Myanmar responsible business overview

2021
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**Cover photo:** Long bean farmers in the Madaya Township who electrified their irrigation method through the Ahlin Yaung project.

**Inside front cover photo:** The Ahlin Yaung project helped community members start new businesses using solar electricity or to transition their businesses to renewable energy.
Chevron’s affiliate, Unocal Myanmar Offshore Co., Ltd. (“UMOCL”), is a long-term partner in Myanmar. UMOCL conducts its business in a responsible manner, respecting the law and universal human rights to benefit the communities where we work. These commitments are enshrined in our Chevron Way values which provide the foundation for who we are and how we work. Since 1992, UMOCL has held a non-operated minority interest in a production sharing contract (PSC) for the production of natural gas from the Yadana Field (operated by Total), within Blocks M5 and M6, in the Andaman Sea. UMOCL also holds a minority interest in an associated pipeline company, also operated by Total. In 2015, UMOCL signed a PSC acquiring the rights to explore acreage in Block A5 located in the Rakhine Basin in the Bay of Bengal. However, UMOCL relinquished its interest in Rakhine State in March 2019, prior to any operational activities being undertaken.

We believe that our presence, and that of other responsible international investors, is beneficial to the people of Myanmar. Chevron’s affiliates’ investments have enabled the creation of new businesses, provided workforce development opportunities and supported the social investment priorities of the residents of communities adjacent to operations and in other parts of Myanmar. This March 2021 update is published at a time of civil unrest and insecurity for the people of Myanmar. Chevron supports the people of Myanmar on their journey to a modern, peaceful and prosperous nation. We condemn human rights abuses. Chevron will continue to work with its business partners, government and nongovernmental organizations (NGOs) to foster a business environment that respects human rights.

This report outlines the activities that we have undertaken to act upon our values and commitment to bring benefits to the people of Myanmar. More information on our sustainability efforts can be found online at: www.chevron.com/sustainability

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.
The majority of natural gas from the Yadana offshore facilities is transported through the MGTC export pipeline, a critical piece of regional energy infrastructure that goes to the Myanmar-Thailand border for delivery to power plants in the West of Thailand and helps to maintain energy security. The remaining volumes are allocated to Myanmar’s domestic market and meet electricity needs for the people of Yangon. The gas from the Yadana project supplies 50 percent of the electricity in Yangon, crucial for homes, schools, hospitals and access to telecoms. Further, Thailand relies on gas from the Yadana Project to supply southern, western and central provinces with power.

role of MOGE

Myanma Oil and Gas Enterprise (MOGE) is a state-owned enterprise that participates in and regulates the oil and gas sector. MOGE owns, and exclusively operates and maintains, the domestic gas pipeline network.

The M5/M6 joint venture makes in-kind distributions of domestic gas to MOGE in accordance with the terms of a Domestic Gas Sales Agreement. UMOCL does not participate in MOGE’s onward distribution of the gas it receives pursuant to the Domestic Gas Sales Agreement and does not make distributions directly to the Myanmar military.

relinquishment of offshore rakhine blocks

In March 2014, UMOCL was selected by MOGE as the successful bidder for offshore exploration and production rights in Block A5 in the Rakhine Basin of the Bay of Bengal offshore Myanmar. After the PSC was executed in March 2015, UMOCL commenced a geophysical data acquisition program in Block A5 at the end of the year.

In March 2019, UMOCL relinquished all of its interest in Block A5 and neighboring Block AD3, in which it acquired an interest as part of a 2018 cross-assignment with Ophir Myanmar (Block AD-3). UMOCL did not undertake any operational activities in either Block prior to relinquishment. UMOCL’s non-operator role in the Yadana gas project partnership remained unchanged.

A summary of our policies and activities in support of human rights and responsible investment follows.
commitment to respect human rights


Our Corporate Human Rights Policy was adopted in 2009, following a Human Rights Statement endorsed in 2005. Our policy was updated in 2019 and focuses on treating our employees in a manner consistent with The Chevron Way, conducting security operations in a responsible manner, evaluating how our operations may impact communities and engaging with suppliers on issues related to human rights. The Public Policy and Sustainability Committee of Chevron’s Board of Directors monitors social, political, environmental, human rights and public policy matters relevant to the company’s activities and performance.

The policy applies to all of our employees, projects and operations, guides our respect for human rights across the business, fosters greater awareness of human rights issues throughout the company and enhances our capabilities to identify and manage human rights risks. Chevron regularly identifies and manages potential impacts through processes and tools, across the life cycle of our assets and operations. Our policy covers key areas relevant to our business: employees, security, communities, suppliers and contractors, and other business partners. More information on our management of human rights is available at www.chevron.com/sustainability/social/human-rights

Chevron has in place policies and processes to identify and manage geopolitical and socioeconomic issues and risks. Chevron’s decision whether to invest in a country or a project, or continue or cease operations, requires consideration of several criteria. For instance, as outlined in Chevron’s Global Operations, One Approach, we assess whether operating conditions will allow us to provide a safe and secure environment for our personnel and assets and uphold our human rights and anti-corruption policies.

The remainder of this report focuses on UMOCL’s and Chevron’s activities related to human rights, responsible investment and enabling dialogue, and our social investments to support progress in Myanmar.

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**chevron human rights policy 520**

**employees**
We treat all of our employees with respect and dignity, and promote diversity in the workplace.

**security**
We protect personnel and assets and provide a secure environment for business operations.

**communities**
We commit to regularly engage communities near our operational and project areas in meaningful conversations.

**suppliers**
We expect our suppliers and contractors to respect human rights and adhere to applicable international principles.

**other business partners**
We encourage our customers and business partners to respect human rights and adhere to applicable international principles.

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**our focus areas**

- **employees**
  - We conduct our operations and execute projects in accordance with the Voluntary Principles on Security and Human Rights, which guide engagement with security providers to ensure human rights are respected in the protection of company facilities and premises.

- **security**
  - We engage stakeholders on key human rights issues in our operating areas, including:
    - Indigenous peoples
    - Resettlement
    - Grievances
    - Livelihoods
    - Environmental matters
    - Human rights defenders

- **communities**
  - We engage with key suppliers to reinforce awareness of our policies and potential human rights issues such as:
    - Working and living conditions
    - Forced labor
    - Child labor
    - Human trafficking
    - Conflict minerals sourcing
    - Protecting human rights defenders

- **suppliers**
  - We encourage all business partners to respect the spirit and intent of the following Chevron policies and statements:
    - Human Rights Policy
    - Indigenous Peoples Guidance
    - Statement on Human Rights Defenders
    - Guidance related to land tenure and water rights
operating in conflict-affected and high-risk areas

We understand the complexity of working in sensitive operating areas. We also understand that we can have a positive role in the communities where we operate by promoting energy stability and economic opportunities. The implementation of our Human Rights Policy through our core processes and day-to-day operational activities is how we establish the path to invest and operate responsibly in sensitive environments.

protecting human rights and supporting communities during COVID-19 pandemic

Chevron’s commitment to respecting human rights does not waver during economic downturns, emergencies or crises, such as COVID-19. Our human rights policy and governance structure remain in place. Chevron has demonstrated its support for human rights throughout its COVID-19 response. The company has identified, addressed and mitigated potential impacts, most significantly by taking swift action to protect the health and safety of our employees and contractors around the world. In some of our global operations, when the safest option was to demobilize the workforce, that was what we did.

The management of human rights issues in Chevron is based on the totality of our efforts and not on a single activity. As such, the management of the COVID-19 crisis has been cross-functional and collaborative in nature, as demonstrated by the structure and operations of our corporate pandemic response team (CPRT). Our health and safety protocols go hand in hand with data privacy and protection protocols to respect our employees’ right to privacy and nondiscrimination.

In Myanmar in 2020, Chevron supported COVID-19 response activities at health facilities, community fever clinics and quarantine centers. Through our network of local and international NGO partners, we funded the training of health professionals and community volunteers, and donated personal protective equipment, medical equipment, health education materials, and water, sanitation and hygiene (WASH) facilities.

responsible business dialogue

Through the Myanmar Centre for Responsible Business (MCRB), UMOCL has been working with other international companies operating in Myanmar with the aim to promote responsible investment and locally support business practices that contribute economically and socially to the development of the country. Most recently, UMOCL was a signatory to the MCRB Statement by Concerned Businesses Operating in Myanmar released February 19, 2021.

UMOCL joined meetings convened by MCRB to discuss responsible business practices in Myanmar including human rights. In June 2018, a number of companies engaged in a dialogue with the Myanmar Investment Commission (MIC) to explore how responsible investment can contribute to economic development.

In 2018–2019, UMOCL provided support and participated in a series of workshops organized by MCRB to promote different aspects of responsible business including respect for human rights, diverse and respectful workplaces, governance of corporate philanthropy, and anti-corruption. The Responsible Business Seminars were also
supported by international organizations such as the Organisation for Economic Cooperation and Development (OECD) and the ILO, and local organizations such as the Directorate of Investment and Company Administration (DICA) and the Anti-Corruption Commission. Attendees to the seminars included government, civil society and NGOs, and international and local companies with the collective aim of opening dialogue that strengthens and builds responsible investment in Myanmar.


In August 2019, UMOCL participated in the Myanmar-Japan-U.S. Forum on Fostering Responsible Investment attended by H.E. Daw Aung Suu Kyi, State Counselor.

One of the outcomes from the ongoing partnership with MCRB and the ILO was the initiation of quarterly meetings between OECD-headquartered multinational companies (MNCs) currently operating in Myanmar. Through these quarterly meetings, the interested companies including Chevron have been able to continue exploring how to operationalize the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

security and human rights

Chevron has a longstanding commitment to human rights and was one of the founding members of the Voluntary Principles on Security and Human Rights (VPSHR) which launched in 2000. We conduct our operations and execute our projects in accordance with the framework set out by the VPSHR, which are enshrined in our Human Rights Policy. Where we conduct business in sensitive operating environments, we foster awareness and dialogue on potential human rights issues.

Chevron is active in promoting the implementation of good security practices throughout the extractive industry and other industries. One workstream in which Chevron has been engaged is assessing challenges and best practices for operating in conflict-affected areas. Responsible security is an important and ongoing part of any conversation on doing business in conflict-affected areas.


In May 2020, Chevron convened an event in conjunction with the Human Rights Initiative at the Center for Strategic and International Studies (CSIS), a workshop on “Corporate Practices in Contexts Where International Crimes are Occurring.”

Our expectations regarding respect for human rights extend to security service providers that we engage to support our operations. Chevron’s standard security services requirements include training on the Voluntary Principles, background screening of contract personnel and investigation of allegations of security and human rights incidents. In Myanmar, UMOCL currently retains the services of a private security provider to secure the small office in Yangon and includes expectations for training of employees on VPSHR.

In 2016, Myanmar was selected as one of the three pilot countries – with Nigeria and Ghana – to test implementation of the VPSHR at the local level through an In-Country Working Group (ICWG). Chevron is a member of the ICWG, whose membership includes representative groups from business, government including embassies, civil society, and several observers. The ICWG meets several times annually with the purpose to:

1. Share lessons learned and good practice
2. Support Myanmar and regional (predominantly Asian) companies to use the VPSHR in their operations
3. Help define shared responses by companies to local-level challenges on VPSHR-related issues

In 2018, Chevron participated in workshops on the Voluntary Principles held in Yangon and Naypyidaw. The workshops were coordinated by MCRB. Representatives from government agencies, NGOs and private security companies attended.
community engagement

During the Block A5 exploration activities in 2015–2016, UMOCL undertook a number of activities to share information about its operations and engage with community stakeholders. UMOCL established a grievance mechanism and assigned a grievance officer to engage and resolve any complaints. The grievance tool provided a direct line of communication between key stakeholders and the company to receive feedback related to the offshore data acquisition activities.

The grievance mechanism was published widely at the union, state and community levels. Several individuals contacted the grievance officer with information requests or grievances related to other operators. One grievance related the potential impacts of seismic vessel operations on fishing activities. This grievance was properly recorded, managed and closed in accordance with the Myanmar Grievance Mechanism.

Further community consultation took place after the conclusion of seismic work in 2016. In 2018, UMOCL staff traveled to Rakhine State together with an environmental impact consulting firm to prepare for potential exploration activities. However, these activities were discontinued prior to relinquishment of the Blocks.

transparency

Chevron has supported the Extractive Industries Transparency Initiative (EITI) since its inception in 2003. The most recent Myanmar EITI Report was released in 2019 and can be found at www.EITI.org. As of February 18, 2021, Myanmar has been suspended from EITI.

anti-corruption compliance and risk management

Chevron maintains processes to comply with all applicable laws, including but not limited to the U.S. Foreign Corrupt Practices Act (FCPA), applicable antibribery laws and economic sanctions.

Anti-corruption was a topic of discussion with the Myanmar Investment Commission in 2018 and at the Myanmar-Japan-U.S. Forum in 2019, both of which UMOCL attended.

Further information on Chevron’s enterprise approach to anti-corruption compliance can be found at: https://www.chevron.com/-/media/shared-media/documents/chevronbusinessconductethicscode.pdf
Aligning with a diverse set of stakeholders including community, government and NGOs is essential to build lasting relationships, understand their needs and priorities, manage the impacts of our operations and make strategic social investments throughout the life cycle of a project. Our collaboration in social investment programs is core to our business and enables us to achieve more together, which is why we work with local stakeholders, governments and NGOs who can bring their expertise to our projects, augment our reach and improve our results.

social investment overview

For 25 years, Chevron affiliates have supported community development through improving access to healthcare, strengthening local governance, promoting sustainable livelihoods, enabling education and training opportunities, increasing access to renewable energy in rural areas, and supporting biodiversity. Our programs are implemented in the Dry Zone of Central Myanmar; the Yadana Pipeline area with our joint venture partner, TEPM; Central and Southern Rakhine state; Ayeyarwady Region; and Yangon. We also support education, governance and biodiversity programs with national reach.

Rakhine social investment review

In alignment with international best practice, we regularly undertake studies with expert partners to inform our strategic social investment projects. In late 2017, Chevron commissioned Pact to conduct a social investment opportunity review in Rakhine State. Pact produced a report with an assessment of the development needs of the communities in Thandwe and Gwa rural townships in southern Rakhine State. The report recommended a number of interventions that Chevron could support in the short- or long-term. Based on stakeholder priorities, Chevron identified partnership opportunities to support health systems strengthening and natural resource management and conservation. Two projects, currently underway, are described below.

Health

Chevron is supporting a three-and-a-half-year program with Jhpiego, an international NGO affiliated with Johns Hopkins University, to support the Ministry of Health and Sports’ efforts to strengthen its health workforce to be able to provide high-quality health services in Rakhine State and Ayeyarwady Region. The first aspect of the program will see the development of two Learning & Performance Improvement Centers (L&PIC) at health facilities in hard-to-reach areas of southern Rakhine to support skills practice by health workers based in those areas; and developing and testing a model for a “mobile L&PIC” (a relocatable L&PIC that will provide onsite skills practice and skills assessment to providers in remote areas). The second aspect of the program supports implementation of quality improvement interventions for infection prevention and control in the surgical, medical, pediatric and orthopedic wards in Sittwe General Hospital. Jhpiego will also scale up support for implementation of the quality improvement approach to Thandwe District Hospital in Rakhine State. In 2020, Chevron funded a program with Save the Children in Rakhine State focused on maternal, newborn and early childhood health. Chevron is also funding a three-year education program with Save the Children in Cox’s Bazaar, Bangladesh.

Natural resource management and conservation

Chevron is funding a program with Wildlife Conservation Society (WCS) to improve scientific knowledge of marine ecosystems, mangroves, wetlands and forests across Myanmar. The program will help create online tools that communities, governments, researchers and civil society can use to better understand Myanmar’s biodiversity, including spatial planning tools to help manage important natural resources. The WCS team will partner with local university researchers to build capacity for biodiversity management and work with local communities on conservation projects, natural resource management, education and ecotourism opportunities. This program complements our contribution with TEPM to help protect the rainforest through the Tanintharyi Nature Reserve Project.

Health volunteers in the SHINE program helped to improve maternal and child health.
Governance
During the last 16 years, Chevron has collaborated with Pact to implement integrated rural development programming in Central Myanmar’s Dry Zone. The programming has provided essential services and strengthened communities’ access to funds. This in turn has increased their ability to make decisions around their development priorities, including WASH, livelihoods and renewable energy.

A cornerstone of Pact’s integrated programming in the Dry Zone has been to help communities establish and sustain local governance structures, including Village Development Committees (VDCs) and Village Electrification Committees (VECs). These governance structures allow communities to collectively make decisions about their own development needs. The committees manage Village Development Funds (VDFs), which provide financial capital for community members to improve livelihoods, increase access to healthcare and energy, and build community infrastructure.

Health
Since 2003, Chevron has supported Pact to deliver health and economic development programs in the Dry Zone of Myanmar. Pact’s health programs have provided more than 850,000 people with expanded access to health care, nutrition and sanitation.

Economic development
The Chevron-supported Pact programs in the Dry Zone have improved livelihood opportunities through the establishment of almost 1,500 Village Development Funds and a savings-led empowerment program, called WORTH, in which almost 16,500 women met weekly in savings groups. Pact’s Yaung Chi program will continue to promote women’s entrepreneurship through training, skills development, networking and the establishment of new WORTH women’s savings groups.

Access to renewable energy
From 2015–2019 Chevron supported Pact to deliver the Ahlin Yaung program in the Dry Zone, which helped supply solar-powered lights to more than 12,000 households and connected more than 240,000 people to energy through solar home systems and electrified communal locations. Building on the success of Ahlin Yaung, in 2020, Pact launched a new three-year program called Yaung Chi. Yaung Chi will provide financing solutions to entrepreneurs that increase access to energy for their productive uses and promote electrification solutions for health and education facilities in rural communities.

In 2020, Chevron funded a one-year pilot program with Santa Clara University’s Miller Center for Social Entrepreneurship and Smart Power Myanmar to launch a Mini-Grid Accelerator program to help increase reliable, efficient and sustainable energy in rural Myanmar. The Mini-Grid Accelerator connected the enterprises with experienced Silicon Valley business executives and local mentors to learn about best business practices for running a successful mini-grid enterprise.

Yadana socioeconomic program
For 25 years, our comprehensive socioeconomic program with TEPM has served approximately 45,000 people living in 33 villages along the Yadana pipeline area and provided more than 1.3 million medical consultations. The program includes economic development activities such as providing funding for agriculture and veterinary development, microfinance and access to solar energy. The microfinance program has provided almost 25,000 loans.

The information described here regarding 2021 social investment projects was accurate at the time of report publication in March 2021. We continue to monitor the evolving situation in Myanmar.
Underpinning all of our work globally is The Chevron Way and our Operational Excellence Management System (OEMS). Operational Excellence (OE) puts into action our Chevron Way value of protecting people and the environment and helps us achieve Chevron’s vision to be the global energy company most admired for its people, partnership and performance.

Operational Excellence systematically manages six core practices to meet our objectives:

1. Workforce safety and health
2. Process safety, reliability and integrity
3. Environment
4. Efficiency
5. Security
6. Stakeholders

Chevron’s OE management system has been in place since 2004. It was updated in 2018 to emphasize more visible linkages between risk, assurance and safeguards and a streamlined approach to manage risk. These updates help improve our focus on preventing high-consequence incidents and impacts.

The 2018 refresh to Chevron’s OE Management System also elevated Stakeholders as one of the six OE focus areas. This enables deeper integration of social, community, political and reputational risks into the risk management process. It brings our core Chevron Way values – trust, partnership and protecting people – into regular discussions across the business about how we manage community impacts, address risks to the business and operate responsibly. Through the requirements set out in our Stakeholder Engagement and Issue Management (SEIM) Process, we design our systems around our core values.

In 2019, we made further updates to our SEIM process to focus on applying industry-leading practices and increase collaboration and information sharing across our processes. We developed a new mechanism designed to anticipate potential community impact throughout an asset’s life cycle. This will help us proactively manage community concerns, grievances and expectations. Another update was the inclusion of a grievance mechanism requirement in line with industry best practices. Finally, the updated process formalizes communications between the operations staff and our community engagement practitioners to enable our operational teams to have a better understanding of potential community impacts and integrate these considerations into decision making.

Within the stakeholders focus area, we also have a process to work with our partners to responsibly manage Chevron’s non-operated joint venture partnerships.

The SEIM process is complimented by – and works hand-in-hand with – our Human Rights Policy.
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