



chevron energy limited

2020 U.K. gender pay gap report



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Welcome to chevron energy limited's 2020 U.K. gender pay gap report.

During the first three years we presented our U.K. gender gap report, we made modest improvements in our gender pay gap, narrowing the difference between the average pay of all men and all women in our organisation. This year's report reflects an increase in our mean pay gap largely as a consequence of the significant reduction of Chevron's U.K. employee population following the sale of our U.K. Central North Sea assets in November 2019 and the greater relative influence of outbound expatriates and associated pay premiums on our data. This gap continues to reflect that imbalance of female representation across our organisation, in common with many businesses in our industry.

We are dedicated to addressing this imbalance and to improving our workforce demographics in the long term. In making this commitment, we recognise that a more diverse workforce inspires more creative solutions and propels the innovation that drives our success. Supporting the advancement of women is paramount for us to succeed as a company, especially in an industry like oil and gas that is two-thirds male.

Consistent with this commitment, we have continued to offer a suite of programmes that focus on addressing bias and promoting differences. Despite the lockdown imposed by COVID-19, all these programmes are still available to employees on a virtual basis.

Men Advocating Real Change (MARC), launched in 2018, has created a framework for men and women to foster an effective partnership in advocating for gender equality. Our Downstream and Midstream organisations have adopted Diversity and Inclusion strategic initiatives. One aspect of these initiatives includes leadership of these businesses ensuring that development opportunities and mentoring for our female employees are made available. We also continue to offer various other mentoring programmes and have recently participated in one led by "Women on the Wharf", which enables our female employees to interact with women from 22 other companies located in the vicinity of Chevron Energy Limited.

These are just a few examples of the many initiatives we have underway to drive Diversity and Inclusion in our U.K. businesses. We know that as we continue our journey to close the gender pay gap that we will need to do even more. The reference point for this report is 5 April 2020. I confirm that the gender pay gap data contained in this report is accurate and has been produced in accordance with the guidance and reporting developed by the Advisory, Conciliation and Arbitration Service (ACAS).

A handwritten signature in black ink, appearing to read "Stewart Wright", written over a horizontal line.

Stewart Wright
Chairman, Chevron Energy Limited

the difference between equal pay and the gender pay gap

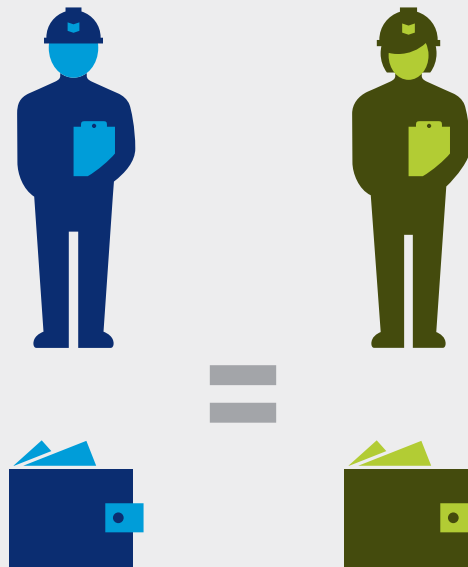
The gender pay gap is defined as the difference between the average pay of all men and the average pay of all women in an organisation, regardless of role or seniority.

This is fundamentally different from equal pay, which means to pay men and women equally for the same or equivalent work. Chevron establishes internal equity through job evaluation and defines job categories to pay employees equitably and competitively based on job responsibilities and individual performance.

At Chevron, there are many ways in which we invest in our people to develop and empower a highly competent workforce that delivers superior results the right way. Our company philosophy prohibits discrimination, including on the basis of gender. Additionally, we have established robust compensation systems and processes designed to minimise risk of bias.

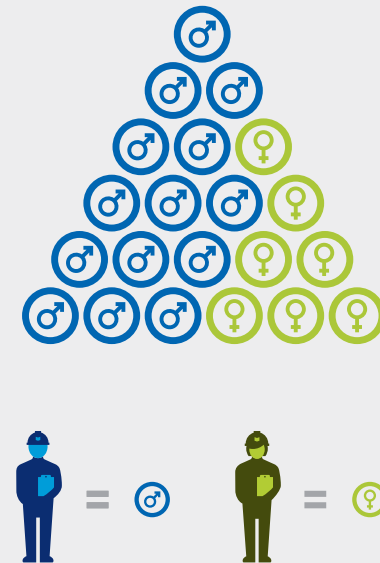
equal pay

Men and women being paid equally for the same or equivalent work



the gender pay gap

The difference in the average pay of all men and women in the organisation regardless of seniority or role



Having a greater number of men in senior positions or in technical roles with a higher level of pay will mean a greater average pay for men than for women

chevron's gender pay gap results

The population on which we report our gender pay gap has changed significantly since our last report due to the sale of our former U.K. Central North Sea assets in November 2019, which resulted in the transfer of approximately 450 employees out of Chevron Energy Limited. This equates to around 40 percent of the total employee headcount included in our 2019 report.

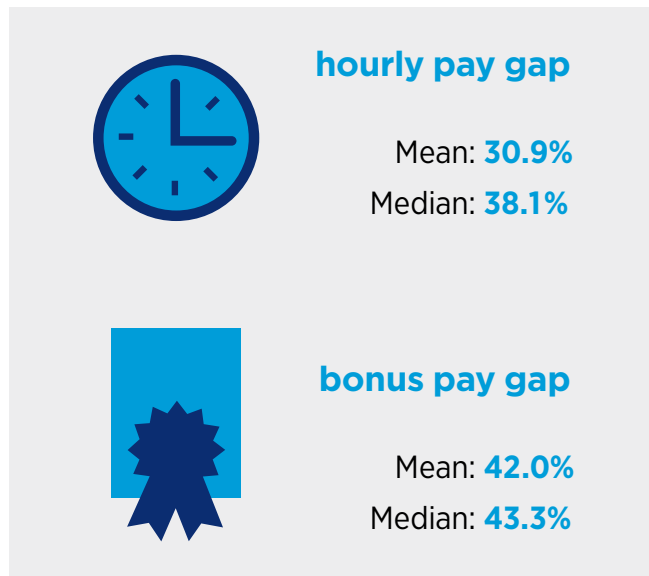
During the period covered by the 2020 report, recruitment by Chevron in the U.K. was minimal and the demographics of the retained business segments remained largely unchanged; 75 percent of our population are men and 25 percent are women which is similar to the ratio in prior years.

One major factor contributing to our current gender pay gap is the fact that 40 percent of our reported population are expatriates – U.K. payroll employees working overseas and receiving an expatriate premium. Whilst in prior years the payment of certain allowances such as expatriate premiums compounded our gender pay gap, the effect is amplified in our current report. The majority of the expatriate roles are technical and the vast majority of these roles are occupied by men. As they are now factored into a smaller total population than we had in the 2019 reporting period, they impact the distribution of men and women across the pay quartiles and increase the gender pay gap.

The reasons underlying our pay gap remain largely unchanged. Historically our industry sector has had fewer women in senior engineering and technical roles and our gender pay gap reflects this disparity.

We anticipate the possibility of further notable changes to our U.K. employee population, and also to our gender pay gap, in the forthcoming reporting period. Chevron is currently undertaking a global transformation targeted at reducing operating costs by more than \$1 billion by year-end 2020. Whilst we may see short-term volatility in our gender pay gap as a result of transformative one-time events, we remain committed to reducing our gender pay gap in the longer term.

Quartile	% of population	
	Male	Female
Upper	90.1%	9.9%
Upper middle	84.5%	15.5%
Lower middle	76.4%	23.6%
Lower	49.1%	50.9%



These figures show the gender pay gap data for Chevron Energy Limited as at April 2020

how we're working to improve our results

As a company, we seek to advance diversity at all levels. We believe that Diversity and Inclusion (D&I) foster an inclusive work environment through behaviour and programmes that advance The Chevron Way. Our unflinching support for D&I makes us confident that we can narrow the gender pay gap over the long term while driving better business results as well.

In 2020, our Midstream organisation launched three D&I strategies that support the unit's D&I Priorities, developed in 2019. They are aimed at creating a more inclusive environment for all employees. Current activities include identifying advocates to encourage a grassroots increase of D&I, promoting inclusivity through the leadership team's participation at network events, and additional D&I training.

Our Downstream organisation has also developed a D&I programme, spearheaded by the business' leadership team. The programme is helping to identify strong women candidates in the pipeline, enable women employees to feel more involved and valued, and to accelerate their capabilities and personal development.

We are also helping to build a more inclusive culture through the MARC programme, which we initiated in 2018. Originally created for – and led by – men who support greater gender inclusion, it soon grew to include both men and women working together to achieve gender equality in the workplace. During 2019, we witnessed positive results across business segments, including Downstream, Midstream and Upstream, after we introduced joint sessions involving men and women.

As members of Business in the Community, a U.K.-based nonprofit, we are supporting the organisation's gender equity campaign. The initiative, which mirrors many of our own goals, aims to drive further opportunities for women in the workplace, improve recruitment and retention levels and, ultimately, to contribute to business success.



managing talent and investing in people

Chevron recognises that D&I is a business imperative for top performance. But D&I is a continuous journey rather than a destination. There's never a finish line, never a point where we say our work here is done. It's important at every step to continuously research, rethink and retool to ensure our progress continues.

The effort must begin by strengthening an environment of possibility and opportunity. Here are some of the ways we are working to achieve this goal:

- We actively support the skills development and career progress of our employees through personnel development committees (PDCs). These PDCs serve as a primary mechanism for advancing women in the workforce. They employ consistent processes to select, identify and develop employees and to expand the capabilities of our workforce regardless of gender or background.
- In addition to the PDCs, we have a strong suite of human resources policies and programmes that support our employees' professional development and help to manage work/life priorities.
- To further support employees' work/life priorities and more balanced parenting, we have enhanced our U.K. Paternity Policy, which took effect for parents of children born or adopted from 1 January 2020 onwards. Under this policy change, we have increased the amount of

time off for paternity leave to four weeks, which is at full pay. The policy is one way in which we can support new parents and help foster an inclusive workplace culture.

- Our U.K. Employee Networks also offer a number of mentorship opportunities. In an initiative led by the U.K. Women's Employee Network, members of our diverse networks are gaining cross-company mentoring experience through their involvement in Women on the Wharf, an external organisation consisting of employees from 23 London-based companies. The organisation's pillars include networking, career development, mentoring and education.

- In March 2020 we supported the Women in Lubricants Industry Conference, a one-day event designed to explore professional development and leadership strategies with a focus on women who work in this traditionally male-dominated sector. The conference stressed the importance of changing a company's culture through a combination of grassroots efforts and management support.

We at Chevron in the U.K. recognise the importance of developing a more equitable organisation through a well-planned, long-term effort. We will continue the initiatives that are working and introduce new ones that will maintain our journey to greater Diversity and Inclusion.

