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**Alpha Shareholders Cite Contradictions in Company Reporting of its Environmental Record**

***In Light of Recent EPA Settlement, Shareholders are “Troubled” by Company Statements About its Water and Community Impacts***

**New York, NY, Thursday, March 20, 2014** – Members of the [Interfaith Center on Corporate Responsibility](http://www.iccr.org) (ICCR) and shareholders of Alpha Natural Resources are expressing deep concern about irregularities in company statements regarding its water safety record at the same time that it was in settlement discussions with the EPA for egregious violations of the Clean Water Act.

Alpha has agreed to pay the [largest penalty in history under Section 402 of the Clean Water Act](#) for violating water pollution permits more than 6,000 times in the states of Pennsylvania, Kentucky, Tennessee, Virginia and West Virginia between 2006 and 2013. The fines total over \$27 million and Alpha has further agreed to spend another \$200 million in water remediation initiatives.

ICCR shareholders include faith-based institutional investors who advocate for improved corporate responsibility and have been engaging the company on its environmental impacts since 2008. In December, the shareholders filed a proposal requesting reporting on Environmental and Community Impacts, including the water impacts of business operations, which will appear on Alpha’s proxy statement and be voted on at the annual general meeting on May 22nd.

The proposal, along with the company’s opposition statement, can be found [here](#). The resolutions were prompted by several environmental assessments including a 2011 EPA report on [The Effects of Mountaintop Mines and Valley Fills on Aquatic Ecosystems of the Central Appalachian Coalfields](#) which found that mines employing mountain top removal have significant impacts on local waterways and aquatic life. The investor proposal calls for a report detailing *“efforts to reduce environmental and community impacts associated with its Appalachian mining operations, and how those efforts may reduce legal, reputational and other risks to the company’s finances.”*

***“We have been transparent about our intentions,”*** said Tom McCaney, Director of Shareholder Advocacy for the Sisters of St. Francis of Philadelphia and leader of the shareholder engagement. ***“Our***

***primary goal is to help our companies improve their environmental and social records because it is the right thing to do, but we also know that a company that chooses to ignore its social contract is much more exposed to legal, reputational and financial risk; and as shareholders we often end up paying for those risks when our share price falls. We are therefore deeply troubled by the discrepancies in the EPA's report versus Alpha's reporting to its shareholders on these critical metrics."***

Alpha's statement of opposition, which appears alongside the proposal on the proxy ballot, cites several company claims that according to McCaney either ***"strain credulity, intentionally obfuscate or attempt to gloss over a clearly abysmal record,"*** including:

- Almost 100% compliance with regulatory permits governing all water discharges
- A 2013 water compliance rate of 99.8%
- Company-wide violations per inspection rate of less than 1 per 100 inspection days

At the bottom of a long list of risk disclosures pulled from the company's 10K statement, there is a reference to disclosures on water:

*Disclosure regarding environmental regulation, including regulations on discharges to water such as the Clean Water Act that provide restrictions on the discharge of certain pollutants into water, the requirement that we receive permits for discharges of water from all our mining operations and federal and state laws that provide measures to be taken to minimize and/or avoid altogether stream impacts, all of which are described under the "Business — Environmental and Other Regulatory Matters" section.*

***"In its statement Alpha boasts about its environmental record which, on the surface, could seem impressive but when viewed in the context of current litigation, becomes highly suspect,"*** continued McCaney. ***"The company's opposition to our shareholder proposal requesting improved measuring and reporting on environmental impacts was written at the same time it was negotiating an embarrassingly large settlement with the EPA for egregious environmental impacts. I'm sure no one will dispute that 6,287 citations for water pollution in five states over a nine year period is unacceptable and a clear sign that the company needs to reevaluate its environmental risk management protocols."***

While the EPA report only speaks to how Alpha's pollution has affected aquatic life, there are several studies cited in the proposal that point to potential human health impacts from sustained exposures to heavy metals including birth defects, circulatory, respiratory and central nervous conditions and cancer.

Said Paul Corbit Brown, President of Keeper of the Mountains, a non-profit committed to stopping MTR in Appalachia, ***"MTR is not only destroying thousands of acres across Central Appalachia but also destroying our way of life in these mountain communities. MTR has exacted an unfathomable toll on mountain communities that are paying dearly for the profits Alpha squeezes from these hills. In many cases, people are literally paying with their lives and the lives of future generations, as the long-term health impacts of MTR are only beginning to be understood. Soon after Alpha purchased Massey Energy, CEO Kevin Crutchfield promised me personally that Alpha was going to be a 'good actor and a good neighbor in the communities where it mines coal. The irreversible poisoning and destruction of***

***our water are not the actions of a good neighbor. Stripping us of clean water is tantamount to stripping us of our human dignity and a gross violation of our human rights.”***

Concluded McCaney, ***“Our fear is that the coal-mining industry views these huge EPA fines as the cost of doing ‘business as usual’ and these enormous environmental and social risks are assumed as part of its operational plans. If this premise is true, then it is a very sorry statement about the industry’s commitment to corporate responsibility and demonstrates a staggering disregard for the people who live in the Appalachian communities where it operates.”***

**[About the Interfaith Center on Corporate Responsibility \(ICCR\)](#)**

Currently celebrating its 43rd year, ICCR is the pioneer coalition of active shareholders who view the management of their investments as a catalyst for change. Its 300 member organizations with over \$100 billion in AUM have an enduring record of corporate engagement that has demonstrated influence on policies promoting justice and sustainability in the world.