



The Voluntary Principles on Security and Human Rights 2019 Report

Chevron's¹ commitment to human rights is embedded in [The Chevron Way](#)², and incorporated into our management systems. Chevron's [Human Rights Policy](#) commits to respecting human rights as set out in the *United Nations Universal Declaration of Human Rights* and the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, and adheres to the principles set out in the *United Nations Guiding Principles on Business and Human Rights*, the *Voluntary Principles on Security and Human Rights* and the *International Finance Corporation's Performance Standards*. We respect the lawful exercise of legitimate rights by human rights defenders, as detailed in our [Statement on Human Rights Defenders](#). We expect our suppliers and contractors to comply with these standards, and encourage our business partners to adhere to these principles³.

In this report, we will describe the elements used to manage human rights in our business, including on-the-ground leadership in the *Voluntary Principles on Security and Human Rights Initiative (VPI)* based on the [Voluntary Principles on Security and Human Rights](#)⁴ (VPSHR).

The report provides an update of Chevron's global activities in 2019, 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 Honduras.

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](#)⁵ and its endorsement of the VPSHR can be found on the company's external website (<https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/respecting-human-rights-pdf-download.pdf>).

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 <https://www.chevron.com/sustainability/social/human-rights>

⁴ <http://www.voluntaryprinciples.org/>

⁵ <https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/respecting-human-rights-pdf-download.pdf>

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](#)⁶ was adopted in 2009, and updated in 2019. The Policy was preceded by 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 Directors. The Operating Company, Business Unit/Profit Center or Corporate Department having responsibility for the business results is 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. Our human rights policy is embedded in Chevron's Business Conduct and Ethics Code compliance training for all employees. Various levels of training are in place to inform our teams as they work to manage our potential impacts in the communities where we operate, including the provision of security, the administration of our workforce, and the procurement of products and services.

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.

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 align with our commitment to the Voluntary Principles on Security and Human Rights, which covers:

- *Interaction with private security providers, including (i) due diligence of potential new security providers; (ii) monitoring of equipment and facilities to prevent misuse; (iii) engagement with communities on security issues; (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 assessments of security and human rights-related issues in areas of operations.*

⁶ <https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/AboutOurHumanRightsPolicy.pdf>

- *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.*⁷

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 in 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 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 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, 2019 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.

⁷ Chevron Human Rights Policy (2019)

In 2019, 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; and
- Conducted training and awareness sessions in locations including: Iraq; Myanmar, Colombia, Argentina, Brazil, Venezuela, Honduras, Nigeria, and Kazakhstan.

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 2019, 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 Working Group and the Responsible Security Task Force;
- To mark Human Rights Day 2019, 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

The VPSHR principles are embedded throughout Chevron's global operations. 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

⁸ <https://www.chevron.com/-/media/shared-media/documents/chevron-supplier-letter-english-2019.pdf>

⁹ <https://gbihr.org/>

¹⁰ <https://www.bsr.org/en/>

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

An element of the OEMS framework is Chevron's Security Risk Assessment Program (SRAP), which consists of tools and processes used annually to identify and assess security risks, from corporate level down to individual facilities, and from conceptual projects to mature operations. One objective is to help determine if safeguards adhere to the *Voluntary Principles on Security and Human Rights*. Community grievances are among the items considered. A key SRAP tool is the Security Management Review (SMR), which has human rights as one of its seven focus areas, and assesses the security management efforts within a business unit.

Each SRAP assessment is discussed with business management, local security personnel, security contract providers and others, with mitigation plans developed that identify appropriate safeguards to be implemented.

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. All business units retain operational level [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](#)¹² 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 incidents, the company investigates and may inform host government authorities as appropriate.

Incident Response

Chevron investigates allegations regarding a security or human rights-related incident. Our procedures dictate that findings and recommendations be reported to appropriate managers, and that necessary corrective actions be taken.

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

¹² <https://www.chevron.com/-/media/shared-media/documents/chevronbusinessconductethicscode.pdf>

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.

Documentation and Analysis

Chevron conducts reviews that enable the company to assess country and regional status and allows for technical support and other resources to be directed where needed.

III. Country Implementation

In 2019, business units continued to implement the VPSHR in accordance with local laws and in cooperation with local authorities. Consistent with Chevron's practice of including updates on specific countries in its annual VPI report, this report includes an update on Honduras.

A. Republic of Honduras

Overview of Country Operations

Chevron's indirect subsidiary, Refineria Texaco de Honduras S.A., has operated the Puerto Cortes Fuels Terminal, a fuel import facility, since 1995. The terminal receives about 50-60 vessels per year. Products include Liquified Petroleum Gas, Diesel and Kerosene. The marine dock has a dedicated pipe system, and the facility includes 21 tanks with 840,000 barrels storage capacity. A local security contractor provides security services at the terminal.

Chevron Honduras S.A. operates a distributor and sales office in San Pedro Sula. It supplies 124 Texaco-branded retail stations, which represents approximately 25 percent of all stations in the country. 40 percent of all fuel sold in Honduras is sold by our stations. A third-party distributes Chevron lubricants in the country. The Texaco brand has a 70+ year history in Honduras. A local contractor provides security services at the Chevron Honduras S.A. office.

Following the 2017 presidential elections, anti-government protests erupted, which included activity such as looting, roadblocks and the temporary closure of the Tegucigalpa International Airport. Dole saw some of its equipment set on fire. Honduran Armed Forces (FFAA) were deployed by the President in support of the national police. Subsequent concessions made by the government did not stop the protests, with spontaneous protests continuing to this day.

There was minimal disruption to Chevron's local operations, and no security or personnel incidents were reported. All Texaco stations were supplied, with little or no supply shortage.

Security Engagements with Stakeholders

Chevron is an active member of the U.S. Embassy's Overseas Security Advisory Council (OSAC), created by the United States Department of State to promote security cooperation between American private sector interests worldwide and the department. Chevron Global Security (GS) is on the distribution network in both email and text group formats for security and geopolitical incident

awareness and communication, and is active in region-wide conferences featuring local stakeholders.

Contractual Agreements with Private Contractors

Chevron has a contractual agreement with Grupo Golan to provide security services in Honduras for Chevron operations/facilities. VPSHR language (see Section II-B, “*Contractual Relations with Private Security*”) is detailed in the contract with Grupo Golan, who maintain a robust VPSHR Security Training program for all security personnel. The company’s Country Manager is in close contact with GS.

Examples of Outreach, Education, or Training

Liaison with Industry Counterparts: GS maintains active relationships with industry counterparts, which includes robust sharing of information with potential to impact VP issues.

Procedures/Incident Reporting: Documentation of incidents or issues, which may be related to VPSHR, allows Global Security to continuously monitor and track, to enable timely support/assistance to the business when required.

Procedures/Security Awareness & Vigilance (SAV) Training: On-site SAV training is conducted on an annual basis to all personnel in Honduras, including contractors. The last SAV training conducted in Honduras was November 12-13, 2019. The SAV training contains VPSHR components.

Procedures/Security Risk Assessment (SRA) Program: The SRA for the lone operational facility in Honduras (Puerto Cortes Terminal) was conducted in March 2019. Its Action Plan is being closely monitored and updated.

Procedures/Security Risk Assessment Program/SMR: The SMR for the BU operating in Honduras (Americas Products) will be conducted in 2020. A site visit to the Puerto Cortes Terminal is tentatively scheduled for February 2020

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. It includes a procedure to regularly review, with management, progress on recommendations arising from SRAP assessments.

V. Continued Efforts to Support the Voluntary Principles

Chevron plans to 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.