



WHEREAS: Climate change is expected to exacerbate water shortages nationwide. According to a report by the Department of Energy, “there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.” The [report highlights increasing regional droughts](#).

Climate change-induced water risk is a material liability affecting oil field companies as water shortages increase across the globe. Risks to companies include disruption of operations due to water shortages at production facilities. Companies also face political risks due to competition for water resources by local communities or other companies or industries. Producing at a lower capacity or having to halt operations are both possible outcomes of drought and water scarcity, an outcome that poses material harm to oil field companies.

Baker Hughes’ clients rely on it to provide products, solutions, and thought leadership related to efficient water use and strong water quality protection programs in water-stressed and vulnerable ecosystems. Baker Hughes’ business may be disrupted if climate change reduces water availability in areas where it operates and offers services.

To reduce water risk and reduce costs, most large companies have developed water planning measures, water conservation programs, and recycling activities, and regularly identify water stress in areas of operations, among other practices. Baker Hughes’ 2018 Corporate Responsibility Report indicates an understanding of the important role its business plays in water scarcity management, listing its work as being in alignment with UN Sustainable Development Goal #6, Water and Sanitation, and stating that the Company is "[dedicated to water quality and conservation](#)." Yet, the Company offers no substantive reporting on its own water practices or water risk management strategy, nor does it disclose policies related to water efficiency or targets related to water use reduction.

Disclosure of quantitative performance metrics, water-related impacts, and disclosure and adoption of best practices for water management is the primary means by which investors can gauge whether our Company is sufficiently managing its water risk. Baker Hughes has yet to provide adequate information to shareholders on its corporate strategy to address water risk caused by climate change.

BE IT RESOLVED: Shareholders request that Baker Hughes report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.



SUPPORTING STATEMENT: Proponents request the report disclose, at management discretion:

- Any setting of targets to reduce water withdrawals
- Any monitoring of water resources
- Any integration of water and governance mechanisms
- Any comprehensive risk assessments conducted
- Any water engagement within its value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance
- Any water scarcity planning, including identifying facilities operating in water scarce regions