



The Voluntary Principles on Security and Human Rights 2018 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* (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 (VPSHR).

The report provides an update of Chevron's global activities in 2018, 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 People's Republic of Bangladesh.

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 VPSHR 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.

Chevron's approach to human rights is coordinated by the Global Issues Committee, which consists of members of the Executive Committee. The Executive Committee is overseen by our Board of

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>

Directors. The Operating Company, Business Unit/Profit Centre or Corporate Department having responsibility for the business results shall be responsible for implementation of this policy.

Management of human rights, 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. Chevron's Human Rights Policy complies with international standards, including the *United Nations Guiding Principles on Business and Human Rights*, the *United Nations Universal Declaration of Human Rights* and the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*, that are applicable to business. We expect our business partners to demonstrate their respect for human rights by complying with these standards⁵.

Our Human Rights Policy explains our relationship to the VPSHR:

"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. 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 VPSHR in a specific country. Chevron reports annually to the VPI plenary meeting on its efforts to implement the VPSHR.

C. Transparency

Publication of VP Report

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

⁵ <https://www.chevron.com/-/media/shared-media/documents/2018-corporate-responsibility-report.pdf>

⁶ Chevron Human Rights Policy (2009)

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

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 VPSHR training tool. A corporate directive requires business units to implement the Guidelines. Other examples of Chevron's ongoing promotion of the VPSHR include:

- To mark Human Rights Day 2018, 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 VPSHR;
- In many operating areas, a statement on the VPSHR 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 VPSHR awareness is reinforced;
- Chevron Global Security discusses the VPSHR 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, VPSHR training materials, and links to key international bodies (such as the United Nations) with additional information on human rights.

Chevron's computer-based training on human rights includes a section on the VPSHR. 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 2018, Chevron subject matter experts provided support across our operations:

- Reviewed VPSHR contract commitments by security providers in high risk countries to confirm training and other elements carried-out;
- Worked with Supply Chain Management to contract security services in Philippines and Singapore, including insertion of appropriate contract language to communicate Chevron's expectations on respect for human rights and requirement to observe VPSHR;
- Training and awareness sessions in locations such as: Iraq; Myanmar, Colombia, Argentina, Brazil, Venezuela, Honduras and Kazakhstan; and
- Participation in three Voluntary Principles' meeting in Yangon, Myanmar.

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 VPSHR. In 2018, 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 and the Human Rights Initiative at the *Center for Strategic & International Studies* have an ongoing partnership to support a working group on human rights and security, bringing together professionals from the areas of security, human rights and policy;
- Chevron also promotes the VPI and furthers the VPSHR 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](#)⁸, including alignment with the Voluntary Principles; and
- The VPSHR are also discussed within other groups in which Chevron actively participates, including the [Global Business Initiative for Human Rights](#)⁹ and [Business for Social Responsibility](#)¹⁰.

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 VPSHR is below.

B. Procedures

Security Risk Assessment Program

A key aspect of Chevron's Security of Personnel and Assets Process is the Security Risk Assessment Program (SRAP), which provides Corporate, business unit/profit center, and facility-level assessment tools to enable the identification and mitigation of potential risk. The process

⁸ <https://www.chevron.com/-/media/shared-media/documents/chevron-supplier-letter-english-2018.pdf>

⁹ <https://gbihr.org/>

¹⁰ <https://www.bsr.org/en/>

requires all facilities to annually conduct a baseline security assessment at a minimum. These assessments consider VPSHR implementation, particularly around the frequency of awareness training conducted for security guards, government security personnel (where applicable), 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 ESG Policy and Engagement 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](#)¹¹ 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 VPSHR. Our language sets forth expectations regarding training on the VPSHR, 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 2018, Chevron conducted formal Security Management Reviews (SMRs) which included a detailed assessment of the security and human rights programs of selected business units. This review confirmed effective implementation of these programs, and alignment with Chevron's OEMS and Human Rights Policy. The SMR is a process that Chevron uses to review and assess security management practices implementation. The VPSHR is one of several issues reviewed through this

¹¹ <https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/summary-grievance-mechanism-guidance-aug-2018.pdf>

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 the VPSHR. 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 2018, business units continued to implement the VPSHR in accordance with local laws and in cooperation with local authorities. For this report, an update is provided for Bangladesh.

A. People's Republic of Bangladesh

Overview of Country Operations¹²

Through Chevron's subsidiaries in Bangladesh, the company operates three natural gas fields in the northeast of the country. The three fields – Bibiyana, Jalalabad and Moulavi Bazar – are operated under Production Sharing Contracts with the Government of the People's Republic of Bangladesh, represented by the Ministry of Energy and Mineral Resources, and with Petrobangla. All the natural gas and condensate that Chevron produces in Bangladesh is sold to Bangladesh Oil, Gas & Mineral Corporation (Petrobangla), the national oil company.

Chevron is the largest producer of natural gas, accounting for over 55% of total domestic natural gas production. Our facilities also produce about 85% of the domestic condensate production. Condensate is liquid hydrocarbon produced with natural gas. The Bangladesh Profit Center (BPC) has achieved a remarkable safety record, managing its operations with a workforce that comprises of about 95% Bangladeshi nationals. We work with communities across our operations, building long-term partnerships that foster economic development and lasting benefits to them.

Corporate Social Responsibility is a core value of Chevron's global business practice. In Bangladesh, Chevron has been sponsoring social investment programs since 2006. Our community development initiatives focus on economic development, education, and health. Examples of our social investment projects are:

- The Quality Education Support initiative, a scholarship drive for high-achieving underprivileged students was launched in 2001. In 2018, scholarships were awarded to 824 students in 24 schools. Also included are remuneration support for additional teachers in selected schools, an endowment fund, school furniture, and tube-wells to provide safe drinking water for selected schools;
- In partnership with the Asian Development Bank, Chevron launched the 15-month "English for Business Success" project, run by the British Council. By the close of this project in 2018, it delivered English language communication skills training to over 3,000 trainees aged 18-40 for the Business Process Outsourcing sector.

¹² More information: <https://bangladesh.chevron.com/about>

Security Engagements with Stakeholders

Chevron is 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 Dhaka. Chevron's resident Global Security advisor and the embedded local security manager play an active role, including engaging industry peers on the importance of effective implementation of the VPSHR.

Contractual Agreements with Private Contractors

In the selection criteria for, and contractual agreements with, private security providers in Bangladesh, Chevron's Bangladesh Profit Centre (BPC) includes a requirement that contractor staff be trained in, and adhere to, the Declaration on Human Rights. The contract also includes uniform 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

To enable communities near its projects and operations to easily submit concerns about those projects and operations, or other issues they may have with the company, the BPC developed and implemented an operational-level grievance mechanism. It is an effective mechanism that enables engagement and dialogue, and is aligned with the expectations contained in Principle 29 of the *United Nations Guiding Principles on Business and Human Rights*.

The objective is for the BPC to address community grievances in a timely, transparent manner, with resolution occurring because of collective efforts. Revised in 2017, a qualitative assessment of the improved mechanism was conducted in 2018 and showed that:

- Complainants found it easy to access the Grievance Officer in each field location,
- Almost 50% of road blockades and other types of protests were reduced (2018 over 2017), and
- Grievances were acknowledged within 5 working days and initial responses provided within 14 days

In 2018, 35 grievances were registered, with 11 considered to be in-scope. All 11 were resolved. Most were requests for information related to job/business opportunities, but a small number also contained concerns about insufficient lighting, soil erosion, fluid discharge and noise generation. The 24 out-of-scope grievances mostly dealt with intra-community disputes and commercial disagreements between contractors.

Community engagement activities in 2019 will continue to highlight the Grievance Mechanism, including how people can access and use the mechanism. Input will also be used to prioritize resources for issues and priorities identified by BPC's community stakeholders.

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 2018, Chevron Global Security initiated over 50 Security Risk Assessments, including businesses across Africa, Asia, Europe and Latin America. They included a review of the VPSHR and other human rights matters at the local and operational levels. No material issues were identified. These risk assessments provided opportunities to discuss these subjects with business management, local security personnel and security contract providers.

V. Continued Efforts to Support the Voluntary Principles

Chevron will continue to:

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