenhouse gas.

The Chevron Way Explains our values: who we are, what we do, what we believe and what we plan to accomplish.

Dd

Downstream The industry term for operations related to refining crude oil into finished petroleum products; marketing crude oil and the many products derived from petroleum; and transporting crude oil, natural gas and petroleum products by pipeline, marine vessel, motor equipment and rail car.

Ee

Environmental, Social and Health Impact Assessment (ESHIA) A corporate standard process that requires capital projects to be evaluated for potential environmental, social and health impacts and requires that appropriate mitigation measures be developed. ESHIA improves decision making and incorporates stakeholder engagement throughout the project's life cycle. The process makes sure that project impacts are eliminated or mitigated and benefits are enhanced. ESHIA was adopted for deployment as a corporate standard in January 2007.

Ff

Flaring and venting The burning or release of natural gas that is often produced in association with crude oil, a process that typically occurs when there is no market or onsite use for the gas.

Gg

Geothermal energy A renewable source of energy that uses the heat energy of the Earth for heating or to create electricity.

Global Reporting Initiative (GRI) A multistakeholder process and independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines.

Greenhouse gases (GHGs) Gases that trap heat in the Earth's atmosphere; such gases include water vapor, ozone, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

Ii

ISO 14001:2004 Environmental management system standard developed by the International Organization for Standardization.

Ll

Liquefied natural gas (LNG) Natural gas that is liquefied under extremely cold temperatures to facilitate storage or transportation in specially designed vessels.

Mm

Major capital project A project in which Chevron's share of capital and exploratory expenses is \$50 million or greater.

Nn

Nongovernmental organization (NGO) An organization that is independent from government, generally a nonprofit organization devoted to providing assistance to or advancing a particular cause or issue.

Oo

OHSAS 18001:2007 An international Occupational Health and Safety Assessment Series management system specification.

Operating company A major Chevron company organized for a specific business purpose.

Operational Excellence Management System (OEMS) Chevron's standard approach to systematic management of safety, health, the environment, reliability and efficiency in order to achieve world-class performance.

Pp

Partner In this report, partner is used in its broad sense to mean a person or organization associated with another in a common activity or one that shares a mutual interest. It does not imply a member of a contractual partnership in which the partners jointly own and carry on a business and proportionally share in liabilities, profits or losses of the business.

Production *Total production* refers to all the crude oil, natural gas liquids and natural gas produced from a property. *Gross production* is the company's share of total production before deducting royalties. *Net production* is gross production minus royalties paid to landowners.

Rr

Renewable energy Energy resources that are not depleted when consumed or converted into other forms of energy (for example, solar, geothermal, ocean and tide, wind, hydroelectric power, and biofuels).

Reserves Crude oil, natural gas liquids or natural gas contained in underground rock formations called reservoirs. *Proved reserves* are the estimated quantities that geologic and engineering data demonstrate can be produced with reasonable certainty from known reservoirs under existing economic and operating conditions. Estimates change as additional information becomes available.

Revenue transparency Refers to the practice of disclosing certain financial arrangements related to energy industry operations by industry and host governments.

Capacity Building

A community leader in a small fishing village near Soyo, Angola, is consulted before project implementation.



Ss

Stakeholder At Chevron, defined as those who affect, are affected by, or have a legitimate interest in our company's performance.

Tt

Transparency Making relevant and accurate information available to those with a legitimate interest in the organization.

Uu

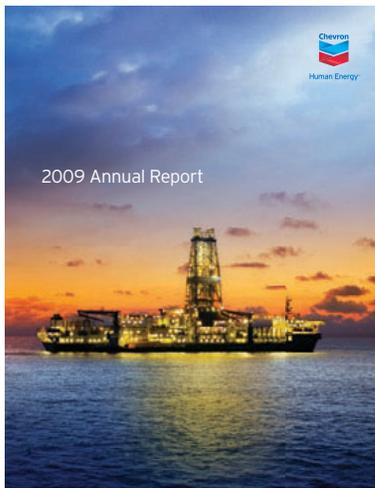
Upstream The industry term for operations related to exploring for, developing and producing crude oil and natural gas and for marketing natural gas.

Vv

Voluntary Principles on Security and Human Rights Principles developed by extractive-sector companies, human rights organizations, a trade union, and the U.S. and U.K. governments to guide companies in maintaining the safety and security of their operations within a framework that ensures respect for human rights and fundamental freedoms.

Learn more online

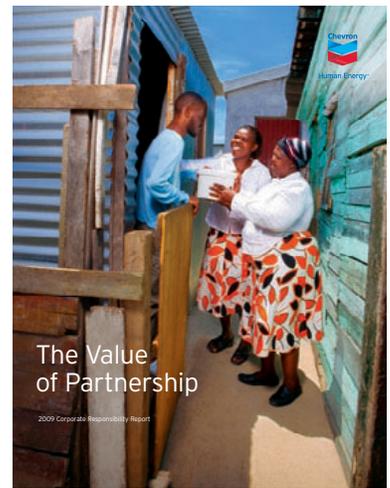
The Annual Report, the Supplement to the Annual Report and the Corporate Responsibility Report are available on the Internet at Chevron.com/Publications.



2009 Annual Report



2009 Supplement to the Annual Report



2009 Corporate Responsibility Report



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