

## **2021 Annual Report (Based on the Voluntary Principles Reporting Framework)**

### **COMMITMENT TO THE VOLUNTARY PRINCIPLES**

As a participating company, ConocoPhillips is [committed to supporting and promoting the Voluntary Principles for Security and Human Rights \(VPSHR\)](#) in its operations. This commitment is aligned with the company's [Human Rights Position](#) and [principles for effective stakeholder engagement](#).

We also actively participate in the [IPIECA Social Responsibility Working Group](#) where companies share best practices and lessons learned on implementing human rights policies and positions.

### **POLICIES, PROCEDURES AND RELATED ACTIVITIES**

Implementation of the company's Human Rights Position, including our commitment to the VPSHR, is done through processes which include human rights issues as part of social considerations at the project and business unit (BU) levels. These processes also reinforce ConocoPhillips' ongoing actions to meet our sustainable development (SD) commitments.

#### **Risk Assessments**

The company identifies and manages key environmental, political, and social risks over the lifecycle of our operations through our SD Risk Management Standard. The standard is a mandatory, auditable process that guides sustainability-related risk management and integrates a risk register into operating plans. As part of that process, operated assets and major projects are examined against the physical, social and political settings of our operations. Local concerns may influence the potential importance of these environmental and social matters including long-term risks and cumulative impacts. Risks are identified and described by a diverse group of subject matter experts in each BU and project. Each risk is then assessed using a matrix that evaluates both its likelihood and consequence. In evaluating the consequence level, we consider potential environmental and social risks, such as socio-cultural and economic impacts to stakeholders, environmental impact, and reputational and financial implications. Our SD risk assessment tool includes questions on security and human rights and fosters a related understanding within the BU or project teams that supports alignment with the VPSHR.

The SD Risk Management Standard ensures that an action plan is developed to track mitigation activities for each risk and included in the corporate SD Risk Register. These plans include details about our commitments, resources and milestones. Our SD Risk Register and action plans are used to track performance and guide goal setting.

Action plans for prioritized social risks are typically managed at the BU level, along with the ongoing management of SD performance and engagement designed to minimize or avoid other social and environmental risks of our business. For security and human rights risks, these action plans may include local site security plans and supportive engagement strategies, including a stakeholder engagement plan that identifies individuals and groups who may impact or be impacted by our activities and their key concerns and interests, as well as how we can most effectively engage with them.

ConocoPhillips risk assessment process enable us to:

- Identify security and human rights risks arising from political, economic, and social factors.
- Identify and understand the origins of risks that could lead to the erosion of security conditions and/or human rights protections.
- Assess human rights records, standing policies, and applicable reform efforts in areas of potential company operations.
- Evaluate the strength and willingness of foreign legal, judicial and non-judicial institutions to address human rights concerns, adherence to contracts and other legal expectations.

### Security Audit and Compliance Program

The ConocoPhillips security audit and compliance program systematically evaluates company operations at key facilities to assure conformity with government-prescribed security mandates and company-required security policies, procedures, and guidelines. This ongoing program identifies and internally reports on, and makes recommendations with respect to, security operation non-conformities including issues associated with security and human rights, if any occur.<sup>1</sup> The company also conducts due diligence investigations of security providers in countries that have been identified as high- risk for human rights violations.

## **IMPLEMENTATION**

### Human Rights Training and Awareness

ConocoPhillips developed a human rights training course, which incorporates IPIECA's guidance on human rights training and includes a module on security and human rights. The training was rolled out globally via a computer-based module to our stakeholder engagement practitioners and other operations staff and management as appropriate,

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<sup>1</sup> There were no audits performed in 2021 due to the COVID-19 pandemic, travel restrictions and BU deferments.

based on location. We continue regular training of security providers in priority countries for security and human rights issues.

### Country-Level Implementation

Our commitment to security and human rights continues where we operate or have a working interest. In addition to specific policies on security and human rights, and the company processes and procedures described above, on-the-ground implementation actions include:

- Training for employees, security contractors, and other stakeholders, where appropriate.
- Integration of security and human rights commitments in security-provider contracts and related contract monitoring.
- Stakeholder outreach and engagement, including public security forces, where relevant.

The following are specific examples of how ConocoPhillips, through its affiliates, (“ConocoPhillips”) manages security and human rights in its operations in five countries — Colombia, Indonesia, Libya, Canada, and the United States. While coronavirus pandemic restrictions limited various operational activities worldwide in 2021, ConocoPhillips had no incidents of pertinence to the VPSHR during the year.

### **Colombia**

ConocoPhillips is committed to implementing the VPSHR in-country and our approach to human rights was included in presentations to communities and other stakeholders. In 2021, ConocoPhillips continued our engagement with the military, police, and security contractors, and all agreed adherence and commitment to the VPSHR.

- Security Contracts and Agreements. Security and human rights issues are incorporated into the contract requirements for private security service providers. This includes an agreement that security guard services would comply with the VPSHR and that those ConocoPhillips policies established for VPSHR implementation are communicated to the security contractor. Additionally, ConocoPhillips has agreements with the Colombian government security forces on adherence to human rights expectations.
- Training. In 2021, human rights training was completed by ConocoPhillips security contractors and third-party security consultants. This included a thorough review of the VPSHR framework and how to identify human rights risks. As always, employees and contractors received our corporate human rights and stakeholder engagement training. This training explained the policies and positions in place to handle these issues, as well as the risk factors to be aware of and mitigate accordingly.

## **Indonesia**

ConocoPhillips continued to affirm the company's commitment to the VPSHR through risk assessments, training, and security contract implementation.

Security Contracts and Agreements. Wording for security contracts in Indonesia includes: "Contractor shall conduct a professional security operation which is based on the following: 1) Laws and regulations of the Republic of Indonesia. 2) International regulations and/or all relevant international codes of security services, human rights, health, safety and environment, as well as ethics and law. 3) All Company policies standards and procedures as stipulated in this Contract. Incidents of noncompliance with ConocoPhillips' VPSHR requirements will result in a Key Performance Indicator penalty and may lead to the termination of the service contract."

Security Risk Assessments. ConocoPhillips held a comprehensive virtual risk assessment workshop in 2021 that included key internal stakeholders from security, legal, government relations, and communications teams.

Training. VPSHR training is mandatory in the ConocoPhillips training matrix and is conducted annually. All security-related functions and other functions with security responsibilities or duties, as well as other stakeholders, undergo VPSHR training. VPSHR training is also included as a requirement in all security contracts. Virtual training was conducted for employees, security service, police taskforce personnel, and security staff in all field locations and the Jakarta office in accordance with the 2021 risk assessment.

## **Libya**

Security Contracts. The contract requirements for our current and future security service provider in Libya include the management of security and human rights issues. This includes an agreement that security guard services shall comply with the VPSHR and those ConocoPhillips policies established for the implementation of the VPSHR and communicated to the security contractor. Contractors are required to conduct security operations consistent with the elements applicable to the VPSHR.

## **United States and Canada**

We reinforced VPSHR awareness with our security managers and reiterated with our security contractors our company commitment to eliminate bias and injustice in all its forms. Our website reports on ConocoPhillips condemning racial inequality and our participation in the VPSHR, which states that "force should only be used when strictly necessary and to an extent proportional to the threat; and the rights of individuals should not be violated while exercising the right to exercise freedom of association and peaceful assembly."