

## **Chevron Corporation 2019: Respect for the Human Right to Water**

### **WHEREAS:**

Corporations have a responsibility to respect human rights within company-owned operations and through business relationships under the UN Guiding Principles on Business and Human Rights. This extends to the United Nations declaration on the human right to water, which entitles everyone to sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses.<sup>1</sup> To meet this responsibility, companies are expected to conduct human rights due diligence, informed by the core international human rights instruments, to assess, identify, prevent, mitigate, and remedy adverse human rights impacts.<sup>2</sup>

As a global energy company with substantial business activities in over 25 countries, Chevron is vulnerable to climate change impacts and exposed to water-related risks across its business. Risks may include constrained access or higher pricing of freshwater as a result of severe droughts, limits to production capacity, increasing costs and logistical challenges associated with wastewater disposal, increased regulation, moratorium on fracking, threats to the company's social license to operate, or negative impacts on communities.

According to a 2018 CDP report,<sup>3</sup> 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 contribute to low crop yields and civil conflict.<sup>4</sup> In 2018, Chevron was fined for violating hazardous waste water management regulations at a refinery in Hawaii. 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. In 2015, Romanian and Polish community members shut down Chevron shale gas explorations due to concerns of contaminated drinking water.

Investors lack the information needed to meaningfully assess the effectiveness of Chevron's management of water-related risks. The recommendations from the Task Force on Climate-related Financial Disclosures include metrics on water expenditures and assets. The CDP Water questionnaire provides a framework for companies to analyze and report on water risks in their business. However, Chevron has declined to answer the CDP water questionnaire since 2010, and provides limited information on water risk management. In 2018, the Corporate Human Rights Benchmark noted that Chevron is not taking action to prevent water and sanitation risk and lacks targets on water considering local factors.<sup>5</sup>

**RESOLVED:** Shareholders request the Board of Directors report on the company's due diligence process to identify and address risks related to the Human Right to Water throughout its operations.

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<sup>1</sup> [http://www.un.org/waterforlifedecade/human\\_right\\_to\\_water.shtml](http://www.un.org/waterforlifedecade/human_right_to_water.shtml)

<sup>2</sup> <https://www.ohchr.org/en/professionalinterest/pages/coreinstruments.aspx>;  
<https://www.ilo.org/declaration/lang--en/index.htm>; <http://www.oecd.org/investment/mne/1922428.pdf>

<sup>3</sup> <https://www.cdp.net/en/investor/sector-research/oil-and-gas-report>

<sup>4</sup> <https://www.gfdrr.org/kazakhstan>

<sup>5</sup> <https://www.corporatebenchmark.org/sites/default/files/2018-11/Chevron%20Corporation%20CHRB%202018%20Results%20on%2020181026%20at%20171342.pdf>

The report should:

- Outline the human right to water impacts of Chevron's business activities, including company-owned operations and value chain;
- Explain the types and extent of stakeholder consultation; and
- Address Chevron's plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse impacts on the human right to water.