



case study

progress and possibilities in Indonesia

human energy®





90+ years

Chevron's partnership with Indonesia creates local, high-quality jobs that raise income levels and generate government revenues. The partnership spans more than 90 years and over that time has generated close to \$200 billion in government revenue for Indonesia.

personal income



\$736 million

added to real incomes in Indonesia by Chevron and our partners (2013)

gross domestic product



\$11.9 billion+

added to Indonesia's GDP by Chevron and our partners (2013)

job opportunities



one chevron job supported an average of 36* other jobs in Indonesia

*14 tier-1 supplier jobs, 9 extended supplier jobs, 13 induced jobs (2009 to 2013)



The term "Chevron" in this document refers to Chevron's subsidiaries in Indonesia, including PT Chevron Pacific Indonesia and Chevron Indonesia Company.



“Because of this [Darmasiswa Chevron Riau] scholarship, I could fund my education without burdening my parents, learn skills to enter the workforce and be independent in life.”

— Rita Kusrina
Analyst for PT Chevron Pacific Indonesia (CPI)



1,100
scholarship program
participants since 2001

Rita Kusrina was one of the best students in Sungai Raya, a small town on the Indonesian island of Tanjung Balai Karimun, and she was talented enough to earn a prestigious scholarship to Polyteknik Caltex Riau in Sumatra. She remembers how, on the day she arrived there in 2002, she was filled with a sense of possibility.

“Because of this scholarship, I could fund my education without burdening my parents, learn skills to enter the workforce and be independent in life,” Kusrina said. She graduated in 2005 with a degree in computer engineering. Today, she works as an analyst for PT Chevron Pacific Indonesia (CPI).

Kusrina is one of 1,100 Darmasiswa Chevron Riau scholarship program participants since 2001 at Polyteknik Caltex Riau, which Chevron built and continues to support financially. Her success shows how Chevron’s investments in people, projects and communities contribute to the region’s progress.



“Our business helps local economies grow, thrive and prosper,” said Chevron IndoAsia Business Unit Managing Director Chuck Taylor. “Our social investments in health, education and economic development programs are foundational to our mutual progress.”

Employees like Kusrina have made us a leading producer of Indonesia’s crude oil. We also develop oil and natural gas reserves from central Sumatra to offshore East Kalimantan.

Chevron’s partnership with Indonesia creates local, high-quality jobs that raise income levels and generate government revenues. The partnership spans more than 90 years and over that time has generated close to \$200 billion in government revenue for Indonesia. In 2016, about 97 percent of our employees and managers in the country were Indonesian; also in 2016, local suppliers received contracts from us totaling more than \$750 million. From 2009 through 2013, each Chevron job supported an average of 36 other jobs in Indonesia. In 2013, Chevron and our partners added about \$736 million to real incomes in Indonesia and \$11.9 billion to the nation’s gross domestic product, accounting for 1.4 percent of Indonesia’s gross domestic product. We, along with our direct suppliers and extended supply chain, also accounted for \$47.5 billion in Indonesia’s government revenues in the 2009–2013 period.

“We live in a very connected world where we’re dependent on each other to prosper. We believe that our business succeeds best when the people we work with and the communities in which we operate succeed too,” said Chevron IndoAsia Business Unit Deputy Managing Director Albert Simanjuntak.

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— Albert Simanjuntak
Chevron IndoAsia Business Unit
Deputy Managing Director



seeding new beginnings

Our community partnerships and investments help improve opportunities in Indonesia. Launched in 2001, Chevron’s Local Business Development (LBD) program in Riau, East Kalimantan and West Java led to more than 7,800 contracts to local Indonesian companies, created nearly 52,000 jobs, and procured more than \$120 million (1.2 trillion rupiah) in goods and services from LBD partners. The program increased income by 40 percent in Sakai, an indigenous group in Riau province.

Entrepreneurs like Rizandra Azzahwa Mulia share a path of success from Chevron’s social investment in economic development programs. Azzahwa Mulia lives in Duri, in Bengkalis Regency, a remote tropical area of Riau where Chevron operates. Through our LBD program, he created PT Azzahwa Mulia Globalindo, a company that offers mechanical and electrical services, facilities maintenance, and other professional services. His company has grown from five part-time employees in 2007 to 25 employees today.

“The LBD program helped me start my own company, but just as importantly it taught me how to create job opportunities for local people,” Azzahwa Mulia said. “I plan to expand nationally after winning contracts with Chevron, other companies and the local government in Bengkalis Regency.”

With local partners, we also established Vocational Training for Employment and Entrepreneurs (VoTEE) to help young people learn new skills. Since 2011, nearly 400 participants have benefited, including Ricka Dona Panjaitan, a participant from Dumai, the province’s second-largest city and a hub of commerce. She participated in a VoTEE sewing, tailoring and entrepreneurship-training program ideally suited to her passion for fashion design.

“I used to help others tailor clothes, but my job was specific and it did not improve my skills. The VoTEE training gave me the knowledge to establish my own business and live more independently,” said Panjaitan. Since she began Ricka Fashion Trendy in 2016, orders to make women’s clothing have reached 25 pieces per month and she is now seeking an assistant.

multiplying job opportunities

Through Chevron’s LBD program Azzahwa Mulia’s company grew from 5 part-time employees in 2007 to 25 employees today



5 in 2007

25 in 2018



unlocking potential

In Rumbai Pesisir, a district along the Siak River near Pekanbaru in Riau province, Chevron worked with local organizations to build potable water wells.

education and health for the next generation

With a focus on sustainability, Chevron supports teachers, especially those educating students in science, technology, engineering and math, to cultivate job opportunities for the next generation of workers. For example, we built and sponsor Polyteknik Caltex Riau, where Rita Kusrina studied—it is the province's first polytechnic university. Another example is Polyteknik Aceh, built in response to the 2004 earthquake. The school offers degrees in mechatronics, information technology, industrial electronics and accounting. More than 3,300 students have graduated from these two schools.

In addition to education, Chevron promotes healthy communities and improves access to health care. Through the Desa Siaga (Alert Village) initiative, we work with local governments and organizations to help midwives and volunteers in 10 villages in Riau and East Kalimantan to prepare women for childbirth and newborn complications. In 2015, we provided medical equipment and supplies to 15 health care centers and offered training in maternal and newborn health services. By the end of 2016, more than 2,500 women and children were benefiting every month from this program.

In Rumbai Pesisir, a district along the Siak River near Pekanbaru in Riau province, we worked with local organizations to build potable water wells. “Previously, it was very challenging for some of the communities to get access to clean water,” said Yuliarso, the head of the Rumbai Pesisir sub-district, which manages eight villages in the region. “Not only do they have access to clean water, but also a better quality of living.”

“Chevron’s partnerships benefit families and small businesses in communities as diverse as the river, forest and coastal landscapes where we do business. The energy we produce creates jobs and new opportunities across the country,” said Chevron IndoAsia Business Unit Senior Vice President of Policy, Government and Public Affairs Yanto Sianipar. “We’re committed to being part of Indonesia’s progress.”

Photos

Cover: Yuha Rida, a local business owner, provides low-risk maintenance support service for our operations in Sumatra. She is one Chevron's 7,800 LBD program contractors in Indonesia. **1:** Launched in 2001, the LBD program created nearly 52,000 jobs, and procured more than \$120 million (1.2 trillion rupiah) in goods and services from LBD partners. **2:** Chevron sponsored and built two polytechnic schools to match local business needs. More than 3,800 students have graduated from these schools. **3:** Through workshops, budding entrepreneurs are provided with training in areas like health, environment and safety; procurement; and business ethics to develop the capacity of LBD partners. **4:** In 2008, our LBD program was recognized by the Ministry of Energy and Mineral Resources with the Padma Award for Social Solidarity. **This page:** In Rumbai, Riau province, Chevron provides access to clean water and built sanitation facilities through the Improvement of Access to Clean Water & Sanitation Program. Chevron has also implemented the program in 13 other sub-districts in Riau, East Kalimantan and West Java since 2015.



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