



The Voluntary Principles on Security and Human Rights 2017 Report

Chevron's¹ commitment to human rights is embedded in [The Chevron Way](#)², incorporated into our management systems and demonstrated through our participation in international human rights initiatives such as the *Voluntary Principles on Security and Human Rights Initiative* (hereafter "VPI"). In this report, we will describe the elements used to manage human rights in our business, including on-the-ground leadership in the VPI based on the [Voluntary Principles on Security and Human Rights](#)³ (hereafter "Voluntary Principles").

The report provides an update of Chevron's global activities in 2017, in alignment with the VPI's reporting guidelines as well as the Corporate Pillar Verification Framework. This report focuses on Chevron's operations and joint venture partnerships in the Republic of Kazakhstan and the Kingdom of Thailand.

I. Chevron's Commitment to the Voluntary Principles

A. Public Statement of Commitment and Endorsement of the VPs

Information on Chevron's commitment to respect human rights and its endorsement of the Voluntary Principles can be found on its external website, <https://www.chevron.com>.

The Chevron Way articulates the company's values, which guide our actions to deliver results. Our commitment to respect human rights is a foundational element of our value statement:

"We conduct our business in a socially and environmentally responsible manner, respecting the law and universal human rights to benefit the communities where we work."

Chevron's [Human Rights Policy](#)⁴ was adopted in 2009, following a Human Rights Statement endorsed in 2005. Our respect for human rights is rooted in our values and applies wherever we do business.

¹ As used in this report, the term "Chevron" and such terms as "the company," "their," "our," "its," and "we" may refer to Chevron Corporation or one or more of Chevron Corporation's consolidated subsidiaries or affiliates or to all of them taken as a whole. Similarly, the terms "business unit" and "business units" may refer to one or more of Chevron's consolidated subsidiaries or affiliates. All these terms are used for convenience only and are not intended as a precise description of any of the separate entities, each of which manages its own affairs

² <https://www.chevron.com/about/the-chevron-way>

³ <http://www.voluntaryprinciples.org/>

⁴ <https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/AboutOurHumanRightsPolicy.pdf>

At Chevron, executive responsibility for human rights resides with the Vice President, Policy, Government & Public Affairs. This position is a member of the Global Issues Committee (GIC), a sub-committee of Chevron's Executive Committee, which oversees the company's corporate responsibility-related issues and policies.

[Management of human rights](#)⁵, including our long-demonstrated dedication to responsible security, is integrated into our management systems and processes. Although governments have the primary duty to protect and ensure fulfillment of human rights, Chevron recognizes that companies have a responsibility to respect human rights. We conduct our global operations consistent with the intent of the *United Nations Universal Declaration of Human Rights*, *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work* that are applicable to business, and other applicable international principles, including the *Voluntary Principles on Security and Human Rights*.

Our Human Rights Policy explains our relationship to the Voluntary Principles:

"We protect personnel and assets and provide a secure environment in which business operations may be successfully conducted. Our guidelines and management processes on security in our areas of operations are consistent with the Voluntary Principles on Security and Human Rights, which covers:

- *Interaction with private security providers, including (i) due diligence of potential security providers; (ii) monitoring of equipment and facilities to prevent misuse; (iii) engagement with communities on security; (iv) facilitating education and training on the Principles.*
- *Interaction with public security providers, including (i) security arrangements; (ii) deployment and conduct; (iii) consultation and advice; and (iv) responses to human rights-related issues.*
- *Conducting security and human rights-related assessments in areas of operations.*
- *Reporting security and human rights-related incidents involving public or private security personnel to Company management, and to appropriate Government authorities in cases involving public security personnel.*"⁶

B. Engagement in the VPI

Chevron abides by all governance rules of the VPI and continues to play a leadership role. It is currently a member of the VPI Steering Committee, the primary executive body of the VPI and, for 2018-2019, will also chair the Corporate Pillar (all company participants). Together with other members of the VPI, Chevron is playing a primary role in supporting the establishment of the In-Country Pilot Implementation Working Group for Myanmar, and is participating on the implementation group in Nigeria. Implementation working groups are country-based multi-stakeholder processes aimed at strengthening implementation of the Voluntary Principles in a specific country. Chevron reports annually to the VPI plenary meeting on its efforts to implement the Voluntary Principles.

⁵ <https://www.chevron.com/corporate-responsibility/people/human-rights>

⁶ Chevron Human Rights Policy (2009)

C. Transparency

Publication of VP Report

Chevron submits its [annual report](#)⁷ to the Voluntary Principles plenary.

Internal Promotion of Voluntary Principles

Each year, all employees must read and acknowledge Chevron's Business Conduct and Ethics Code, which incorporates our Corporate Human Rights Policy. Chevron makes accessible for employees, via its intranet site, the Guidelines on the Voluntary Principles on Security and Human Rights, and the Voluntary Principles training tool. A corporate directive requires business units to implement the Guidelines. Other examples of Chevron's ongoing promotion of the Voluntary Principles include:

- To mark Human Rights Day 2017, Chevron's vice president responsible for the Human Rights Policy delivered a global e-mail to all employees to reinforce the company's expectations including adherence to the Voluntary Principles;
- In many operating areas, a statement on the Voluntary Principles from the Global Security advisor, accompanied by an awareness presentation, is delivered to relevant business unit personnel;
- Global Security managers, security advisors and business unit security leadership attend workshops (local and regional) where Voluntary Principles awareness is reinforced;
- Chevron Global Security discusses the Voluntary Principles and implementation issues during their visits with business unit management and security teams; and
- Global Security leadership communicates regularly with security functions throughout the year to ensure ongoing awareness of our corporate processes on security and human rights.

Chevron facilitates continuous learning on these issues. Chevron Global Security maintains an intranet site that is open and accessible to all Chevron employees, contains relevant company policies, Voluntary Principles training materials, and links to key international bodies (such as the United Nations) with additional information on human rights.

In 2017, Chevron updated our computer-based training on human rights, which includes a section on the Voluntary Principles. The training is required for select employees and contractors whose job responsibilities make them most likely to be exposed to security and human rights-related issues.

In 2017, Chevron subject matter experts conducted training sessions and awareness briefings with private security providers and public security stakeholders in multiple locations across our operations including:

- Participation in a multi-region Voluntary Principles Initiative meeting, with a maritime focus, at the IPIECA-AMEXHI Security and Human Rights Workshop in Mexico City;
- Training sessions in locations such as: Erbil, Iraq; Latin America (Venezuela, Colombia, Argentina and Brazil); Dazhou, China; Dhaka, Bangladesh; Bangkok, Thailand; Moscow, Russia; and Jakarta, Indonesia;

⁷ <http://www.voluntaryprinciples.org/resources/>

- Participation in a Voluntary Principles' meeting in Yangon, Myanmar; and
- Participation on the project management team for Business Real Estate Services security guard contract process, including a discussion to include Voluntary Principles/Human Rights contract language.

External Promotion of Voluntary Principles

Chevron has participated in each Voluntary Principles Plenary since 2001 and continues to support and promote the implementation of the Voluntary Principles. In 2017, Chevron participated in meetings and events to further the development of the Voluntary Principles In-Country Working Group in each of Nigeria and Myanmar.

Chevron has also been active in promoting the implementation of good security practices throughout business and the industry:

- Chevron partnered with the Human Rights Initiative at the *Center for Strategic & International Studies* to support a working group on human rights and security, bringing together professionals from the areas of security, human rights and policy. Their discussions led to a report and recommendations on how to enhance security forces' respect for human rights through increased collaboration and communication between U.S. government agencies, the private sector, and civil society. The report, [Aligning Partnerships for Security: A Human Rights-Based Approach to Security and Economic Cooperation](#)⁸, was launched at an event in the lead-up to the Voluntary Principles plenary, where experts from all three areas discussed methods for cooperation on security and human rights;
- Chevron also promotes the VPI and furthers the Voluntary Principles through leadership in business associations. For example, the International Petroleum Industry Environmental Conservation Association (IPIECA) has three groups which routinely discuss security and human rights: the Social Responsibility Working Group, the Human Rights Task Force and the Responsible Security Task Force;
- To mark Human Rights Day, Chevron's vice president responsible for the Human Rights Policy and our chief procurement officer partnered to deliver a message to Chevron's key suppliers and contractors. The letter emphasized Chevron's [expectations for companies doing business with Chevron](#)⁹, including alignment with the Voluntary Principles; and
- The Voluntary Principles are also discussed within other groups in which Chevron actively participates, including the [Global Business Initiative for Human Rights](#)¹⁰ and [Business for Social Responsibility](#)¹¹.

⁸ https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170221_Green_AligningPartnerships_Web.pdf?GPZ4aKyT5H5Pw8ufdTZ_4O1hj.1StHFP

⁹ <https://www.chevron.com/-/media/shared-media/documents/SupplierExpectations.pdf>

¹⁰ <https://gbhr.org/>

¹¹ <https://www.bsr.org/en/>

II. Policies, Procedures, and Related Activities

A. Management System

Chevron's Operational Excellence Management System (OEMS) is applied to our operations to systematically manage risks to workforce safety and health, process safety, reliability and integrity, the environment, efficiency, security and stakeholders. Through disciplined application of OEMS, we identify the hazards and risks in our operations, implement safeguards and assure that the safeguards are in place and functioning. The application of OEMS is linked to business planning and begins with establishing objectives.

Within the OEMS we have 6 focus areas, including security. The processes that support this focus area provide a comprehensive framework to identify and mitigate security-related risk. They link security and human rights, and establish guidelines and safeguards to help Chevron conduct security operations in compliance with our Human Rights Policy and applicable laws.

Detail on guidance tools developed by Chevron to assist its business units in implementing the Voluntary Principles are below.

B. Procedures

Security Risk Assessment Program

A key aspect of the Security of Personnel and Assets Process is the Security Risk Assessment Program (SRAP), which provides Corporate and business unit-level assessment tools to enable the identification and mitigation of potential risk. The process requires all facilities to annually conduct a baseline security assessment. This assessment includes questions on Voluntary Principles implementation around the frequency of awareness training conducted for security guards, security services contract language and management of security equipment.

At the business unit level, SRAP includes an assessment tool to help the business unit identify, assess and manage potential security and human rights-related issues relevant to the security of personnel and assets. The assessment includes matters to consider related to community grievances, violence and conflict, security forces and equipment transfer, among others. Assessments are also conducted prior to the commencement of a major new project or entry into sensitive operating environments.

Incident Reporting

Chevron procedures advise practitioners to report security and human rights-related incidents to Chevron's Corporate Global Security group and to the Public Policy and Corporate Responsibility group. For both internal and external stakeholders, Chevron business lines offer various ways to manage reporting and grievances with the company. Many business units retain operational level internal and external grievance management systems. Globally, Chevron also offers a hotline available 24-hours-per-day for reporting activities that may involve violations of law, including possible criminal conduct, violations of Chevron's Business Conduct and Ethics Code or other company policies. Chevron encourages both employees and contractors to utilize the hotline to report complaints via phone, internet or email. When Chevron receives reports or allegations that

public security personnel have been involved in human rights-related abuses or incidents, the company investigates and may inform host government authorities as appropriate.

Incident Response

Chevron will conduct an internal investigation when an allegation regarding a security or human rights-related incident is made. Our procedures dictate that findings and recommendations be reported to appropriate managers, and that necessary corrective actions be taken.

Contractual Relations with Private Security

Chevron's standard security services contract language reflects our commitment to the Voluntary Principles. Our language sets forth expectations regarding training on the Voluntary Principles, background screening of contract personnel and investigation of allegations of security and human rights-related incidents. Our language also reserves the right to audit contracting companies.

Business Unit Review

In 2017, Chevron conducted formal Security Management Reviews (SMRs) which included a detailed assessment of the business security and human rights programs of selected business units. No material issues were identified. The SMR is a process that Chevron uses to review and assess security practices implementation. The Voluntary Principles and human rights are one of several issues reviewed through this process. The process includes a checklist and interviews with security staff and management. Findings are reported to the business unit managing director and leadership team. An action plan is developed if corrective measures are needed.

Documentation and Analysis

Chevron maintains a Security database which may include issues related to Voluntary Principles. Review enables Chevron to assess country and regional status and allows for technical support and other resources to be directed where needed.

III. Country Implementation

In 2017, business units continued to implement the Voluntary Principles in accordance with local laws and in cooperation with local authorities. For this report, an update is provided for Kazakhstan and Thailand.

A. Republic of Kazakhstan

Overview of Country Operations¹²

Chevron is Kazakhstan's largest private oil producer, holding important stakes in two of the nation's biggest oil-producing fields – Tengiz and Karachaganak. The Tengiz Field is the world's deepest operating super-giant oil field, with the [next expansion project](#) currently underway. Chevron holds a 50 percent interest in Tengizchevroil LLP (TCO), the operator of the Tengiz field, and an 18 percent interest in Karachaganak Petroleum Operating B.V. (KPO), the operator of the Karachaganak Field.

¹² More information: www.chevron.com/worldwide/kazakhstan

In addition, Chevron is the largest private shareholder in the Caspian Pipeline Consortium (CPC), an important export route for crude oil from Tengiz and Karachaganak. Chevron also operates a polyethylene pipe plant and a valve plant in Atyrau.

Chevron contributes to the development of communities through its business partnerships in the Tengiz and Karachaganak projects. From 1993 through 2016, TCO invested more than \$1.3 billion to fund social projects and programs for the community and employees in Atyrau oblast. Since 1998, KPO has contributed \$340 million to social infrastructure projects in western Kazakhstan.

Chevron contributes to Kazakhstan's economy through employee wages and the purchase of goods and services from local suppliers. From 1993 to 2016, Tengizchevroil spent more than \$20 billion on Kazakhstani goods and services – \$1.9 billion in 2016 alone. In 2016, Chevron, together with its Karachaganak partners, awarded contracts worth \$530 million to Kazakhstani companies for goods and services. Since 1997, the local content in all partner contracts has totaled \$6.14 billion. 86 percent of TCO's employees, and 100 percent of Karachaganak's employees, are Kazakhstani.

Security Engagements with Stakeholders

As a member of the U.S. Embassy's Overseas Security Advisory Council (created by the United States Department of State to promote security cooperation between American private sector interests worldwide and the department) branch in Almaty, Chevron continued to engage its industry peers about the importance of the Voluntary Principles. Additionally, TCO's Security Manager is a member of the Association of Security Organizations – Kazakhstan, which convenes bi-annually as a forum to discuss security-related legislation, standards, and initiatives – including issues related to human rights. TCO's security personnel are also members of an informal group of oil and gas security leaders in the Atyrau region. The group meets quarterly to discuss a range of security-related issues, including approaches of the members' respective companies toward security and human rights.

Contractual Agreements with Private Contractors

TCO includes the Voluntary Principles in the selection criteria for, and contractual agreements with, private security providers in Kazakhstan. The contract with the existing provider includes uniform contract clauses covering all elements of the Voluntary Principles (see Section II-B, "*Contractual Relations with Private Security*"), as well as Chevron's Human Rights Policy more broadly.

Examples of Outreach, Education, or Training

In 2017, all members of TCO's security staff completed the Chevron Human Rights Policy computer-based training that includes information specific to the Voluntary Principles. The course is available in Kazakh, Russian and English.

Chevron's Global Security team worked with the local staff and members of the embedded private security team to complete a Security Assessment in Atyrau. A Security Management Review for TCO was also carried out to verify that relevant security efforts were aligned with Chevron's Human Rights and Security policies.

B. Kingdom of Thailand

Sample Overview of Operations¹³

Chevron is the top natural gas and crude oil producer in Thailand, supplying about 35 percent of the country's natural gas demand. Net average daily production in 2016 was 71,000 barrels of crude oil and condensate and 1.1 billion cubic feet of natural gas. Chevron is a partner in the Star Petroleum Refining Public Company Limited refinery in Map Ta Phut, Thailand. This modern refinery is a pacesetter in design, safety features and pollution controls. Our Caltex® brand ranks among the nation's leading suppliers of petroleum products, which include gasoline, gasohol and biodiesel fuel. We also sell industrial lubricants and aviation fuel.

Since 1962, Chevron has invested more than \$38 billion in Upstream activities in Thailand. Chevron generated more than \$12 billion in petroleum royalties for the Royal Government of Thailand from 1981 through 2016. Chevron's investments in Thailand support more than 200,000 jobs¹⁴.

Chevron supports community programs in Thailand focused on education, economic development, health and the environment. Our commitment to helping people in the communities in which we live and work can be demonstrated by citing just three of our education partnerships:

- Chevron worked with the Distance Learning Foundation to provide better satellite communications at more than 700 schools across the country. To achieve this goal, Chevron donated \$600,000 and helped launch a fundraising campaign that raised \$1.2 million;
- We started the Chevron School Network in 2008. This program promotes environmental awareness among students and teachers in 84 schools nationwide; and
- In 2015, the company [launched the Thailand Partnership Initiative](#), a five-year, \$30 million initiative to promote the study of science, technology, engineering and mathematics (STEM) subjects. Over the course of the project, the initiative will establish 18 training hubs nationwide and benefit more than 400,000 students and 10,000 teachers.

Security Engagement with Stakeholders

Chevron is the co-chair of the American Chamber of Commerce security committee in Thailand. The committee conducts meetings in conjunction with the Thailand branch of the Overseas Security Advisory Council (OSAC). Other engagements include Chevron's participation in activities convened by the Human Development Forum Foundation, a Thai non-governmental organization that addresses the safety and security needs of communities.

Chevron also meets directly with regional oil and gas security advisors and embedded security managers from companies (oil and gas as well as oil service companies) operating throughout the region. Discussions of the Voluntary Principles occur in these meetings.

¹³ More information: <http://www.chevron.com/worldwide/thailand>

¹⁴ According to the study on "The Economic and Employment Contributions of Chevron to the Thai Economy", Chevron Thailand's activities directly and indirectly supported over 200,000 Thai jobs in 2012 across a broad range of industries.

Contractual Agreements with Private Contractors

Chevron includes the Voluntary Principles in the selection criteria for, and contractual agreements with, private security providers in Thailand. The contract with the existing provider includes uniform contract clauses covering all elements of the Voluntary Principles (see Section II-B, “*Contractual Relations with Private Security*”), as well as Chevron’s Human Rights Policy more broadly.

Examples of Outreach, Education, or Training

Chevron conducted a Voluntary Principles training session in Bangkok for appropriate staff of Chevron Thailand Exploration & Production. 39 of Chevron’s Thailand security personnel attended the training.

Chevron also conducted a series of Voluntary Principles awareness and reinforcement sessions with personnel working for Chevron partner companies in Thailand. These sessions raised awareness of the Voluntary Principles and reinforced the importance of incorporating the Voluntary Principles into security assessments and security plans.

Chevron engages with the Government of Thailand, including the Royal Thai Army and Royal Thai Navy, to promote a mutual understanding of the objectives and implementation of the Voluntary Principles. In anticipation of its planned 2018 offshore exploration drilling program, Chevron is developing a Human Rights and Voluntary Principles orientation session for appropriate Chevron and government department/agency personnel.

IV. Procedure to Review Progress

As explained in Section II-B above, Chevron’s Security Risk Assessment Program (SRAP) is a process to assess risks, including potential security and human rights concerns, in the operating environment. In 2017, Chevron initiated over 30 Risk Assessments, including businesses in countries in Africa, Asia, Europe and Latin America. They included a review of the Voluntary Principles/Human Rights matters at the local operational level. No material issues were discovered. These Risk Assessments provided opportunities to discuss these subjects with local security personnel and security contract providers.

V. Continued Efforts to Support the Voluntary Principles

Chevron will continue to:

- use lessons learned to improve Voluntary Principles’ guidance tools and training for leadership teams, security personnel, and other relevant personnel within different business units;
- support the activities of the Voluntary Principles Initiative through its participation in appropriate work groups;
- promote the Voluntary Principles in external fora; and
- work with stakeholders to enhance their understanding of the Voluntary Principles’ policies, procedures and guidelines.