

Renewable Diesel and Its Impact on Rail Shipping

National Grain Car Council

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OUR PEOPLE

Passionate experts making positive change

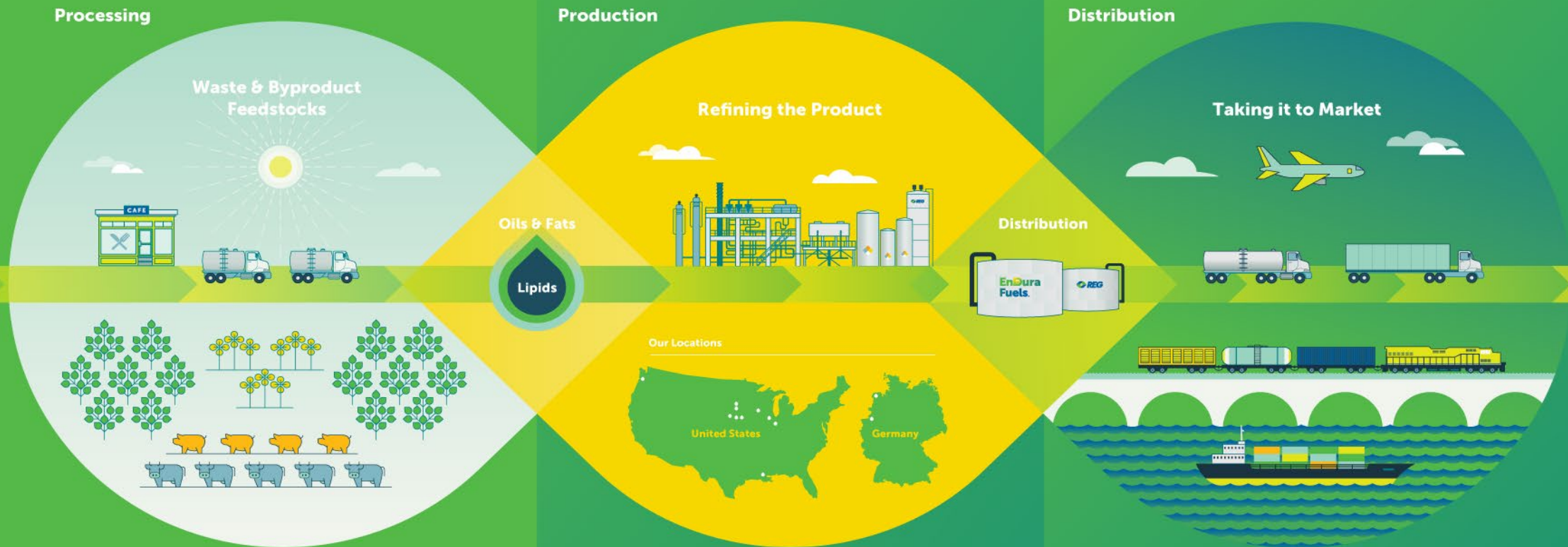
We produce lower carbon fuels that power our planet—now and in the future.

- + 1,300 global team members
- + Embracing diverse voices and ideas
- + Creating collaborative and innovative workplaces
- + Powering a cleaner world

WHAT WE DO

Transform renewable resources

Transform fats, greases, oils, etc. into cleaner burning biodiesel and renewable diesel to reduce carbon emissions



A winning combination

Higher returns



Advantaged portfolio

Unmatched financial strength

Capital and cost discipline

Superior distributions to shareholders

Lower carbon



First quartile upstream carbon intensity

Target harder-to-abate sectors

Build on capabilities, assets and customers

Expect high growth

See Appendix for reconciliation of non-GAAP measures and slide notes providing definitions, source information, calculations, and other information.

Chevron has a differentiated energy transition strategy to advance a lower carbon future by growing lower carbon businesses



Renewable fuels
& products



Carbon capture,
utilization & storage



Hydrogen*



Offsets & emerging lower
carbon opportunities

Lower carbon intensity of our operations

Maintain

1st quartile performance in oil and gas
GHG intensity

Focus

on methane, flaring and energy
management

Aim

2050 net zero aspiration for upstream
Scope 1 & 2 emissions

Chevron expects to triple our
lower carbon capital versus
prior guidance to over \$10
billion between now and 2028:

**\$2B in carbon reduction
projects and \$8B in low
carbon investments**

renewable fuels, H2 and CCUS targets

Renewable natural gas

10X growth by 2025
>40,000 MMBTU/D by 2030

Renewable fuels

3X growth by 2025
100,000 B/D by 2030

H2 + CCUS

150 KTPA (H2) by 2030
25 MMTPA by 2030

*Chevron's approach to hydrogen envisions the use of green, blue, and gray hydrogen. See Climate Change Resilience Report pg 51 to learn more.

INDUSTRIES WE SERVE

Our renewable fuel products and solutions serve a variety of industries who keep the world moving cleanly.



Fleets: on-road (carriers, shippers, private fleets) and municipalities



Mining



Marine



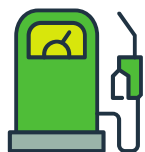
Rail



Construction



Heating Oil



Retail



Chemicals



Power
Generators



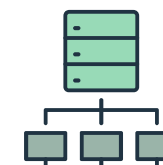
Agriculture



Emergency
Services










Institutional
Bus



Data Centers

Bio-based diesel can help railroad companies meet their climate commitments

Company	Science Based Target
	26% by 2030
	30% by 2030
	43% by 2030
	38.3% by 2030
	42% by 2034
	37% by 2029
	42% by 2034

News Releases

Environment

Wabtec and Union Pacific Railroad Partner to Reduce Emissions with Higher Biodiesel Blends

OMAHA, NEB. AND PITTSBURGH, PA., MARCH 8, 2022

"Increasing the use of renewable diesels and biofuels currently represents the most promising avenue to help Union Pacific meets its environmental goals," said Beth Whited, **Union Pacific's** Executive Vice President – Sustainability and Strategy. "We want to drive emissions down as quickly as possible, and we believe this new project with Wabtec will make a difference."

Biofuel pilot

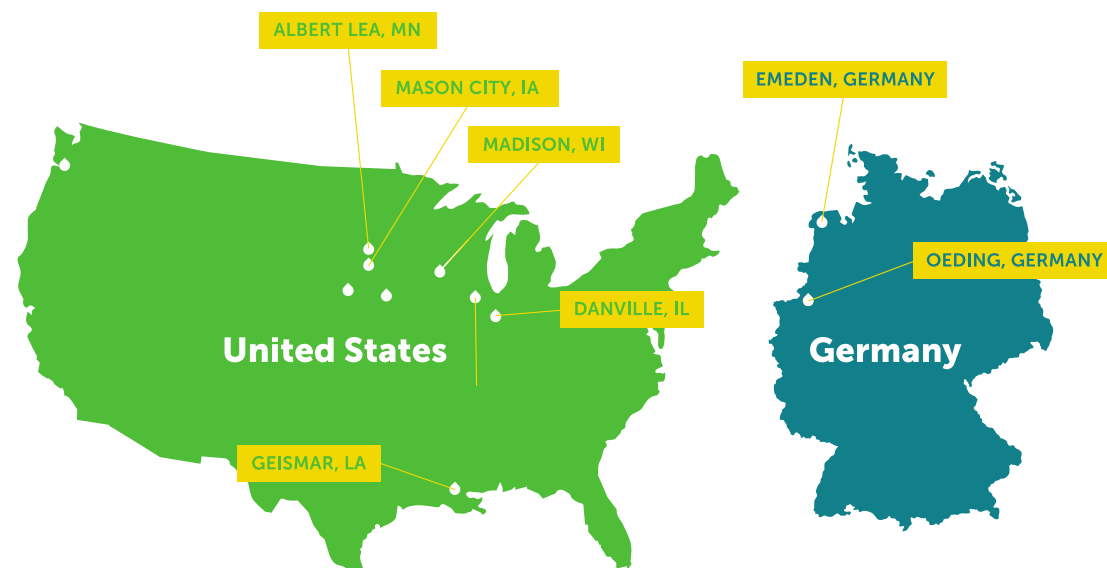
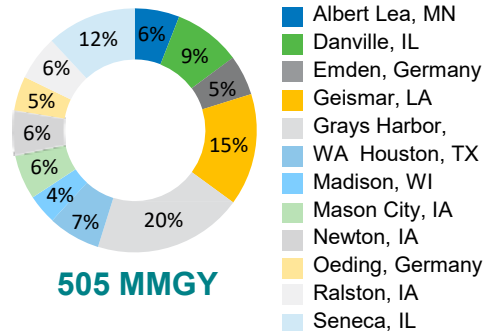
- + Canadian National and Union Pacific both trialing 100% renewable fuel from REG in locomotives
- + Trials both started earlier this year
- + CN trial in Pennsylvania; UP trial in California
- + Other pilots with Class 1 railroads are in development



WHERE WE ARE

Produced in the Heartland. Making positive change around the world.

2021 Capacity Contribution



MILLIONS OF GALLONS SOLD IN 2021





Chevron Renewable Energy Group logistics

1,400+

Owned/leased tank cars in REG fleet

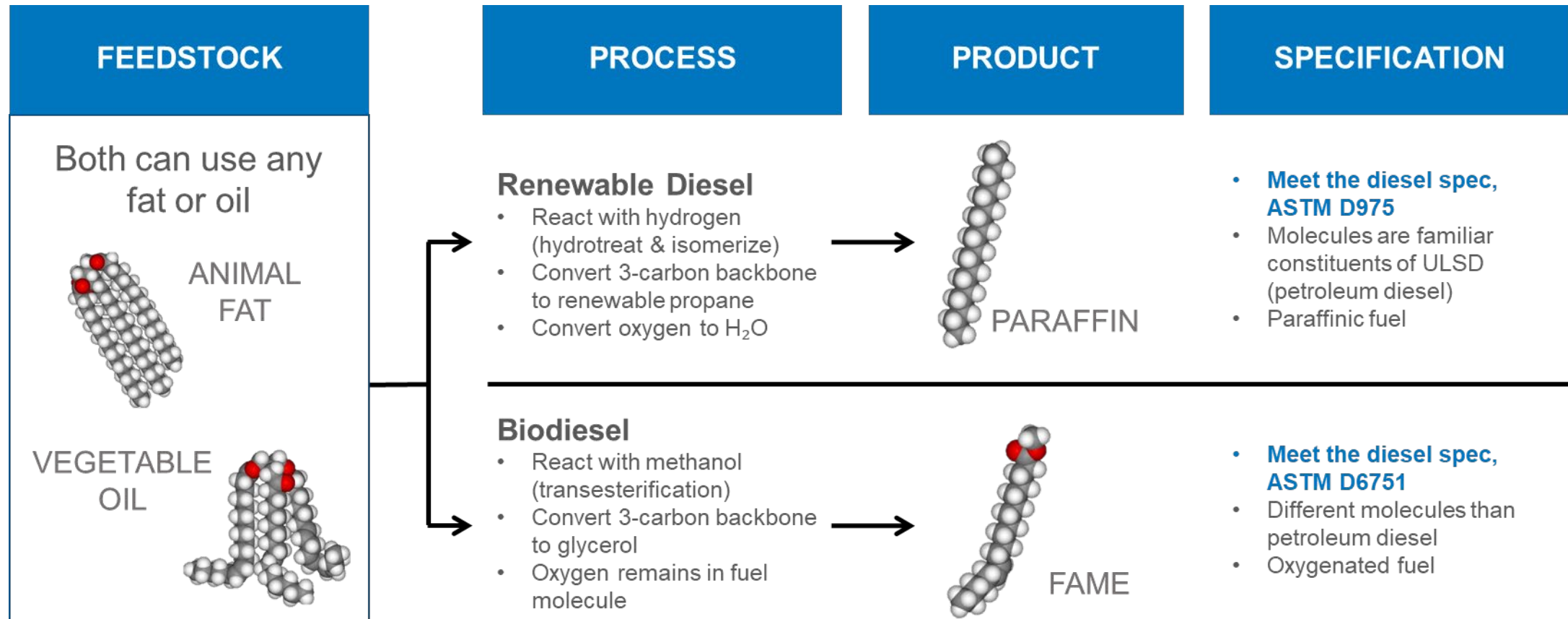
33,000+

Railcar shipments executed in 2021

18,000+

Executed on REG fleet equipment

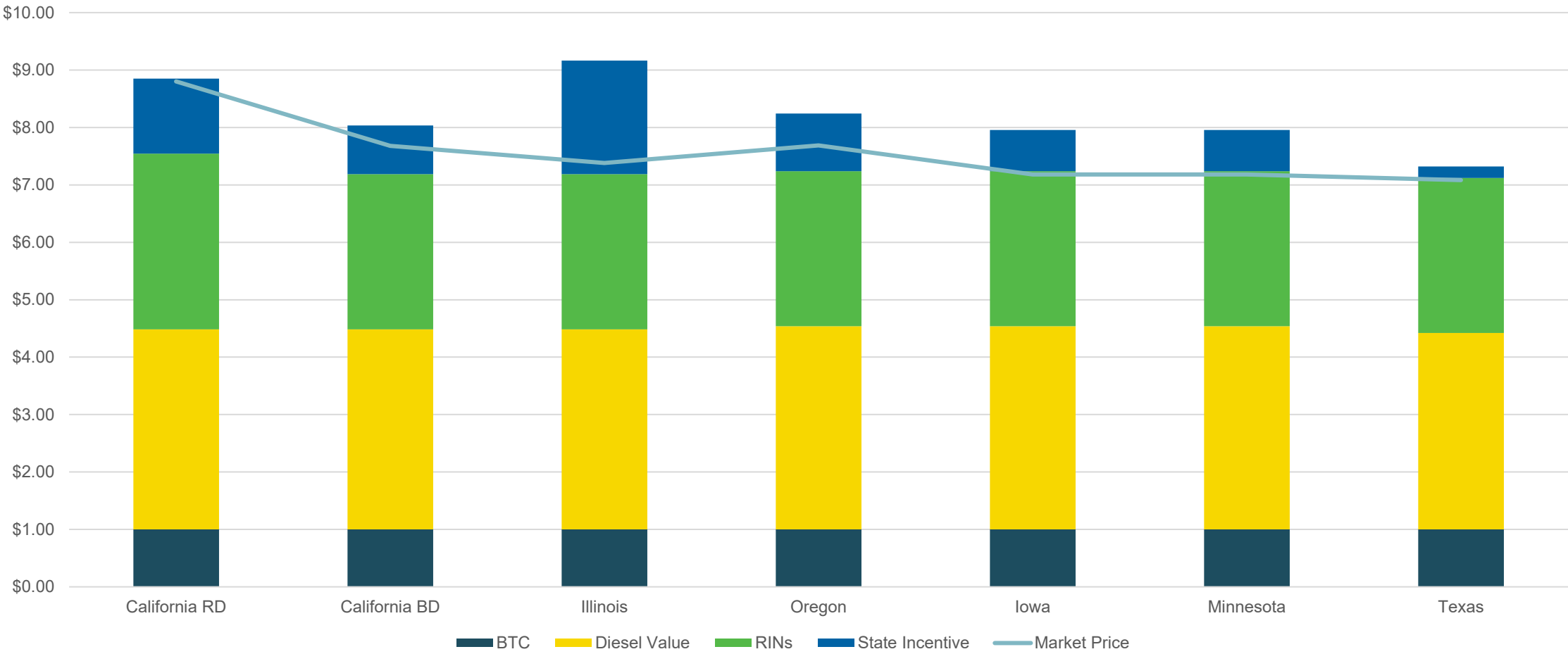
Renewable diesel and biodiesel



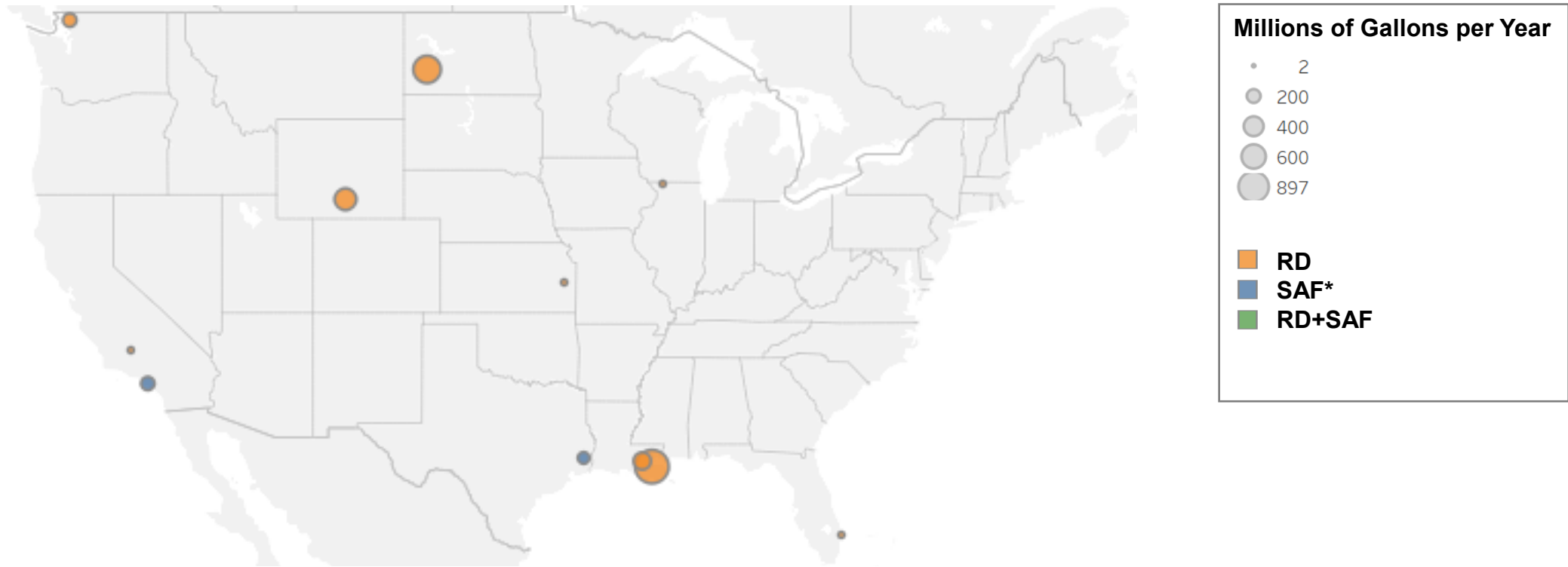
U.S. Senate Deal Would Extend Blenders Tax Credit And Adds Sustainable Aviation Fuel Incentive

- Inflation Reduction Act of 2022 would:
 - Extend Blender's Tax Credit (BTC) at full \$1/gallon through December 31, 2024
 - Introduce Sustainable Aviation Fuel (SAF) incentive for 2023-24 of \$1.25-1.75/gallon based on GHG reductions
- Then in 2025, all renewable fuel credits would transition to 'Clean Fuel Production Credit'
 - Single-credit model based on GHG reduction of fuel
 - DOMESTIC PRODUCTION credit, not a blenders incentive
 - SAF still provided additional incentive
 - Credits would end after December 31, 2027 unless extended by future Congress

Biodiesel and Renewable Diesel Value Drivers



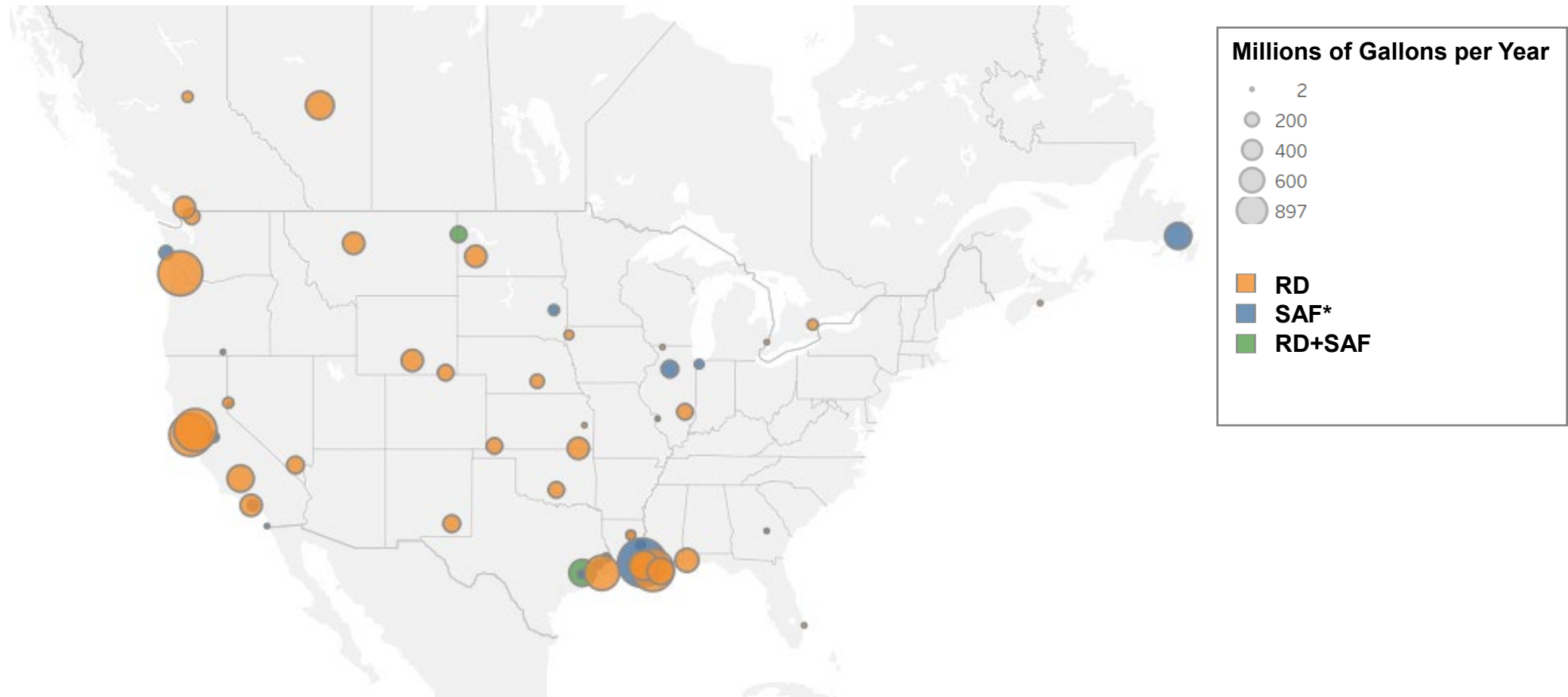
Current RD/SAF Production in North America as of 2021



**Stand alone SAF plants may also produce RD*
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Announced New RD/SAF Production in North America by 2027

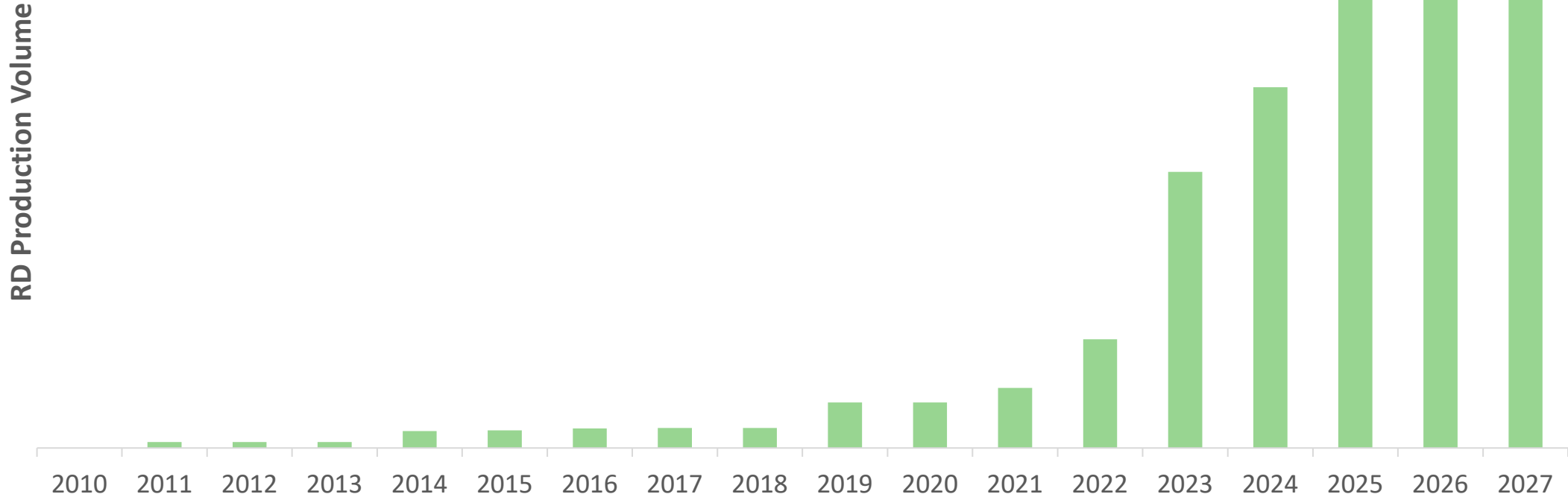


**Stand alone SAF plants may also produce RD*

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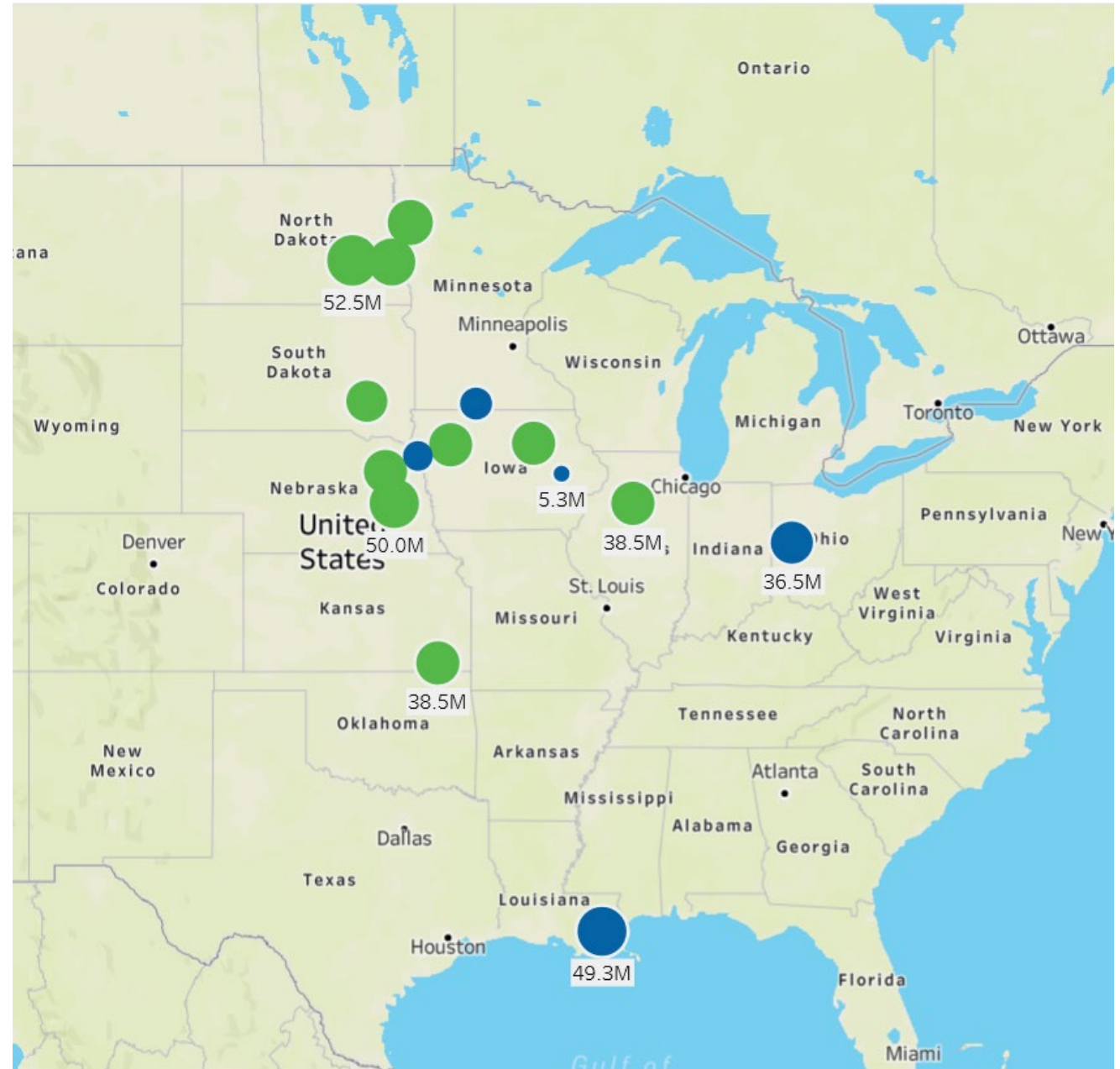
North America RD Capacity by Year



Note: Projected capacities in graph above include projects classified as 'operational' and 'announced', does not include 'speculative' or 'closed'

Soy Crush Capacity Expansion

- + Current U.S. soybean crush capacity is 2.25 bil bu/yr
- + Announcements on new projects and expansion projects total over 0.55 bil bu/yr
- + More planted acres of soybeans in western corn belt
- + Lowered soybean exports
- + Increased soymeal production for domestic and export channels
- + Increase in oilseed cover crop acres
- + Additional canola crush capacity expansion planned





Summary

- + Lower carbon fuels are needed now
- + Renewable diesel volumes are set to increase substantially over next 5 years
- + Renewable feedstock supply lanes will be impacted by RD production growth
- + Transportation of the feedstocks needed and finished fuel to end markets will require efficient supply chains

THANK YOU

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