

Inside 1to1 Privacy

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Chevron: Promoting Privacy as a Matter of Ethics

When Jill Phillips became Chevron's first privacy leader in May 2006, she didn't really know what privacy had to do with oil -- and neither did her co-workers. That all changed quickly when a vendor lost a laptop computer containing Chevron employee information. Today, Chevron is on the verge of becoming the first petroleum company to pursue binding corporate rules, a comprehensive approach toward complying with EU data-protection laws.

"Chevron has long been a company that promotes good physical safety practices," Phillips told Inside: 1to1 Privacy. "The incident helped raise awareness that good information safety practices are also critical to our success as a corporate citizen and respected employer."

Committing resources to an enterprise-wide initiative on privacy turned a new page for the San Ramon, California-based corporation. As an oil company, Chevron's business culture is grounded in science and hard facts -- not necessarily the more esoteric ideals of privacy.

The company is also extensive. Founded in 1879 as the Pacific Coast Oil Company following an oil discovery north of Los Angeles, Chevron has since grown into the world's sixth largest corporation. Engaged in every aspect of the oil and natural gas industry -- including exploration and production, refining, marketing, transportation, and power generation -- Chevron generates about \$195 billion in annual revenues, employs 62,000, and operates in 180 countries through its businesses and retail outlets. Reflecting a trend at many other companies, Chevron placed its nascent privacy function within an Information Risk Management department that reports to the CIO. Phillips herself reports to the general manager of the company's Global Information Risk Management group, Rich Jackson.

"Having the privacy function in the IT [organization] helps leverage existing information protection activities and networks while embedding privacy into our IT systems and processes," Phillips explained.

After the laptop incident, Phillips knew the path ahead was to position privacy as Chevron's responsibility. She and a partner in Chevron's Law Function, knowing that the

company had privacy-compliance obligations regarding transfers of EU personal data, chose binding corporate rules (BCRs) as their program's unifying framework.

"Our goal was more than complying with the law," Phillips said. "Rolling out BCRs also makes good business sense for us to ensure data is kept up-to-date and is used efficiently and appropriately."

The laptop incident also made it easier for Phillips to articulate to employees that a commitment to privacy reflected two of Chevron's core principles: personal safety and operational excellence. Phillips explained that Chevron will often follow higher environmental standards than what a country requires of its operations.

"If we drill a well in Nigeria," Phillips said, "we're going to make sure to respect the environment around it, even if there is no legal requirement to do so."

This mindset of maintaining high global standards has made it easier for employees to connect with the new privacy message. When Phillips rolled out a computer-based training module for privacy, for example, she hoped to attract 8,000 employees to the materials, but key business units lent their support to the initiative and the final tally for 2007 topped 25,000. Phillips and the team capitalized on the momentum with a follow-up multimedia awareness campaign.

While Chevron does collect a limited scope of customer information, the current focus of its privacy program has continued to be doing right by employees and their personal information. To this end, Phillips and her colleagues in the past year have conducted an inventory of personal data, implemented a privacy audit program, developed privacy risk-assessment tools, deployed standard privacy clauses, and created a network of privacy coordinators across Chevron's business units.

What is Phillips' gameplan for obtaining approval for its BCRs?

"We have all of the necessary policies, standards, and processes documented," Phillips said, "and the privacy training implemented."

"We've visited the UK Information Commissioner's office as our sponsoring country, and plan to visit 15 European capitals this year and meet with as many of the regulators as possible." she continued.

Phillips explained that meeting in person with the European regulators isn't a required part of the BCR process. "That's just how we do business."

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