

Exxon, BP Among Explorers Urged to Disclose More Fracking Data

Jim Polson | Nov. 7, 2013

North American shale explorers led by Exxon Mobil Corp. (XOM) and BP Plc (BP/) are failing to disclose enough data on how they're reducing risks associated with hydraulic fracturing, according to a study.

"Hydraulic fracturing operations are under intense scrutiny for potential harm to neighboring communities and the environment -- from air and water pollution to increased noise, traffic and crime," Danielle Fugere, president of **As You Sow Foundation**, a non-profit focused on environmental and corporate responsibility, said in a statement today.

No company disclosed information on even half of the 32 indicators that investors need to assess business risk, the report showed. Exxon, based in Irving, Texas, and London-based BP placed near the bottom of 24 companies evaluated. Encana Corp. (ECA), the best performer, provided information on only 14 of the 32 indicators. Only one company, Chevron Corp. (CVX), quantified its reductions in the use of toxic chemicals and it failed in 29 other categories.

Hydraulic fracturing, or fracking, cracks rock with a mixture of millions of gallons of water, sand and chemicals so oil and natural gas will flow. Coupled with horizontal drilling that exposes thousands of feet of petroleum-bearing rock to well bores, it has revived growth in U.S. oil and gas production. Checklist items in today's report range from the absence of diesel fuels in fracturing fluids to traffic congestion policy and disclosure of fines.

The report was released by Boston Common Asset Management LLC, Green Century (GCEQX) Capital Management Inc., Investor Environmental Health Network and **As You Sow**.

Reduce Disruptions

Companies that disclose steps to reduce disruptions by fracking "will reduce regulatory and reputational risks; enhance their likelihood of securing and maintaining their social license to operate; reduce liabilities associated with poor performance, spills, contamination, and lawsuits; and thereby increase their access to capital," the authors wrote.

One of the co-authors was Richard Liroff of Investor Environmental Health Network, whose 2011 report on fracking was the basis for the checklist.

"Investors thrive on quantitative information," Liroff said today in a phone interview. "It gives us a sense of the extent to which various practices are being adopted that can, one, reduce environmental risk and community impact and, two, save the companies money."

The report defined disclosure as public information on company websites and financial statements.

As You Sow is based in Oakland, California, Boston Common (BCAMX) Asset Management and Green Century are based in Boston and the Investor Environmental Health Network is based in Falls Church, Virginia.