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[REDACTED]

December 2, 2015

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

Public Policy Committee Meeting
December 8, 2015

A meeting of the Public Policy Committee is scheduled for Tuesday, December 8, 2015, from 3:15 to 4:15 p.m. PDT, in room A4330 at Chevron's offices in Chevron Park. Refreshments will be provided.

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

- update on Chevron's Human Rights Policy, Voluntary Principles on Security and Human Rights, and Revenue Transparency;
- update on Chevron's corporate responsibility and social investment;
- update on major legislative and regulatory issues, preparation for 2016 elections, and biannual review of major global and public policy issues.

I am enclosing an agenda and pre-read materials for the meeting, including the PPC Issues Brief, which contains the more significant global public policy issues facing the company and country level summaries for Chevron's top 10 operating areas highlighting the policy and political landscape. You may also access these materials through Chevron's Boardbooks website.

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

Sincerely, 

[REDACTED]

Enclosures

cc: John S. Watson
Mary A. Francis

**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE**

**DECEMBER 8, 2015, 3:15 – 4:15 P.M., PST
ROOM A4330, CHEVRON PARK**

AGENDA

Time	Tab	Topic (Presenters)
3:15 p.m.	1.	Minutes * (Chair) Review and approve the minutes of the July 28, 2015 Public Policy Committee meeting.
3:20 p.m.	2.	Human Rights Policy, Voluntary Principles on Security and Human Rights, and Revenue Transparency (Linda D. Padon) Update on human rights and revenue transparency, external landscape and internal actions.
3:35 p.m.		Corporate Responsibility and Social Investment (Linda D. Padon)
3:50 p.m.	3.	Elections Update and Reporting of Major Global and Public Policy Issues (Steve W. Green) Discuss major legislative and regulatory issues, preparation for the 2016 elections, and biannual review of major global and public policy issues.
4:15 p.m.		Adjourn

* Items needing motion, second, and approval.

Tab One

Minutes

**CHEVRON CORPORATION
PUBLIC POLICY COMMITTEE
JULY 28, 2015**

MINUTES

A regular meeting of the Public Policy Committee of the Board of Directors of Chevron Corporation ("Corporation") was held at the office of the Corporation in San Ramon, California, on July 28, 2015, at 2:55 p.m.

Members Present:

Linnet F. Deily, Chairperson
Enrique Hernandez, Jr.
Jon M. Huntsman, Jr.
Carl Ware

Also present were Stephen W. Green (Secretary), Mary A. Francis, Maria Pica Karp, Lloyd F. Avram, and Kari H. Endries.

Ms. Deily called the meeting to order and the Committee proceeded with the agenda. The minutes of the regular meeting of the Committee held on March 24, 2015, were reviewed and, on motion duly seconded, unanimously approved.

Mr. Avram reviewed the scope, governance and philosophy of the Corporation's and the Chevron Employee Political Action Committee's political contributions. He confirmed that the Corporation has strong policies and procedures to administer its compliance program and outlined key components, including training, risk assessments and audits. Mr. Avram then discussed 2014 and 2015 federal and state political contribution focus areas, engagement strategies, direct lobbying initiatives, indirect lobbying efforts through trade and industry groups, and priorities for political contributions and direct and indirect lobbying for the remainder of 2015 and the 2016 election cycle. Questions and discussion ensued.

Ms. Karp presented an update on U.S. legislative, regulatory, policy, and political developments, focusing on the Obama Administration's current Climate Action Plan and efforts to lift the ban of crude oil exports. She outlined advocacy activities of the Corporation's Washington, D.C. office and government affairs staff. Privileged – First Amendment
Privileged – First Amendment Discussion ensued.

Mr. Green briefly discussed the updated public policy brief that highlights policy issues with the potential to impact Chevron's business in ten countries where it has significant operations. The Committee requested that the brief continue to be updated biannually so the Committee could refer to it throughout its annual cycle and that it continue to be circulated to the full board as well.

There being no further business, the meeting was adjourned.

Secretary

Tab Two

Human Rights Policy, Voluntary Principles on Security and Human Rights and Revenue Transparency



Global Issues, Public Policy and Social Investment Update

Board of Directors
Public Policy Committee

December 8, 2015

Confidential – Restricted Access

Public Policy Committee – December 2015

Global Issues Update Overview

This issue brief provides an update on the company's activities and insights related to human rights, revenue transparency, environmental, social and governance external reporting and disclosure, and the United Nations Sustainable Development Goals.

Human Rights

United Nations Actions

In 2011, the United Nations Human Rights Commission (UNHRC) unanimously endorsed the United Nations Guiding Principles on Business and Human Rights (UNGPs). Since then, an international working group has been managing comprehensive UNGP implementation. In 2014, Ecuador and South Africa, with Russia and China's support, successfully achieved a resolution calling for a treaty which would oblige compliance to the UNGPs. While a treaty and its consequences remain uncertain, the UNHRC has established an inter-governmental working group to consider the proposal, including assessing likely implications and responsibilities for governments and companies.

Government Action

Chevron is required to submit its first report under the U.S. Department of State's Reporting Requirements on Responsible Investment in Burma by mid-2016. The public reports are to be updated annually. The report will include an overview of Chevron's management system and policies related to human rights, operational excellence, security, transparency and anti-corruption.

Voluntary Reporting Initiatives

External ranking and rating of Chevron's human rights performance and increasing demands for transparency are themes that will grow through 2016 and beyond. Chevron is monitoring peer companies' and other industries' expanding disclosures through their utilization of a new UNGP Reporting Framework and the emerging Corporate Human Rights Benchmark promoted by socially responsible investors and human rights think tanks.

Emerging Activism

Some civil society organizations, communities and some countries are attempting to link human rights to climate change and hydraulic fracturing debates. Advocates argue that the oil industry impedes on rights related to environment, health and quality of life. They call for countries and companies causing climate impact to bear adaptation, migration and mitigation cost. Most recently Greenpeace submitted

a petition to the Philippines Commission on Human Rights, calling for an investigation into Chevron's and other "Carbon Majors" responsibility for devastation caused by recent typhoons.

Chevron's Approach to Human Rights

Chevron supports voluntary approaches that empower business to use fit-for-purpose policies and processes. Internally, we are focused on continual improvement of the Human Rights Policy implementation, supporting processes and management of external reporting on performance. The policy's four focus areas align with the company's potential areas of concern: supply chain, security, community and employees. Chevron is working to improve risk management in each of the focus areas. Procurement is increasing engagement with key suppliers and Global Security is finalizing updates to internal security processes and tools. Human Resources added human and labor rights topics to its annual global 'fitness review' tool. Finally, PGPA is producing an internal guidance on operational-level grievance mechanisms to capture, track and close out community-level issues.

Externally, Chevron maintains leadership in business and industry associations including the International Oil and Gas Industry Association for Environmental and Social Issues (IPIECA), the Global Business Initiative for Human Rights and the Voluntary Principles Initiative on Security and Human Rights (VPI).

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Extractives Industry Transparency Initiative

Chevron maintains a leadership role in the Extractive Industries Transparency Initiative (EITI). The company has maintained a seat on the Global EITI Board since inception in 2003. Chevron's representative serves on the Board's policy committee and acts as an informal industry lead. Active participation at the global and country levels, as well as company-wide coordination within Chevron, are important for achieving compliance, maintaining commercial confidentiality, and minimizing expansion of scope and requirements.

EITI sets baseline reporting requirements at the international level with the aim of reconciling company payments and government revenues. EITI implementing countries then adopt specific rules that must comply with global standards set by the organization. Countries join voluntarily, but once a member, EITI requires the country to ensure extractive companies operating in that country participate. In 2013, EITI began requiring that payments be reported by individual company and revenue stream (bonuses, fees, taxes, etc.). The revised rules state that project-level reporting is required, provided that it is consistent with emerging EU and U.S. regulations.

Government Action

There are several legislative initiatives related to revenue reporting that are in various stages of implementation. The Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) instructed the Securities and Exchange Commission (SEC) to create a rule requiring extractive industry companies listed on a U.S. exchange to annually report payments made to all governments. Given the competitive impact to Chevron, the company supported the American Petroleum Institute's (API) lawsuit challenging the SEC's initial rule, which a federal district court invalidated in July 2013. The SEC announced that it will issue a draft rule in December 2015, triggering a new public comment period. If there is no legal challenge to the new proposed rule, the SEC should publish its final rule in June 2016.

While the implications of the Dodd-Frank rule remains uncertain, the EU has moved forward on its own revenue transparency legislation requiring companies to report more detailed information than is likely to be required under Dodd-Frank. In June 2013, the EU revised its Accounting Directive to require large extractive companies registered in the EU to disclose payments made to all governments at a contract or lease level. The deadline for EU Member States to transition the Directive into national legislation was July 2015, but Chevron is awaiting confirmation that all 28 systems are up and running. Outside the EU, Norway has implemented revenue transparency legislation. In June 2015, Canada passed legislation that is similar to the EU's requirements.

The overlapping legislative proposals raise the possibility that Chevron may have to report under multiple frameworks, leading to increased compliance costs. Chevron supports industry association efforts to achieve an acceptable Dodd-Frank rule and to persuade the EU to accept Dodd-Frank reporting as "equivalent".

Disclosures and Reporting

Stakeholder interest and expectations around companies' environmental, social and governance (ESG) performance and reporting are increasing, including among the investment community. Chevron publishes information about the company's ESG performance in a number of communications, including the annual *Corporate Responsibility Report* and on chevron.com. The company's reporting is aligned with the indicators from the *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, which is jointly produced by IPIECA, API and the International Association of Oil & Gas Producers (OGP).

United Nations Sustainable Development Goals

The United Nations General Assembly adopted the "Post-2015 Development Agenda"—referred to as the "Sustainable Development Goals" (SDGs)—during a summit in New York on September 25, 2015. The SDGs represent global consensus on a roadmap to growth for the next 15 years, to be achieved through poverty reduction, inclusion, and environmental, social and economic sustainability.

The SDGs have relevance for Chevron for the following reasons: (1) universal access to energy is included in the goals; (2) the goals provide an opportunity to showcase Chevron's efforts on social investment and environmental stewardship; and (3) governments and partners may look to Chevron for assistance on implementing the agenda in their countries. Chevron is well-positioned to engage in the SDG agenda because the company has a credible voice in promoting the role of the private sector in advancing economic development and global prosperity.

Global Social Investment Overview

Chevron's global Social Investment (SI) spend has ranged from approximately \$200MM in 2010 to a high of \$274MM in 2013. Our expected spend for 2015 is \$250MM, and \$222MM is planned for 2016.

Chevron continues to improve governance for SI, including work to advance enterprise tools to help ensure transparency, compliance, standardized reporting, and measurement and evaluation of the programs.

Social Investment Approach

The 2015 planned SI in the United States was more than \$100MM. Areas of significant investment internationally included: Nigeria-\$34MM, Eurasia-\$29MM, Australia-\$8MM, and Thailand-\$6MM. In addition, large global and regional programs continued in 2015, such as the University Partnership Program-\$20MM and Fuel Your School-\$9MM.

For 2016, Chevron's level of social investment will average approximately 20% lower in response to the current business climate. The exception is Thailand, which will increase investment to fund the Thailand Partnership Initiative (TPI). The TPI was designed to support Chevron's in-country concession extension strategy.

Recent research confirms that Chevron's social investment programs advance business objectives and establishes the company as a leader in corporate responsibility.

U.S. based public opinion surveys indicate that respondents who are aware of Chevron's community programs are more favorable towards the company, and support our operations in their communities by a margin of 2:1. Polling also indicates that for key international areas, Chevron maintains a leadership position in contributing to the quality of life in the community as well as Partner of Choice.

SI Focus Areas

Chevron's global SI activity is designed to bring greater focus and recognition for Chevron within the areas of:

- HIV/AIDS, maternal/child health (Africa)
- Economic development (Global)
- Science, technology, engineering and math (STEM) education (U.S.)

For 2015, more than 70% of Chevron's overall social investments globally were in these focus areas. This percentage remains flat for 2016.

Health

The 2015 investments in health totaled more than \$30MM with a special emphasis on working with global partners to combat HIV/AIDS (including prevention of mother-to-child transmission) and sickle cell disease. In 2015, Chevron partnered with Texas Children's Hospital, The Global Fund and PACT to fight these devastating diseases. In 2016, investment will be more than \$20MM with these organizations and others towards our mutual health-related goals.

Education

Chevron's SI strategy for education continues to involve playing a leadership role in improving STEM education through a holistic approach supporting awareness, curriculum, teacher training and advocacy. In 2015, Chevron invested more than \$90MM in education worldwide. This included \$10MM for major K-12 STEM programs in the U.S., \$20MM for continuation of the University Partnership Program and \$9MM to support the successful Fuel Your School program. In 2016, Chevron plans to invest more than \$80MM globally in support of education.

Economic Development

Chevron's economic development focus provides training, promotes jobs and enhances livelihoods in the communities where we operate. In 2015, Chevron invested more than \$73MM globally with major Partnership Initiatives including but not limited to Niger Delta (\$8MM), Thailand (\$5.3MM), Appalachia (\$3.5MM), Bangladesh (\$2.9MM), Richmond (\$2.5MM), and Kazakhstan (\$1.7MM). In 2016, Chevron plans to continue investment in economic development with more than \$50MM globally including support for the aforementioned initiatives.

Global Public Policy Overview

This brief provides highlights on key government issues that can impact Chevron's business. To manage the overall portfolio, we prioritize issues to ensure that the right resources are available, and apply issue management and stakeholder engagement processes that support the execution of effective advocacy strategies.

U.S. Political Landscape

The Obama Administration continues to drive an aggressive regulatory agenda designed to cement the President's climate and environmental legacy. The ability of Congress to block the President's agenda or pass substantive energy legislation is hampered by partisanship. Following the 2016 elections, the House is expected to remain under Republican control, but Senate control is uncertain. The landscape is increasingly politicized on energy and climate issues. On the state and local level, activism continues against industry. Ballot initiatives to impose bans on hydraulic fracturing, achieve severance taxes, establish local control over oil and gas operations, and demand transparency on gasoline pricing may confront us in 2016.

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Climate Change

Chevron's Climate Change Policy Principles convey our viewpoints on climate change and maintain that taking prudent, practical, and cost effective action to address climate change is the right thing to do. These Principles stress: (1) the need for global engagement; (2) the importance of balancing economic, environmental, and energy security objectives; (3) the role of government in the advancement and application of technology; and (4) the need for transparent policies about the costs, risks, trade-offs, and uncertainties associated with greenhouse gas (GHG) reduction and adaptation.

U.S. Federal Climate Policy

In advance of the December 2015 United Nations (U.N.) summit in Paris, the U.S. announced an emissions reduction target of 26-28 percent by 2025. This target will be met through the Climate Action Plan (CAP), which includes regulations on power plants, the oil and gas sector, and the transportation sector. All current and proposed regulatory initiatives will be needed to meet the U.S. emissions target. Various CAP initiatives are currently being, and will continue to be, heavily litigated.

Clean Power Plan: The Environmental Protection Agency's (EPA) finalized landmark power plant greenhouse gas (GHG) rules, establish precedent-setting standards for new and existing power plants (effectively halting coal)

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Methane: In September 2015, EPA published proposed rules to reduce methane and volatile organic compound emissions from the oil and gas sector, impacting all new sources, and existing sources in some areas of the country. In October, EPA released a proposed a new voluntary program to reduce methane emissions from new and existing sources. States (e.g., CA, CO, PA, OH, and WY) continue to implement state-level methane regulations. The Department of the Interior (DOI) may develop offshore methane reduction rules; timing is unclear. The DOI's Bureau of Land Management (BLM) is drafting rules to reduce methane emissions on federally-owned and tribal lands; a draft rule is currently undergoing interagency review by the Office of Budget and Management.

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RFS: The Renewable Fuel Standard (RFS) remains fundamentally flawed. The EPA is behind schedule on finalizing required renewable fuel volumes. In June 2015, EPA proposed volume standards for 2014, 2015, and 2016, in alignment with a consent decree with the oil industry. The 2014-2016 proposed volume standards are expected to be finalized by November 30, 2015. Litigation by impacted parties is expected, resulting in sustained uncertainty.

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California Climate Policy

California continues to pursue an aggressive and costly climate policy agenda under AB 32, the state's Global Warming Solutions Act. Governor Brown announced an aspirational 2030 goal of reducing GHG emissions by 40 percent from 1990 levels.

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Privileged – First Amendment Governor Brown also called for a reduction of petroleum usage by up to 50 percent by 2030.

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Privileged – First Amendment

Despite the lack of a legislative mandate for these aspirational goals, state agencies have already begun

the regulatory planning process to pursue the Governor's climate directives. **Privileged – First Amendment**

Privileged – First Amendment

Key International Climate Policy Developments

As the patchwork of global climate policies continues, Chevron continues to act as a constructive partner.

Australia: In July 2014, the Australian Parliament officially repealed its carbon tax. "Direct Action" policies are still in development and the government continues to implement its Emissions Reduction Fund. Australia's current target is 26-28 percent reduction by 2030 from 2005 levels. Newly elected Prime Minister Turnbull plans no near-term significant changes to the climate agenda underway, which is on a course to set a baseline and credit scheme in July 2016.

Canada: Varying programs continue in Alberta, British Columbia (BC), and Quebec. BC's current climate policies could add costs to the Kitimat liquefied natural gas (LNG) project. The recent election of a Liberal majority Canadian government is expected to support provincial level climate commitments as it designs a new national framework.

South Africa: South Africa plans to introduce a \$12 per metric ton national carbon tax. Implementation has been delayed to 2016. Such a tax would have a significant impact on the Cape Town refinery.

Kazakhstan: Although Kazakhstan has adopted a broad-based Emissions Trading Scheme (ETS), they will not require any emission reductions from industry through 2020. The first trade took place in March 2014, and was a single trade for \$2 per ton of carbon dioxide.

China: China has pledged a 60-65 percent carbon intensity reduction from 2005 levels; to peak CO₂ emissions by 2030 and to increase renewable energy usage to about 20 percent by 2030. The government has also announced plans to initiate a national ETS by 2017 that would cover the power, iron and steel, chemicals, building materials, pulp and paper, and nonferrous metals sectors. It remains unclear if China will achieve these ambitious goals.

U.N. Climate Change Meetings: The U.N. Conference of Parties (COP 21) will meet in Paris from November 30 through December 11. As of November 12, 134 submissions, reflecting 161 countries (including the European Union member states) have submitted Intended Nationally Determined Contributions (INDC), covering ~91% of global emissions and ~92% of global population. Pledges to date do not contain sufficient commitments to hold global temperature rise to 2 degrees Celsius. Many pledges from developing nations are conditioned on receiving financing from developed nations for adaptation and mitigation activities. A number of significant issues, including financing for long-term adaptation and mitigation efforts for developing countries, remain to be resolved.

An agreement in Paris will result in a U.N. lasting framework to address climate change. That framework will be expanded and amplified overtime through: 1) repeated calls for action; 2) name and shame messaging; and 3) diplomatic dialogues. The Obama Administration is taking great care to ensure that the agreement does not require Senate ratification, given existing Republican opposition. While there will be select reporting elements that are binding, the Administration has acknowledged the "three keys to success in Paris – the principle that all must participate, transparency and non-legally binding targets."

Business Pledges: In advance of the Paris meeting, 81 companies signed a White House *American Business Act on Climate Pledge*. In addition, 10 non-U.S. oil and gas companies have furthered their call for action by committing to address climate change through a range of actions and investments including developing cleaner energy and flaring reductions at refineries. These developments are driven by the continued ambition to have a voice in the global climate debate.

Environmental Policy

Concurrent with the CAP, the Administration is pursuing an environmental agenda through regulations that seek to expand existing authority and ratchet down standards. For example, EPA issued a final rule to expand its jurisdiction over "Waters of the U.S." Various industries from agriculture, construction, and energy have opposed the rule as regulatory overreach and have filed a

series of lawsuits. As of November 10, 2015, there is a preliminary injunction in place staying the Waters of the U.S. rule. Other key environmental regulations that will impact Chevron include: Ozone: On October 1, 2015, EPA lowered the national ozone standard from the previous level of 75 parts per billion (ppb) to 70 ppb, which could result in almost 1,000 counties nationally falling into nonattainment. **Privileged – First Amendment**

Privileged – First Amendment

Privileged – First Amendment Chevron assets, outside of California, that may fall into new nonattainment areas include the Salt Lake and Pascagoula refineries as well as Upstream assets in MCBU and AMBU. **Privileged – First Amendment**

Privileged – First Amendment

Privileged – First Amendment

Refinery Sector Rule: On September 30, 2015, EPA finalized its Refinery Sector Air Rule, which will require new emission controls and fence-line monitoring systems at all five of Chevron's domestic refineries. As proposed, the rule would have cost Chevron approximately \$300MM in CAPEX. **Privileged – First Amendment**

Privileged – First Amendment

Well Control Rule: As part of the post-Macondo safety improvement initiative, DOI's Bureau of Safety and Environmental Enforcement (BSEE) proposed more stringent requirements for blowout preventers and well controls used in offshore drilling operations. This rule could significantly increase operation costs and potentially limit the ability to drill certain well configurations. On July 16, 2015, Chevron filed comments to the rule. **Privileged – First Amendment**

Privileged – First Amendment

Privileged – First Amendment A final rule is expected by mid-2016.

Endangered Species Act: By 2018, DOI's Fish and Wildlife (FWS) must address whether over 1,000 species should be listed as threatened or endangered under the Endangered Species Act (ESA). FWS has announced final listing decisions on two primary species of concern for Chevron, the Lesser Prairie Chicken and the Greater Sage Grouse. The Lesser

Prairie Chicken listing has required affected business units to develop successful mitigation and conservation strategies. The Grouse did not warrant a listing. **Privileged – First Amendment**

Privileged – First Amendment

Shale and Hydraulic Fracturing

Driven by NGOs and anti-fracking activists, attention on resource development is increasing at the local, state, and federal levels. In December 2014, New York made its temporary ban permanent, and in June 2015, Maryland enacted a temporary ban on hydraulic fracturing. In the first half of 2015, Chevron successfully advocated for laws in Texas and Oklahoma that eliminated the ability of municipalities to ban hydraulic fracturing; legal and other challenges to the acts are pending. We expect efforts to develop statewide ballot initiatives seeking to ban hydraulic fracturing in California and Colorado in 2016. Other anti-fracturing initiatives include local ban attempts, restrictive municipal ordinances (de facto bans), attempts to restrict our supply chain, and opposition to new natural gas pipeline infrastructure. **Privileged – First Amendment**

Privileged – First Amendment

Crude Exports

In 2015, there has been a high level of Congressional and think tank attention paid to the license requirements for crude oil exports. Given the current political realities, there is no expectation that a standalone version of repeal legislation would be finalized by both the House and the Senate. **Privileged – First Amendment**

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Sanctions

There does not appear to be an imminent threat of new or additional U.S. sanctions from Congress or the Administration. However, we remain mindful that sanctions remain a key policy tool for the U.S. government should significant concerns arise related to governance challenges in countries such as

Venezuela or Myanmar. Additionally, Congress or the Administration could consider additional Russia sanctions should there be an escalation of intervention in Ukraine or Syria.

Iran: In September 2015, Congress failed to produce a resolution of disapproval of the Iran nuclear agreement, allowing the Administration to move forward with implementing the Joint Comprehensive Plan of Action (JCPOA). In October, the Iranian Parliament passed a bill supporting the agreement, and the deal was subsequently endorsed by Iran's Ayatollah.

On October 18, 2015, the JCPOA was "adopted" by all parties. This means that Iran must comply with the parameters outlined in the agreement and the U.S. will begin to unravel secondary sanction on non-U.S. entities. Thus, U.S. sanctions enforced on foreign companies for various commercial activities with Iran will be removed and these companies will be able to recommence these activities on a set date. However, U.S. companies in joint ventures with non-U.S. entities and U.S. company subsidiaries and affiliates located, incorporated or operating outside the U.S. will remain subject to the licensing requirements.

The Administration, specifically the Treasury Department, has indicated that it will have to provide additional guidance to U.S. companies regarding the parameters of sanctions relief. The expectation is that this guidance will come prior to the JCPOA's implementation.

There are significant technical hurdles before the agreement can be implemented, which could take up to six to nine months. These hurdles include the International Atomic Energy Agency's verification of two reports on Iran's previous military dimensions of its nuclear program and its compliance with other parameters outlined in the JCPOA. We will continue to closely monitor the implementation process.

Russia: While violence has receded, concerns remain that the Minsk Agreements are not being fully implemented. Following talks brokered by Germany and France, separatists in Lugansk and Donetsk postponed local elections scheduled for this fall. The postponement is viewed positively and some EU officials are calling for easing of sanctions

against Russia if the Minsk Agreements have been substantially fulfilled by January 2016.

EU sanctions must be renewed every six months, and renewal of sectoral sanctions is timed to coincide with Minsk implementation. The Dutch takeover of the rotating presidency of the EU in January could complicate moves for sanctions relief due to the Russian downing of the Malaysian airline in 2014 that killed many Dutch citizens.

In light of other domestic and global issues, Russia sanctions are not on the top of the agenda for the Administration and Congress. However, should the EU ease sanctions in 2016, this could result in a misalignment with U.S. sanctions, and undermine the U.S. government's strategy to stay in lock-step with the EU on sanctions, which is viewed as critical to ensuring effectiveness of sanctions. Any roll-back of Russia sanctions will be politically difficult in the U.S., which could disadvantage U.S. companies.

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Privileged – First Amendment To date, sanctions have not had an adverse impact on Chevron's operations in the region.

Political Contributions and Lobbying

Chevron participates in the political process both domestically and internationally through contributions made by the Corporation and through the Chevron Employees Political Action Committee (CEPAC). The guiding strategy for contributions is to support candidates who share Chevron's philosophy of economic growth, job creation, and an operating environment that promotes production, development, and investment. Chevron complies with the letter and spirit of all laws governing political contributions and lobbying. We disclose our activities as stipulated by law and post them voluntarily on Chevron.com.

CEPAC operates independently under the governance of a Board of Directors comprised of Chevron employees. The CEPAC Board reviews strategy, budget, and federal and state candidate lists for each two-year election cycle. CEPAC provides contributions to state candidates in OH, OK, PA, TX, WV, and WY. The 2014 Corporate Audit review demonstrated compliance processes were in place and managed effectively. CEPAC has approximately 850 employee members and

Privileged – First Amendment

The mechanism to govern contributions is the Political Compliance Program. Audits and reviews have affirmed that the program has strong governance policies and procedures in place. Training is deployed every two years; in 2014, approximately 11,500 Chevron employees and contractors received training.

Contributions are predominantly U.S.-based and provided to candidates in over 10 states, independent expenditure committees (IECs), trade associations, political action committees (PACs), political parties, leadership PACs, and campaigns on ballot measures. Chevron also provides contributions to candidates in Canada and Australia.

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Privileged – First Amendment

Lobbying Expenditures: Chevron engages in direct and indirect lobbying activities. The company lobbies directly through employee lobbyists in its federal and state offices as well as retained lobbyists. Chevron also lobbies indirectly through the fees it pays to various industry associations.

In 2014, Chevron spent Privileged – First Amendment

Privileged – First Amendment

In 2014, at the state level, Chevron spent Privileged – First Amendment

Privileged – First Amendment

Privileged – First Amendment Privileged – First Amendment

Key Lobbying Issues in 2015: Major Congressional issues on which Chevron lobbies include: Privileged – First Amendment

Privileged – First Amendment

Scrutiny of Lobbying and Contributions: The political contribution and lobbying activities of corporations continue to draw scrutiny from media and activists in the U.S. This scrutiny has increased in the wake of the Supreme Court's ruling in *Citizens United* which allowed for unlimited contributions to IECs. Like many other companies, Chevron contributes Privileged – First Amendment

Privileged – First Amendment

Slides Not Included in Director Pre-read

Global Issues, Public Policy and Social Investment Update

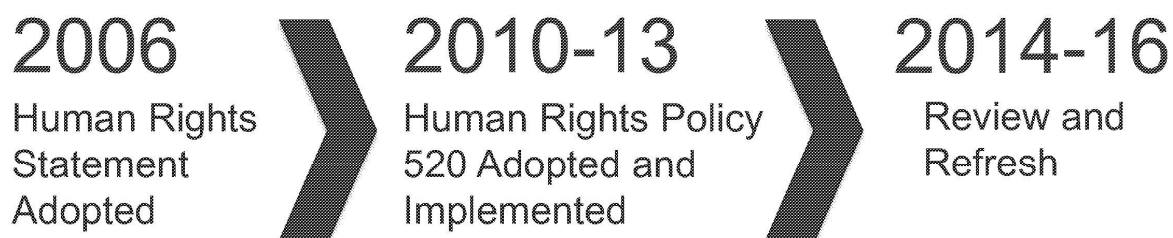


Linda Padon

General Manager, Public Policy and Corporate Responsibility
Policy, Government and Public Affairs

Public Policy Committee
December 8, 2015

Chevron's Human Rights Journey Review



The policy's 5-year refresh will reflect new reporting requirements for business:

- U.S. State Department requirement for Burma reporting
- United Kingdom and California anti-trafficking and slavery regulations
- EU Legislation: reporting for large publicly-traded companies
- Human Rights National Action Plans debuted in 35 countries

Revenue Transparency Initiatives



Chevron strategy: monitor, engage and advocate; increase global internal coordination and build capacity

Extractive Industries Transparency Initiative (EITI)

- Global Board seat since 2003, term to be renewed for 2016 – 2018
- Operations in 17 of 49 countries
- 5 representatives on multi-stakeholder groups, including U.S. EITI
- U.S. EITI will submit first report in December 2015
- Internal coordination groups provide guidance to business units for decision-making around reporting requirements, which is critical for achieving compliance

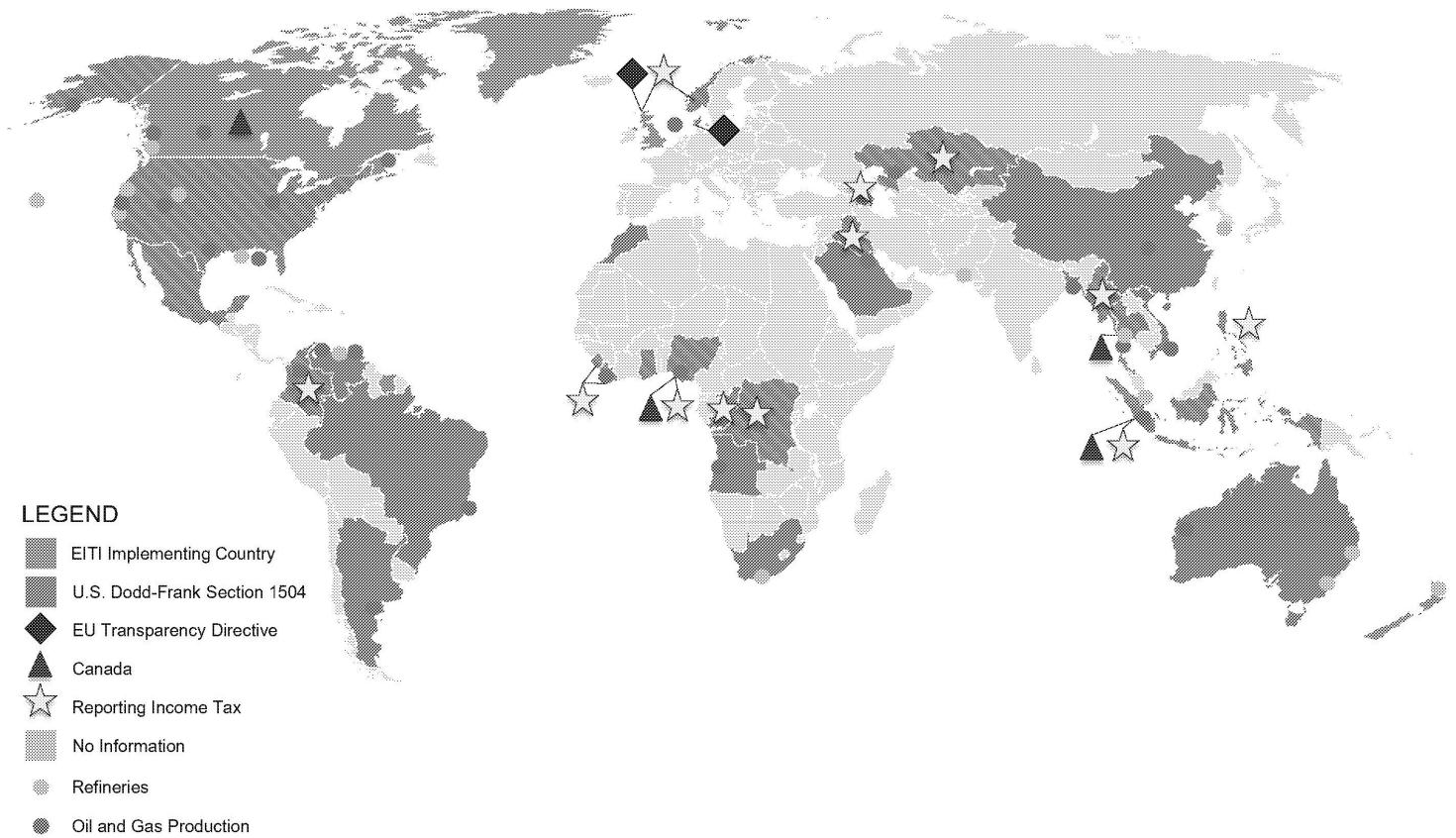
Ongoing Advocacy

Privileged – First Amendment



Revenue Transparency Trends: Future State

Focused on Countries with Chevron's Upstream Operations



Corporate Responsibility (CR) Reporting



Recent Innovations

- For 2014, Chevron reported fully to all IPIECA indicators, compared to 91% full reporting for 2013 and 55% for 2012
- Increased transparency around fresh water, safety, human rights, and workforce training and development performance
- Positioned to report fully to all IPIECA indicators in newly released reporting guidance for 2015

Results

- Chevron made the Dow Jones Sustainability Index (DJSI) North America list for the 11th year in a row
- Instead of responding to the survey, we directed DJSI to our 2014 reports and online content
- Enhanced, publicly available CR information achieved tangible results without the need for additional employee time or resources

UN Sustainable Development Goals



In September, UN member states adopted the 2030 Agenda for Sustainable Development, which represents global consensus on a roadmap to growth and prosperity. The Global Issues Committee endorsed Chevron's engagement using existing platforms and resources.

Opportunities for Chevron

- Further the policy discussion on the importance of the private sector and of access to energy in driving development and prosperity
- Showcase Chevron's leadership on social investment and environmental stewardship
- Support governments and partners in implementing the agenda in their countries

Chevron's Key Messages

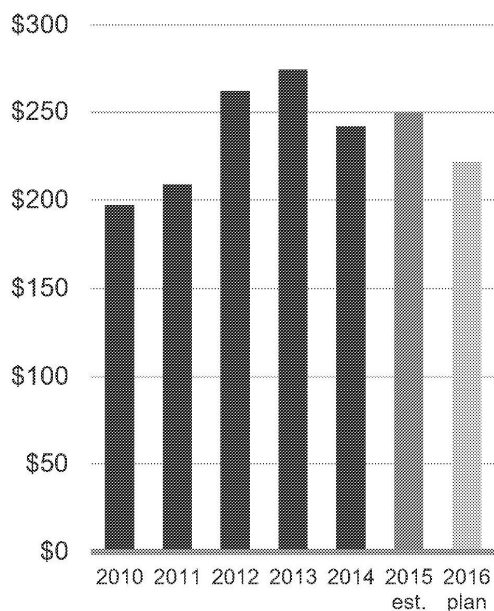
Chevron contributes to the Sustainable Development Goals by supporting long-term economic growth and prosperity in the communities where we operate. We demonstrate our commitment to sustainable development by:

- Safely and reliably producing and delivering affordable energy;
- Protecting people and the environment; and
- Investing in communities' health, education, and economic development.



Social Investment Taking Stock

Social Investment Spending
Millions, Companywide



Good Governance

Ensuring program alignment with strategies, commitment authorities, and compliance

- Corporate Policies 190 and 330
- Monitoring and Evaluation
- GIFTS On-Line System
- Excom Reporting Thresholds

Social Investment Health



In 2015, Chevron directed over \$30 million to continue its work with partners in the fight against devastating diseases. Major programs included:

\$2.5 million

The Global Fund - to support the prevention of mother-to-child transmission of HIV

\$2.4 million

Texas Children's Hospital – to build capacity of doctors and fight sickle cell disease in Angola, Liberia, and Latin America

\$1 million

Pact and others – to support the prevention of mother-to-child transmission of HIV

In 2016, Chevron will invest over \$20MM in Health including a continued focus on our major programs in West Africa and Latin America.

Social Investment Education



In 2015, Chevron directed over \$90 million globally to continue its work with partners in support of education, with a focus on Science, Technology, Engineering, and Math (STEM). Major programs and partners included:

\$10 million

Corporate STEM
Education Initiative:

- Project Lead the Way
- Fab Foundation
- Achieve

\$20 million

University Partnership
Program:

- Worldwide colleges
and universities

\$9 million

Fuel Your School:

- Donors Choose

In 2016, Chevron will invest over \$80MM in education worldwide including a continued focus on U.S. based STEM Education, University Partnerships, and the Fuel Your School program.

Social Investment Economic Development



In 2015, Chevron directed over \$73 million globally to build partnerships in support of economic development in the communities where we operate.

\$8 million

Niger Delta Partnership
Initiative

\$5.3 million

Thailand Partnership
Initiative

\$3.5 million

Appalachian Partnership
Initiative

In 2016, Chevron will invest approximately \$50MM in economic development worldwide including the above programs, and continued activities in Bangladesh, and Kazakhstan.

Social Investment

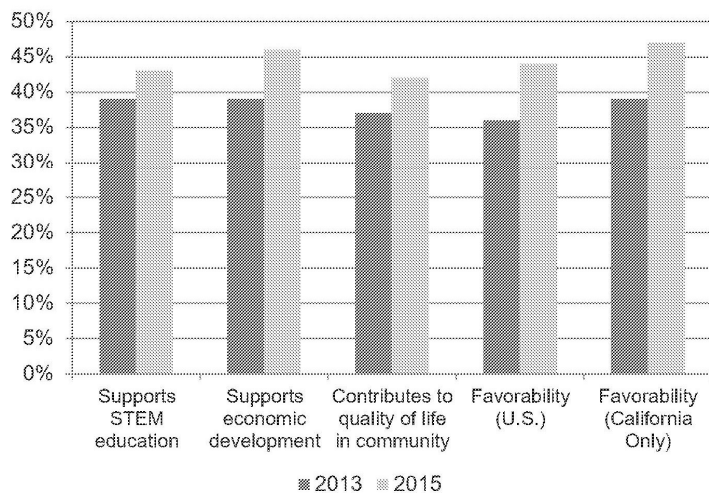
Social Impact – U.S.



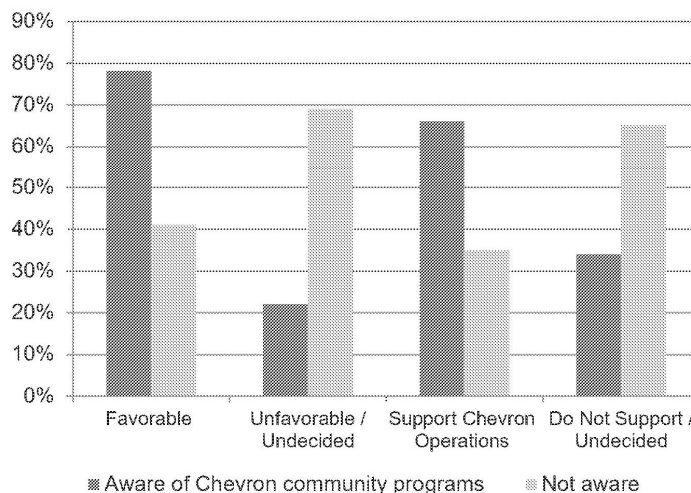
Data derived from the Chevron Public Opinion Monitor* illustrates increasing awareness of Chevron's social investment activity and a correlation with increased favorability and support for Chevron business operations.

* Twice yearly survey of general public attitudes towards Chevron conducted in key U.S. operating areas.

% of Respondents Aware of Chevron Support and Increased Favorability



Effect of Chevron Community Program Awareness on Favorability and Project Support

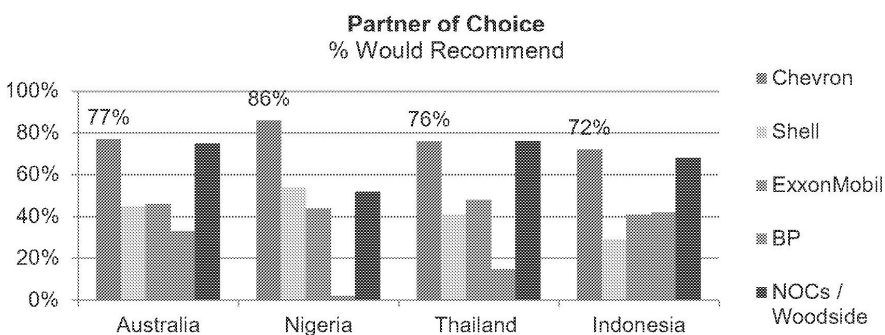
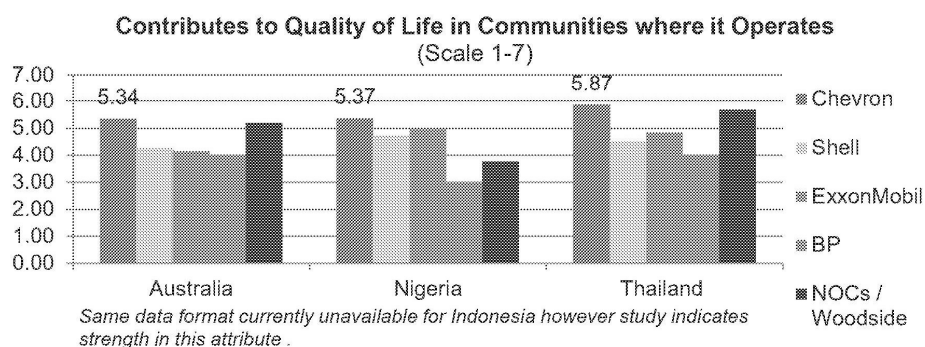


Social Investment Social Impact – International



Data derived from Gallup Stakeholder Reputation Studies* illustrates that contributing to quality of life in communities where we operate is a key factor to being “Partner of Choice” - demonstrating the strong connection between our social investments and Chevron’s Partner of Choice status.

** Conducted among stakeholders in key Upstream locations in 2013 and 2014.*



Discussion



Tab Three

Election Update and Reporting of Major Global Public Policy Issues



Public Policy Issues Brief Government Affairs

Major Global Issues
Key Country Summaries

Board of Directors
Public Policy Committee

December 8, 2015

KEY COUNTRY SUMMARIES

Financial and Operating Statistics

	Net PP&E & Equity Investment (12/31/2014) ¹		3-Year C&E (2015-2017)		Upstream Production OEG ² (MBD, 2014)		Net Income (2014) ³	
	<u>\$B</u>	<u>%</u>	<u>\$B</u>	<u>%</u>	<u>Net OEG</u>	<u>%</u>	<u>\$B</u>	<u>%</u>
1. United States	66.4	31.7	33.8	32.2	664	25.8	3.6	19.0
2. Australia	Redacted – Business Confidential (competitive financial information) (non-U.S.)							
3. Nigeria								
4. Angola								
5. Canada								
6. Kazakhstan								
7. Thailand								
8. Indonesia								
9. Brazil								
10. United Kingdom								
<i>All Other</i>								
Total								

1. Investment reflects Book Value (not Fair Value)
2. Production is expected to increase to 3.1 million oil-equivalent bbls per day in 2017; increase primarily driven by U.S. and Australia
3. Net Income includes interest and foreign exchange impacts, as well as operational earnings
4. The data contained in the chart and following one-pagers has not changed materially since the July 2015 update.

United States

Major Projects/Resource Plays

- Diverse upstream and downstream and chemical assets
- California Upstream - San Joaquin Valley (heavy oil resources)
- Gulf of Mexico (shelf and deepwater)
- West Texas / Colorado / SE New Mexico (shale and tight resources)
- Appalachian/Michigan (shale resources)

Environment

The White House continues to drive an aggressive regulatory agenda designed to cement the President's climate change legacy. Congressional efforts to block President Obama's agenda remain hampered by partisanship. Following the 2016 elections, the House is expected to remain under Republican control, but the Republican Senate could change. The landscape is increasingly politicized on energy and climate issues. The Administration is focused on building momentum to secure a climate agreement, likely a framework, at the December 2015 United Nations (U.N.) summit. The U.N. climate agreement is not expected to impose legally binding greenhouse gas emission reduction targets on the U.S.

Domestic Legislative/Regulatory Risk

The Administration continues to use existing regulatory tools to establish and embed a framework to address a suite of climate and environment issues, in particular through the Climate Action Plan (CAP), which includes regulations on power plants, the oil and gas sector, and the transportation sector. Various CAP initiatives are currently being, and will continue to be, heavily litigated. We expect additional regulatory activity as the Obama Administration moves to finalize and defend rulemakings before leaving office, laying groundwork that can accelerate or impede an incoming Administration's regulatory agenda.

Privileged – First Amendment

Privileged – First Amendment

External Stakeholders/Shareholder Action

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Geopolitical Risk

U.S. foreign policy continues to center on: (1) critical regional issues in the Middle East, including Afghanistan, Iraq, Syria, ISIS, and the refugee crisis; (2) Russian influence and actions in Ukraine and Syria; and (3) concerns with China's economy and political actions, including land reclamation activity in the South China Sea, cyber-attacks and domestic anti-corruption pursuits. All were key discussion topics during the official visit by President Xi to the U.S. in September 2015. The Obama Administration has also been focused on what they view as key legacy achievements, including implementing the Iran nuclear agreement, re-establishing ties with Cuba, and passage of the Trans-Pacific Partnership (TPP) trade agreement to cement the rebalance to Asia. Passage of TPP in 2016 remains uncertain due to opposition from various sectors.

Revenue Transparency

The U.S. will submit its initial Extractive Industries Transparency Initiative (EITI) report in December 2015. The Securities and Exchange Commission is scheduled to release a new draft Dodd-Frank rule in December 2015 with plans to adopt a final rule in June 2016.

**Redacted – Business Confidential
(non-U.S. operation risk analysis)**

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(non-U.S. operation risk analysis)**

Slides Not Included in Director Pre-read

U.S. Legislative and Regulatory Policy Developments



Board of Directors
Public Policy Committee
December 8, 2015

Agenda



- U.S. Federal Landscape
- Climate Action Plan
- Key Regulatory Policy Issues
- U.S. State Landscape
- U.S. Election 2016
- International Landscape

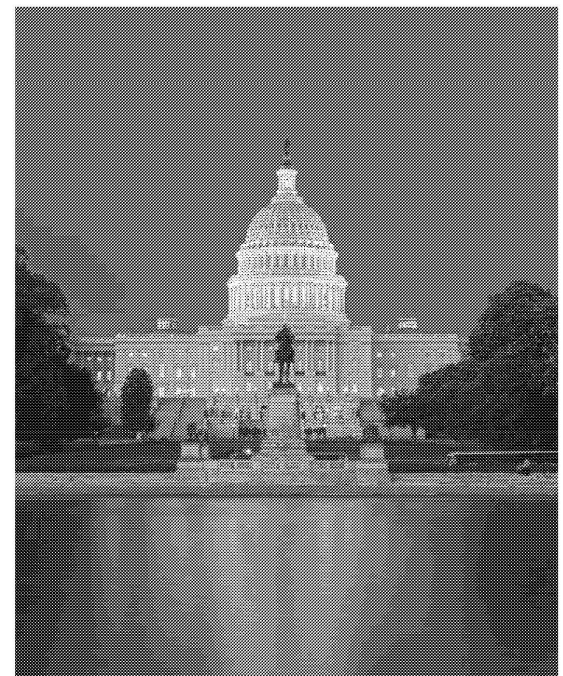
U.S. Federal Landscape

White House continues to build its legacy as partisanship divides Congress



Legacy Meets Partisanship

- Administration continues to build its legacy on the economy, foreign policy, and climate change issues
 - Climate Action Plan (CAP) is the basis for U.S. commitments to global climate negotiations
 - CAP and other regulatory efforts could enable or hinder the next Administration's agenda
- Congress not expected to pass major energy legislation in 2015
 - Potential opportunities remain on “must-pass” legislation for pro-industry amendments
 - Expect continued oversight hearings
- Agenda for 2016 to focus on “messaging bills” given elections



Climate Action Plan

Administration leveraging existing regulations to reduce GHG emissions



Key Elements of the CAP

Methane

- Suite of regulations on new and existing sources for oil and gas sector emissions

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Clean Power Plan

- Landmark rules allow states to put a price on carbon; precedent for regulation of other sectors

Privileged – First Amendment

Renewable Fuel Standard

- Sustained uncertainty as EPA fails to meet deadlines and sets unachievable volume mandates

Privileged – First Amendment

Key Federal Regulatory Policy Issues

Administration pursuing increasingly stringent environmental standards



Ozone

- Final rule lowered standard from 75 parts per billion (ppb) to 70 ppb

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Refinery Sector Rule

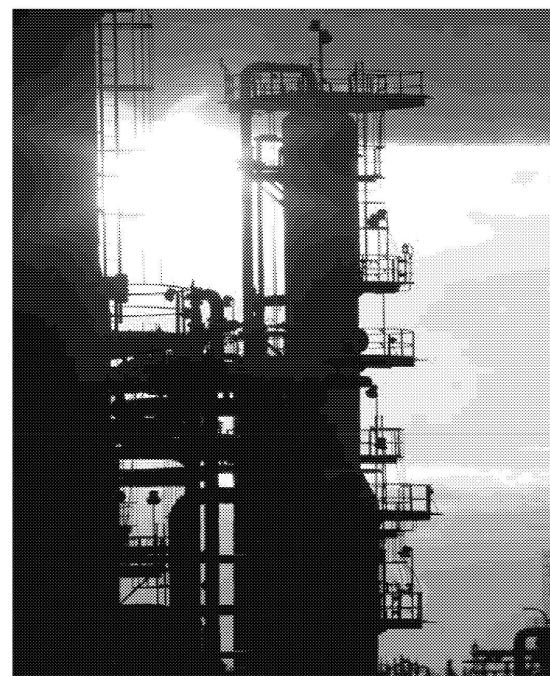
- New limits on air pollutant from refineries with potential to increase operational costs

Privileged – First Amendment

Offshore Well Control

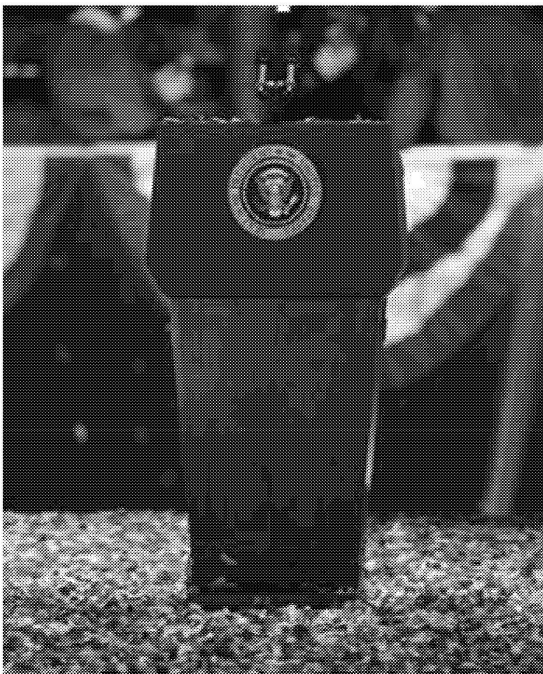
- Anticipated stringent rules on safety rules could impact costs

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U.S. Election 2016

GOP field remains crowded; too early to predict outcomes



Current Landscape

- Politicized and polarized landscape on energy and climate policy
 - Opponents want to curb all fossil fuel production
 - Supporters seek increased access and development
- White House and Senate remain in play
- House likely to remain in Republican hands
- 12 Gubernatorial races bellwether for Democrats

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U.S. State Landscape

Leveraging incremental wins in dynamic environment



Focus Remains on State and Local Controls

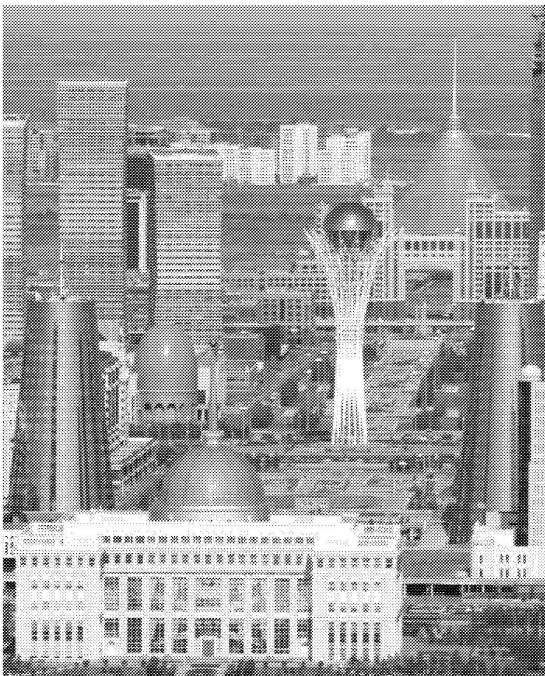
- Activism efforts concentrate on hydraulic fracturing, induced seismicity, water and air issues, and endangered species
- California raises the bar for climate and environment policy, setting aspirational post-2020 goals

Privileged – First Amendment



International Landscape

Sanctions portfolio remains active



Sanctions Overview

- **Privileged – First Amendment**
- Actively monitoring threat of new sanctions, e.g., Venezuela, Myanmar
- Monitoring implications of Iran nuclear agreement and sanctions relief

Focus on Kazakhstan

- Low commodity prices and regional devaluations creating economic pressure
- Government managing through reserve funds
- Challenges for the RoK to fund government programs

International Landscape

Trade Agreements face challenges



Trade Agenda

- Obama Administration pursuing multilateral trade agreements as key “legacy” issue

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Challenges Ahead

- Sectoral objections to Trans-Pacific Partnership (TPP) agreement
- Congressional approval for TPP faces challenges in House and Senate during election year



Discussion

