

## **COMMUNICATIONS COMMITTEE NEWS / TIDBITS**

**Chevron's first quarter earnings results as well as the operating results shared at the May 27 virtual stockholders' meeting are included in the July 2020 *Encore*.**

### **CHEVRON PLANS SWEEPING JOB CUTS**

**The following "Bloomberg" article appeared in the "Houston Chronicle" regarding Chevron's planned reduction in workforce. A situation many of us have experienced.**

**May 28, 2020, Chevron is planning a 10% to 15% reduction in its global workforce this year, the biggest cut to headcount yet among global oil majors following the Covid-19 pandemic.**

**The cuts equate to about 6,000 of its 45,000 non-gas station employees and may be a precursor to staffing reductions at Big Oil rivals such as BP Plc and Royal Dutch Shell Plc. Until now, layoffs had primarily been felt in the oilfield services sector and among North American independent producers.**

**Chevron is "streamlining our organizational structures to reflect the efficiencies and match projected activity levels," the San Ramon, California-based company said Wednesday in a statement. "This is a difficult decision, and we do not make it lightly." Unemployment is surging around the world due to the pandemic but is particularly marked in the energy business after oil prices crashed to record lows last month. Many companies, including Chevron, were already in cost cutting mode before the economic severity of Covid-19 was felt and are now under even more financial strain. In the U.S., about 90,000 jobs have been lost in oil and gas since March, some 16% of the total. In just two months, the industry has cut almost half the number of jobs lost during the last crude crash of 2014 to 2016.**

**Chevron's cuts will be "across the board but heavy on the corporate functions and the support functions," Chief Financial Officer Pierre Breber said in a May 1 interview. Field workers may also be affected because lower oil prices mean "lower activity levels," he said. About half of Chevron's workforce is in the U.S.**

**The company has already announced plans to lay off nearly 300 employees in Pennsylvania, where it has gas wells, and will cut positions in its giant Australian liquefied natural gas operations. The savings will help Chevron toward its target of stripping out \$1 billion of operating expenses this year, which is in addition to slashing capital spending by almost a third.**

**Separately, Chevron said it's sending 20,000 workers home, not all of them direct employees, at its Tengiz megaproject in Kazakhstan because of a Covid-19 outbreak in the region.**