



Stephen W. Green
Vice President, Policy, Government and Public Affairs

March 23, 2016

Ms. Linnet F. Deily, Chair
Mr. Enrique Hernandez, Jr.
Gov. Jon M. Huntsman, Jr.
Mr. Carl Ware

A meeting of the Public Policy Committee is scheduled for Tuesday, March 29, 2016, from 3:15 to 4:15 p.m. CT, in the Bangkok Room 40-087 at Chevron's offices in Houston (1500 Louisiana Street).

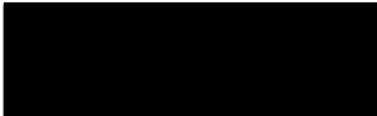
The topics to be discussed during the meeting are as follows:

- Update on environmental performance;
- Update on environmental remediation; and
- Update on environmental reserves and liabilities.

I am enclosing an agenda and pre-read materials for the meeting. The PPC Issues Brief distributed at the December meeting is available for reference in Chevron's Boardbooks website and will be updated prior to the next Committee meeting in July and then again in December.

Please let me know if you have any questions about the enclosed materials. I look forward to seeing you next week.

Best regards,



Enclosures

cc: John S. Watson
Mary A. Francis

Policy, Government and Public Affairs
Chevron Corporation
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[REDACTED]

**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE**

**MARCH 29, 2016, 3:15 – 4:15 P.M.
HOUSTON, TX**

AGENDA

Time	Tab	Topic (Presenters)
3:15 p.m.	1.	Minutes * (Chair) Review and approve the minutes of the January 26, 2016 joint Committee and BN&GC meeting. Secretary Appointment * (Chair) Appoint Joe Naylor as Secretary of the Committee effective April 1, 2016. Revised Board Response to Stockholder Proposal (Mary Francis) Review revised Board response to the stockholder proposal on climate change impact assessment
3:20 p.m.	2.	Environmental Stewardship Update (Wes Lohec) Discuss management approach and key environmental issues that could affect Chevron's activities and performance, including environmental performance, remediation, and environmental reserves and liabilities.
4:00 p.m.	3.	Public Policy Committee's Performance Self- Evaluation (Chair) Review Section IV of the 2015 Board and Board Committee Performance Evaluation Summary and the 2015 Public Policy Committee checklist.
4:15 p.m.		Adjourn

* Items needing motion, second, and approval.

Tab 1

Minutes

**Resolution Appointment of
Committee Secretary**

**CHEVRON CORPORATION
JOINT MEETING
OF THE
BOARD NOMINATING AND GOVERNANCE COMMITTEE
AND THE
PUBLIC POLICY COMMITTEE
JANUARY 26, 2016**

MINUTES

Members Present: Linnet F. Deily, Chairwoman
Ronald D. Sugar, Chairman
Jon M. Huntsman, Jr.
John G. Stumpf
Inge G. Thulin
Carl Ware

Member Absent: Enrique Hernandez, Jr.

Ms. Deily and Dr. Sugar chaired the meeting. Also in attendance were Steve Green, Mary Francis, Linda Padon, Kari Endries, and Chris Butner.

The Public Policy Committee reviewed and approved the minutes of the Public Policy Committee's December 8, 2015 meeting.

The Board Nominating and Governance Committee and the Public Policy Committee reviewed the stockholder proposals to be voted on at the 2016 Annual Meeting of Stockholders and the draft Board statements in response to the stockholder proposals that will be included in the 2016 Proxy Statement. The Committee members had a full discussion on each stockholder proposal and draft Board response. After fully considering each of the proposals and the draft statements in response, the Committees determined to recommend that the Board adopt the following resolutions at the January Board meeting:

RESOLVED: That the 2016 Annual Meeting of the Stockholders of the Corporation shall be held on Wednesday, May 25, 2016, at 8:00 a.m. PDT, in San Ramon, California; and be it further

RESOLVED: That the close of business on Wednesday, March 30, 2016, be and is hereby fixed by this Board of Directors as the record date for the determination of the stockholders entitled to vote at the 2016 Annual Meeting of the Stockholders and any adjournment thereof; and be it further

RESOLVED: That CT Hagberg LLC is appointed to serve as the inspector of election for the Annual Meeting, and that the Corporate Secretary and Chief Governance Officer is authorized to appoint an alternate inspector in the event that CT Hagberg LLC cannot serve; and be it further

RESOLVED: That John S. Watson, R. Hewitt Pate, and Mary A. Francis, and each of them, are approved as the persons to represent and to vote the common stock of the Corporation as directed by the stockholders on the proxies to be solicited on behalf of the Board of Directors; and be it further

RESOLVED: That the Board recommends that the stockholders vote against the following stockholder proposals: (1) report on Burma; (2) report on lobbying; (3) establish targets for reducing GHG emissions goals; (4) climate change impact assessment; (5) reserve replacement disclosure; (6) adoption of a dividend policy; (7) report on offshore oil wells; (8) report on shale energy operations; (9) recommend an independent director with environmental expertise; and (10) give holders of at least 10% of outstanding common stock the right to call a special stockholders' meeting.

Mr. Green, Ms. Francis, Ms. Padon, Ms. Endries, and Mr. Butner departed the meeting, and both Committees met jointly in executive session.

There being no further business, the meeting was adjourned.

Secretary of the Board Nominating and Governance Committee

Secretary of the Public Policy Committee

**RESOLUTION OF
PUBLIC POLICY COMMITTEE OF
BOARD OF DIRECTORS
OF CHEVRON CORPORATION**

March 29, 2016

RESOLVED: That Joseph M. Naylor is hereby appointed Secretary to the Public Policy Committee of the Board of Directors of the Corporation, effective April 1, 2016.

Tab 2

Environmental Stewardship Update

ENVIRONMENTAL STEWARDSHIP UPDATE

Approach to Environmental Stewardship

Protecting people and the environment is a Chevron Way Value. This value -- combined with three components of our Operational Excellence Management System (OEMS) listed below -- provides a strong foundation for our systematic approach to Environmental Stewardship (ES):

- Leadership Accountability
- Management System Process
- ES Expectations

ES Corporate Standard Process

To drive consistency in meeting the ES Expectations, we implemented the ES Corporate Standard Process. The ES Process requires business units (BUs) to create an inventory of how their activities interact with the environment. These “environmental aspects” and their related impacts are then used to identify and assess high priority environmental improvement opportunities which are incorporated into the annual business planning process.

We have defined seven Core Corporate Environmental Aspects in our ES Process and our desired state for each:

Core Corporate Environmental Aspect	Desired State
Accidental Releases (e.g. spills)	We use a risk-based approach to systematically work towards zero accidental releases. We have an effective emergency response system that is tested and reliable.
Air Emissions	We proactively pursue opportunities to implement technologies and management practices that reduce air emissions.
Energy Efficiency/ Greenhouse Gas (GHG)	We systematically improve the energy and GHG intensity of our operations by implementing energy efficiency and GHG reduction practices and technologies.
Natural Resources	We understand and manage our company water risks and pursue opportunities to reduce our water use intensity. We actively manage biodiversity and physical footprint of our business to achieve no net loss of sensitive species or habitats.
Site Residual Impact	We are the industry leaders in proactive site stewardship.
Waste	We systematically reduce risks associated with waste and manage waste in an environmentally-responsible manner.
Waste Water	We proactively pursue opportunities to reduce risks from waste water and maximize beneficial reuse.

Supporting Processes and Standards

The ES Process provides the requirements to systematically manage environmental impacts and benefits over the life of an asset. The associated Environmental, Social and Health Impact Assessment (ESHIA) Corporate Standard Process defines requirements to identify, assess and manage potential environmental impacts from our capital projects. Decision makers use the results of the assessments to improve performance and mitigate risks during a project and on-going operations.

The ES Process is also supported by eight environmental standards that include Corporate Third-Party Waste Stewardship and HES Property Transfer Standards and six Upstream Environmental Performance Standards (EPSs) for managing:

- Air Emissions
- Flaring and Venting
- Natural Resources, including water and land use
- Offshore Drilling Fluid and Cuttings
- Produced Water
- Waste

We utilize the HES Risk Management Process together with our environmental processes and standards to provide a consistent framework to assess potential environmental risks from our operations.

Continual Improvement Plan

In 2016, we are focusing on assessing our existing OE expectations and requirements to help business units focus on critical tasks associated with our highest risks. Our desired outcome is a reduction in costs and an improvement in our efficiency in executing our ES activities without compromising performance.

We will also continue to progress our Advancing Environmental Stewardship Initiative to improve enterprise performance for ES through high quality data and analysis, better environmental risk management and consistent execution of environmental controls with rigor.

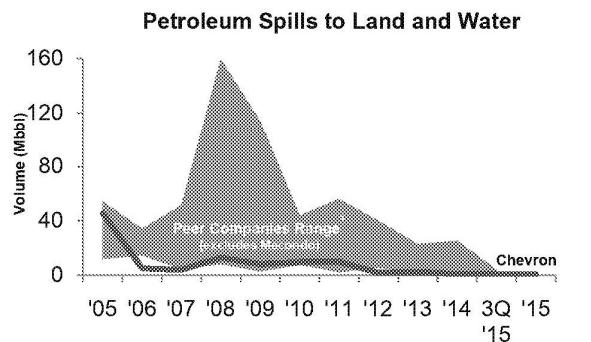
Performance Measurement

We have environmental performance metrics to measure our performance and the effectiveness of our safeguards and verifications. Our OE Data Reporting Standard establishes consistent requirements for collecting and reporting OE data to the corporation.

ENVIRONMENTAL STEWARDSHIP UPDATE

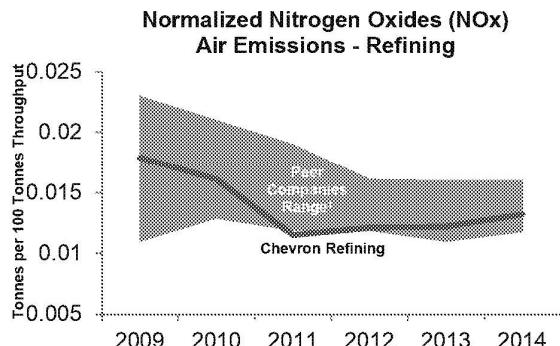
We collate environmental data using a data capture and reporting tool. Data are then analyzed to assess environmental performance and develop improvement opportunities. We also conduct peer reviews at the BU level to verify data collection processes and improve data quality.

Data are communicated internally to inform business decisions. For example, petroleum spill data have been used to drive significant improvements in environmental performance, including the number and volume of petroleum spills to land and water.



Data are also reported externally via our Corporate Responsibility (CR) Report and benchmarking surveys.

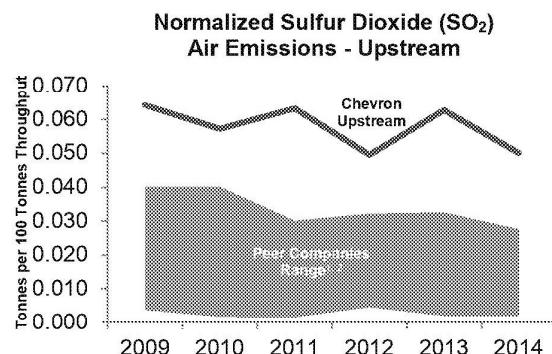
Below are highlights of our environmental performance from the most recent full-year Global Benchmarking Group Survey. These data are related to Air Emissions and Greenhouse Gas, two of the seven Core Corporate Environmental Aspects.



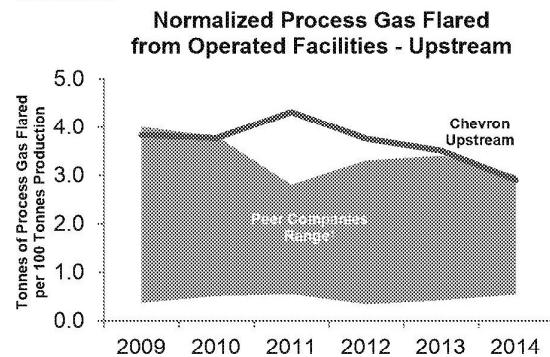
Chevron's normalized NOx emissions from refining operations fluctuate each year depending upon the type of crude oil processed and the schedule for

facility turnarounds. For example, our Cape Town Refinery's emissions increased by approximately 40% from 2013 to 2014 due to the ammonia content of combusted emissions from crude oil processing.

Another factor in the reported increase in NOx emissions from 2011 to 2014 was improved rigor in emissions calculations. For example, our Pascagoula Refinery began to use actual stack testing results in their calculations versus applying a factor that estimates emissions based on the type of activity. Using this direct measurement method provides us with a more accurate picture of our emissions.



Chevron's Upstream SO₂ emissions have been significantly higher than our peer companies, with 58% of emissions being generated by sour gas flaring and combustion in Chevron's Saudi Arabia/Partitioned Zone (SA/PZ). The BU's Central Gas Utilization Project to reduce routine flaring has been put on hold due to the political situation in the SA/PZ. It is anticipated that SO₂ emissions and flaring volumes will decrease in 2015 and 2016 due to the shut in of SA/PZ operations.³ However, we may be required to comply with a more stringent Kuwaiti SO₂ standard for ambient air quality once SA/PZ operations are re-started. The Central Gas Utilization Project or other similar project would need to be completed to meet this potentially new standard.

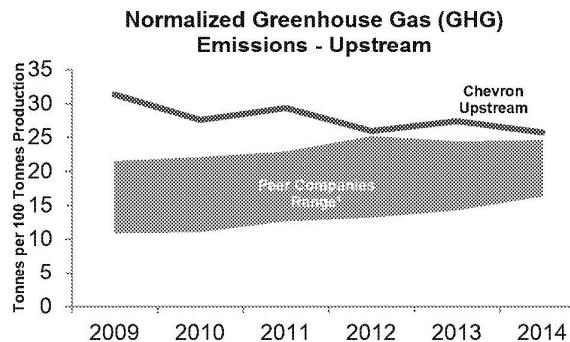


¹ ExxonMobil, Shell, BP, ConocoPhillips and Total

² Peer companies range different than last year due to Total updating reported SO₂ emissions

³ Data not yet available for 2015 and is pending completion of annual reporting cycle

ENVIRONMENTAL STEWARDSHIP UPDATE



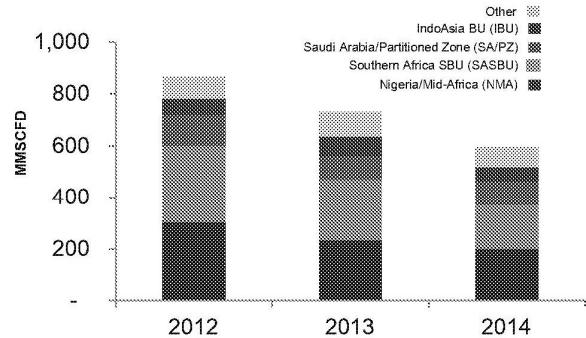
Normalized flaring volumes from our Upstream operated facilities continue to be higher than most of our peer companies. This is primarily due to flaring in Nigeria and Angola. GHG emissions also continue to be higher than our peer companies. This is due to our larger share of heavy oil production and the fact that flaring volumes impact GHG emissions: approximately one quarter of Upstream GHG emissions are generated by flaring.

In 2016, it is anticipated that flaring and GHG emissions will increase due to the startup of major capital projects including Gorgon, Mafumeira Sul and Chuandongbei. In addition, a portion of the increase will be sustained over time, which may offset the reductions described in the following section.

Achieving Reductions in Flaring and Venting

Given our relatively high flaring profile, we are focused on reduction opportunities. The Upstream EPS for Flaring and Venting is an important safeguard that has the objective of conducting operations without continuous associated gas flaring and venting. Our Upstream operations have achieved a 31% reduction in total flaring and venting since 2012 by implementing this EPS.

Upstream Flaring and Venting Volumes by BU



Some examples of BU-specific activities related to flaring and venting are described in the next section.

¹ ExxonMobil, Shell, BP, ConocoPhillips and Total

Nigeria/Mid-Africa Business Unit

The Nigeria/Mid-Africa Business Unit (NMA) has made significant progress in reducing routine flaring over the past five years through the completion of various gas gathering projects in Nigeria. In 2015, the Escravos Gas Project Phase 3B (EGP 3B) commenced operations and will gather gas from nine offshore production platforms. Reductions in Chevron's normalized flaring volumes are anticipated from the second half of 2015 following the startup of the EGP 3B project.

Southern Africa Strategic Business Unit

Significant progress has also been made in our Southern Africa Strategic Business Unit's (SASBU) Angola operations through the completion of its 10-year program of major projects targeting the elimination of Block 0 routine flaring. These projects include the Cabinda Gas Plant, Takula Gas Processing Platform, the Flare and Relief Modification Project, and culminating with the completion of the Nenba Enhanced Secondary Recovery/Flare Reduction Project in 2015. Additional reductions of flaring and venting were achieved by improving compressor reliability and the shutdown of the Kuito floating, production, storage and offloading vessel. Further reductions will be pursued targeting improvement in equipment reliability.

IndoAsia Business Unit

IndoAsia BU (IBU) continued its journey to eliminate continuous flaring and venting. Building upon prior year efforts, IBU hosted a technical peer assist and leveraged global knowledge from Upstream Capability and the Energy Technology Company to evaluate EPS requirements and alternatives to further reduce emissions. The remaining 12 flares and off plot vents are progressing through assessments for final designations and alternative selections in order to achieve full EPS compliance by the end of 2018.

Understanding Potential Health Impacts of Flaring

The Upstream EPS for Air Emissions requires the evaluation of potential health impacts from air emissions generated by flaring. The first requirement to quantify the level of air emissions has been completed for all business units. Business units with facilities exceeding thresholds defined in the Upstream EPS for Air Emissions are required to conduct comprehensive air dispersion modeling to evaluate potential impacts on surrounding communities. Several business units, including NMA,

ENVIRONMENTAL STEWARDSHIP UPDATE

SA/PZ BU and SASBU, are scheduled to complete the detailed modeling and analysis within the next three years.

Reducing our Environmental Footprint – Approach to Managing Water

“Natural Resources” is another Core Corporate Environmental Aspect, which includes water use. Upstream produces on average 7 barrels of water for every barrel of oil equivalent produced. Over 20 million barrels of water are managed by Upstream every day.

The focus on water use and disposal practices by regulators and the public is increasing. This is particularly evident in areas where water is scarce and there is increased competition for the resource. In these areas, there is an increased demand by our external stakeholders for better accounting of our water use and demonstration that we are efficiently managing the water we use.

Recognizing these issues, we are focused on:

- Prioritizing our work in the areas where water is scarce and there is increased competition for the resource,
- Improving the quality of our water data,
- Identifying and implementing beneficial reuse opportunities, both in our Upstream and Downstream operations, and
- Reducing water-related costs and operational risks.

California

In California, Chevron has implemented a number of water stewardship efforts. For example, San Joaquin Valley BU treats approximately 82% of its produced water and makes it available for reuse in:

- water and steam in enhanced oil recovery,
- agricultural irrigation, and
- aquifer recharge.

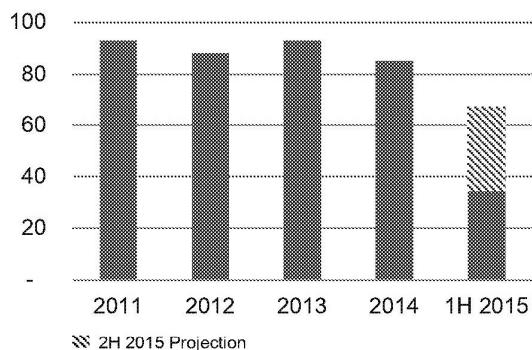
Additionally, our California refineries are leaders in the beneficial reuse of water. Our Richmond Refinery is the largest user of reclaimed water in the Bay Area, with approximately 60% of water sourced from treated municipal waters. Since 1999, recycled water has met 70% of water needs at our El Segundo Refinery and it is projected that the addition of a new cooling tower will contribute to an increase of

Chevron's total recycled water use from 2015 onwards.

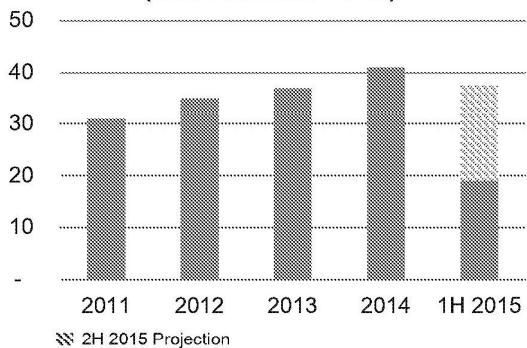
Enterprise Water Management

Chevron measures and reports water withdrawn, (including fresh and non-fresh water) and water recycled for use on site, as shown in the tables below. As our newest environmental metric (added in 2010), we continue to work on data quality assurance.

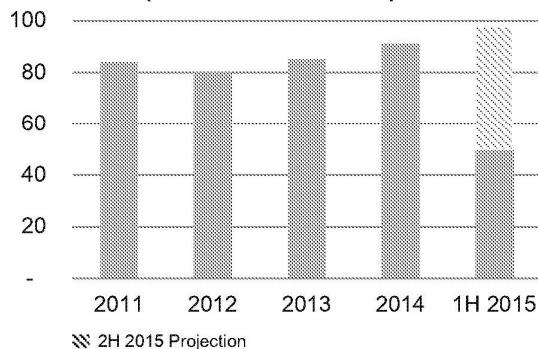
Fresh Water Withdrawn (Million Metric Tons)



Non-Fresh Water Withdrawn (Million Metric Tons)



Water Recycled for Use On-site (Million Metric Tons)



ENVIRONMENTAL STEWARDSHIP UPDATE

Stewarding our Sites – Approach to Asset Retirement and Site Residual Impacts

Chevron's Environmental Management Company (EMC) leads our work in managing remediation and site closures across the company, providing management of remediation and decommissioning projects in the U.S. and consulting services to our international locations. Since its establishment in 1998, EMC has been focused on improving efficiency and reducing risks associated with managing site residual impacts and asset retirement obligations.

In response to the low price environment, EMC has been working closely with Chevron operating companies, regulators and other stakeholders to ensure that obligations are met in a safe, compliant, timely and cost effective manner. Cost optimization and safety improvements are driven by EMC's Lean Sigma program, which recognized \$125MM in accrued financial benefit in 2015, and the development and piloting of new remediation and decommissioning technologies on EMC-managed projects.

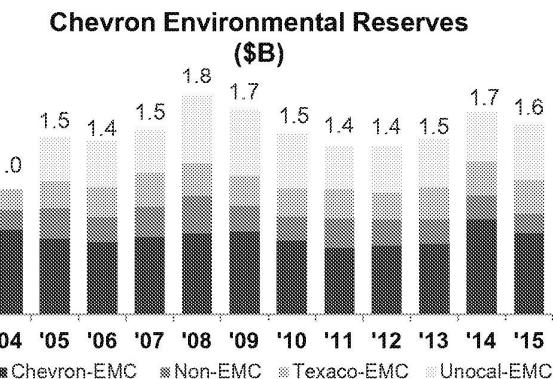
EMC has a broad and complex portfolio of Upstream and Downstream sites spanning 35 countries. While EMC's largest presence is in the U.S., it also provides consulting support to a growing international portfolio. EMC's portfolio includes:

- U.S. offshore and onshore wells, facilities and pipelines,
- Service stations and terminals,
- Superfund sites,
- Refineries, and
- Chemical plants, marine terminals, mines and nuclear sites.

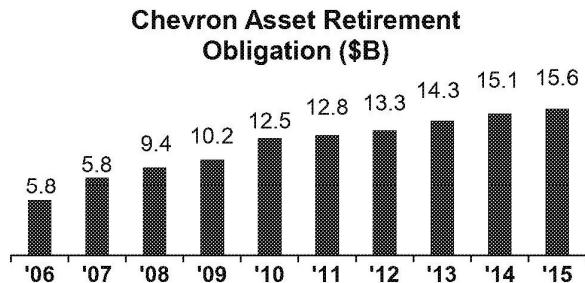
Some of our major international producing assets are approaching end-of-life and will require support and expertise to retire the assets in a safe and cost effective manner. EMC is providing consulting services to many of these locations and that effort is expanding. To support these consulting services, EMC has established four Communities of Practice to share knowledge and lessons learned across the enterprise:

1. Onshore Facilities Decommissioning
2. Offshore Facilities Decommissioning
3. Well Plugging & Abandonment
4. Environmental Remediation

In addition to the management of site residual impacts, EMC also manages the reserve recognition process for the majority of Chevron's environmental remediation liabilities. Our total environmental reserves at the end of 2015 were \$1.6B, of which \$1.4B is held on EMC's books.



Chevron's total asset retirement obligation (ARO) at the end of 2015 was \$15.6B. In the near-term, environmental reserves and ARO balances are not expected to decline.



For additional detail regarding EMC's top ten projects measured by cost, refer to Appendix A.

Conclusion

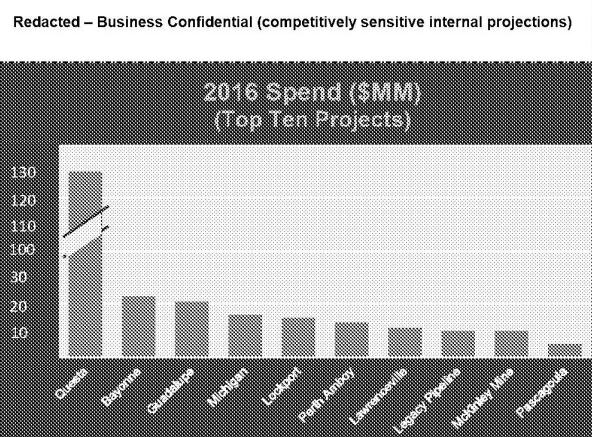
We are continuing our journey to improve environmental stewardship through multiple, connected initiatives. These initiatives are focused on measuring and analyzing high quality data, robust environmental risk management, and consistent execution of environmental controls with rigor to drive improved performance.

APPENDIX A: EMC TOP 10 SITES

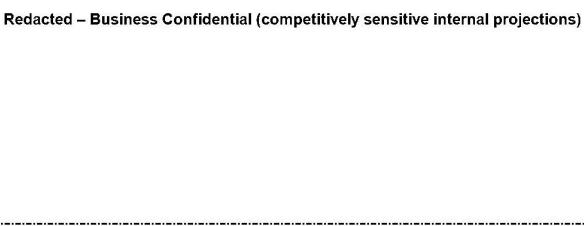
Introduction

EMC supports Chevron's management of environmental impacts and asset retirement obligations. This includes remediation of residual impacts to soils and ground water, offshore and onshore facility decommissioning and well plugging and abandonment.

EMC's portfolio includes a broad scope of Upstream, Downstream and legacy sites spanning 35 countries. In 2016, the planned spend at EMC's top ten projects



Over the ten year period (2016-2025), planned spend at several other sites will ramp up.



In the current low price environment, EMC is working closely with Chevron Opcos, regulators and other stakeholders to ensure that obligations are met in a safe, compliant, timely and cost-effective manner.

Key Sites

The following is a summary of EMC's top ten projects based on projected 2016 spend.

Questa, NM

Questa is Chevron's largest reclamation project and covers a 3,800 acre former molybdenum mine (1918-

2014) and a related 2,000 acre tailing facility near the Village of Questa, NM.

Regulatory framework includes: remediation under the US EPA Comprehensive Environmental Response Compensation & Liability Act (CERCLA/ Superfund) Program; facility reclamation and decommissioning driven by the State of New Mexico; and, requirements of numerous other state agencies.

Environmental issues to be addressed include:

- Reclamation of nine large rockpiles (~155MM cubic yards of mining waste rock) which must be re-graded to ensure the long-term stability of the rockpiles and includes the application of a cover material to achieve long-term establishment of vegetation and to minimize impacts to groundwater.
- Removal of a pipeline to the tailing facility; regrading and installation of a soil cover at the tailing facility to achieve long-term establishment of vegetation and to minimize impacts to groundwater.
- Collection and treatment of groundwater from the mine and tailing facility sites (including mine impacted stormwater) for permitted surface discharge to the Red River.

In 2015, \$145MM was spent to advance remediation and restoration work:

- Completion of the Early Design and Early Removal Actions, including the installation of storm water controls at Eagle Rock Lake followed by dredging of contaminated lake sediments.
- Completion of demolition and decommissioning of the underground mine, culminating with its closure in October, 2015.
- Final settlement of Natural Resources Damages claims (\$4.2MM).
- Approximately 65% complete on construction of a Water Treatment Plant required to be in operation in October 2016.

In 2016, \$127MM is planned to be spent on various projects including: the completion of the Water Treatment Plant, a mine dewatering system, initiation of the decommissioning and demolition of the surface mine and mill facilities, and construction of a storm water catchment and filter press material repository

APPENDIX A: EMC TOP 10 SITES

that will support the operation of the Water Treatment Plant.

Redacted – Business Confidential (competitively sensitive internal projections)

Bayonne, NJ

The site is a 45 acre former Texaco Light Products terminal (1880s-1990s) with impacted soil and groundwater.

Facilities were removed in the early 1990's. The site is currently vacant land with a 1,900 foot long by 15 foot deep slurry wall that prevents impacted groundwater from entering the Newark Bay. This site was re-zoned by the City of Bayonne in 1995 and is designated as an enforceable "residential redevelopment area" with potential plans for a 1,500 unit community.

The 2016 scope of work includes 80,000 cubic yards of earth movement, reinforcement of the slurry wall, subsurface treatment of residual impacts, and installation of an engineered soil cap.

Future reserve additions may reflect possible cost increases to planned work or mandated scope increases due to new state requirements.

2016 planned spend is \$23MM

Redacted – Business Confidential (competitively sensitive internal projections)

Guadalupe, CA

The site is a 2,700 acre former Union Oil field (1947-1994) on the Central California Coast. Diluent used in oil production was released from tanks and piping at the site.

The California Regional Water Quality Control Board (RWQCB) issued a Cleanup or Abatement Order for soil and groundwater in 1998. The site has multiple-agency oversight for remediation of diluent/crude impacted soils and groundwater, with decommissioning and restoration activities being driven by over 1,300 permit conditions. The Order requires the site to remain zoned as "permanent open space".

Current remediation strategies include: i) utilizing Lean Sigma to improve efficiency, ii) minimizing excavation activities, iii) enhancing monitored natural attenuation, iv) optimizing diluent recovery and v) strategically treating/excavating pads, roads and other areas of concern.

Confidential – Restricted Access

2016 planned spend is \$20.5MM

Redacted – Business Confidential (competitively sensitive internal projections)

Michigan Oil Fields, MI

The site is a group of former Pure Oil Company/Unocal oil fields (1928-1990s) located in Michigan.

Near term work activity is focused on the Porter/Mt. Pleasant and Sherman fields and is governed by a consent order with the Michigan Department of Environmental Quality.

Current work includes remediation of 15-25 areas per year, along with the plugging & abandonment of 10-15 wells per year.

Future reserve additions will reflect agency approvals of required activities and results of on-going scope assessments.

2016 planned spend is \$16.1MM

Redacted – Business Confidential (competitively sensitive internal projections)

Lockport, IL

The site is a 580 acre former Texaco refinery located in Lockport, IL which was closed in 1981.

Remedial action obligations are performed under Illinois EPA (IEPA) oversight.

The end state vision for the southern half of the site includes reuse for light industrial/commercial purposes. Chevron will retain the northern half of the site in order to provide long-term care of a landfill.

The focus going forward is on assessing groundwater and determining potential remedial options as well as developing plans for post-closure care of the closed landfill.

2016 planned spend is \$15.2MM

Redacted – Business Confidential (competitively sensitive internal projections)

Perth Amboy, NJ

The site is a 380 acre former refinery and terminal (1889-2012) located in New Jersey. The property was sold to Buckeye in 2012. Chevron retained remedial responsibilities in order to achieve a more cost effective US EPA remedy determination by 2020, after which all remaining environmental liabilities become the responsibility of Buckeye. Current work includes remediation of soils and groundwater.

2016 planned spend is \$13.1MM

Redacted – Business Confidential (competitively sensitive internal projections)

APPENDIX A: EMC TOP 10 SITES

Legacy California Pipelines

The Legacy Pipeline docket consists of a portfolio of ~550-miles of out-of-service and abandoned pipelines, located in Central and Southern California.

Current work includes the assessment of pipeline condition and abandonment status, and pipeline cleaning, inerting and abandonment projects.

2016 planned spend is \$10MM

Redacted - Business Confidential (competitively sensitive internal projections)

McKinley Mine, NM

The site is a 50+ square mile former surface coal mine (1962-2009) in McKinley County, NM.

The North Mine is on the Navajo Nation reservation and reclamation is overseen by the Federal Office of Surface Mining. The South Mine is mostly owned by the State of New Mexico and Chevron along with numerous Bureau of Indian Affairs allotments.

Full reclamation of mined land is required. The work program includes decommissioning of surface water impoundments and demolition of structures, construction of rock drainage channels, and various types of earthwork including erosion repair and re-vegetation.

The property is designated for future wildlife and grazing use and will likely transfer back to the Navajo Nation and other property owners over the next several years.

2016 planned spend is \$10MM,

Redacted - Business Confidential (competitively sensitive internal projections)

Lawrenceville, IL

The site is a 996 acre former Texaco refinery (1930s-1995) located southeast of Lawrenceville, IL and is designated as a State Superfund site under IEPA oversight.

Natural Resource Damage (NRD) claims have been settled with the State, but NRD claims from the U.S. Fish and Wildlife Service remain unresolved.

Current work includes obtaining IEPA approval of the remediation feasibility study, negotiating a new Consent Decree, starting preparations for implementing remedial actions and performing ongoing maintenance and monitoring activities.

2016 planned spend is \$11.1MM,

Redacted - Business Confidential (competitively sensitive internal projections)

Pascagoula, MS

The site is a 1,000 acre operating refinery (1963-present) located in Pascagoula, MS.

Corrective action activities include monitored natural attenuation for groundwater, perimeter monitoring of the impacted areas, and the investigation and remediation of a limited number of solid waste management units and areas of concern.

Future reserve additions will be determined by ongoing remediation maintenance projects and Refinery management decisions.

2016 planned spend is \$5.3MM,

Redacted - Business Confidential (competitively sensitive internal projections) (depending on the long term plan for portions of the Refinery wastewater system).

In addition to managing U.S. sites, EMC also provides support for international remediation projects.

Rokan Block, Indonesia

The Rokan block in Sumatra, Indonesia has been operated by Chevron and its predecessors for over 60 years. With the Production Sharing Contract expiring in 2021, Chevron Pacific Indonesia (CPI) is working to complete the necessary environmental remediation and decommissioning, and develop the capacity to manage the Hydrocarbon Impacted Soil (HIS).

CPI Project Teams are continuing to build Organizational Capability (e.g. staffing, training and contracting) and processing capacity for the program of work. Current plans for management and treatment of the impacted soil include bioremediation, thermal treatment, third-party disposal (e.g. cement kilns and landfills) and utilization (e.g. used in bricks or road base).

CPI completed cleanup at 29 sites in 2015 with over 110,000 cubic meters HIS excavated. CPI has proposed to spend ~\$134MM in 2016 processing more than 300,000 cubic meters of HIS, while increasing the soil bioremediation processing capacity and bringing thermal desorption capacity on line.

EMC is working with the Energy Technology Company (ETC) and Environmental & Safety (E&S) Law Group to support the environmental remediation and decommissioning work in the Rokan block. EMC's support has included technology selection, cost estimating, scheduling, site assessment, decommissioning, site prioritization and contracting

APPENDIX A: EMC TOP 10 SITES

strategy. The support needs of the Sumatra Operations Remediation Program will continue to be coordinated by EMC and aligned with the Enterprise vision of including the expertise from EMC, ETC and E&S Law in significant environmental projects.

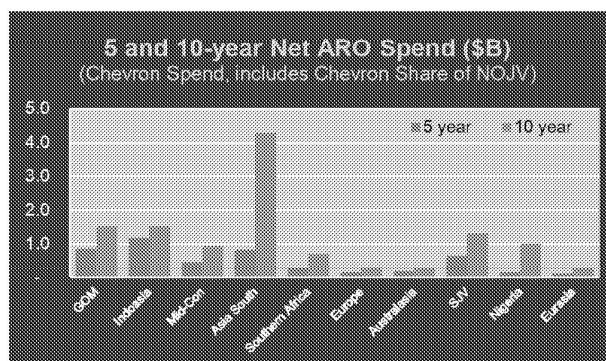
Asset Retirement Obligations (ARO)

While EMC does not manage the abandonment liability process, it does support our Upstream operations by providing consulting services to Upstream units outside the U.S and by stewarding the Upstream Asset Retirement (UAR) Strategic Framework which was established in 2012.

The Framework leverages EMC's expertise in Asset Retirement (AR) which allows Upstream business units to consistently estimate liabilities, maximize value and manage asset retirement risk consistent with Chevron's value for protecting people and the environment.

EMC also directly manages the Chevron North America Exploration and Production Company (CNAEP) AR work which consists of offshore and onshore well abandonments and facilities decommissioning

Spend going forward will be impacted by planned divestments in the Gulf of Mexico and is expected to be in the range of \$250-300MM per year.



Chevron's total abandonment liability at the end of 2015 was \$15.6B, of which \$15.2B was related to Upstream assets.

Slides Not Included in Director's Pre-read



environmental stewardship update

Wes Lohec

public policy committee meeting
March 29, 2016

eagle rock lake restoration site

Public Policy Committee Meeting, Mar. 2016

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CHEV-117HCOR-0127322

Our systematic approach to environmental stewardship

The Chevron Way Values

Integrity, Trust, Diversity, Ingenuity, Partnership, **Protecting People and the Environment**, and High Performance

OE Vision

Be recognized and admired by industry and the communities in which we operate as world class in process safety, personal safety & health, **environment**, reliability and efficiency

OE Management System (OEMS)

- Leadership Accountability
- Management System Process
- OE Environmental Stewardship (ES) Expectations

Environmental Principles

- Include the Environment in Decision Making
- Reduce Our Environmental Footprint
- Operate Responsibly
- Steward Our Sites

OE ES Expectations

Strive to continually improve environmental performance and reduce impacts from our operations

ES Corporate Standard Process

- HES Property Transfer Standard
- Environmental, Social and Health Impact Assessment Process
- Environmental Aspects Management Procedures
- Third-Party Waste Stewardship Standard

Upstream Environmental Performance Standards

- Air Emissions
- Flaring and Venting
- Natural Resources, including water and land use
- Offshore Drilling Fluid and Cuttings
- Produced Water
- Waste

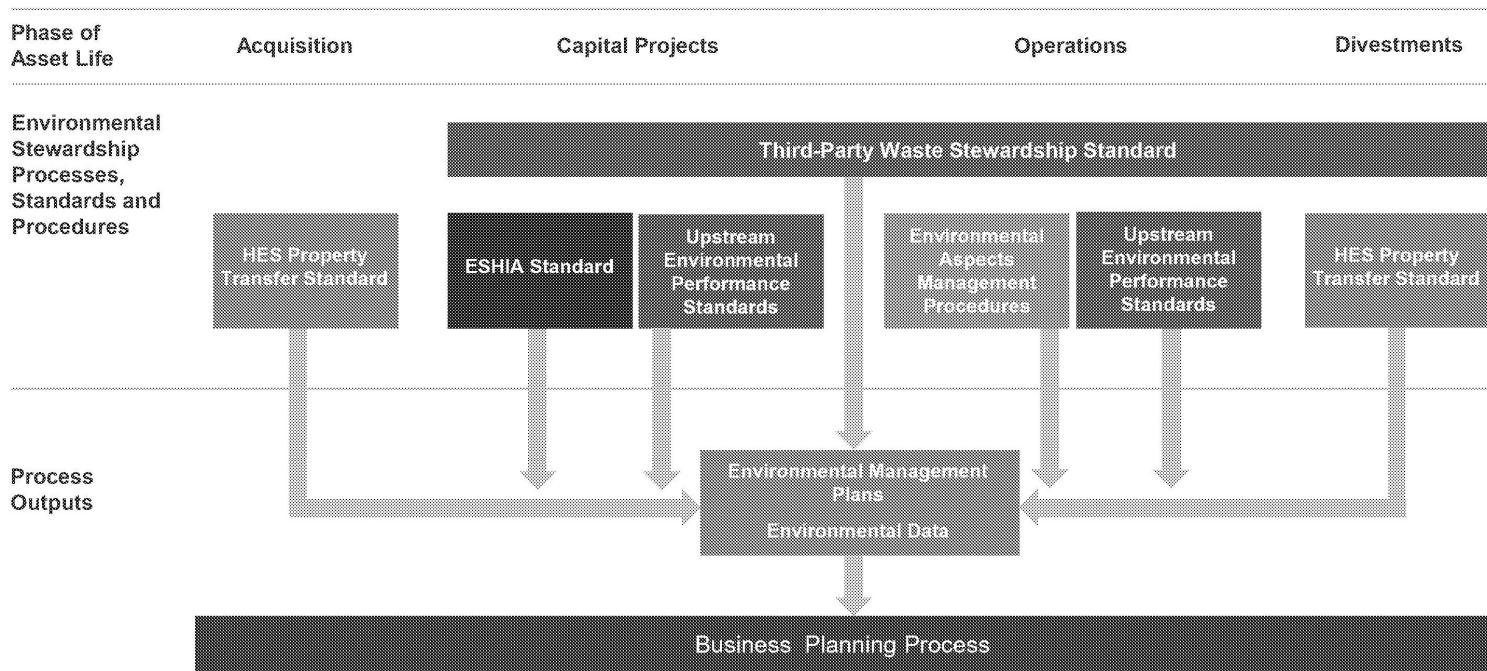
Environmental Metrics

Measure environmental performance

Continuous Improvement

Achieve desired environmental performance

Environmental stewardship corporate process applied across asset life



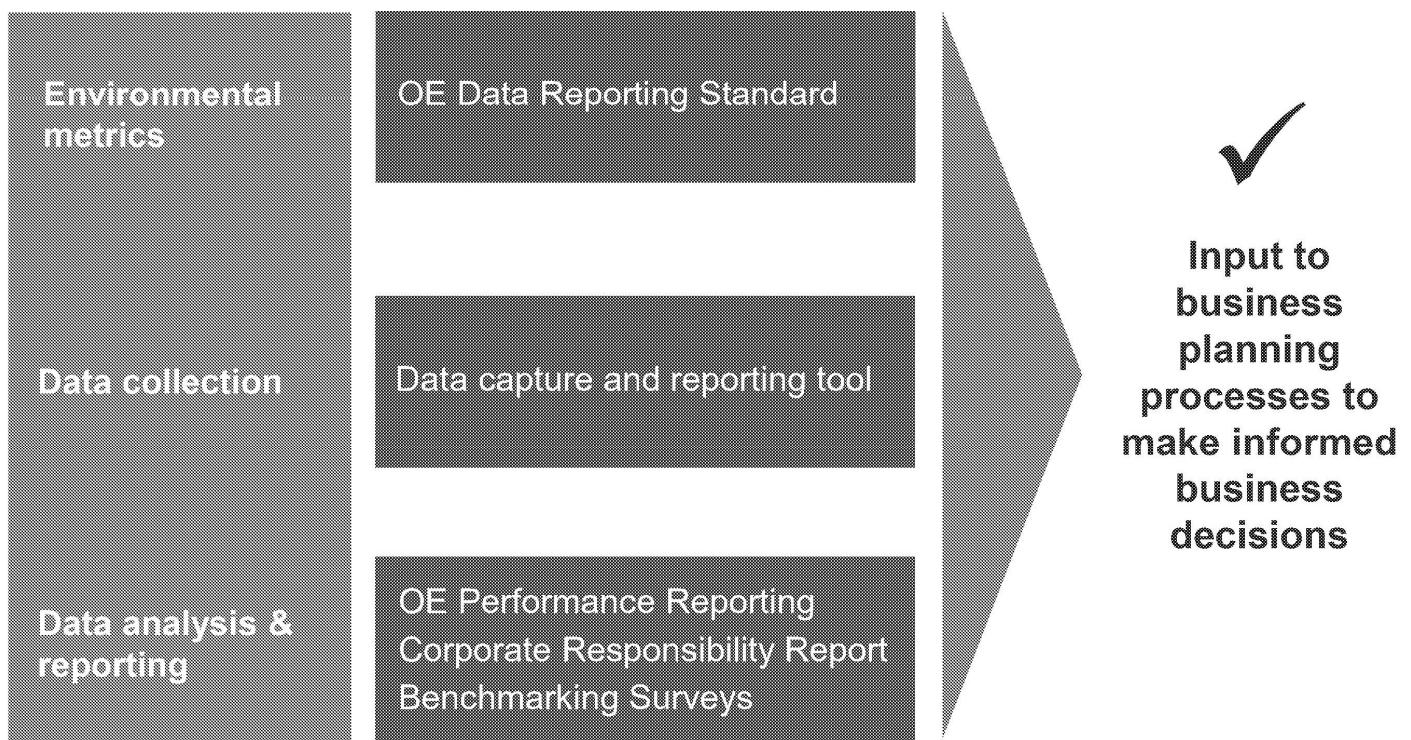
Core corporate environmental aspects

defining our desired state

Core Corporate Environmental Aspects	Advancing Environmental Stewardship Desired State
 Accidental Releases Prevention and Response	<ul style="list-style-type: none">• We use a risk-based approach to systematically work towards zero accidental releases.• We have an effective emergency response system that is tested and reliable.
 Air Emissions	<ul style="list-style-type: none">• We proactively pursue opportunities to implement technologies and management practices that reduce air emissions.
 Energy Efficiency and Greenhouse Gas	<ul style="list-style-type: none">• We systematically improve the energy and GHG intensity of our operations by implementing energy efficiency and GHG reduction practices and technologies.
 Natural Resources	<ul style="list-style-type: none">• We understand and manage our company water risks and pursue opportunities to reduce our water use intensity.• We actively manage biodiversity and physical footprint of our business to achieve no net loss of sensitive species or habitats.
 Site Residual Impacts	<ul style="list-style-type: none">• We are the industry leaders in proactive site stewardship.
 Waste	<ul style="list-style-type: none">• We systematically reduce risks associated with waste and manage waste in an environmentally-responsible manner.
 Wastewater	<ul style="list-style-type: none">• We proactively pursue opportunities to reduce risks from waste water and maximize beneficial reuse.

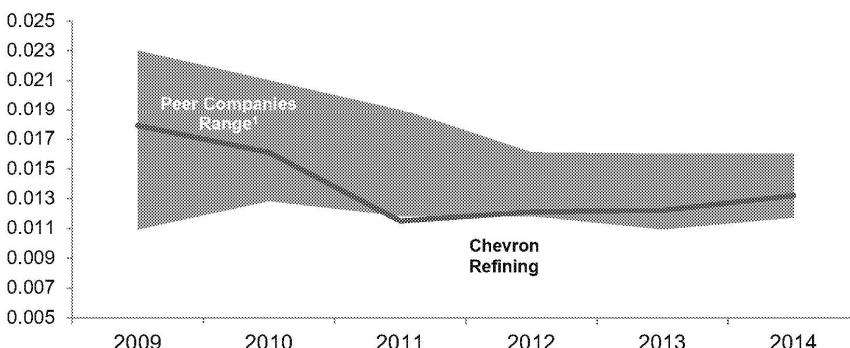
Measuring our environmental performance

our approach to analysis and reporting

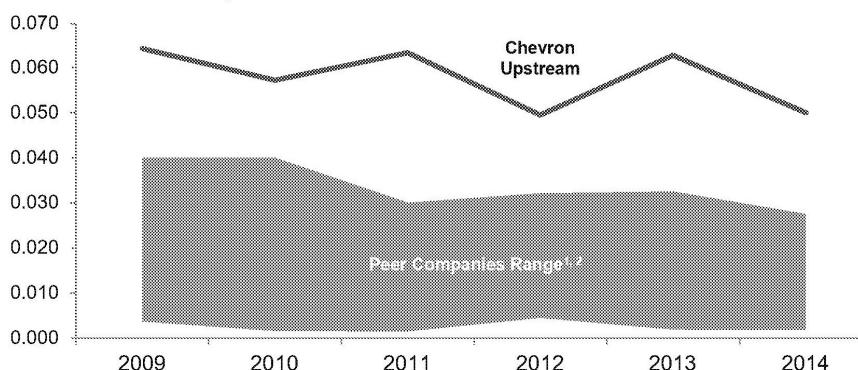


NOx and SO2 air emissions comparative performance

metric tons of NOx emissions per 100 metric tons production



metric tons of SO₂ emissions per 100 metric tons production



Source: Global Benchmarking Group 2015

¹ ExxonMobil, Shell, BP, ConocoPhillips and Total (through YTD 2014)

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Normalized NOx emissions from refining have increased due to:

- Improvements made to calculation methodology
- Type of crude oil processed
- Turnaround schedule

Saudi Arabia/Partitioned Zone (SA/PZ) accounts for 58% of SO₂ emissions due to sour gas flaring

Normalized SO₂ emissions will decrease in 2015 and 2016 due to shut in of SA/PZ operations

Potential changes in Kuwaiti regulatory standards for SO₂ may need to be addressed upon start up of SA/PZ

² Peer companies range different than last year due to Total updating reported SO₂ emissions

Public Policy Committee Meeting Mar 2016

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CHEV-117HCOR-0127327

Upstream process gas flared and greenhouse gas comparative performance

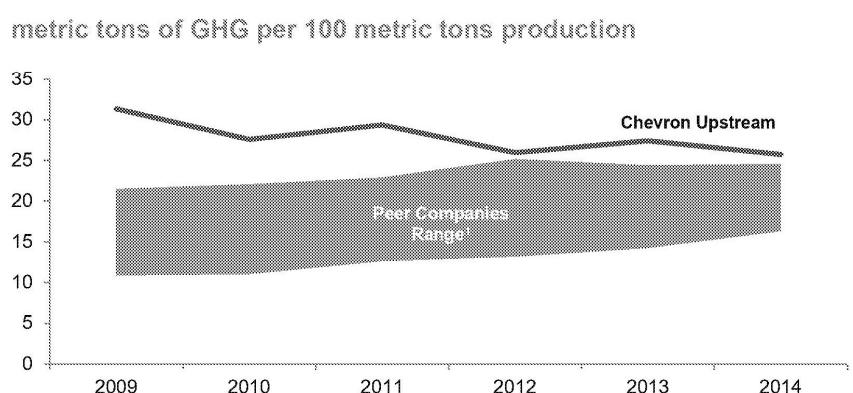
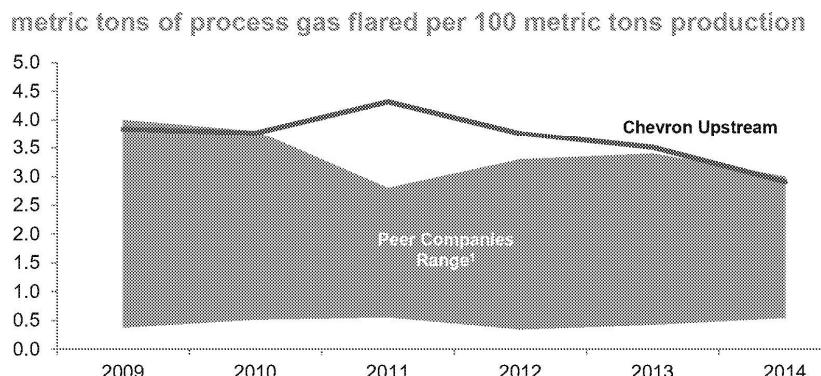
Normalized flaring volumes continue to be higher than most peer companies, however, we continue to make reductions

Flaring volumes impact greenhouse gas (GHG) emissions

- Approximately one quarter of Upstream GHG emissions are generated by flaring

Normalized GHG emissions also above peer companies due to larger share of heavy oil production than peer portfolios

Flaring and GHG emissions anticipated to increase in 2016 due to startup of major capital projects including Chuandongbei, Gorgon and Mafumeira Sul.

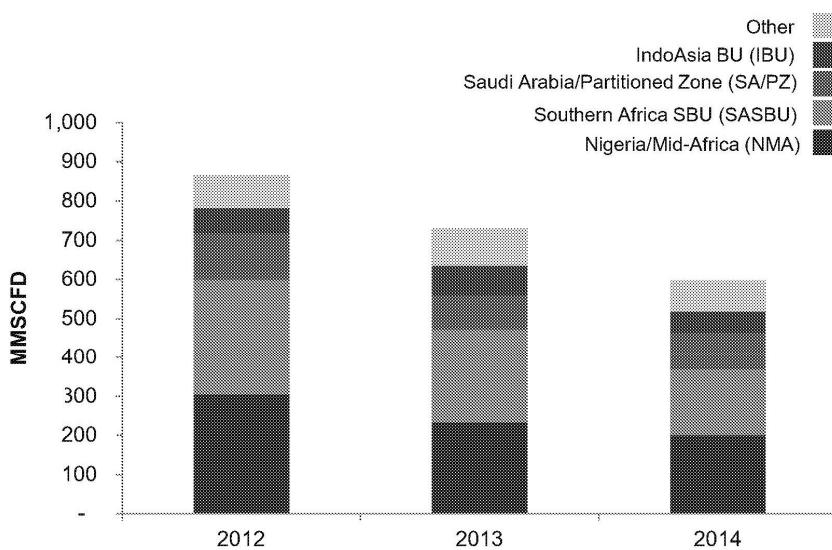


Source: Global Benchmarking Group 2015
¹ExxonMobil, Shell, BP, ConocoPhillips and Total (through YTD 2014)



Upstream flaring and venting achieving reductions

upstream flaring and venting volumes by BU



31% reduction in Upstream flaring and venting from 2012 to 2014 by implementing the Upstream Flaring and Venting Environmental Performance Standard (EPS)

2015 projects that will further reduce flaring include:

- Commencement of Escravos Gas Project Phase 3B in NMA (Q2)
- Completion of Nemba Enhanced Secondary Recovery/Flare Reduction Project in SASBU (Q4)

Technical assist for IBU clarified applicability of Upstream Flaring and Venting EPS requirement to eliminate continual associated gas flaring and venting

Significance of water in our business

managing the resource

We produce and manage a significant volume of water

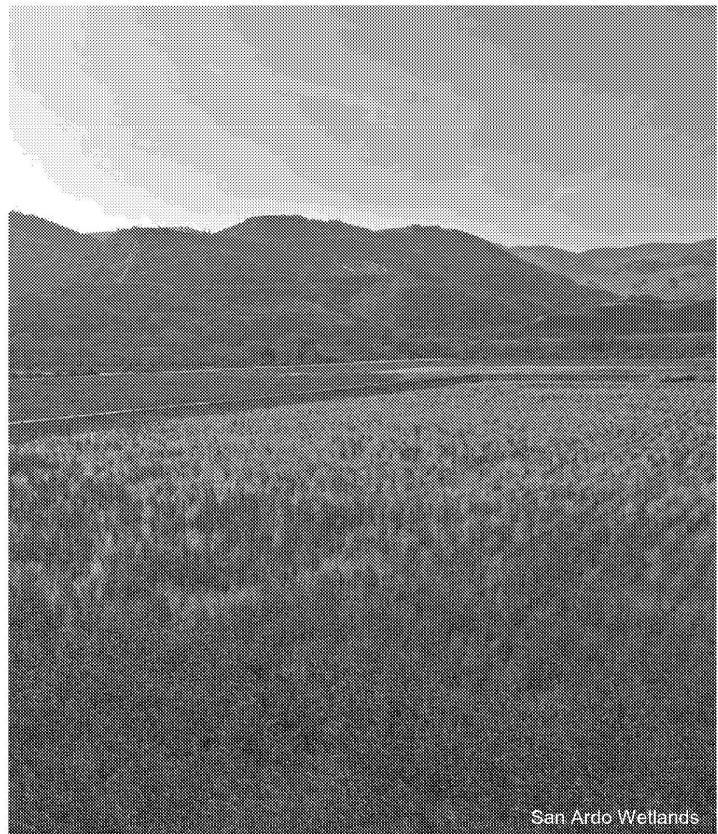
- 7 barrels of water produced by Upstream for every barrel of oil equivalent produced

Increased focus on water use and disposal practices by regulators and the public

- Push for better accounting of water use and demonstration of efficient use, especially in areas of scarcity

San Joaquin Valley BU exemplifies how we are taking action

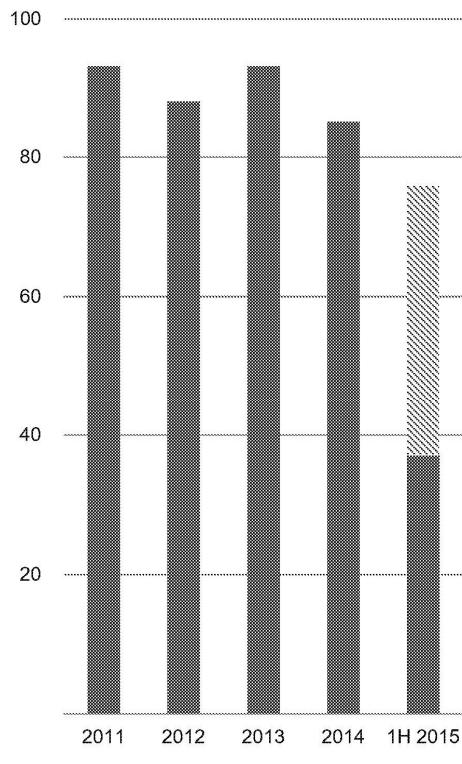
- Comprehensive water management strategy with focus on improved metering of water production and disposal
- Beneficial reuse of over 80% of produced water, including reuse for agricultural irrigation



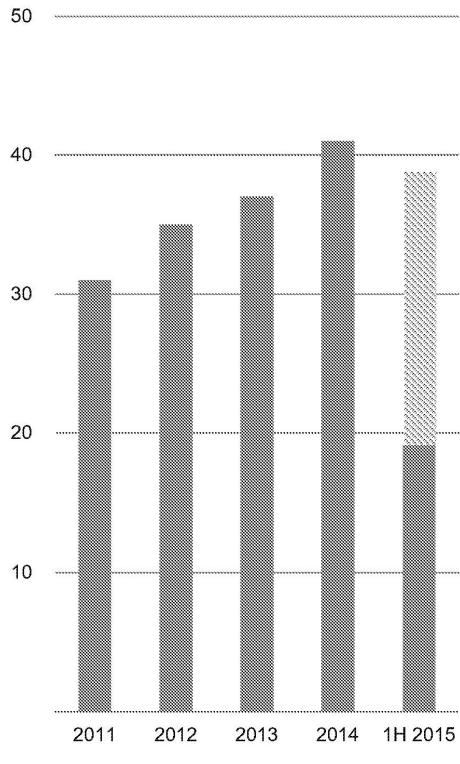
Enterprise water management

reducing our footprint

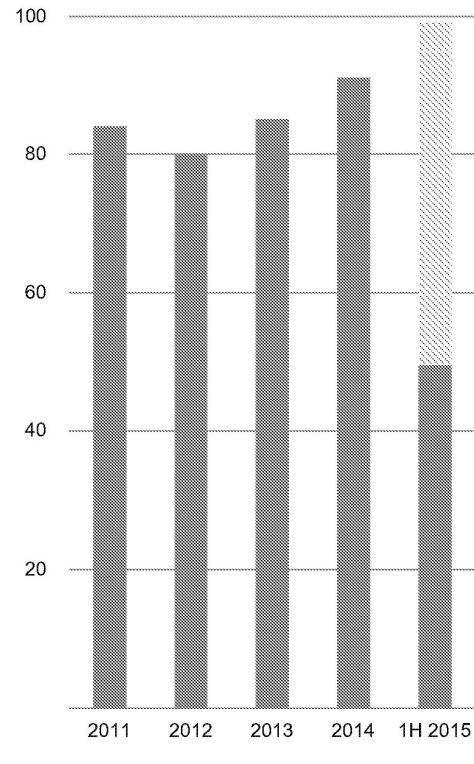
fresh water withdrawn
million metric tons



non-fresh water withdrawn
million metric tons



water recycled for use on-site
million metric tons



Environmental management company delivering results in managing our site residual impacts

Underground Mine Closure, Questa, NM

Closed October 2015 after ~100 years of mining

Decommissioned facilities and removed equipment incident-free

Eagle Rock Lake, Questa, NM

Completed restoration project and reopened site as a public recreational area in October 2015

ASCON Superfund Site, Huntington Beach, CA

Reduced final remedy scope generating a future cost avoidance of \$103MM

Big Foot Restoration, GOM

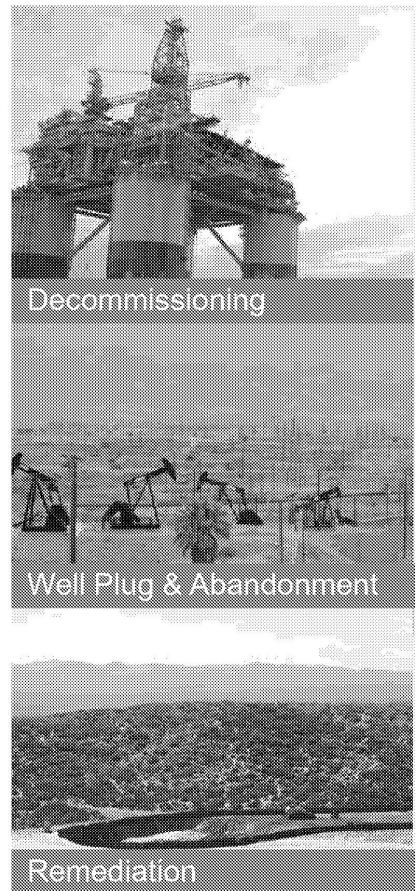
Completed Phase 1 scope of work incident-free

Successfully removed all tendon bottom connectors

Well Bay and pile clusters cleared and ready for reinstallation of Tension Leg Platform

Well P&A and Platform Decommissioning Deep Dives

Completed benchmarking study and implemented best practices for asset retirement, resulting in savings of ~\$60MM to date

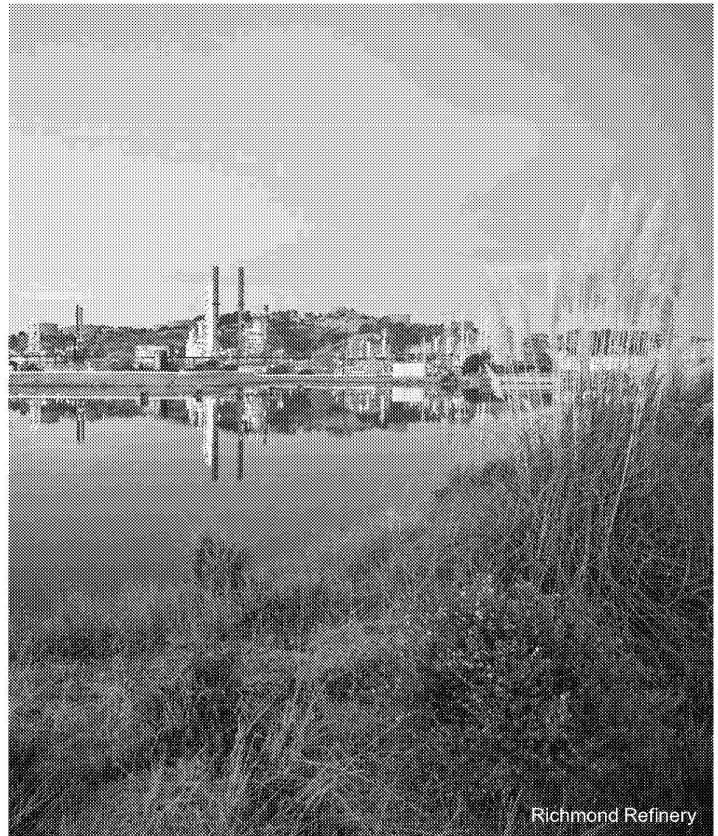


In conclusion

improving our environmental performance

We are continuing our journey to improve enterprise performance for ES through multiple, connected initiatives:

- Advancing ES
 - Measuring and analyzing high quality data
 - Robust environmental risk management
 - Execution of environmental controls with rigor
- OE streamlining
 - Focusing on critical tasks associated with highest risks
 - Reducing resourcing on ES activities that are managing lower consequence outcomes



Richmond Refinery



Tab 3

Public Policy Committee's Performance Self-Evaluation



memorandum

To Public Policy Committee
From Steve Green, Secretary
Date March 23, 2016
Re Considerations for Public Policy Committee's Annual Self-Evaluation

Following the Public Policy Committee's March 29, 2016 meeting, you will meet in executive session to conduct the Committee's required self-evaluation. Ms. Deily will report on the self-evaluation to the Board of Directors at its meeting the following day.

To prepare for the self-evaluation, you may wish to review the Committee Charter, the annual checklist of Committee responsibilities and activities, and any other materials you deem helpful. I have attached a copy of the Charter and responsibilities. In addition, below I have listed several considerations that may be useful to the Committee's self-evaluation.

You may make notes to prepare for the session, but should not retain them afterward; the Board minutes will record the Committee Chairman's report.

Following your executive session, I will work with Ms. Deily to address any items you designate for follow-up.

Purposes served

A primary benefit of the self-evaluation is to help the Committee plan its activities for the current year. You may wish to discuss potential changes to Committee processes or to designate certain topics for new, expanded or diminished emphasis over the course of the year.

The self-evaluation also satisfies the Committee's duty to monitor its own performance; in turn, the Committee Chairman's report to the Board on the Committee's self-evaluation provides assurance to the Board on the functioning of the Committee and its views on the Corporation's social, political and environmental trends, issues and concerns.

Some issues to consider in the self-evaluation

A primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibility for the Corporation's broad enterprise risk management program by continually identifying, evaluating and monitoring the social, political and environmental trends, issues, risks and concerns, domestic and foreign, that affect or could affect the Corporation's business activities and performance.

- Are you satisfied with the current process for identifying, evaluating and monitoring the Corporation's social, political and environmental trends, issues, risks and concerns?
- Are the lines of communication effective between the Committee and the engagement partner?

- Is the Committee Secretary and support staff providing effective support, or are additional resources necessary to assist the Committee?

The Committee develops recommendations to the Board in order to assist in formulating and adopting basic policies, programs and practices concerning broad public policy issues which include corporate responsibility, ecology and environmental protection, human rights, employee safety, ethical business conduct, consumer affairs, protection of privacy, controlled substance abuse, affirmative action/equal opportunity matters, government relations and the support of charitable, political and educational organizations.

- Are you satisfied with your understanding of the Corporation's public policies?

The Committee annually reviews the policies and procedures and expenditures for the Corporation's political activities including political contributions and direct and indirect lobbying. The Committee also annually reviews stockholder proposals that deal with public policy issues and makes recommendations to the Board regarding the Corporation's response to such proposals.

- Are you satisfied with your understanding of the Corporation's political activities and contributions?
- Are there specific topics beyond the areas noted above that the Committee should discuss to assist the Board with its responsibility for the Corporation's broad enterprise risk management program by continually identifying, evaluating and monitoring the social, political and environmental trends, issues, risks and concerns, domestic and foreign, which affect or could affect the Corporation's business activities and performance?

**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE
CHARTER**

PURPOSE

The purpose of the Public Policy Committee (the “Committee”) of the Board of Directors of Chevron Corporation (the “Corporation”) is:

1. To assist the Board of Directors in identifying, evaluating and monitoring social, political and environmental trends, issues and concerns;
2. To assist the Board in analyzing how public policy trends could impact the Corporation’s business activities and performance;
3. To assist the Board in determining how the Corporation can anticipate and adjust to public policy trends in order to more effectively achieve its business goals or to be an important contributor to the policy dialogue;
4. To assist the Board in analyzing the company’s global reputation and developing recommendations to strategically position the company to support its business objectives;
5. To develop recommendations to the Board with regard to formulating and adopting basic policies, programs and practices concerning broad public policy issues;
6. To assist the Board in fulfilling its oversight responsibility for the Corporation’s broad enterprise risk management program by periodically assessing and responding as appropriate to risks that may arise in connection with the social, political and environmental, and public policy aspects of the Corporation’s business; and
7. To perform such other duties and responsibilities enumerated in and consistent with this Charter.

MEMBERSHIP AND PROCEDURES

Membership and Appointment

The Committee shall comprise of not fewer than three members of the Board of Directors, as shall be determined from time to time by the Board of Directors based on recommendations, if any, from the Board Nominating and Governance Committee.

The members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Board Nominating and Governance Committee.

Removal

The entire Committee or any individual Committee member may be removed from office without cause by the affirmative vote of a majority of the Board of Directors. Any Committee member may resign effective upon giving oral or written notice to the Chairman of the Board of Directors, the Corporate Secretary, or the Board of Directors (unless the notice specifies a later time for the effectiveness of such resignation). If the resignation of a Committee member is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Chairperson

A chairperson of the Committee (the "Chairperson") may be designated by the Board of Directors based upon recommendations by the Board Nominating and Governance Committee, if any. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings, and shall have unlimited access to management and information. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

Secretary

The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board of Directors and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a Director.

Delegation

The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee to the extent provided in the resolutions of the Committee, and to the extent not limited by applicable law or listing standard, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board of Directors when required.

Authority to Retain Advisers

In the course of its duties, the Committee shall have sole authority, at the Corporation's expense, to retain and terminate such advisers as it deems necessary.

Evaluation

The Committee shall undertake an annual evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this Charter, which evaluation shall be reported to the Board of Directors.

Duties and Responsibilities

The following shall be the common recurring duties and responsibilities of the Committee in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law or listing standard.

1. The Committee shall assist the Board in fulfilling its oversight responsibility for the Corporation's broad enterprise risk management program by continually identifying, evaluating and monitoring the social, political and environmental trends, issues, risks and concerns, domestic and foreign, which affect or could affect the Corporation's business activities and performance;
2. The Committee shall analyze public policy trends and make recommendations to the Board regarding how the Corporation can anticipate and adjust to these trends in order to more effectively achieve its business goals or to actively participate in the public policy dialogue;
3. The Committee shall develop recommendations to the Board in order to assist in formulating and adopting basic policies, programs and practices concerning broad public policy issues which include, corporate responsibility, ecology and environmental protection, human rights, employee safety, ethical business conduct, consumer affairs, protection of privacy, controlled substance abuse, affirmative action/equal opportunity matters, government relations and the support of charitable, political and educational organizations;
4. The Committee shall annually review the policies and procedures and expenditures for the Corporation's political activities including political contributions and direct and indirect lobbying; and
5. The Committee shall annually review stockholder proposals that deal with public policy issues and make recommendations to the Board regarding the company's response to such proposals.

Amendment

This Charter and any provision contained herein may be amended or repealed by the Board of Directors.

APPROVED: Board of Directors
DATE: January 30, 2013

PUBLIC POLICY COMMITTEE
2015 CHECKLIST OF COMMITTEE RESPONSIBILITIES

PPC Charter Requirements	Reference	Completed (Mtg. Date)
Consider (and report to the Board, as appropriate) results of annual Committee evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in the Charter.	Charter (Evaluation)	
Review, together with the Board Nominating and Governance Committee, stockholder proposals that deal with public policy issues and recommend that the Board affirm responses to stockholder proposals to be included in annual proxy statement.	Charter (Duties and Responsibilities, 5)	01/27/15
Identify, evaluate and monitor the social, political and environmental trends, issues, risks and concerns, domestic and foreign, that affect or could affect the Corporation's business activities and performance.	Charter (Duties and Responsibilities, 1)	03/24/15; 07/28/15; 12/08/15
Analyze public policy trends and make recommendations to the Board regarding how the Corporation can anticipate and adjust to these trends in order to more effectively achieve its business goals or to actively participate in the public policy dialogue.	Charter (Duties and Responsibilities, 2)	03/24/15; 07/28/15; 12/08/15
Develop recommendations to the Board in order to assist in formulating and adopting basic policies, programs and practices concerning broad public policy issues which include, corporate responsibility, ecology and environmental protection, human rights, employee safety, ethical business conduct, consumer affairs, protection of privacy, controlled substance abuse, affirmative action/equal opportunity matters, government relations and the support of charitable, political and educational organizations.	Charter (Duties and Responsibilities, 3)	03/24/15; 07/28/15; 12/08/15

PPC Charter Requirements	Reference	Completed (Mtg. Date)
Annually review the policies and procedures and expenditures for the Corporation's political activities including political contributions and direct and indirect lobbying.	Charter (Duties and Responsibilities, 4)	07/28/15; 12/08/15
Review and approve Committee minutes.	Charter (Secretary)	01/27/15; 03/24/15; 07/28/15; 12/08/15

CHEVRON CORPORATION
2015 BOARD AND BOARD COMMITTEE PERFORMANCE EVALUATION

Redacted – Business Confidential (sensitive competitive information)