David A. Inchausti
Vice President and Comptroller

October 22, 2019

Via E-mail to rule-comments@sec.gov

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Proposing Release – *Modernization of Regulation S-K Items 101, 103, and 105*, File Reference No. S7-11-19

Chevron Corporation ("Chevron" or "the company") appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (the "Commission" or "SEC") regarding the Proposing Release - *Modernization of Regulation S-K Items 101, 103, and 105* and commends the Division of Corporation Finance for its continued efforts to improve and modernize the disclosure requirements applicable to registrants.

Chevron is one of the world's leading integrated energy companies. Through its subsidiaries that conduct business worldwide, the company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemicals and additives; generates power; and develops and deploys technologies that enhance business value in every aspect of the company's operations. Chevron is based in San Ramon, California.

Chevron has consistently supported the goals of the disclosure effectiveness initiative to modernize the disclosure regime and improve it for the benefit of both investors and registrants.[1] We believe there is much in the proposed amendments that would positively advance a more principles-based approach to disclosures. However, for the reasons we discuss further in this letter, we are concerned that certain of the proposals run counter to this objective.

Our comments on selected topics covered in the Proposing Release are below.

[1] See, e.g., Chevron Comment Letter dated July 22, 2016 regarding SEC Concept Release – *Business and Financial Disclosure Required by Regulation S-K*, File Reference No. S7-06-16.

General Development of Business (Item 101(a))

While the company supports the Commission's efforts to discourage repetition in disclosures and make Item 101(a) more principles-based, we believe that the current disclosure requirements for this item provide enough flexibility for how a company describes the general development of its business to investors, while ensuring that material changes are disclosed. This existing flexibility already lends itself to various lengths of disclosure, depending upon how long a company has been in business, the complexity of its business and the frequency of changes in its business direction.

The three topics currently listed in Item 101(a)(1) that the Commission proposes to retain as disclosure topics address matters that are material to a company's overall development of its business, that are important for assessing the company's outlook, and that cover information not specifically required elsewhere in the disclosure rules, so we believe the existing topics continue to call for useful information to investors. However, we do not believe the proposed addition of the fourth disclosure topic is necessary because other disclosure rules already require such information. For example, transactions and events that affect or may affect a company's outlook, which may include material changes to a company's previously disclosed business strategy, are already required to be discussed under Item 303. "Management's Discussion and Analysis of Financial Conditions and Results of Operations" ("MD&A") to the extent they are reasonably likely to have a material impact on a company's operating results or financial condition; therefore, this addition would seem to lead to duplication rather than simplification of disclosures. Finally, as is clear in some of the comments to the Concept Release, there is a broad range in the interpretation of what "strategy" means, and we do not believe the effort to adopt such a rule would result in disclosures that would enable investors to make meaningful comparisons among companies, even if they were in the same industry.

Requiring hyperlinks to the most recently filed disclosure to obtain a full discussion of the general development of the business when certain portions are omitted likely would not improve the readability of the document for investors. It is more useful for investors to have all material information for a company in one place rather than piecing together information through hyperlinks. Our view is that comparability among companies is better enabled when each company includes a full description of the business in its filings.

Narrative Description of Business (Item 101(c))

The company supports the proposed updates to the narrative description of business to provide for a more principles-based approach. We agree that this approach would facilitate the preparation of disclosures that allow investors to focus on the areas of most relevance to a company's business. In particular, we support removing certain disclosure requirements currently contained in Item 101(c), as proposed, such as disclosures regarding working capital practices, which are already covered in MD&A. Further, as a preparer, we find the current distinction in Item 101(c) between disclosure topics, which specifically denotes whether the focus of the disclosure topic should be on the business as a whole rather than on any given segment, to be helpful, and we believe that the allocation of the listed disclosure topics into the two categories is appropriate.

Chevron agrees that effective human capital management and investment in our workforce is important to ongoing business success. We also appreciate that an understanding of a company's human capital management, as suggested in the Proposing Release, is important to stakeholders. As a result, many companies, including Chevron, currently provide information on workforce development, diversity and inclusion, health and safety, human rights, employee programs and other

human capital management information outside of SEC filings (e.g., in corporate responsibility reports available on their websites). We believe this information is more appropriately located and better aligned with the nature of the information provided in these corporate responsibility reports rather than in a Form 10-K. We also note that under current disclosure rules, any changes or trends in human capital resources that are reasonably likely to materially affect the business environment are already required to be discussed in MD&A.

As discussed in the Proposing Release, with the shift to a service-based economy, there is more variability among companies in the composition and employment patterns of the workforce, limiting the comparability of even a relatively simple metric such as employee headcount. Retaining human capital management disclosures in voluntary publications, versus including specific metrics in SEC filings, facilitates a broad discussion of the related considerations specific to each company and provides the flexibility for such discussion to evolve as the focus of investors changes over time in this area.

We also believe that providing a list of specific non-exclusive examples of human capital management metrics that may be material creates a risk of encouraging companies to include additional disclosure that is immaterial, fails to take into account the differences and lack of comparability across business sectors and may ultimately obscure or distract from more relevant information about a company's business. In addition, we do not believe the additional cost of providing these types of metrics as part of a Form 10-K filing would provide a corresponding benefit to investors. In lieu of adopting additional rules, given the indeterminate and evolving nature of investor interest regarding human capital management, we recommend the Commission instead consider providing interpretive guidance to registrants to provide clarity and promote comparability among registrants.

Legal Proceedings (Item 103)

We respectfully urge the Commission to consider eliminating the bright-line disclosure requirement for this section entirely in favor of a principles-based approach where companies are required to disclose those matters that may result in sanctions material to the company's results. We believe the proposed update to the threshold for disclosure of government proceedings with sanctions from $100,000 to $300,000 is a step in the right direction. However, most of the items we include in this disclosure are immaterial to the company's financial condition. We believe a principles-based disclosure requirement focused on materiality would provide more meaningful information to investors.

Separately, we believe expressly stating that cross-references in the legal proceedings section to the financial statement footnotes are permissible would encourage more companies to adopt disclosure practices that are already in place for many companies. Doing so also aligns with the Commission's simplification initiative by eliminating unnecessary duplicative disclosures.

Risk Factors (Item 105)

As noted in the Proposing Release, the risk of litigation is an important consideration for companies in preparing this disclosure. We do not think that changing the requirement from the "most significant" factors to "material" factors – although, potentially raising the bar for required disclosure – would reduce the length of the disclosure in any significant way. Separately, adding a specific requirement

to use headings to group the risk factors may help to improve the readability of disclosures overall for the investor.

* * *

We hope our comments are helpful to the Commission in determining next steps for this proposal. If you have any questions on the content of this letter, please contact David Pizzala, Assistant Comptroller, at [redacted].

Sincerely,