



Country: **Kazakhstan**



[Website](#)



[BHRRC company page](#)

Tengizchevroil

Summary

There are a number of noted human rights allegations related to Tengizchevroil and its contractors, including:

- ⌚ **Corruption:** Although company officials say they are taking steps for fending off corruption—a major problem for businesses within Kazakhstan—the company has a history of corruption scandals, including ‘Kazakhgate’. President Nursultan Nazarbayev and the head of Kazakhstan’s oil ministry received more than \$78 million USD of bribes in exchange for giving U.S. companies access to oil reserves, including Tengiz. Tengizchevroil’s strong political connections have, allegedly, helped the company to escape serious consequences for illegal activity.
- ⌚ **Deaths and Health Impacts:** Hundreds of deaths and thousands of illnesses have been linked to Tengiz, according to local community members. According to an anonymous witness, ‘if, according to official data, since 1993, 250 workers died here, then that figure is an underestimate. They only count those who died at work. And how many people died from hydrogen sulfide poisoning at home? After all, there were many cases when people returned from their shift, fell asleep and never woke up’. In the village of Sarykamys, the site of a shift worker camp, doctors said that 90% of the village was sick, and they said that the average life expectancy was only forty-six years.
- ⌚ **Environmental Degradation and Pollution:** The Tengiz oil field has been characterised by emergency situations that have caused catastrophic harm for the environment and the health of local communities. According to Crude Accountability, Tengizchevroil is the main polluter in the Atyrau Oblast. Allegedly, between 1993-2011, Tengizchevroil released more than one million tons of harmful substances into the atmosphere, including highly toxic sulphurous gases. In 2012, an academic raised concerns that the company had not conducted a new environmental impact assessment in fifteen years, even though the level of emissions had increased significantly.

Human Rights Commitments

- + [Safety and environmental performance](#)
- + [Corporate responsibility report](#)
- The company **did not respond** to our questionnaire of its human rights policies and commitments

Human Rights Impacts

- ⚠ Health and safety
- ⚠ Environmental and water rights
- ⚠ Livelihood and adequate standard of living
- ⚠ Labour rights and wages
- ⚠ Access to information
- ⚠ Community, cultural, and property rights
- ⚠ Deaths and/or violence
- ⚠ Resettlement
- ⚠ Corruption

- ④ **Resettlement:** In Sarykamys village, 189 people—aged twenty-four to fifty-three—died since development began at Tengiz which is out of a population of 3,450. This is the equivalent of 5.5% of the entire population. In 2002, the government of Kazakhstan ordered the resettlement of Sarykamys away from Tengiz oil field in recognition of the adverse impacts on human health and the environment. Villagers complained that they were not fully compensated for their losses, and that they did not receive land proportionate to what they had owned at the village.
- ④ **Labour Rights, Occupational Safety and Unions:** According to some estimates, more than 250 workers have died since the start of the field's development. Workers at Tengiz have expressed dissatisfaction with various conditions over the years, primarily related about low wages, discrimination, arbitrary dismissal as well as poor living conditions. The company, allegedly, does not intervene with cases of rights violations that its contractors contribute to or cause. Tengizchevroil and its contractors have also faced persistent accusations of interfering with union rights.
- ④ **Community Development and Social Investments:** Although oil projects were intended to boost Kazakhstan's economic development, local communities say they have not seen economic and employment growth.
- ④ **Access to Information:** There have been questions around information related with the company's environmental and health impacts. Additionally, the public lacks information about agreements between the company and the government. This lack of transparency, combined with aforementioned issues around corruption, makes it difficult for victims and for activists to secure justice and accountability for rights violations.

The Tengizchevroil website hosts information about safety and environmental performance, including for contractors. The company did not respond to our questionnaire of its human rights policies and commitments.

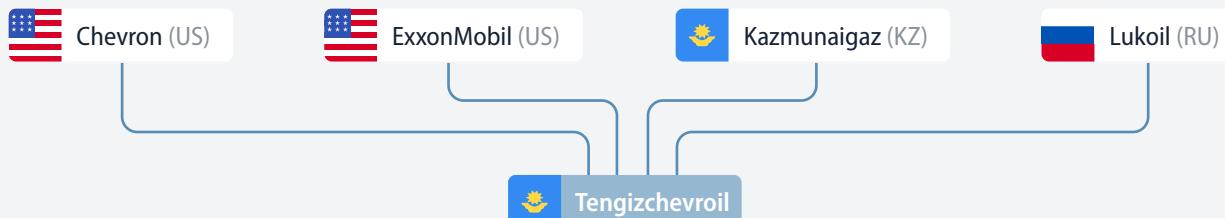
Company Information

Tengizchevroil develops Tengiz, the deepest supergiant oil field around the world. The surface area of Tengiz is more than four times the size of Paris, France, and it is the sixth-largest oil field that exists.²⁵ The oil field provides nearly a quarter of Kazakhstan's national revenue and about a quarter of Chevron's profits.²⁶ The company also operates the nearby Korolev oil field.

Tengizchevroil is owned by Chevron (50%), ExxonMobil (25%), KazMunaiGas (20%) and Lukoil (5%). KazMunaiGas is Kazakhstan's state-owned oil company.

In recent years, the European Bank for Reconstruction and Development has helped fund infrastructure projects related to Tengiz.²⁷ Although these were not direct investments with the company, they supported infrastructure key for the operations at Tengiz oil field.

COMPANY OWNERSHIP



Human Rights Allegations

Corruption

Although company officials say they are taking steps to fend off corruption—a major problem for businesses at Kazakhstan²—the company has a history of corruption scandals as well as strong political connections in both the U.S. and Kazakhstan. Notably, corruption has significant negative impacts for human rights. According to Universal Rights Group, ‘corruption and the worst instances of human rights violations (including the killing of [environmental human rights defenders]) tend to happen at the intersection of government and businesses/commercial interests’.³ Businesses that have engaged in corruption are less likely to face accountability and justice for human rights violations, as the relevant state parties are often ‘dissuaded’ from investigating, punishing and preventing rights abuses by these companies. As such, human rights abuses are often allowed to continue and are left un-remedied.⁴

Tengiz oil field was at the centre of the ‘Kazakhgate’ international bribery scandal, wherein James Giffen, a wealthy U.S. citizen, channeled more than \$78 million USD in bribes to President Nursultan Nazarbayev and the head of Kazakhstan’s oil ministry. The bribe money was intended to help U.S. companies secure access to Kazakhstan’s oil reserves, particularly the Tengiz field. Mobil (now part of ExxonMobil) denied the allegations.⁵ Later, a Mobil executive, J. Bryan Williams III, was arrested for failing to report ‘kickback’ payments he received for his role with the Tengiz deal and other Mobil projects in Kazakhstan.⁶ Chevron also hired Giffen during discussions to acquire an interest in Tengiz; the company claimed it terminated the relationship and denied corruption allegations.⁷

President Nazarbayev asked the Bush Administration to drop the Kazakhgate case.⁸ Nevertheless, Giffen’s company, the Mercator Corporation, was found guilty of violating the Foreign Corrupt Practices Act.⁹ However, Giffen was given no fines and no prison time. The judge explained that Giffen’s crimes occurred when he was a ‘significant source of information to the U.S. government and a conduit of secret information from the Soviet Union during the Cold War’. Giffen’s defense lawyers said he was simply serving the CIA and taking orders from the Kazakhstani Government. The CIA refused to hand over documents relevant to the case, so the prosecution was forced to drop several charges.¹⁰

In the coming years, businesspersons from Tengizchevroil and its parent companies maintained close ties with government officials in both Kazakhstan and the U.S. with a ‘revolving door’ between the government and the private sector. For instance, Nurlan Balgimbaev, former Prime Minister and the Minister of Oil and Gas of Kazakhstan, trained and worked at Chevron at the United States. Additionally, Ravil Cherdabaev, the first Kazakhstani director of Tengizchevroil, later served as minister of the oil and gas industry of Kazakhstan.¹¹

These strong connections have helped Tengizchevroil escape serious consequences for illegal activity. In one notable case, the company was found to be illegally extracting oil at incorrect depths, amounting to \$1.4 billion USD; the U.S. Special Envoy on Eurasian Energy suddenly arrived at Kazakhstan to hold talks with the government, and the dispute was ‘resolved’ by revising company documents to include the new depths.¹² President Nazarbayev, who was a co-conspirator in the Kazakhgate case, served as leader of the country until 2019 and currently holds office as the Chairman of the Security Council of Kazakhstan. According to Crude Accountability, ‘It has been reported that the President on many occasions personally helped the company solve problems related to tariffs, taxes and environmental regulations’.¹³

Deaths and Health Impacts

Hundreds of deaths and thousands of illnesses have been linked to Tengiz, according to local community members.¹⁴ Health impacts at nearby communities have been severe, and effects have been even worse for workers at the field. According to an anonymous witness, ‘if, according to official data, since 1993, 250 workers died here, then that figure is an underestimate. They only count those who died at work. And how many people died from hydrogen sulfide [sulphide] poisoning at home? After all, there were many cases when people returned from their shift, fell asleep and never woke up. Information about what diseases the dead had, and what the workers are living with, remains hidden. The management says it is alright’.¹⁵ The number of deaths has likely increased during the eight years since the statement was given.

Workers of Tengizchevroil and its contractors have suddenly died while sleeping or while returning home from their shift. Environmentalists have linked these deaths with the emission of toxic gases, including hydrogen sulphide, at Tengiz. After a series of worker deaths during 2009, the company responded, ‘The law does not allow us to disclose personal information about staff or contractors. However, we can confirm that the deaths of these people were the results of natural causes, which have had bearing on the state of their health, and have nothing to do with the labor conditions in the workplace’.²⁵ Civil society strongly disputed this claim.

A state commission found that sixty-four employees died at Tengiz from 1993 - 2000. Many of these employees, who were found completely healthy before beginning work, died of cancer, cardiovascular diseases and acute circulatory disorders. Activists say that the mortality statistics after 2000 were concealed.²⁶

Tengizchevroil’s operations affect not only the health of workers, but the health of those living at nearby communities, as well. As noted below in the section about environmental impacts, Tengizchevroil emits large amounts of pollutants into the atmosphere. Additionally, sulphur from the oil field has not been disposed of or properly stored. As a result, rates of disease have drastically increased. In the village of Sarykamys, the site of a shift worker camp, doctors said that 90% of the village was sick and the average life expectancy was only forty-six years. A study found that the daily inhalation of emissions exceeded allowable concentration by up to twelve times, and in the company’s production area, this amount increased to forty times above the permissible limit. The village eventually needed to be relocated due to health and environmental impacts (see below).

In the broader Zhylyoi region, there has been a significant increase of circulatory and respiratory diseases, according to doctors and medical researchers. Local communities and activists have expressed concerns about improper sulphur storage and resulting health impacts. Experts believe that the rise of morbidity has largely come about as a result of sulphur pollution. The Interagency Coordinating Council on Sulfur [sulphur] determined that open storage of sulphur at Tengiz was in accordance with environmental laws and did not impact people within local communities. However, Tengizchevroil contributed \$1.4 million to the council; as such, local community leaders and members of the public do not accept the results, nor do they consider the study objective.²⁷

Environmental Degradation and Pollution

The Tengiz oil field has been connected to several severe environmental disasters, as well as related health impacts for workers and surrounding communities (see above). The oil at the Tengiz field contains 19 - 20% sulphurous components and high levels of mercaptan gases, both of which present significant hazards for human health.²⁸

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.²⁹ According to Friends of the Earth Europe, ‘In the case of Tengiz, heavy emissions of these toxic gases and resulting sanitary consequences (if not cases of deaths) have already led the authorities to displace several villages and thousands people to safer locations in the Atyrau region; human life has virtually become impossible within a perimeter of up to 70km from the field’.³⁰ (See below.)

In 1985, before the involvement of Western oil companies, a disastrous explosion at well thirty-seven led to a fifty km-wide spill of burning oil and gas. It took more than a year to extinguish the fire, which, at times, reached a height of more than 200 meters and a diameter of up to fifty meters. The morbidity rate at the Atyrau province increased to 50%,³¹ it is believed this was a result of contamination from the fire, including hydrogen sulphide, sulphur dioxide gas, carbon, hydrocarbons along with other substances in the air, soil and surface water within 125 km of the well.³² According to environmentalists, the oil well remains ‘dangerously explosive’, and deep wells may result in other similar disasters. The environmentalists also claim that recommendations made by the USSR’s Ministry of Oil & Gas Industry to prevent further explosions were never implemented.³³ Tengizchevroil responded to the Business & Human Rights Resource Centre’s request for comment, saying the well was being monitored and was in safe condition.³⁴

According to Crude Accountability, government data indicates that Tengizchevroil is the main polluter in the Atyrau Oblast. The company accounts for 70% of emissions in the oil and gas sector, despite the presence of several other major fields and projects of the area.⁵ The company regularly exceeds the allowed limit of emissions and chooses to pay the fine for environmental damages rather than address the issue. In 2010 alone, the company paid about 5 billion tenge (about \$34 million USD) in environmental fines. Over a period of just six years, Tengizchevroil had 720 cases of exceeding emissions standards.⁶ One study claimed that actual emissions from Tengiz were 4.8 kg/tonne, even though the permitted amount was only 1.3 kg/tonne.⁷ Allegedly, between 1993 - 2011, Tengizchevroil released more than one million tons of harmful substances into the atmosphere. Although the amount per tonne has decreased, the company has increased its output, and thus its total emissions have increased.⁸ These massive CO2 emissions have contributed to climate change, which has severe human rights impacts.⁹

Despite these damages, monitoring of pollution from the Tengiz oil field is severely limited. As of 2013, environmental monitoring was limited to just five substances, even though allegedly over seventy harmful substances are emitted at the field. Furthermore, the monitoring is carried out by the company and its contractors and not by the government. During Soviet rule, there were thirty environmental monitoring stations around Tengiz, but most of these stations have been looted and burned. Government fines were issued based upon information provided by Tengizchevroil. Allegedly, the company pressured its contractors to round down its findings about pollution to be within acceptable limits. (The contractors made this claim after the company ceased to provide them with funding.) As a result, local communities are skeptical about the actual amount of pollution at the local area.¹⁰

Allegedly, the company lacked facilities for the safe storage and treatment of sulfur for decades. Sulphur has negative impacts for both health and environment, and it is a major cause of acid rain. Interestingly, after issuing several fines, in 2009, the government decided that sulphur was a ‘product of insignificant impact on the environment’.¹¹

Reportedly, environmental standards were significantly weakened in preparation for the Tengiz contract. For instance, the government weakened enforcement of regulations related to gas flaring by classifying the complex as a ‘pilot’ facility, even though it operated as a full-fledged company with substantial oil production. In 2002, government bodies allowed Tengizchevroil to begin operations at the Korolev field without addressing disposal of oil and industrial gases, against Government Resolution No. 745 (1996).¹²

In 2012, an academic raised concerns that the company had not conducted a new environmental impact assessment in fifteen years, even though the level of emissions had increased significantly. The academic continued on to say that the company had not conducted studies on the condition of the Caspian Sea or the health of Kulsary residents, even though the morbidity rate had increased ten times within recent years. The company was, however, conducting an environmental impact assessment about a new expansion project. Participants did not receive clear answers to their questions about the project and company activities.¹³

Notably, the environmental fines paid by Tengizchevroil go to the state budget rather than the local area affected by the pollution.¹⁴ The Prosecutor’s Office at Atyrau, the region where Tengizchevroil operates, expressed the need to suspend the company’s emissions permit as the only way to force the company to stop excessive contamination of the environment. According to Crude Accountability, ‘The requirements of environmental authorities to improve the environmental situation often remain on paper, because the law does not include liability for non-compliance’.¹⁵ Tengizchevroil responded to the Business & Human Rights Resource Centre’s request for comment, insisting that the company conducted environmental impact assessments, which were available at the company’s site. The company also said it eliminated routine gas flaring.¹⁶

Resettlement

Toxic pollution from Tengiz has had devastating impacts for local communities, and sometimes, it has forced communities to relocate. As soon as Tengiz was discovered, the Soviet Union had considered relocating the village of Sarykamys. Sarykamys was located at the border of the -km sanitary protection zone, a protected area around projects with potential environmental and health impacts. Tengizchevroil denied having significant impacts concerning health and the environment; however, health within the village quickly deteriorated.

By the early 2000s, doctors said that 90% of the village was sick and the average life expectancy was only forty-six years. 189 people—aged twenty-four to fifty-three—died in Sarykamys since the field began development, out of a population of 3,450. This is the equivalent of 5.5% of the entire population.

In 2002, the government of Kazakhstan ordered the resettlement of Sarykamys away from Tengiz oil field because of recognition of the adverse impacts concerning health and environment. Tengizchevroil paid for half of the resettlement costs and funded the construction of new homes to the amount of \$95 million USD. Nevertheless, villagers complained that they were not fully compensated for their losses, and that they did not receive land proportionate to what they had owned at the village.

Critics have pointed out that the resettlement was not entirely altruistic; Chevron, the main owner of Tengizchevroil, allegedly planned to develop the Ansagan oil field, located close to Sarykamys. Ansagan now belongs to [Embamunaigas](#), a subsidiary of [KazMunaiGas](#).

Labour Rights, Occupational Safety, and Unions

Several hundred workers have died at Tengiz since the start of the field's development. According to some estimates, within twenty years, 250 workers died; employees say this is an underestimate, as it does not account for those who died from hydrogen sulphide poisoning outside of company property.² Other statistics are significantly lower. (For more information, see above.)

Workers at Tengiz have expressed dissatisfaction with various conditions over the years, primarily related to low wages, discrimination, arbitrary dismissal and poor living conditions. The company allegedly does not intervene with cases of rights violations that its contractors contribute to or cause.²

According to the Ministry of Environmental Protection, most accidents at Kazakhstan's oil and gas industry occur at Tengizchevroil. Some experts estimate that there were more than 160 accidents at the oil field from 2007 to 2010, often accompanied by damage to both health and the environment. In 2011, fifty-nine accidents were officially recorded. Some accidents were caused by faults with equipment and power supply systems; however, the company downplayed these incidents as 'technical faults'.² These accidents can have devastating impacts for workers. This is illustrated by the case of Gulbanu Abdullayeva, a former worker who became disabled during an accident at Tengiz. In July 2005, a power failure caused the emission of 30,000 cubic meters of sour and crude gas. More than 7,000 workers were evacuated; afterwards, 183 workers reported injuries to the company clinic. Abdullayeva was poisoned with hydrogen sulphide and became disabled because of the accident. The contractor that had employed Abdullayeva, Karat LLP, finally issued her with some compensation after several years of litigation. Tengizchevroil never compensated her.²

The company has also been accused of dismissing workers for harsh reasons. A database tracks employee movement and actions, and workers who appear to violate policies are automatically tracked and flagged. Prior to mass riots, ninety-eight Kazakh workers were dismissed for taking their lunch break fifteen-to-twenty seconds too early, based upon a sensor reading. The database automatically flagged the employees for the 'violation', and they were automatically blacklisted from further employment with Tengiz or any subcontractors. The 'blacklist' appears to apply only to local workers. In 2007, the Atyrau City Court ordered the company to stop such practices due to violations of the Constitution and labour laws. However, some activists suspect that the practice has continued.²

Even though the Tengiz collective agreement was voted best during a national contest, Tengizchevroil and its contractors have faced persistent accusations of interfering with union rights. The independent trade union dissolved in 2000 after long-standing tension with company management. The company refused to recognize the union as legal or to transfer financial contributions from members. Company leadership has established a new union; however, workers and community members do not trust that this union is truly independent. Although the company says it respects union rights, including with contracting companies, contractors have claimed that they could not allow the establishment of trade unions without Tengizchevroil's permission. Another contracting company claimed it lost its contract with Tengizchevroil after workers formed an independent trade union.²

Kazakhstan's National Human Rights Action Plan, adopted by President Nazarbayev, recognised that Tengizchevroil and its contractors interfered with union rights. In 2007, managers of sixteen businesses opposed the creation of trade unions; the majority of these were completing contractual work for Tengizchevroil.²⁵

Since the 1990s, workers have complained about differential treatment between local and foreign staff. Locals say that not only do they receive worse salaries and benefits, but also, they are assigned less comfortable living spaces and are given worse quality food at the canteen. In 2019, workers launched a strike over working conditions, including the differential treatment. Foreign workers were evacuated from the field.²⁶ The strike resulted in forty injuries, and management was forced to suspend operations.²⁷ The company refused to allow government officials within the premises of the oil field; instead, the company created a 'corporate office for industrial relations' to hear and to address employee complaints.²⁸ A company official stated that locals were promised a 7% pay raise, and employees returned to work.²⁹

Schedules can also be gruelling. Many employees work from a rotation of twenty-eight days on and twenty-eight days off.³⁰

Workers have faced extreme challenges during the Covid-19 pandemic. Infections spread through workers' camps, and, by May 2020, cases had grown so severe that Kazakhstan's chief sanitary doctor said the company may need to stop production in order to curb the spread of the virus.³¹ Tengizchevroil subsequently evacuated 20,000 workers, about two-thirds of the workforce. Nevertheless, the number of cases connected to Tengiz workers reached 1,000 by early June.³² One health expert said that, by December, 80% of all coronavirus infections in the Atyrau region were detected at the Tengiz field.³³ According to the company, 4,532 workers had tested positive by this time.³⁴

Community Development and Social Investments

Local regulations require companies to set aside at least 1% of the project budget for training programmes and for workforce development. There are also rules around how many personnel, as a percentage, must be recruited from the local workforce. However, the three largest oil fields in Kazakhstan—Tengiz, Karachaganak and Kashagan—are notably exempt from these requirements.³⁵

Although oil projects were intended to boost Kazakhstan's economic development, local communities have not seen economic nor employment growth. Poverty and income inequality are worse at oil-producing regions of Kazakhstan than non-oil regions.³⁶

Tengizchevroil has pointed to a handful of development projects, including a new water system in Kulsary.³⁷

Access to Information

As with other major oil projects in Kazakhstan, there are issues around transparency with regards to Tengiz. As noted above, there have been questions around information related to the company's environmental and health impacts. Additionally, the public lacks information concerning agreements between the company and the government. As UNDP explains, 'Multinational Partnerships with Caspian nations are governed by contracts called Production Sharing Agreements (PSAs) which are largely negotiated in secret with no role for local communities, labour unions or NGOs. The Azeri and Kazakh governments have not responded to requests for transparency. Corporations have generally refused to disclose the contents of PSAs on the grounds that such disclosures should be made by the government'.³⁸

This lack of transparency, combined with aforementioned issues around corruption, makes it difficult for victims and activists to secure justice and accountability for rights violations.

Human Rights Commitments

The Tengizchevroil website includes the following information about human rights and environmental standards:

- ⇒ [**Safety and environmental performance**](#)
- ⇒ [**Corporate responsibility report**](#)

According to the company, 'TCO strives for zero workplace injuries and is continuously working to improve safety and prevent serious injuries or fatalities'. In 2018, the company implemented the following 'fatality prevention initiatives' at its operated facilities:

- ⇒ Managing Safe Work (MSW) Coaching Program: This program is intended to explain, teach and show the critical safeguards required to prevent serious injuries or fatalities during work execution. The primary objective of MSW Coaching Program is to improve workforce competency and fluency with MSW Standards.
- ⇒ Save Your Life Actions and Start Work Checks: This process includes validation of critical safeguards by work crews and by an independent verifier every time prior to start of work. Start Work Checks enable the workforce to visually verify that the safeguards designed to protect them are in place and functioning before starting work and ensure that the work does not commence until the critical safety action is performed.
- ⇒ Construction Management Plan and Work Method Statement: Guidelines were developed for Engineering and Construction business partners. According to the company, 'It is expected that this integrated approach and cooperation between our business partners and client will bring positive outcome improving and ensuring safe execution.'

According to Tengizchevroil, 'Protecting the environment is also one of TCO's core values and a focus area of the company's Operational Excellence Management System'. As part of its environmental standards, the company has set the following objectives:

- ⇒ Achieve an incident-and injury-free workplace
- ⇒ Promote a healthy workforce and mitigate significant workplace health risks
- ⇒ Identify and mitigate environmental and safety risks
- ⇒ Operate with industry-leading asset integrity and reliability
- ⇒ Use natural resources and assets efficiently

The company says it conducts environmental monitoring, including of the air, water and soil to ensure operations comply with Kazakhstani regulations and align with the company's expectations. The monitoring is 'carried out by licensed contractors and data are analyzed by relevant TCO departments'. The company says its monitoring is in line with government requirements, and that it has a fully accredited laboratory run by a third-party contractor to conduct all data analysis.

Tengizchevroil did not respond to our questionnaire of its human rights policies and commitments.

