Business & Human Rights Resource Centre

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Dear Michael K. Wirth - Chevron,

Greetings. We are writing from the Business & Human Rights Resource Centre to invite Chevron to respond to the findings of our recent report, 'Digging in the Shadows'. We are writing to express concern regarding the human rights impacts of your investments in Eastern Europe and Central Asia.

'Digging in the Shadows' examined the human rights policies and performance of the 10 largest extractives companies in Armenia, Georgia and Kazakhstan. The report found grave abuses related to many of these companies, including those receiving foreign investment. You can find our investor summary here and key findings here.

According to our findings, Chevron investments have been linked to allegations of severe abuse, including the poisoning of children in Berezovka, regular toxic emissions in Atyrau, and mass illness linked to hazardous pollution.

According to Chevron's website, "Although governments have the primary duty to protect and ensure fulfillment of human rights, Chevron believes that we have a responsibility to respect human rights and that we can play a positive role in the communities where we operate." These commitments are further outlined in the human rights policy, operational excellence management system, climate policy, and business conduct and ethics code. However, evaluations of Chevron's projects in the region stand in stark contrast to these policies.

We believe that it is important to give companies and investors the opportunity to respond when concerns are raised about their operations, so that our readers have access to their perspective. We would like to publish your response alongside this letter, and kindly ask for your response by **5:00pm PST, Friday 10 December 2021.**

Notable Rights Allegations Related to Chevron Investments

- Tengizchevroil: The Tengiz oil field has been characterised by emergency situations that have caused catastrophic harm to the environment and the health of local communities. Emergencies and technical failures have allegedly become a 'systematic phenomenon', and toxic sulphurous gases are regularly released into the atmosphere. According to Crude Accountability, Tengizchevroil accounts for 70% of emissions in the oil and gas sector of Atyrau, despite the presence of several other major fields and projects in the area. Hundreds of deaths and thousands of illnesses have been linked to toxic emissions from the Tengiz oil field, according to local community members. The village Sarykamys had to be resettled after 90% of the population fell ill. A study found that the daily inhalation of emissions exceeded allowable concentration by up to 12 times, and in the company's production area, this amount increased to 40 times above the permissible limit. You can see the sources for the above allegations within the company profile.
- Karachaganak Petroleum Operating: By 2004, 45% of residents in Berezovka a village near
 the Karachaganak oil field suffered from chronic health problems, including cardiovascular
 problems, chronic illnesses, memory loss, vision loss, muscular-skeletal problems, tooth loss,
 respiratory illness and gastroenterological problems. Blood samples taken by an

London office: 2-8 Scrutton St, 2nd Floor London EC2A 4RT +44 (20) 7636-7774 Registered Charity 1096664 in England & Wales New York office: 110 Wall Street, NY 10005 +1 (212) 564-9160 501(c)(3) non-profit organization in the United States



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independent laboratory during 2004 indicated that villagers were exposed to hydrogen sulphide and other toxins associated with oil production. Nineteen children and three teachers all simultaneously lost consciousness on 28 November 2014, allegedly due to fumes from the oil field. Thirty-one people were affected within two days. While Berezovka was later relocated, KPO has not compensated the children for the significant damage of their health. The IFC found KPO in violation of its environmental and social policies; among the noted problems was no reported hydrogen sulphide monitoring reported over a span of several years. Mass layoffs and delays from payment of wages have also led to worker unrest. You can see the sources for the above allegations within the company profile.

We invited Tengizchevroil and Karachaganak Petroleum Operating to respond. Karachaganak Petroleum Operating <u>responded to the allegations</u>; Tengizchevroil did not.

While Chevron's human rights and environmental policies have promise, persistent allegations related to the above projects demonstrates that Chevron should do more to ensure these policies are implemented in practice.

Investors like Chevron play a critical role in ensuring business projects in Eastern Europe and Central Asia do not infringe on human rights or contribute to severe environmental destruction. Many governments in this region, including those of Armenia, Georgia and Kazakhstan, have failed to address human rights issues, or are unable or unwilling to do so. In many cases, government officials have ownership or significant interest in business projects like those above, making it difficult or impossible to seek justice from the state. When states fail to protect, and businesses fail to respect, communities look desperately to investors for assistance and intervention.

In light of this, the Business & Human Rights Resource Centre has issued a few <u>preliminary</u> <u>recommendations</u> on responsible investment in the region, based on engagement with activists monitoring these extractives projects. Notably, these recommendations focus on public participation, due diligence, and grievance mechanisms. Early and timely access to information for affected rights-holders is also a key issue. Access to information is critical for preventing and addressing human rights impacts, as well as securing access to remedy for those who have been adversely impacted by extractives projects. However, such access to information is poor in the region as a whole, meaning investors should pay particular attention to this topic when making investments.

About the Resource Centre

The <u>Business & Human Rights Resource Centre</u> is an independent non-profit organization that tracks the human rights impacts of over 10,000 companies, including <u>Chevron</u>, in over 180 countries. With an audience of more than 2 million users per year, our digital platform links to reports about positive initiatives by companies as well as reports about concerns that have been raised by civil society. For further details, please see the <u>"About us" section</u> of our website.



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Invitation to Respond

While socioeconomic development is greatly needed in the region and can play a critical role in the achievement of human rights, growth without human rights due diligence and remedy undermines the stated purpose of development: to improve the lives and well-being of the individuals and communities within a society.

We are encouraged by Chevron's public commitments to human rights and sustainability, and believe in the company's potential role to ensure human rights are protected. We invite Chevron to respond by **5:00pm PST, Friday 10 December 2021.** Please notify us if you need additional time. We hope to publish your response along with this letter. We are also inviting the other investors mentioned in the report to respond.

- Format: PDF, word document, or web link
- Must clearly indicate the date
- If Chevron has already taken action with regards to any or all of the allegations, please feel free to include that in your response.

If Chevron does not provide a response, we will indicate in the Weekly Update that we invited Chevron to respond, but that it did not. Your response or non-response will be permanently registered in all relevant sections of our website.

Please do not hesitate to get in touch if you require any further information – we can be reached by email or telephone (see contact details below).

Kind regards,

Ella Skybenko (Eastern Europe/Central Asia Senior Researcher & Representative based in Kyiv) & Ashley Nancy Reynolds (Eastern Europe/Central Asia Research Assistant based in Croatia) skybenko@business-humanrights.org; reynolds@business-humanrights.org;

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London office tel: +44 20 7636-7774

Chevron Response

We refer inquiries related to the Karachaganak Petroleum Operating Company (KPO) to them.

As a matter of policy, Tengizchevroil (TCO) does not comment on statements by third parties. Protecting people and the environment are core values for the company. As a law-abiding company, TCO complies with applicable Republic of Kazakhstan (RoK) laws and regulations to ensure the health and safety of the workforce.