



The Voluntary Principles on Security and Human Rights Annual Report

**Chevron
2022**

Contents

1	Introduction	2
2	Chevron’s Commitment to the Voluntary Principles.....	2
2.1	Public statement of commitment	2
2.2	Engagement in the Voluntary Principles Initiative.....	3
2.3	Transparency.....	3
2.4	Internal promotion of the Voluntary Principles	3
2.4.1	Post-acquisition.....	4
2.5	External promotion of the Voluntary Principles.....	4
3	Policies, procedures and related activities.....	5
3.1	Management system.....	5
3.2	Processes and procedures	5
3.2.1	Security Risk Assessment Program.....	5
3.2.2	Incident response and reporting	5
3.2.3	Contractual relations with private security providers.....	5
4	Country implementation: Mexico	6
4.1	Overview of country operations.....	6
4.2	Security engagements	6
4.3	Contractual agreements with private contractors	6
4.4	Examples of outreach, education or training	7
4.4.1	Liaison with industry counterparts	7
4.4.2	Procedures / incident reporting.....	7
4.4.3	Procedures / Security Awareness and Vigilance training	7
4.4.4	Procedures / Security Risk Assessment Program.....	7
4.4.5	Procedures / Security Management Review Program	7
5	Lessons and issues.....	7

1 Introduction

Chevron's¹ [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 (VPSHR) and the International Finance Corporation's Performance Standards.

This commitment is also incorporated into and operationalized through our Operational Excellence Management System (OEMS) and other internal processes and procedures. We expect our suppliers and contractors to comply with these standards and encourage our business partners to adhere to these principles². Chevron also respects the lawful exercise of legitimate rights by human rights defenders, as detailed in our [Statement on Human Rights Defenders](#).

In alignment with the Voluntary Principles Initiative Corporate Pillar Reporting Guidelines, Chevron submits this Full Report providing an update on its security and human rights-related activities in 2022. Chevron's last Full Report was completed for the year 2019.

2 Chevron's Commitment to the Voluntary Principles

2.1 Public statement of commitment

Chevron has long demonstrated dedication to responsible security. A public commitment to adhere to the VPSHR can be found on the company's external website in multiple places, including the [chevron.com human rights page](#) and the summary of our [Human Rights Policy](#). Responsible security principles are embedded throughout Chevron's global operations. Our OEMS provides a comprehensive framework to identify and mitigate security risk and aligns security operations with our Human Rights Policy.

Day-to-day implementation of human rights and responsible security practices is integrated into management systems and processes. Additionally, the 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 the provision of security, potential impacts in the communities where we operate, the administration of our workforce, and the procurement of products and services.

Chevron's Human Rights Policy was adopted in 2009 and updated as recently as 2019. The Policy was preceded by a Human Rights Statement originally developed in

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/sustainability/social/human-rights>

2005. Respect for human rights is rooted in our values and applies wherever we do business.

The Global Issues Committee (GIC), an executive-level subcommittee, oversees Chevron's policies and positions on sustainability issues and practices, including human rights. The Vice President of Strategy and Sustainability chairs the GIC and serves as the secretary to the Public Policy and Sustainability Committee, connecting the GIC's work to board-level oversight.

2.2 Engagement in the Voluntary Principles Initiative

Chevron's participation in the Voluntary Principles Initiative (VPI) is guided by the VPI's governance rules. Chevron reports annually to the VPI, participates in scheduled Corporate Pillar meetings, attends the annual Voluntary Principles Plenary gathering and promotes the implementation of the VPSHR.

2.3 Transparency

Chevron submits an annual report and/or annual updates to the Voluntary Principles Plenary, in line with the VPI Corporate Pillar Reporting Guidelines.

2.4 Internal promotion of the Voluntary Principles

Employees and contractors must read and acknowledge Chevron's Business Conduct and Ethics Code, which incorporates our Human Rights Policy. Chevron makes the Guidelines on the VPSHR and the VPSHR training tools accessible on internal sites. A corporate guidance document supports business units with VPSHR implementation.

Other examples of Chevron's ongoing internal promotion of the VPSHR include:

- In many operating areas, a statement on the VPSHR from Chevron Global Security (Global Security) or business unit 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 often reinforced.
- Chevron's Vice President of Corporate Affairs (the executive with direct oversight of our Human Rights Policy) delivers a global e-mail to all employees to reinforce the company's expectations around human rights in the lead up to International Human Rights Day on December 10. In 2022, Chevron's Chief Security Officer reinforced this communication with all security personnel and elaborated on the role the Global Security function plays in respecting human rights in our operating environments globally.
- Global Security's training materials highlight human rights and share implementation guidance on the VPSHR in several places, including:
 - The function's "Security 101" computer-based training for security practitioners;
 - The Security Awareness computer-based training, which is a corporate compliance requirement for all Chevron employees to complete within 30 days of joining the company and again every two years thereafter;

- Two of the four learning and development modules in the function’s “Security of Personnel and Assets Fundamentals” series; and
 - Global Security’s intranet site (accessible to everyone within Chevron), which contains relevant company policies and processes, presentations, videos, VPSHR training materials and links to key international bodies and frameworks with additional information on human rights.
- Chevron’s computer-based training on human rights includes reference to the VPSHR. The training is assigned to employees every three years.

In 2022, Chevron subject matter experts provided support across our operations:

- Reviewed contract language for security providers with Global Security subject matter experts and Procurement and Supply Chain Law; and
- Conducted training and awareness sessions with content on VPSHR in several locations including: Angola, Republic of Congo, Bangladesh, Thailand, Nigeria, Equatorial Guinea, Russia, Saudi Arabia, Kuwait, Israel, Kazakhstan, Mexico, Honduras, Guatemala, El Salvador, Colombia, Venezuela, Brazil, and Argentina.

2.4.1 Post-acquisition

Following the acquisition of Renewable Energy Group (REG) in 2022, Chevron policies and processes, including those on security and human rights, were deployed across new assets and personnel. Legacy REG employees were required to complete appropriate compliance training.

2.5 External promotion of the Voluntary Principles

Chevron has participated in every Voluntary Principles Plenary event (virtual during the COVID-19 pandemic) since 2001 and attends verification presentations and Corporate Pillar meetings throughout the year. In 2022, Chevron participated in the Voluntary Principles In-Country Working Group in Nigeria.

Chevron is active in promoting the implementation of good security practices throughout the extractives industry and across other human rights forums:

- A Chevron representative assumed the chair of the IPIECA Responsible Security Task force in Q4 2021 and served in this capacity through 2022.
- To mark Human Rights Day 2022, Chevron’s Vice President, Corporate Affairs (the executive with direct oversight of our Human Rights Policy) and Chief Procurement Officer co-signed a message to several hundred key suppliers and contractors. The [letter](#) served as an opportunity to reiterate Chevron’s [expectations for companies doing business with Chevron](#), including alignment with the VPSHR.
- Chevron participates in other human rights-focused groups, such as the [Global Business Initiative for Human Rights](#), where responsible security management is discussed.

3 Policies, procedures and related activities

3.1 Management system

Chevron's Operational Excellence Management System (OEMS) systematically manages workforce safety and health, process safety, reliability and integrity, environment, efficiency, security and stakeholders in order to meet our Operational Excellence objectives. Disciplined application of the OEMS across our operations allows us to understand the hazards and risks of our work and assure that safeguards are in place and functioning. Under the OEMS Security Focus Area, we develop, implement and integrate risk-based security management and assurance plans into emergency management, business continuity and information security plans in order to address and mitigate security risks to personnel, assets and the business.

The OEMS provides a comprehensive framework to identify and mitigate security risk and aligns security operations with our Human Rights Policy.

3.2 Processes and procedures

3.2.1 Security Risk Assessment Program

A component of the OEMS framework is Chevron's Security Risk Assessment Program (SRAP), which includes tools and processes to identify and assess security risks, from corporate level down to individual facilities, and from conceptual projects to mature operations.

The goal is to develop and implement effective and appropriate security mitigation measures for the identified risks. A key SRAP tool is the Security Management Review, which includes human rights as one of the nine focus areas and assesses the security management efforts within a business unit. Mitigation plans are developed as needed.

3.2.2 Incident response and reporting

Chevron procedures advise practitioners to report security and human rights-related incidents to Chevron's Corporate Global Security group and to the ESG Engagement team. For both internal and external stakeholders, Chevron business units manage fit-for-purpose channels for reporting grievances with the company.

Globally, Chevron also offers a hotline available 24 hours per day for reporting activities that may involve violations of Chevron's Business Conduct and Ethics Code, company policies, and applicable laws or regulations. Under the OEMS Stakeholder Engagement and Issues Management Process, all business units are required to maintain operational-level grievance mechanisms. Business units are expected to have a confidential and accessible grievance procedure to receive, investigate and report (to proper government authorities where applicable, and Chevron management) human rights related allegations and/or incidents involving public and private security providers' supporting business unit operations.

3.2.3 Contractual relations with private security providers

Chevron's standard security services contract language reflects our commitment to the VPSHR and references other international standards on responsible security. The

language sets forth expectations regarding training, screening of contract personnel and investigation of allegations of security and human rights-related incidents. The language also reserves the right to audit contracting companies.

4 Country implementation: Mexico

Consistent with Chevron's practice of including updates on specific countries in its annual VPI report, this report includes an update on Mexico.

4.1 Overview of country operations

Chevron's operations in Mexico include a Fuels Downstream office of thirteen personnel, an Upstream office of six personnel and a Lubricants Distribution Center, all located in Mexico City. Chevron is also in the process of developing several offshore assets and has opened 260 non-operated Chevron-branded service stations throughout Mexico, focused on the states of Sinaloa, Sonora, Baja California, Aguascalientes, San Luis Potosi, Guanajuato, Jalisco, Querétaro, and Baja California Sur.

The Lubricant Distribution Center has 11 active storage tanks. The terminal receives 80% of its product via rail car imported from Chevron Port Arthur, Texas and the remaining 20% is oil and anti-freeze imported from third party providers located in Houston, Texas. Almost all packaged goods received from Port Arthur are delivered directly to the marketers. Security guards working at this site are responsible for access control and applying Chevron's security standards. Security guards receive annual VPSHR training.

Mexico faces complex security challenges, which Chevron seeks to anticipate and mitigate through robust security awareness and vigilance (SAV). Guidance is provided to staff to help prevent security incidents during periods of heightened concern.

4.2 Security engagements

Chevron is an active member of the U.S. Embassy's Overseas Security Advisory Council (OSAC), which includes the Latin America Regional Council, established by the United States Department of State to promote security cooperation among American private sector interests worldwide and the Department. Chevron's security representatives attend and participate in OSAC-sponsored meetings and conferences aimed at understanding geopolitical risks, emerging security threats, and identifying best practices.

Chevron is a member of the Mexican Association of Hydrocarbons, which is a peer group organization aimed at identifying international best practices and promoting a socially responsible industry.

4.3 Contractual agreements with private contractors

Chevron has a contractual agreement with CONSEG, a private security firm, to provide security services for Chevron operations/facilities located in Mexico. VPSHR language is detailed in the contract with CONSEG, including a requirement regarding VPSHR training. Evidence of this training is documented by Chevron annually.

4.4 Examples of outreach, education or training

4.4.1 Liaison with industry counterparts

Global Security maintains active relationships and engages with industry counterparts on matters related to responsible security management.

4.4.2 Procedures / incident reporting

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

4.4.3 Procedures / Security Awareness and Vigilance training

On-site Security Awareness and Vigilance (SAV) training is conducted on an annual basis for all personnel in Mexico, including contractors. The latest SAV training conducted in Mexico was in 2022, with training planned in the third quarter of 2023. The SAV training covers VPSHR-related topics.

4.4.4 Procedures / Security Risk Assessment Program

The baseline security assessment is conducted annually. The last assessment of the Lubricant Distribution Center was conducted in 2022.

4.4.5 Procedures / Security Management Review Program

The Security Management Review for the business unit operating in Mexico (Lubricants) was conducted in 2019.

5 Lessons and issues

Chevron plans to continue to:

- Leverage VPSHR guidance tools and trainings for leadership teams, security personnel, and other relevant personnel within different business units.
- Review and, where appropriate, reference new tools and resources offered by VPI.
- 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.