

Chevron, Exxon Investors Sustain Calls for Fracking Disclosure

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About 30 percent of shareholders of both Exxon Mobil Corp (XOM.N) and Chevron Corp (CVX.N) on Wednesday backed calls for more disclosure surrounding their use of hydraulic fracturing, the top two U.S. oil companies said.

The votes, which had about the same support last year, reflect sustained concern among a large portion of investors and the general population about the practice, which has unlocked a huge amount of oil and gas resources across North America but led to environmentalist worries about water contamination.

Chevron Chief Executive John Watson told the annual meeting of shareholders that his company's level of disclosure was adequate, as he responded to a request from the fracking proposal's supporter for more quantitative measures of safety.

Fracking involves injecting chemical-laced water and sand to break and prop open shale rock to unleash oil and gas. The industry says it is safe when done properly, and the debate has moved to Chevron's own backyard, California, where it is just heating up.

Chevron said 31 percent of its shareholders supported the fracking proposal, compared with about 30 percent for Exxon. Last year, a proposal for a report on fracking risks had support from 27 percent of Chevron shareholders, while a similar proposal got 30 percent support among Exxon investors.

"Shareholders expect Exxon to lead the industry, but almost across the board Exxon is failing to provide the site specific information that shareholders, regulators, and impacted communities need," said Danielle Fugere, president of **You Sow**, an investor advocacy group that filed the Exxon resolution.

Another issue of great concern for environmentalists is Arctic drilling, and rival Royal Dutch Shell Plc (RDSa.L) has just gone through an accident-prone foray into offshore drilling off Alaska's coast over the past year. Watson said Chevron was still evaluating its opportunities in the Arctic region.

"Most of the concerns are around costs," he said, speaking to reporters after the meeting.

A few dozen shareholders gathered outside Chevron's headquarters in San Ramon, California - just east of San Francisco - with many of them decrying the influence of corporate money in U.S. politics.

In Dallas, before Exxon's meeting started, about half a dozen police guarded its barricaded entrance, but there was only one protester outside who came to voice his support for equal benefits for employees in same-sex marriages.

The New York State Common Retirement fund submitted a proposal asking Exxon to amend its employment policy to explicitly prohibit discrimination based on sexual orientation and gender identity.

New York pension funds own about 14 million Exxon shares with a value of more than \$1 billion. The New York proposal, on Exxon's proxy for the 16th year, received the support of about 20 percent of the company's shareholders.

Exxon said in filings with the SEC that its current policies already prohibit any kind of discrimination.

Separately, support for Exxon's executive pay packages eroded this year.