



## **Chevron's Modern Slavery, Human Trafficking and Broader Human Rights Commitments California Transparency in Supply Chains Act of 2010**

The [California Transparency Act in Supply Chains Act of 2010](#) (SB 657) requires many companies manufacturing or selling products in the state of California to disclose their efforts (if any) to address the issue of forced labor and human trafficking in their supply chains. The law was designed to increase consumers' knowledge about products they buy and the companies they choose to support.

### **Chevron's Commitments**

Chevron's California operations follow the principles and policies to protect against modern slavery, human trafficking and respect for human rights which have been adopted broadly by Chevron Corporation.

These commitments to respecting human rights are 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, the UN Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights. Commitment to respecting human rights wherever Chevron operates is embodied in [The Chevron Way](#), and [Chevron's Operational Excellence Management System](#), [Business Conduct and Ethics Code](#), [Human Rights Policy](#), and the Business Conduct and Ethics [Expectations for Suppliers and Contractors](#).

Guided by The Chevron Way, 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. The health and safety of the workforce and protection of communities and the environment is a key priority.

The Chevron Way is also foundational to Chevron's Business Conduct and Ethics Code, which refers to the Human Rights Policy and outlines commitments to uphold ethical business practices, including in particular respect for labor rights. The Code applies to all employees, directors, officers, contractors and suppliers.

Chevron's Human Rights Policy establishes expectations for managing human rights, including forced labor issues. The policy includes compliance requirements, guidance on training, processes and procedures, and tools. The policy is governed by a Chevron Corporation executive leadership body and involves oversight by the global board.

### **Supplier Engagement**

We require contractors, suppliers and service providers to adhere to all applicable domestic laws and encourage them to conduct their business in a manner consistent with the Chevron Human Rights Policy and the ILO's core labor principles, including the elimination of forced and compulsory labor and the abolition of child labor. These expectations are communicated through a variety of channels, including relevant contracts and Chevron's Business Conduct and Ethics Expectations for Suppliers and Contractors. We expect our employees, suppliers and contractors to always adhere to the letter, spirit and intent of these expectations and values.

Annually, Chevron also communicates with the executive leadership of its suppliers, selected based on third-party data and objective criteria for evaluating their human rights risk, reiterating the importance of respecting human rights. In 2016, Chevron sent letters to more than 850 suppliers around the world.

## Managing Supply Chain Risk

Through the Contractor Health, Environment and Safety Management process, we work with suppliers to increase accountability and continually improve their performance. Major suppliers are selected for periodic audits based on a risk ranking determined by the nature of the work to be performed and responses to a questionnaire on supplier policies, processes and performance. The audits cover health, environmental and safety standards and compliance. Particular labor issues or concerns may be emphasized as part of this process, depending on the business location.

Chevron's Operational Excellence Management System includes an Environmental, Social and Health Impact Assessment (ESHIA) process, which applies to capital projects within Chevron's operational control. The ESHIA process provides a systematic and risk-based approach to identifying, assessing and managing potentially significant impacts. The assessments can include potential impacts of our and our suppliers' activities on surrounding communities, natural resources, air quality, land and water, or community health and livelihoods. It incorporates human rights due diligence to help the company consider how to safeguard the rights and interests of potentially affected communities. Obtaining input from communities and partners is central to the ESHIA process and occurs throughout a project's life cycle. Where further assessment is needed, Chevron teams can conduct stand-alone Human Rights Impact Assessments (HRIA).

Employees, suppliers and contractors may communicate workplace concerns to Chevron's Corporate Compliance Hotline (available 24 hours a day, seven days a week). The Chevron Hotline provides a direct, effective and risk-free way to report suspected violations of the Chevron Business Conduct and Ethics Code, company policies, and applicable laws or regulations. The Hotline is also available for use by external stakeholders and is accessible in multiple languages.

Training is critical to operationalizing Chevron's respect for human rights. We undertake efforts to build awareness of the Human Rights Policy and expectations amongst our directors, officers and employees, and the suppliers and contractors with which we partner.

Training is provided to the individuals and functions most likely to encounter issues related to human rights in the areas where we do business. Chevron's suite of human rights training, which addresses slavery and human trafficking issues, includes awareness-raising for employees and contractors, computer-based training that targets key functions and regions, and location-specific training.

Chevron continues to explore opportunities to enhance human rights due diligence and issue management processes as they apply to suppliers and contractors. As human rights risks for the business community are identified and expectations evolve, Chevron will adapt its capabilities and systems to address new challenges and opportunities in order to maintain its commitment to respecting human rights.