



## INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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**FOR IMMEDIATE RELEASE**

**INVESTOR CAMPAIGN TARGETS OIL & GAS COMPANIES FOR FAILING TO DISCLOSE WATER RISKS**

***Fueling Water Disclosure campaign backed by \$6 trillion investor coalition calls on energy companies to disclose water risks through CDP; Chevron receives a shareholder resolution on respect for the human right to water.***

**NEW YORK, NY, MONDAY, DECEMBER 3RD, 2018** – A group of nearly [100 institutional investors](#) representing \$6 trillion in assets today announced the launch of a campaign, [Fueling Water Disclosure](#), meant to promote sustainable water resource management in the oil & gas sector.

As an initial action, the investors and members of the Interfaith Center on Corporate Responsibility sent a [letter](#) to [36 oil & gas companies](#) that have repeatedly failed to respond to the CDP [Water Questionnaire](#). CDP is an organization supported by 639 investors with over US\$69 trillion in assets that assists companies in measuring their environmental impacts.

The need for oil and gas companies to disclose water-related risks through an independent body like CDP is perhaps best exemplified by Chevron. According to a 2018 CDP report, roughly one third of Chevron's upstream production is in areas of medium to high risk of water stress, exacerbating regional water insecurity, poverty, and food shortages. As the largest private oil producer in Kazakhstan, a country facing severe water scarcity, Chevron's consumption of millions of gallons of freshwater strains water resources, and may be contributing to low crop yields and civil conflict. Separately, in 2018 Chevron was fined for violating hazardous waste water management regulations at a refinery in Hawaii. In addition, between 2016 and 2017, Chevron's Salt Lake Refinery exceeded Clean Water Act pollution limits five times, feeding contaminated water to the Great Salt Lake. And in 2015, Romanian and Polish community members shut down Chevron shale gas explorations due to concerns of contaminated drinking water. For these reasons, a shareholder [resolution](#) was filed at Chevron requesting a report on the company's process for identifying and addressing risks related to the human right to water throughout its operations.

As the foregoing Chevron examples illustrate, water resource management is a significant challenge for the sector. Oil and gas production, including water-intense hydraulic fracturing (fracking), increasingly drains scarce local water resources and results in large volumes of wastewater. These challenges expose the sector to heightened regulatory and reputational risks, which investors argue are material as they

have the potential to disrupt operations and may result in increased capital expenditures and operating costs that constrain revenue growth.

***“As water resources become increasingly constrained due to overconsumption, pollution and climate change, companies that treat water risk as a current strategic challenge and manage this resource sustainably will be better positioned in the future,”*** noted Laura Gosset from the Shareholder Association for Research and Education (SHARE). ***“Conversely, companies that ignore these challenges put themselves, their shareholders, and importantly, the planet and its people, at risk.”***

CDP offers a standardized and comparable water framework that enables investors to benchmark performance in the oil & gas sector based on the following key management behaviors:

- **Transparency:** Does the company respond to requests for information via CDP?
- **Governance:** Does the company have board-level oversight of water issues?
- **Measuring and monitoring:** Does the company regularly measure and monitor all water aspects?
- **Risk assessment:** Does the company conduct a comprehensive risk assessment at the river basin level across its direct operations and supply chain?
- **Targets and goals:** Has the company set or achieved targets and goals that reflect a company-wide commitment or strategy?
- **Supply chain engagement:** Does the company request that key suppliers report on water use, risks and management?

Companies that report through CDP send a clear signal to investors that they are strategically measuring and managing water-related risks.

[Disclosing the Facts](#), an investor initiative now led by As You Sow and Boston Common Asset Management rates company disclosure in the fracking industry and is set to publish a new report measuring water disclosure.

Observed Lila Holzman of As You Sow, ***“The companies receiving this investor letter are currently not disclosing the most basic information including the quantity and location of their water withdrawals and which of their operations are seen as most water-intensive. This information is essential to assessing whether oil & gas companies are applying a common standard of water stewardship and protecting local communities impacted by their operations.”***

AltaGas, Chevron, ExxonMobil and Imperial Oil have not responded to the CDP questionnaire, and are among the companies that have received the letter.

Said Sr. Nora Nash of the Sisters of St. Francis of Philadelphia, who filed the human right to water resolution at Chevron, ***“Litigation and negative press for jeopardizing the quality of drinking water in several communities has been an issue for many oil & gas companies. The only way to address these challenges is for companies to conduct due diligence assessments and be fully transparent about the water impacts of their operations; answering the CDP water questionnaire helps them do just that.”***

CDP provides substantial [guidance](#) to assist companies in responding, as well as public, free informational webinars. The investors have asked for a response to the letter by January 5, 2019. Visit [this link](#) for more information about the Fueling Water Disclosure campaign.

**About the Interfaith Center on Corporate Responsibility (ICCR)**

Celebrating its 48th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. [www.iccr.org](http://www.iccr.org)