Chevron Feedback to 2018 Appeals Process

Thankyou for taking part in the CHRB Appeals Process and for your patience throughout. Chevron submitted 11 appeals. Three were accepted by CHRB and the researchers from initial review (giving 2 additional points in total). The 8 remaining appeals were sent to the panel (led by Margaret Wachenfeld and supported by Lise Smit and Nadia Bernaz) for final review and are set out in more detail after the summary table of score adjustments:

<table>
<thead>
<tr>
<th>Indicator code</th>
<th>Indicator title</th>
<th>CHRB Score (pre-appeal)</th>
<th>Final Score (post-appeal)</th>
<th>Full Appeal Committee involved? (Yes or No)</th>
<th>Change in score? (Yes or No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.1</td>
<td>Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</td>
<td>1</td>
<td>1.5</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>D.3.8</td>
<td>Water and sanitation (in own extractive operations, which includes JVs)</td>
<td>0</td>
<td>1</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>C.4</td>
<td>Procedures related to the mechanism(s)/channel(s) are publicly available and explained</td>
<td>0.5</td>
<td>1</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>A.1.1</td>
<td>Commitment to respect human rights</td>
<td>1</td>
<td>1</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>A.1.2</td>
<td>Commitment to respect the human rights of workers</td>
<td>0.5</td>
<td>0.5</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>B.1.1</td>
<td>Responsibility and resources for day-to-day human rights functions</td>
<td>0</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>B.1.4.a</td>
<td>Communication/dissemination of policy commitment(s) within Company’s own operations</td>
<td>0</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>B.1.5</td>
<td>Training on human rights</td>
<td>0</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>B.1.6</td>
<td>Monitoring and corrective actions</td>
<td>0</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>B.2.1</td>
<td>Identifying: Processes and triggers for identifying human rights risks and impacts</td>
<td>0.5</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>F.2</td>
<td>Recognised Reporting Initiatives</td>
<td>0</td>
<td>0</td>
<td>Y</td>
<td>N</td>
</tr>
</tbody>
</table>

1 Margaret Wachenfeld is an independent consultant, a director of CHRB and the co-chair of CHRB’s Methodology Committee but was not involved in the actual research process. Lise Smit is a Senior Research Fellow in Business and Human Rights at the British Institute of International and Comparative Law. Nadia Bernaz is a specialist in international human rights law at the Wageningen University Netherlands.
### Indicator: A.1.1
**Indicator Title:** Commitment to respect human rights

#### Scorecard Text:
The individual elements of the assessment are met or not as follows:

**Score 1**
- **Met:** General HRs commitment: The Company states that they 'have a responsibility to respect human rights' in their Human Rights Policy. [Human Rights Policy, 2016: chevron.com]
- **Not met:** UNGC principles 1 & 2
- **Not met:** UDHR: The Human Rights policy also states that 'our conduct in our global operations is consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work'. However, 'being consistent with' is not considered as a commitment. [Human Rights Policy, 2016: chevron.com]
- **Not met:** International Bill of Rights

**Score 2**
- **Not met:** UNGPs: The Company states 'Our approach to human rights is informed by the United Nations Guiding Principles on Business and Human Rights.' However, 'being informed' is not the same has having a commitment. [Corporate Responsibility Report, 2017: chevron.com]
- **Not met:** OECD

#### Requested Score:
2

#### Justification from Company:
- Royal Dutch Shell given 2 points as they state in their sustainability report: "We recognise our responsibility to respect human rights and our approach applies to all of our employees and contractors. It is informed by the Universal Declaration of Human Rights, the core conventions of the International Labour Organization, and the United Nations Guiding Principles on Business and Human Rights."
- Chevron states in its Human Rights Policy that it has a: "responsibility to respect human rights"; and states in its CR report that: "Our approach to human rights is informed by the United Nations Guiding Principles on Business and Human Rights", but only gets 1 point as the CHRB says 'being informed is not the same has having a commitment'.

#### Sources from Company:
No source provided but assume this is HR Policy: https://www.chevron.com/-/media/chevron/corporate-responsibility/documents/AboutOurHumanRightsPolicy.pdf

#### Methodology Points

**Score 1**
The Company has a publicly available statement of policy committing it to respect human rights OR the ten principles of the UN Global Compact (principles 1 and 2 include a commitment to respect human rights) OR the rights under the Universal Declaration of Human Rights (UDHR) OR the International Bill of Human Rights.
Score 2  The Company’s also has a publicly available statement of policy also commits it to: the UN Guiding Principles on Business and Human Rights OR the OECD Guidelines for Multinational Enterprises.

Commentary and Recommendation from CHRB and Researchers to Panel:

Notwithstanding any potential issues with the Shell score, Chevron’s evidence does not equate to what we are looking for to reach a score of 2. CHRB has tried to consistently apply a strict interpretation on what ‘commitment’ means. In this case, a score of 2 implies a commitment to the UNGPs or OECD Guidelines and we still do not see Chevron reaching this level as their ‘informed by’ approach is not the same as a public commitment to UNGPs/OECD.

It shouldn’t make any difference to this appeal, which is taken on its own merits, but for info, the researchers found more info on Shell that didn’t get reflected in the brief scoring write up. For instance, in https://www.shell.com/sustainability/transparency/external-voluntary-codes.html Shell sets out the voluntary codes they support (like the VPs, EITI, OECD, UNGPs, UNGC).

As Chevron's current evidence does not justify a 2 (due to their inability to make strong commitment to UNGP/OECD) we recommend Chevron's appeal is rejected – consistent with other appeals on this indicator (and that the researchers revisit the Shell assessment in 2019).

Panel Decision?

<table>
<thead>
<tr>
<th>Accepted</th>
<th>Partially Accepted</th>
<th>Rejected</th>
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<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☒</td>
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</table>

Commentary

The additional information clarified that assessment turns on the wording of Chevron’s policy and in particular, that the wording “is informed by” has consistently been rejected as it is not deemed sufficient to show commitment. It is important that the interpretations are consistent so agree that this should be rejected. The report on Appeals should refer to some of this fine-tuned language and, as suggested, the Shell indicator should be revisited and further justification included in the scorecard in 2019. Accept recommendations and reject appeal.

Indicator:

| Indicator Title: Commitment to respect the human rights of workers |
| Final Score: 1 |
| Date: 11 Mar 2019 |

APPEAL NUMBER: 005 COMPANY: Chevron

Indicator: A.1.2

<table>
<thead>
<tr>
<th>Scorecard Text:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The individual elements of the assessment are met or not as follows:</td>
</tr>
<tr>
<td>Score 1</td>
</tr>
<tr>
<td>• Not met: ILO Core: Chevron’s human rights policy states that ‘Our company policies and procedures adhere to all applicable domestic laws and are consistent with ILO core labor principles concerning freedom of association and collective bargaining, non-discrimination, forced labor, and underage workers in the workplace’. However, ‘being consistent with’ is not considered as a commitment. [Human Rights Policy, 2016: chevron.com]</td>
</tr>
<tr>
<td>• Not met: UNGC principles 3-6</td>
</tr>
<tr>
<td>• Not met: All four ILO apply to EX BPs: The Company states in their human rights policy ‘We require that our key suppliers adhere to all applicable domestic laws and encourage them to be consistent with ILO core labor principles’. However, ‘being consistent with’ is not considered as a commitment. [Human Rights Policy, 2016: chevron.com]</td>
</tr>
</tbody>
</table>

| 2018 Scorecard Score: 0.5 |
Score 2

- Not met: All four ILO Core: The Company states that they are consistent with the core 4 ILO principles. However, 'being consistent with' is not considered as a commitment. [Human Rights Policy, 2016: chevron.com]
- Met: Respect H&S of workers: The Company has an operational excellence management system. The operational system states 'The actions and visibility of leaders make evident their genuine care and concern and the company’s commitment to place the highest priority on the safety and health of our workforce, and on the protection of communities, the environment and our assets.' [Operational Excellence Management System, 22/06/2018: chevron.com]
- Not met: H&S applies to Ex BPs

Justification from Company:

- Royal Dutch Shell seems to have scored points for stating in its 2016 Sustainability Report 'We respect the principles of freedom of association, the right to collective bargaining, non-discrimination and equal opportunity, along with adequate work conditions, adequate remuneration and the elimination of forced or child labour.'
- Similarly, the 2017 Sustainability Report states that RDS' approach to human rights is 'informed by' the UDHR, the core conventions of the ILO, and the UNGPs.
- What is the difference between CVX's use of "consistent with" and RDS' "respect" or "informed by"?

Sources from Company:
No source provided

Methodology Points

Score 1
The company has a publicly available statement of policy committing it to respect the human rights that the ILO has declared to be fundamental rights at work OR the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work).

Lock – Score 1 EX - The Company’s policy commitment(s) also expects its extractive business partners to commit to respecting each of the ILO core labour standards.

Score 2
The Company also has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work. This includes the commitment to explicitly respecting each of the fundamental rights as set out in the Declaration on Fundamental Principles and Rights at Work or also referred to as the ILO core labour standards (i.e. the elimination of forced or compulsory labour, the abolition of child labour, the elimination of discrimination in respect of employment and occupation and both freedom of association and the effective recognition of the right to collective bargaining) AND its publicly available statement of policy also commits it to respecting the health and safety of workers.

Lock Score 2 EX - The Company’s policy commitment(s) also expects its extractive business partners to commit to respecting the health and safety of their workers.

ADDITIONAL USEFUL INFORMATION:

The ILO Declaration on Fundamental Principles and Rights at Work covers the following four fundamental principles and rights at work, laid out in eight conventions:
- Freedom of association and the effective recognition of the right to collective bargaining (Convention No. 87 & No. 98)
• Elimination of all forms of forced or compulsory labour (Convention No. 29 & No. 105)
• Effective abolition of child labour (Convention No. 138 & No. 182)
• Elimination of discrimination in respect of employment and occupation (Convention No. 100 & No. 111)

Additional ILO labour standards:
• Working Hours (Conventions 1, 14 & 106)

Commentary and Recommendation from CHRB and Researchers to Panel:

A.1.2 score 1 expects either a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work - OR the company has a publicly available statement of policy committing it to respecting the 10 principles of the UN Global Compact. Chevron is aiming for the former part, however, we still don’t feel that it meets the grade.

Elements from their policy include:
‘To this end, our conduct in our global operations is consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, where applicable to business’ and ‘We treat all of our employees with respect and dignity and promote diversity in the workplace. Our company policies and procedures adhere to all applicable domestic laws and are consistent with ILO core labor principles concerning freedom of association and collective bargaining, nondiscrimination, forced labor and underage workers in the workplace.’

We have consistently not allowed language like ‘our policies are consistent with ILO principles’ as we are looking for a firmer commitment to respecting the rights covered by ILO. On this basis alone we recommend rejecting the appeal.

As an aside, Shell’s use of ‘respect’ is a differentiator. As an example, a policy level commitment to respect the rights to collective bargaining of workers is seen by CHRB to be a step above a company stating that its policies are consistent with ‘ILO core labour principles concerning collective bargaining’.

Panel Decision?

Accepted ☐  Partially Accepted ☐  Rejected ☒

Commentary:

As CHRB has specific requirements about wordings on commitments to human rights, agree that the wording in the Chevron policy does not meet the requirements of expressing a sufficient commitment.

Indicator:
A.1.2  Final Score: 0.5  Date: 11 Mar 2019
supported by the Corporate Compliance Policy Committee, made up of senior executives in the Company, governs our companywide compliance program. The Company must have a commitment to the core ILO. However, the Company does not have a core commitment to the core ILOs rather the Company states that "we expect suppliers to adhere to the ILOs". To be awarded this indicator the Company needs to have a commitment to the ILOs or the ILO Declaration or the UN Global Compact within its own operations as well. [Business Conduct and Ethics Code, 2018: chevron.com]

Score 2
- Not met: Day-to-day responsibility
- Not met: Day-to-day responsibility for EX BRs

<table>
<thead>
<tr>
<th>Requested Score:</th>
<th>Justification from Company:</th>
</tr>
</thead>
</table>
| 1                | Chevron's Voluntary Principles report (http://www.voluntaryprinciples.org/wp-content/uploads/2018/05/Chevron.pdf), on page 2, notes that 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.
  - On Chevron's human rights web page (https://www.chevron.com/corporate-responsibility/people/human-rights) it is stated that Chevron’s "...human rights policy is governed by Chevron's Global Issues Committee, – a subcommittee of Chevron's executive committee, and involves oversight by our Board of Directors."
  - The finding seems at odds with the stated indicator, which has a focus on responsibility for, and resourcing of, HR functions. A.1.1 deals with the commitment element. |

Sources from Company:

Methodology Points

NOTE: Board level responsibility is assessed under indicator A.2.1 and therefore not considered in this indicator

Score 1 The Company indicates the senior manager(s) roles responsible for relevant human rights issues within the Company (i.e. responsibility for human rights is assigned to a senior manager(s)) and this includes the ILO core labour standards at a minimum.

Score 2 The Company also describes how day-to-day responsibility is allocated across the range of relevant functions and geographies of the Company.

Lock Score 2 - EX - The Company describes how day-to-day responsibility for managing human rights issues with its extractive business partners is allocated.

Commentary and Recommendation from CHRB and Researchers to Panel:
The B.1 series are often dependent on getting certain elements of the A.1 series (i.e. without certain ILO commitments, companies can’t score any subsequent points in those indicators, as CHRB prevents companies getting points on a system if the system is based on weak policies).

In B.1.1 companies have to indicate senior manager responsibility for human rights issues, but crucially, this has to include responsibility for the ILO Core Labour Standards at a minimum.
As seen for A.1.2, Chevron does not commit to respecting the rights in the ILO Core Conventions / the UNGC Principles. As such, they are unable to get a score of 1 on B.1.1 and we therefore recommend rejecting this appeal. If the score in A.1.2 changes, then this indicator would need to be revisited.

**Panel Decision?**

- Accepted  ☐
- Partially Accepted ☐
- Rejected ☒

**Justification from Panel:**

This is an “automatic” rejection as the CHRB system is set up to reject certain B.1 scores based on the A.1.1 scores.

**Indicator:**

B.1.1

**Final Score:** 0

**Date:** 11 Mar 2019

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**APPEAL NUMBER:** 007

**COMPANY:** Chevron

**Indicator:** B.1.4.a

**Indicator Title:** Communication/dissemination of policy commitment(s) within Company’s own operations

**Scorecard Text:**

The individual elements of the assessment are met or not as follows:

**Score 1**

- Not met: Communicates its policy to all workers in own operations: The Company states that its human rights policy is embedded in the Chevron Business Conduct and Ethics Code. The Human Rights Policy is published in 10 different languages (Chinese, English, French, Indonesian, Kazakh, Portuguese (Brazil), Portuguese (Europe), Russian, Spanish, Thai). However, it is not clear how the code is communicated throughout the Company’s operations. The Company Code of Conduct states that 'each of us' has a duty to uphold the code, however, it is not clear how each employee is communicated the code and policies. Furthermore, the Company’s human rights policy commitment does not include the ILO core labour standards. [Human Rights Policy, 2016: chevron.com]

**Score 2**

- Not met: Communication of policy commitments to stakeholder
- Not met: How policy commitments are made accessible to audience

**Requested Score:** 2

**Justification from Company:**

- Code is communicated through training and annual message from VP PGPA, as indicated at https://www.chevron.com/corporate-responsibility/people/human-rights, where we state, "Chevron launched human rights training in 2012. Since then, the training has been taken more than 20,000 times."
- On page 3 of Chevron's Voluntary Principles report (http://www.voluntaryprinciples.org/wp-content/uploads/2018/05/Chevron.pdf), it is noted that:
  - 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;
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 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.

### Sources from Company:

### Methodology Points

**NOTE:** In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. If a company clearly commits to the ILO Declaration on Fundamental Principles and Rights at Work, this will be accepted as including the four ILO core labour standards. If a company commits to the UN Global Compact alone, this will not count as including the ILO core labour standards unless the company chooses to list out each of the UN Global Compact principles. This is because for communication, training, and monitoring purposes, clarity of message is important. If in doing so a company only explicitly refers to less than all four UN Global Compact labour rights principles then this will not meet the requirement to score 1 or 2 for these indicators.

**Score 1** The Company describes how it communicates its policy commitment(s) to all workers, including local languages where necessary.

**Score 2** The Company also describes how it communicates its policy commitments to stakeholders, including local communities and potentially affected stakeholders AND the Company provides an example of how it ensures the form and frequency of the information communicated is accessible to its intended audience.

### Commentary and Recommendation from CHRB and Researchers to Panel:

As per the methodology for B1.4a, to get ANY points on this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. As Chevron does not get a 1 on A.1.2, they can’t get any points on B.14a due to their lack of commitment to ILO Core Labour Standards. CHRB does not accept the ‘consistent with’ language as a commitment to respect. Therefore, we recommend rejecting this appeal, but if A.1.2 score changes, this will need revisiting.

**Panel Decision?**

- [ ] Accepted
- [ ] Partially Accepted
- [x] Rejected

**Justification from Panel:**

This is an “automatic” rejection as the CHRB system is set up to reject certain B.1 scores based on the A.1.1 scores. The Appeals Report CHRB intends to publish should ensure that the domino effect of ILO commitments is reiterated.

**Indicator:** B.1.4.a

**Final Score:** 0

**Date:** 11 Mar 2019
**APPEAL NUMBER:** 008  
**COMPANY:** Chevron

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Indicator Title</th>
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<tbody>
<tr>
<td>B.1.5</td>
<td>Training on human rights</td>
</tr>
</tbody>
</table>

**Scorecard Text:**

The individual elements of the assessment are met or not as follows:

**Score 1**
- Not met: Trains all workers on HR policy commitments: The human rights policy is embedded in Chevron’s Business Conduct and Ethics Code compliance training for all employees. However, the human rights policy commitment must include the ILO core labour standards at a minimum, or at least a commitment to the ILO Declaration or the 10 principles of the UN Global Compact. [Human Rights, 22/06/2018: chevron.com]
- Not met: Trains relevant managers including security personnel

**Score 2**
- Not met: Both requirements under score 1 met

**2018 Scorecard Score:** 0

**Requested Score:** 2  
**Justification from Company:**
- Page 3 of Chevron’s Voluntary Principles report (http://www.voluntaryprinciples.org/wp-content/uploads/2018/05/Chevron.pdf) details the training delivered, including that: all employees receive annual e-mail from the VP responsible for the human rights policy; Global Security delivers awareness training seminars and workshops to relevant business unit personnel, management and security teams; computer-based training is required for all employees and contractors whose job responsibilities make them most likely to be exposed to security and human rights matters; Chevron subject matter experts delivered training sessions to private security providers and public security stakeholders across its operations.

**Sources from Company:**

**Methodology Points**

**NOTE:** In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [see full note at B.1.4.a]

**Score 1**
The Company indicates that all its workers are trained on its human rights policy commitment(s) OR it describes how relevant managers and workers receive specific human rights training relevant to their role.

**Lock Score 1 - EX** - Relevant managers and workers include at least all of the Company’s security personnel (employed or contracted).

**Score 2**
The Company meets both of the requirements under Score 1.

**Commentary and Recommendation from CHRB and Researchers to Panel:**
As per the methodology for B1.5, to get **ANY points** on this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum.  
As Chevron does not get a 1 on A.1.2, they can’t get any points on B.1.5 due to their lack of commitment to ILO Core Labour Standards. CHRB does not accept the 'consistent with' language as a commitment to respect. 
Therefore, we recommend rejecting this appeal.

**Panel Decision?**
- Accepted ☐
- Partially Accepted ☐
- Rejected ☒

**Justification from Panel:**
This is an “automatic” rejection as the CHRB system is set up to reject certain B.1 scores based on the A.1.1 scores.

<table>
<thead>
<tr>
<th>Indicator:</th>
<th>Final Score:</th>
<th>Date:</th>
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</thead>
<tbody>
<tr>
<td>B.1.5</td>
<td>0</td>
<td>11 Mar 2019</td>
</tr>
</tbody>
</table>

### APPEAL NUMBER: COMPANY:
009  
Chevron

<table>
<thead>
<tr>
<th>Indicator:</th>
<th>Indicator Title:</th>
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<tbody>
<tr>
<td>B.1.6</td>
<td>Monitoring and corrective actions</td>
</tr>
</tbody>
</table>

**Scorecard Text:**
The individual elements of the assessment are met or not as follows:

**Score 1**
- Not met: Monitoring implementation of HR policy commitments
  Business Conduct and Ethics Code states that 'audits performed by our internal and external auditors help ensure compliance with established policies, procedures and controls'. However, there is no further information available about monitoring. Furthermore, in order to receive this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [Business Conduct and Ethics Code, 2018: chevron.com]
- Not met: Monitoring EX BP's

**Score 2**
- Not met: Describes corrective action process
- Not met: Example of corrective action
- Not met: Discloses % of supply chain monitored

<table>
<thead>
<tr>
<th>2018 Scorecard Score:</th>
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<tbody>
<tr>
<td>0</td>
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**Justification from Company:**
- In the Suppliers section of the corporate responsibility overview ([https://www.chevron.com/corporate-responsibility/people/human-rights](https://www.chevron.com/corporate-responsibility/people/human-rights)) Chevron provides an example of corrective action taken by noting that, "...in 2017, we disqualified two companies competing for a contract after learning of forced labor in their operations."

**Sources from Company:**
As above
Couldn't access the 'Voluntary Principles' document, however possibly is out of Research timeline date (judging by date in web address)
Grievance Management submission dated Aug 2018

**Methodology Points**
NOTE: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [See full note at B.1.4.a above]

NOTE: Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company's actions: B.1.6 (which is in section B.1 on management systems) is about the company's systemic approach to on-going monitoring and follow up on policy implementation whilst B.2.3 (which is in section B.2 on Human Rights Due Diligence) is about a specific step in the human rights due diligence process in addressing salient (or other) human rights impacts.

Score 1 The Company describes how it monitors its implementation of its human rights policy commitment(s), which include the ILO core labour standards at a minimum, which covers the Company globally AND relevant business relationships.

Lock Score 1 - EX - The description includes how it monitors its extractive business partners or how it uses third party/external monitors or community auditors.

Score 2 The Company also describes its corrective action process(es) and numbers of incidence AND provides an example of its corrective action process(es) in practice.

Lock Score 2 - EX – This includes a description of the proportion of those extractive business partners mentioned.

Commentary and Recommendation from CHRB and Researchers to Panel:
Indicator B.1.6 requires companies to describe their monitoring of implementation of human rights policies (which include the core ILO labour standards). Without the ILO policy commitment, Chevron could only get a HALF POINT. However, their submitted evidence for Score 1 is focused on Grievance Management - implying that they only monitor by tracking grievances, rather than some means of tracking gaps between policy and practice.

With this reliance on grievance mechanisms to monitor compliance, we feel they do not get the half point, while the lack of ILO commitments stops them getting a 1 or above. We recommend rejecting this appeal.

Panel Decision? [ ] Accepted [ ] Partially Accepted [ ] Rejected ☒

Justification from Panel:
Agree with CHRB’s fuller explanation that neither the VPs report nor the use of grievance mechanisms provide sufficient evidence of a more systematic monitoring.

The domino effect should be mentioned in the Appeals Report so all companies gain awareness.

Indicator: B.1.6
Final Score: 0
Date: 11 Mar 2019

APPEAL NUMBER: 010
COMPANY: Chevron
Indicator: B.2.1
Indicator Title: Identifying: Processes and triggers for identifying human rights risks and impacts
<table>
<thead>
<tr>
<th>Scorecard Text:</th>
<th>2018 Scorecard Score:</th>
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</thead>
<tbody>
<tr>
<td>The individual elements of the assessment are met or not as follows:</td>
<td>0.5</td>
</tr>
<tr>
<td>Score 1</td>
<td></td>
</tr>
<tr>
<td>• Not met: identifying risks in EX business partners: The Company states that the ESHIA process applies to projects within Chevron's operational control. This would include operated joint ventures. However, it is not clear what the process is for the Company's non-operated joint ventures or contractors. [Human Rights, 22/06/2018: chevron.com]</td>
<td></td>
</tr>
<tr>
<td>Score 2</td>
<td></td>
</tr>
<tr>
<td>• Not met: Ongoing global risk identification</td>
<td></td>
</tr>
<tr>
<td>• Met: In consultation with stakeholders: The Company states that they conduct extensive engagements with key stakeholders which cover human rights issues to ensure that the board and management understand and address issues that are important to stakeholders. The Company describes how this process is critical in identifying and mitigating human rights risks. [Human Rights, 22/06/2018: chevron.com]</td>
<td></td>
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<tr>
<td>• Not met: In consultation with HR experts</td>
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<tr>
<td>• Not met: Triggered by new circumstances</td>
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<tr>
<td>• Met: Explains use of HRIs or ESIA (inc HR): The Company explains their use of HRIA. The Company describes ' Early engagement with communities and key stakeholders is integral to planning a large capital project as it helps the project develop appropriate impact mitigation plans during the early stage of project development. If initial assessments demonstrate the need for a more detailed Human Rights Impact Assessment, Chevron experts will undertake that due diligence (an ongoing risk management process enabling a company to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts) to help the company consider how to safeguard the rights and interests of potentially affected communities.' [Human Rights, 22/06/2018: chevron.com]</td>
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<tr>
<td>Requested Score: 1.5</td>
<td></td>
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<tr>
<td><strong>Justification from Company:</strong></td>
<td></td>
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<tr>
<td>• Ongoing global risk identification: Using ESHIA, CVX conducts impact assessments when planning new projects. Similar language to that used by Shell who said, &quot;We assess and manage the potential social impact of our projects as part of integrated environmental, social and health impact assessments&quot;</td>
<td></td>
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</tbody>
</table>

**Sources from Company:**


**Methodology Points**
Note: If a company has a clear global system of the type described in the criteria, then it can be assumed that it operates in each particular location. As such, by complying with all criteria in score 2, a company is automatically assumed to have achieved a score 1.

**Score 1**
The Company describes the process(es) to identify its human rights risks and impacts in specific locations or activities, covering its own operations (i.e. impacts to which it may cause or contribute) AND through relevant business relationships.

**Lock Score 1 - EX** - Relevant business relationships include extractive business partners.

**Score 2**
The Company also describes the global systems in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations.

**Lock Score 2 - EX** - The description includes an explanation of when human rights impact assessments (HRIAs) or environmental and social impact assessments (ESIAs) that include human rights are/will be carried out.

**Commentary and Recommendation from CHRB and Researchers to Panel:**

B.2.1 requires companies to describe the processes to identify human rights risks and impacts in specific locations or activities, covering its own operations AND through relevant business relationships & business partners - to get 1 point.  
2 points requires them to describe the global system to regularly identify risks and impacts across the company’s activities, in consultation with affected or potentially affected stakeholders and experts (see methodology for more detail).

The researcher didn’t initially find evidence of HR risk management in non-operated JVs or contractors (which stopped Chevron getting a 1 or 1.5 pt – but could get 0.5 pt). Chevron’s new evidence discusses ESHIAs for their new projects and then compares this to Shell’s language.

Chevron are picking a couple of points from an extensive section feeding Shell’s results. Shell’s assessment also says

“• Met: identifying risks in EX business partners: In their modern slavery statement the Company states ‘Certain areas of our supply chain may pose a higher labour rights risk due to their location and the nature of the goods and services procured. Contractors and suppliers identified as being at higher risk for labour rights issues are engaged to undertake a detailed assessment, developed in consultation with the Danish Institute of Human Rights, of their management system prior to the award of a contract. This assessment requires suppliers to declare whether they have in place a process to assess and manage social risks with their own suppliers.” My emphasis. So there is more in there about their approach with contractors.

Compare this to Chevron who state “**Major suppliers are selected for periodic audits and business units may use internal, external or third-party auditing resources, depending on the audit strategy.** The audits cover health, environmental and safety standards and compliance. Labor issues or concerns may be emphasized as part of this process, depending on the business location. **Annually, Chevron sends letters to the executive leadership of several hundred suppliers – selected based on third-party data and objective criteria for evaluating their human rights risk – about the importance of respecting human rights. We take the opportunity to remind these leaders that Chevron expects our business partners to treat their employees and interact with communities in a manner consistent with our Human Rights Policy and the ILO’s Declaration on Fundamental Principles and Rights at Work.” My emphasis.
Chevron has discussed one element of understanding human rights risks - during new projects under operational control via ESHIAs - but this has not been seen to be sufficient to qualify for the points on this indicator regarding 'identifying risks in business partners'. As such, they can't meet the score for 1 (and therefore couldn't reach 1.5).

Recommend - uphold researcher finding and reject appeal. Explain to company that the ad hoc audit, letters etc are not sufficient to meet the threshold for the second part of the Score 1 requirements regarding **understanding and managing risks** in supply chain / business partners.

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<tr>
<th>Panel Decision?</th>
<th>Accept</th>
<th>☐</th>
<th>Partially Accepted</th>
<th>☐</th>
<th>Rejected</th>
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</table>

**Commentary**
Agree with the rejection of the appeal based on the further explanation provided. Recommend CHRB refers to the ‘public’ element of communications in the report.

**Indicator:**
B.2.1

**Final Score:**
0.5

**Date:**
11 Mar 2019

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**APPEAL NUMBER:**
011

**COMPANY:**
Chevron

**Indicator:**
F.2

**Indicator Title:**
Recognised Reporting Initiatives

**Scorecard Text:**
The individual elements of the assessment are met or not as follows: Score 2
- Not met: Company reports on GRI
- Not met: Company reports on SASB
- Not met: Company reports on UNGPRF

**2018 Scorecard Score:**
0

**Requested Score:**
0.5

**Justification from Company:**
- Company reports on GRI: Chevron reports according to the IPIECA standards, which are based upon/align with GRI standards. IPIECA alignment table is at [http://www.ipieca.org/media/1404/reporting_guidance_3rd_edtn_lr_endorsement.pdf](http://www.ipieca.org/media/1404/reporting_guidance_3rd_edtn_lr_endorsement.pdf)

**Sources from Company:**

**Methodology Points**
The CHRB Methodology rewards companies that are reporting against existing, internationally recognised good-practice reporting frameworks: Where a company is reporting against either the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) or the UN Guiding Principle Reporting Framework (UNGPRF), they will achieve an automatic score of 2 points within the Transparency Theme, representing 2% of the total CHRB score.

In order to identify whether a company reports against one or more of these frameworks, the CHRB will look for a clear statement that the company does so on its website or in relevant report(s).

**Commentary and Recommendation from CHRB and Researchers to Panel:**
The CHRB methodology only accepts reporting in relation to GRI, SASB and UNGPRF.
CHRB has so far said that the IPIECA reporting is not equivalent to GRI (for example, IPIECA is weaker than GRI on reporting negative impacts on communities).

We would be inconsistent to change our rules now and to give Chevron points for IPIECA reporting. In part this is because each company report would have to be carefully reviewed for alignment to 'more robust' reporting standards.

Recommend this is rejected.

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</table>

**Justification from Panel:**

Agree that it is important to be consistent on application and important to use multi-stakeholder standards rather than industry standards.

**Indicator:**

F.2

**Final Score:** 0

**Date:** 11 Mar 2019

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**Scorecard Text:**

The individual elements of the assessment are met or not as follows:

**Score 1**

- **Met:** Response timescales: Chevron summarises its Grievance Mechanism Process into a six step process. Receive and register grievance, acknowledge, screen, evaluate, respond and follow up and close out. Within these six steps the Company indicates that tries to address responses immediately but the type and complexity of the issues may vary the length and scale of the response. [Grievance Management Guidance Summary Document, August 2018: business-humanrights.org]

- **Not met:** How complainants will be informed: Under the section 3.2 Acknowledge of Chevrons Grievance Mechanism Process Document it states that “once lodged, grievance should be acknowledged in writing as soon as practical.” The Company does not provide information on how complainants will be informed on the result of the grievance process required for this indicator. [Grievance Management Guidance Summary Document, August 2018: business-humanrights.org]

**Score 2**

- **Not met:** Escalation to senior/independent level

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**Requested Score:** 2

**Justification from Company:**

- How complainants will be informed: Grievance Mechanism Summary (https://www.business-humanrights.org/sites/default/files/webform/Chevron_Summary_Grievance%20Mechanism%20Guidance%20-%20FINAL%20-%20Aug%202018%202018.pdf), in sections 3.5 and 3.6 note that: 'Upon completion of the evaluation, the complainant should receive a
response that is locally appropriate, fair and commensurate with the level of grievance;" 'After resolution has been reached, the decision should be communicated to the complainant...determine how and where to document outcomes and complainant satisfaction levels.'

- Escalation to senior/independent level: GM summary, in section 3.4, notes that "evaluation length, scope and scale can vary depending on the business and severity of the concern; this could range from review and fact-finding to a third-party resolution."

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<thead>
<tr>
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<tbody>
<tr>
<td>Methodology Points:</td>
<td>Score 1 - The Company describes the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant.</td>
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<tr>
<td></td>
<td>Score 2 - The Company describes how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent parties.</td>
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<tr>
<td></td>
<td>Commentary and Recommendation from CHRB and Researchers to Panel:</td>
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<tr>
<td></td>
<td>The source provided by Chevron does describe how complaints are supposed to be received, processed and addressed, plus mentions turnaround times and feedback to complainant (points 3.2-3.5 of their excerpt on grievance mechanisms – link above). However, we couldn’t find sufficient information relevant to escalation internally (i.e. that sites should have an internal escalation process in the grievance mechanism and describes how they can be escalated – rather than if they can be), although there is mention of potential third-party mechanisms and not impeding/stopping legal redress. This gap would stop them getting a 2. There might be more in the full version of their document – which is based on the IPIECA guidance which repeatedly calls for escalation processes (although it is sometimes heavily focused on internal escalation). The CHRB methodology is looking for explanations of escalation driven by the stakeholder (such as how they might escalate a complaint from the CR team level, to the management level and then to an independent third party – not just the ‘option to escalate’).</td>
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<td></td>
<td>Recommendation - give Chevron a 1, but not a 2. Note that there are no half marks on C.4.</td>
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<tbody>
<tr>
<td>Commentary</td>
<td>Agree that Chevron should have a 1 for meeting the first part but that the explanation for escalation (for workers, communities and external individuals) is lacking, preventing a score 2.</td>
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<tr>
<td>C.4</td>
<td>1</td>
<td>11 Mar 2019</td>
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</table>
As a result of the accepted appeals, the overall score has increased from 28.8 to 31.6 with Theme Scores adjusted as follows:

<table>
<thead>
<tr>
<th>Theme</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>TOTAL</th>
<th>Change</th>
<th>Change Band?</th>
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<tbody>
<tr>
<td>2018 Score</td>
<td>3.4</td>
<td>5.4</td>
<td>5.4</td>
<td>6.9</td>
<td>5.8</td>
<td>2</td>
<td>28.8</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>After Appeal</td>
<td>3.4</td>
<td>5.4</td>
<td>6.3</td>
<td>8.1</td>
<td>6.3</td>
<td>2.1</td>
<td>31.6</td>
<td>2.80%</td>
<td></td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>0</td>
<td>0.9</td>
<td>1.2</td>
<td>0.5</td>
<td>0.1</td>
<td>2.80%</td>
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Once CHRB has completed a review of all appeals and replied in detail to all companies, we will update the table online, as well as the downloadable data sheets, plus publish a short report on the Appeals Process, along with any rank changes. Please note that this is the final position on 2018 scores and any further engagements regarding evidence and indicators should be directed to the research team for inclusion in the 2019 assessment. Thank you for contributing to this process and for enabling CHRB to learn from the appeals and pass information back to our researchers. We hope you find the feedback on the appeal rejections useful in your ongoing work on human rights.

Regards,

Dan Neale, CHRB Programme Director