

**Module: Introduction****Page: W0. Introduction**

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**W0.1****Introduction**

**Please give a general description and introduction to your organization.**

Anglo American is a global and diversified mining business that provides the raw materials essential for economic development and modern life. Our diversified portfolio of products spans the economic development cycle and, as a responsible miner, we are the custodians of precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference. Our portfolio of high quality mining assets and natural resources includes platinum group metals and diamonds, with significant interests in copper, iron ore and manganese, metallurgical and thermal coal, nickel, niobium and phosphates. We operate in Africa, Europe, South and North America, Australia and Asia.

Having a diversified portfolio gives us options in terms of how and where we choose to allocate capital to grow the business, improve margins, generate returns and ultimately deliver value, and helps protect us through commodity and economic cycles.

Anglo American understands the ever growing need to consider the environment risk within our business strategy. Water, specifically, is a critical resource within our business given that approximately 70% of our operations occur within water-stressed areas. Our social and legal licences to operate depend on ensuring that operations' use of water, consequent impacts on water availability and quality remain within the legal limits as denoted within our permits and water use licences (WUL).

For the purposes of the WDP and other sustainable development reporting, we include only managed businesses. The information presented covers Anglo American companies, subsidiaries and joint ventures over which we have management control; it does not include independently managed operations such as Cerrejón and Samancor. The exception is De Beers, which is included in full from acquisition at the end of August 2012.

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**W0.2**

**Reporting year**

Please state the start and end date of the year for which you are reporting data.

**Period for which data is reported**

Wed 01 Jan 2014 - Wed 31 Dec 2014

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**W0.3****Reporting boundary**

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

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**W0.4****Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

No

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**W0.4a****Exclusions**

Please report the exclusions in the following table

|           |                                                |
|-----------|------------------------------------------------|
| Exclusion | Please explain why you have made the exclusion |
|-----------|------------------------------------------------|

## Further Information

### Module: Current State

#### Page: W1. Context

#### W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

| Water quality and quantity                                                       | Direct use importance rating | Indirect use importance rating | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------|------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sufficient amounts of good quality freshwater available for use                  | Important                    | Important                      | Direct Water is a critical resource for the business. Good quality freshwater is vital for our employees, their families and the surrounding communities. We have 99 908 employees who need access to good quality freshwater ("WASH" services). Good quality fresh water is not necessary for most of our primary mining activities if enough secondary water is available, while some processing activities do require high quality water. We increase efficiency and recycling and find alternative non-competing sources of water. Investing in new integrated water technology solutions, which reduce our dependency on water, is one of our most important technology focus areas and fundamental if we are to reach our long term goal of becoming water-neutral. Indirect Many of the goods we procure rely on good quality water; for example the production of timber.. The services we procure, many of which are local, require safe, good quality water to ensure the health and safety of local communities. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Vital for operations         | Important                      | Direct Use of secondary water reduces our need for potable water. Most of our mining operations can function with the use of recycled and produced water that is of good quality, although high quality water is required for some processing activities. Our coal business, for example, is increasingly using poor quality water in its processing operations. De Beers uses significant volumes of sea water in its                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Water quality and quantity | Direct use importance rating | Indirect use importance rating | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------|------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                              |                                | Namdeb operations. Recycling and process water initiatives are integral to water security at our operations. Currently, 69% of water required is met by recycled water. Indirect Water is essential in the supply of largely hydro-based electricity to our Brazilian operations. The production of raw materials requires water in their processes. We are in the process of determining the importance of recycled, brackish and/or produced water on key water-intensive raw materials. For most operations recycled, brackish and/or produced water is not important for surrounding communities. |

## W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

| Water aspect                         | % of sites/facilities/operations | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Water withdrawals- total volumes     | 76-100                           | In 2011, we finalised and approved a new Group Technical Standard (GTS21) for water management, and updated our Group Water Guideline (GTG21). This mandatory technical standard includes detailed requirements on target setting, water balances and monitoring/reporting, site water quality management and the need for every site to have Water Action Plans (WAPs). As such all our operations capture these water metrics.                                                           |
| Water withdrawals- volume by sources | 76-100                           | In 2011, we finalised and approved a new Group Technical Standard (GTS21) for water management, and updated our Group Water Guideline (GTG21). This mandatory technical standard includes detailed requirements on target setting, water balances and monitoring/reporting, site water quality management and the need for every site to have Water Action Plans (WAPs). The parameters for withdrawal by source are less mature, but where relevant our operations capture these metrics. |
| Water discharges- total volumes      | Less than 1%                     | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated.                                                                                                                                                                                                                                                                                                                                                                        |
| Water discharges-                    | Less than 1%                     | Data is measured and reported by operations, including to regulators where required. The figures aren't                                                                                                                                                                                                                                                                                                                                                                                    |

| Water aspect                                                          | % of sites/facilities/operations | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| volume by destination                                                 |                                  | aggregated.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Water discharges- volume by treatment method                          | Less than 1%                     | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated.                                                                                                                                                                                                                                                                                                                                  |
| Water discharge quality data- quality by standard effluent parameters | Less than 1%                     | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated.                                                                                                                                                                                                                                                                                                                                  |
| Water consumption- total volume                                       | 76-100                           | In 2011, we finalised and approved a new Group Technical Standard (GTS21) for water management, and updated our Group Water Guideline (GTG21). This mandatory technical standard includes detailed requirements on target setting through our WETT programme, water balances and monitoring, site water quality management and the need for every site to have Water Action Plans (WAPs). All of our operations are required to capture this metric. |
| Facilities providing fully-functioning WASH services for all workers  | 76-100                           | Our standard (GTS21) requires reporting of WASH related data.                                                                                                                                                                                                                                                                                                                                                                                        |

#### W1.2a

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

| Source                          | Quantity (megaliters/year) | How does total water withdrawals for this source compare to the last reporting year? | Comment                                                       |
|---------------------------------|----------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Fresh surface water             | 39413                      | About the same                                                                       |                                                               |
| Brackish surface water/seawater | 31208                      | About the same                                                                       |                                                               |
| Rainwater                       | 30107                      | About the same                                                                       |                                                               |
| Groundwater - renewable         | 73214                      | Higher                                                                               | Reason for change not available at this level of aggregation. |

| Source                               | Quantity (megaliters/year) | How does total water withdrawals for this source compare to the last reporting year? | Comment                                                       |
|--------------------------------------|----------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Groundwater - non-renewable          | 0                          | Not applicable                                                                       |                                                               |
| Produced/process water               | 0                          | Not applicable                                                                       |                                                               |
| Municipal supply                     | 19627                      | Lower                                                                                | Reason for change not available at this level of aggregation. |
| Wastewater from another organization | 11819                      | About the same                                                                       |                                                               |
| Total                                | 205386                     | About the same                                                                       |                                                               |

#### W1.2b

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

| Destination                     | Quantity (megaliters/year) | How does total water discharged to this destination compare to the last reporting year? | Comment                                                                                                             |
|---------------------------------|----------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Fresh surface water             | 0                          |                                                                                         | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated. |
| Brackish surface water/seawater | 0                          |                                                                                         | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated. |
| Groundwater                     | 0                          |                                                                                         | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated. |
| Municipal treatment plant       | 0                          |                                                                                         | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated. |
| Total                           | 0                          |                                                                                         | Data is measured and reported by operations, including to regulators where required. The figures aren't aggregated. |

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**W1.2c**

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

| <b>Consumption<br/>(megaliters/year)</b> | <b>How does this<br/>consumption figure<br/>compare to the last<br/>reporting year?</b> | <b>Comment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 194730                                   | About the same                                                                          | Anglo American's total water consumption decreased from 201 million m3 in 2013 to 195 million m3 in 2014. The reduction was primarily attributable to higher levels of water recycling at Los Bronces Copper mine in Chile, the limited production at Platinum's Rustenburg operations during the strike, as well as water savings achieved through the implementation of the WETT programme. Water consumption at Iron Ore Brazil started to increase towards the end of 2014 and will continue to do so during 2015 as it reaches full production. |

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**W1.3**

**Do you request your suppliers to report on their water use, risks and/or management?**

Yes

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**W1.3a**

**Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents**

| Proportion of suppliers % | Total procurement spend % | Rationale for this coverage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Less than 1%              | 76-100                    | These represent our most material 'tier 1' suppliers. We prioritise engagements given limited resources. Efforts are made to engage with suppliers that are common to our different BUs in a coordinated way to limit multiple requests coming from different Anglo American BUs. Cost is the major driver for us seeking water and environment related information from our suppliers. To avoid costs being passed onto us as a consumer, the company meets with strategic suppliers as well as water suppliers to discuss water related issues and risks. As part of our supply chain process, we do disseminate a "responsible sourcing" questionnaire to our top 290 suppliers. The questionnaire is broken up into our various pillars of value, including water. This ensures that our main suppliers (which constitute 78% of our procurement) are aligned with our company values and ethics. The environmental and water related standards of suppliers provides us with an indication of level of risk associated with security of supply of goods and services. We can therefore prepare by diversifying the suppliers within our supply chain particularly of goods and services purchased from high risk areas. We are beginning to investigate technology opportunities with suppliers. |

#### W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

#### W1.4

Has your organization experienced any detrimental impacts related to water in the reporting period?

Yes



W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

| Country | River basin | Impact indicator              | Impact                                                | Description of impact                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Length of impact | Overall financial impact                                                                                                                                 | Response strategy                   | Description of response strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|-------------|-------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chile   | Salado      | Phys-Increased water scarcity | Plant/production disruption leading to reduced output | Los Bronces is Anglo American's largest operation in Chile and one of the largest copper deposits in the world. Los Bronces is currently experiencing its 6th consecutive dry year. The water constraints have led to a material decrease in production. This has forced the team to develop and implement a series of water-efficiency measures and seek alternative, non-competing sources of water to ensure the continuity of adequate water supply for the operation. | On-going         | The targeted production figure for 2015 takes into account an expected ~20,000-30,000 tonnes production impact associated with water supply constraints. | Promote best practice and awareness | The water constraints are part of our mining and processing plans for the year - which include actively managing the use of our two processing plants - and we are progressing according to those plans. The effect on production of the water constraints is mitigated by a higher-ore grade in the mine plan for 2015 and our ongoing focus on achieving even greater levels of water efficiency, recycling and use of alternative sources. For example, the water-recycling system implemented in 2011 has enabled the recycling of about 70% of the water required for the operation. The water reticulation system at Los Bronces has saved 25 million m <sup>3</sup> of water, which is equal to a 64% |

| Country | River basin | Impact indicator | Impact | Description of impact | Length of impact | Overall financial impact | Response strategy | Description of response strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|-------------|------------------|--------|-----------------------|------------------|--------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |                  |        |                       |                  |                          |                   | reduction in new water use compared to the business-as-usual projection. In the long-term, more stringent environmental conditions, competing demand and continued dry conditions will continue to challenge security. A project to support the operation to help it achieve Copper's stated goal of "water resilience" by 2020 is underway. This includes water management measures to enable the operation to also adapt to flood conditions, which could supersede the drought conditions. Additionally, various efficiency benefits have been achieved. In 2014, for example, we achieved an 8% reduction in the volume of water used per processed tonne and we are working to deliver a further significant improvement this year. A climate change adaptation study is planned and will assist with managing long-term |

| Country | River basin                           | Impact indicator              | Impact                  | Description of impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Length of impact   | Overall financial impact                                                                                                                                                                                                                                 | Response strategy                                                | Description of response strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|---------------------------------------|-------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                       |                               |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                                                                                                                                                                                                                                                          |                                                                  | risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Chile   | Other: Copiapó and Lao                | Phys-Flooding                 | Supply chain disruption | The north of Chile was affected by abnormally heavy rainfall over the 24th and 25th of March, 2015. This affected mainly Antofagasta, Copiapo and Chanaral with floods, landslides and avalanches causing a great amount of damage to cities and small towns. This caused mudslides and rivers to breach their banks, leaving residents stranded, flooding cities, and cutting power supply. Anglo American's Mantoverde mine was halted due to safety stoppages and restricted water supply. Mantos Blancos was halted after a power failure. None of Anglo American's employees or contractors were injured. | 12 days            | Mantos Blancos lost 660 tons of copper production, due to safety stoppages and restricted water supply. Mantoverde's plant was shut down for 12 days, due to damage to the power lines. Total loss of production in Mantoverde was 2,000 tons of copper. | Develop flood emergency plans                                    | Our social team developed a plan to provide immediate support to the communities affected by this catastrophe, providing food, water and other basic supplies, shelter in the company's facilities and providing support to the local authorities. Anglo American established a \$2 million fund to support the reconstruction of Chanaral and El Salado, with a focus on education, including the construction of two pre-school facilities and supporting small and medium sized entrepreneurs to restart their businesses. |
| Brazil  | Other: Rio do Peixe and Sao Francisco | Phys-Dependency on hydropower | Higher operating costs  | Approximately 65% of national electricity comes from hydropower. The South eastern region of Brazil is experiencing the worst drought in more than                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Ongoing since 2013 | The shift to thermal power generation resulted in the average price of electricity increasing by 22% in March 2015.                                                                                                                                      | Engagement with suppliers<br>Promote best practice and awareness | NNP and Iron Ore Brazil are engaging with government around the electricity supply sector. Efforts are being made to improve efficiency and reduce energy                                                                                                                                                                                                                                                                                                                                                                     |

| Country | River basin | Impact indicator | Impact | Description of impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Length of impact | Overall financial impact | Response strategy | Description of response strategy         |
|---------|-------------|------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|-------------------|------------------------------------------|
|         |             |                  |        | eight decades putting significant pressure on electricity generation capacity. The reduced level of water in hydroelectric reserves has increased the need to run more expensive thermal plants that burn natural gas, diesel fuel, biomass and other fuels This has caused electricity price increases and supply outages (although this has not resulted in any production stoppages at Anglo American operations). NNP and Iron Ore brazil are affected by this. TheThe South eastern region of Brazil has experienced severe droughts. |                  |                          |                   | consumption at our Brazilian operations. |

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

|                |              |
|----------------|--------------|
| Primary reason | Future plans |
|----------------|--------------|

## Further Information

### Module: Risk Assessment

#### Page: W2. Procedures and Requirements

#### W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

#### W2.2

Please select the options that best describe your procedures with regard to assessing water risks

| Risk assessment procedure                  | Coverage                           | Scale                             | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------|------------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comprehensive company-wide risk assessment | Direct operations and supply chain | All facilities and some suppliers | The Group's employs a bottom-up approach to assessing and managing water risk; the WRI Aqueduct and the WBCSD Global water tool together with site environmental management systems, which are ISO 14001 certified,into our Operational Risk Management programme (ORM). This aids in the risk identification process and prioritisation in conjunction with the Anglo American Integrated Risk Management Standard. Key risks are included in the Group Sustainability Risk register which is reviewed by the Group Executive and the S&SD Committee of the Board. During 2014, top risks were audited through internal audit processes. Where material, these include water related risks. |

| Risk assessment procedure | Coverage | Scale | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|----------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           |          |       | The results and action plans associated with these are reported to business unit and Group leadership teams and the Sustainability Committee of the Board. As a result, water risk is recognised at all levels within the organisation. In South Africa, risks are assessed as part of the procedure to obtain water-use licenses. To assess the water risks related to our supply chain, we have requested environmental and water related metrics from suppliers as part of our responsible sourcing questionnaire which provides an indication of the potential risks associated with the goods and services from different areas. This allows for us to diversify our supply chain if there are risks to the security of supply. This process is in its infancy |

### W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

| Frequency                      | Geographic scale | How far into the future are risks considered? | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------|------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Six-monthly or more frequently | Facility         | >6 years                                      | Each operation conducts an integrated risk assessment using the Group's Operational Risk Management standard. Our water-related risks are assessed up to 2025 (although the long-term risk is not assessed every 6 months), and beyond. It is recommended all our operations must continue to use WBCSD Global Water Tool when determining catchment stress in WETT (as this tool is focused on demand management and addressing this risk).   |
| Six-monthly or more frequently | Region           | 3 to 6 years                                  | Operational risk are identified at site level and then consolidated into business unit reports. Risks are assessed annually, if not more frequently depending on the nature of the risk Our water-related risks are assessed up to 2020, the year by which our current target must be achieved. The risk assessment process takes into account potential impacts to the river basin associated with our operations over the period up to 2020. |
| Six-monthly or more frequently | Country          | >6 years                                      | Business unit risk registers are analysed and incorporated into a Group Sustainability Risk report that is presented to Anglo American executive team and Board bi-annually. Aqueduct Water Risk Atlas is used at a group level for high level risk profiles, as it provides all-round risk profile for water management. This                                                                                                                 |

| Frequency | Geographic scale | How far into the future are risks considered? | Comment                                                                                                                                 |
|-----------|------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|           |                  |                                               | tool is shared with other Corporate functions such as S&SD Risk & Assurance, S&SD Performance, the Country Ingress team, GSA, and ABAS. |

## W2.4

**Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?**

Yes, evaluated over the next 10 years

## W2.4a

**Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?**

Water risk assessment helps to inform long term water management strategies, prioritise projects and initiatives, and develop water management controls.

Water is fundamental to our business; it is of increasing significance given that more than 70% of our mines are in water-stressed areas. An important focus in 2011 was on setting operational water targets through the implementation of our water efficiency target tool (WETT). The tool forecasts the projected business-as-usual (BAU) water demand of individual operations and establishes a register of water-saving projects, linking the two in order to deliver future performance targets. This is done through a robust bottom-up process of identifying and assessing water-saving opportunities, and understanding local water risks. The programme is supported by a mandatory Group water standard and delivered via operational water-action plans. Each water target is expressed as an absolute reduction in total water consumption to be achieved by 2020 against the projected BAU water demand for that operation. The level of ambition of the target is informed by the nature of the affected water basin. Progress against these targets is being tracked year-on-year and reviewed annually at each operation.

As an example, water considerations are central in choosing and planning projects. Technical development includes a more deliberate focus on water elements including the optimisation of water efficiency. In certain cases water considerations have influenced the technology or design chosen (such as the decision regarding the positioning of the shaft relative to the mini pit to avoid contamination at Elders). We pulled out of the Pebble mine project in part due to concerns over the potential of mine water to negatively impact fish populations in the Bristol Bay area. A number of climate change adaptation studies have been conducted to help understand future water-related risks faced by the business.

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**W2.4b**

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

| Main reason | Current plans | Timeframe until evaluation | Comment |
|-------------|---------------|----------------------------|---------|
|             |               |                            |         |

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**W2.5**

Please state the methods used to assess water risks

| Method                                                                                                      | Please explain how these methods are used in your risk assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WBCSD Global Water Tool<br>WRI Aqueduct<br>Other: Anglo American Programmes such as (ORM),(SEAT) and (EIAs) | Our Integrated Risk Management Standard and the ORM programme include the expectation that the environmental manager at site level assesses water risks (with recommendations that the WBCSD “Global Water Tool” and the WRI “Aqueduct Risk Mapping Tool” are used to understand water risks over time). The environmental manager works with the BU level risk facilitator or representative to input environmental risks into risk registers and the ORM process. Priority unwanted events are identified – water may be considered as a feature of one of these events (for example tailings failure and the associated impacts on water). Critical controls are then identified, processes are implemented and effectiveness is monitored. Prioritisation of risks is based on an assessment of the likelihood of occurrence and potential impact. Risks are rolled up to the BU level and then up to Group level. They are reviewed by ABAS and S&SD. There is an assurance process that supports this approach. SEAT provides international best-practice guidance on the management of socioeconomic performance that is at the same time rooted in the practicalities and commercial considerations of our business. It sets out a framework to build a constructive and candid dialogue with our stakeholders. The toolbox allows Anglo to understand and positively impact water issues in our surrounding communities. |

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**W2.6**



**Which of the following contextual issues are always factored into your organization's water risk assessments?**

| Issues                                                                    | Choose option                                    | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current water availability and quality parameters at a local level        | Relevant, included                               | We use WRI's Aqueduct tool to forecast the water stress of river basins in operational regions up until 2020. This allows us to consider which water sources are a risk to our operations allowing us to prioritize initiatives in these operations or alternatively look for new water sources at these locations. We are improving our understanding of water, particularly through our new business model which focuses on adding value and getting the basics right. As part of this we are placing greater emphasis on modelling water flows, developing accurate water balances and considering climate change and other impacts on future water supply and quality. |
| Current water regulatory frameworks and tariffs at a local level          | Relevant, included for some facilities/suppliers | Our operational risk management process (ORMP) guides our sites to take into account all potential impacts when assessing exposure to risks. Besides the identification of impacts, the ORMP also assesses the underlying or root cause of the risk and the potential mitigation measures.                                                                                                                                                                                                                                                                                                                                                                                 |
| Current stakeholder conflicts concerning water resources at a local level | Relevant, included                               | In addition to our operational risk management process, we use the socio-economic assessment toolbox (SEAT) which allows Anglo American to understand our water related socio-economic impacts (both positive and negative), enhance stakeholder dialogue and the management of social issues, build our ability to support local socio-economic development, and foster greater transparency and accountability. Our Minas Rio operation will pilot ICM's practical guide to catchment management.                                                                                                                                                                        |
| Current implications of water on your key commodities/raw materials       | Relevant, included for some facilities/suppliers | Our operational risk management process guides our sites to take into account all potential impacts when assessing exposure to risks. We have started to assess water risks within our supply chain by the dissemination of questionnaires to our top 290 suppliers which constitute 78% of our total procurement. The "responsible sourcing" questionnaire includes a call for water and environmental related metrics. However, it must be noted that the process is still at its infancy.                                                                                                                                                                               |
| Current status of ecosystems and habitats at a local level                | Relevant, included                               | Environmental Impact Assessments (EIAs) take into account potential future impacts of operations on ecosystems. Consequently, we are able to decide on the appropriate mitigation measures to be implemented to reduce the impact on ecosystems and habitats. Some of our business units (Anglo American Platinum and Anglo American Iron Ore (Brazil)) also engage with NGOs namely Fauna and Flora International (FFI) on our possible impacts of biodiversity.                                                                                                                                                                                                          |
| Current river basin management plans                                      | Relevant, included                               | Water use license (WUL) and permit applications usually consider the river basin management plans of the basin that water is being consumed from. In this way, the status of the freshwater sources is considered in our business operations.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Current access to fully-functioning WASH services for all employees       | Relevant, included                               | Unhygienic conditions pose a risk to public health and inherently the health and safety of our employees. Health and safety is integrated into a comprehensive, company-wide risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Issues                                                                                                                      | Choose option                                    | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                             |                                                  | assessment process, though not necessarily through a specific WASH 'lens'.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Estimates of future changes in water availability at a local level                                                          | Relevant, included                               | The use of the WRI's Aqueduct tool and other methods at operations allows us to forecast and estimate future changes in water availability in the river basins we operate in. Therefore we are able to identify possible risks much earlier and incorporate the necessary changes into our planning processes. We are improving our understanding of water, particularly through our new business model which focuses on adding value and getting the basics right. As part of this we are placing greater emphasis on modelling water flows, developing accurate water balances and considering climate change and other impacts on future water supply and quality. |
| Estimates of future potential regulatory changes at a local level                                                           | Relevant, included                               | Regulatory changes are assessed by operations and BUs as part of their risk management processes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Estimates of future potential stakeholder conflicts at a local level                                                        | Relevant, included                               | In addition to our operational risk management process, we use the socio-economic assessment toolbox (SEAT) which allows Anglo American to understand our socio-economic impacts from a water perspective (both positive and negative), enhance stakeholder dialogue and the management of social issues, build our ability to support local socio-economic development, and foster greater transparency and accountability.                                                                                                                                                                                                                                          |
| Estimates of future implications of water on your key commodities/raw materials                                             | Relevant, included for some facilities/suppliers | Our operational risk management process guides our sites to take into account all potential impacts when assessing exposure to risks. We have started to assess water risks within our supply chain by the dissemination of questionnaires to our top 290 suppliers which constitute 78% of our total procurement. The "responsible sourcing" questionnaire includes a call for water and environmental related metrics. However, it must be noted that the process is still at its infancy.                                                                                                                                                                          |
| Estimates of future potential changes in the status of ecosystems and habitats at a local level                             | Relevant, included                               | Environmental Impact Assessments (EIAs) estimate potential future impacts of operations on ecosystems. Consequently, we are able to decide on the appropriate mitigation measures to be implemented to reduce the impact on ecosystems and habitats. Some of our business units (Anglo American Platinum and Anglo American Iron Ore (Brazil)) also engage with NGOs namely Fauna and Flora International (FFI) on our possible impacts of biodiversity.                                                                                                                                                                                                              |
| Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level | Relevant, included                               | Scenario analysis is considered when looking at climate change. For example: climate change was identified as potentially material in the Olifants catchment and at Minas Rio. The range of potential impacts identified was used in a scenario analysis tool to assess our resilience in the face of the changes. A recent study has also been conducted at De Beers' Venetia mine. Adaptation plans are developed based on the scenario analyses.                                                                                                                                                                                                                   |
| Scenario analysis of regulatory and/or tariff changes at a local level                                                      | Relevant, included for some facilities/suppliers | While legal changes are tracked, there is no routine process for scenario analysis associated with changes in regulation: this is done on a case by case basis. Where potential changes in legislation that could affect process is identified, then scenario analysis is undertaken.                                                                                                                                                                                                                                                                                                                                                                                 |
| Scenario analysis of stakeholder conflicts concerning water resources at a local level                                      | Relevant, included                               | In addition to our operational risk management process, SEAT provides sites with guidance on how to consider potential water related conflict and engage with stakeholders to mitigate conflict. In some instances this might involve scenario analysis.                                                                                                                                                                                                                                                                                                                                                                                                              |

| Issues                                                                                           | Choose option                                    | Please explain                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scenario analysis of implications of water on your key commodities/raw materials                 | Relevant, included for some facilities/suppliers | The intention is to increasingly consider ranges of potential impacts, incorporated into a scenario analysis to better prioritise risk identification and mitigation in our supply chain. This is not done routinely.                                                                            |
| Scenario analysis of potential changes in the status of ecosystems and habitats at a local level | Not evaluated                                    | There is no routine process for looking at scenarios: this is done on a case by case basis and will, depending on the importance of biodiversity around an operation, be included in our risk assessment process. Water is considered, more prominently, in assessing and planning new projects. |
| Other                                                                                            |                                                  |                                                                                                                                                                                                                                                                                                  |

## W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

| Stakeholder       | Choose option                                    | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers         | Relevant, included for some facilities/suppliers | Our customers are engaged on a risk basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Employees         | Relevant, included                               | Employees are included in water risk assessment processes mainly when they also form part of the local community impacted by an operation. All employees are however engaged and made aware of the water risks to the operation they are part of. Where required and where relevant, employees that have a responsibility or activity that involved water management will be included in the risk management processes. Water targets are also included in performance contracts of relevant managers. |
| Investors         | Relevant, included                               | Investor concerns related to water (and environmental issues generally) are increasingly important given the water related risks that Anglo American is exposed to. We also consider investors via our materiality panel.                                                                                                                                                                                                                                                                              |
| Local communities | Relevant, included                               | The concerns and perspectives of local communities are central to our water risk assessments and social impact assessments. Competition for water between users is of increasing importance, as are the potential impacts of water quality on users. By engaging with local communities we are able to be transparent about our operations and mitigate concerns where relevant.                                                                                                                       |
| NGOs              | Relevant, included                               | The concerns and perspectives of key NGOs are important considerations in our water risk assessments and social impact assessments. An example of an NGO we engage with is Fauna and Flora International                                                                                                                                                                                                                                                                                               |

| Stakeholder                                        | Choose option      | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                    |                    | (FFI) on how to address and manage biodiversity and ecosystems services challenges.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Other water users at a local level                 | Relevant, included | Competition for scarce resources is increasing and the needs and rights of other users are central to our legal and social license to operate. At Sishen Iron Ore, we have engaged extensively with farmers on water use and increase business costs have been incurred through purchasing land, water subsidies and other forms of compensation. We are also trialling a water aquifer recharge project to compensate for impacts of mine dewatering.                                                                                                                                                           |
| Regulators                                         | Relevant, included | Engagement with regulators is important as they are responsible for setting the regulations, developing water pricing reforms and reviewing and approving our water use licenses. The concerns and perspectives of regulators are critical inputs to our water risk assessments. We engage with local municipalities as the water services authorities through partnerships to improve the overall water availability in the regions in which we operate. We provide assistance (financially and technical) with demand side management and water conservation programmes as well as infrastructure development. |
| River basin management authorities                 | Relevant, included | These stakeholders are engaged to inform them on our efforts to minimise our environmental and community impacts and how we are investing in social and community initiatives. For example, in Anglo American Platinum we play a leading role in local forums which coordinate stakeholder engagement with the respective water catchment agencies and the Department of Water and Sanitation (DWS).                                                                                                                                                                                                             |
| Statutory special interest groups at a local level | Relevant, included | We take a lead role to co-ordinate stakeholders into interest groups that work together with regulators, including the respective municipality, water catchment agency and governments, to manage the local water supply. For example, in Anglo American Platinum we lead the Olifants River Joint Water Forum, various mining forums in the areas where we operate and the Lebalelo Water Users' Association. Water risks are a foundation of these interest groups.                                                                                                                                            |
| Suppliers                                          | Relevant, included | In 2014, to facilitate more insight into the risk of supply of key commodities, we have attempted to request environmental and water information from suppliers such that it is possible to determine whether the interruption of the supply of products would result in production prices increasing. This process is new, but is likely to be considered within future water risk assessments.                                                                                                                                                                                                                 |
| Water utilities/suppliers at a local level         | Relevant, included | Water supply companies are engaged with to understand supply risks due, for example to infrastructure challenges. In many of the less developed areas in which we operate, we look to play a leading role in supplying water to communities. This mitigates societal risks and contributes to our social license to operate. In order to do this effectively we need to work with local suppliers and therefore consider them in our risk assessments.                                                                                                                                                           |
| Other                                              |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

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## Further Information

### Module: Implications

### Page: W3. Water Risks

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#### W3.1

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Yes, direct operations and supply chain

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#### W3.2

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

'Substantive change' would be anything that could materially affect our ability to meet business objectives and, or, is of material importance to stakeholders. Materiality is defined as a matter that, in the view of the Board, senior management and key stakeholder groups, is of such importance that it could in the short, medium or long term:

- have a significant influence on, or is of material interest to our stakeholders
- substantively influence the company's ability to meet its strategic objectives
- has a high degree of inter-connectivity with other material issues.

From a financial perspective there is a financial threshold but this is not necessarily the threshold for bringing something to management's attention. From a

reporting perspective materiality limit is set in agreement with the auditors. Again, this threshold is not the final decision point when discussing what needs to be disclosed.

### W3.2a

Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion of total operations this represents

| Country      | River basin         | Number of facilities | Proportion of total operations exposed to risk within river basin (%) | Comment |
|--------------|---------------------|----------------------|-----------------------------------------------------------------------|---------|
| South Africa | Olifants(WMA)       | 28                   | 91-100                                                                |         |
| South Africa | Limpopo             | 4                    | 91-100                                                                |         |
| South Africa | Orange              | 5                    | 91-100                                                                |         |
| Chile        | Other: Aconcagua    | 2                    | 91-100                                                                |         |
| Chile        | Salado              | 1                    | 91-100                                                                |         |
| Chile        | Other: Copiapó      | 1                    | 91-100                                                                |         |
| Chile        | Loa                 | 1                    | 91-100                                                                |         |
| Brazil       | Other: Rio do Peixe | 1                    | 91-100                                                                |         |
| Brazil       | Sao Francisco       | 6                    | 91-100                                                                |         |
| Australia    | Other: Upper Hunter | 1                    | 91-100                                                                |         |
| Australia    | Fitzroy             | 5                    | 91-100                                                                |         |
| Canada       | Mackenzie River     | 1                    | 91-100                                                                |         |
| Canada       | St. Lawrence        | 2                    | 91-100                                                                |         |
| Zimbabwe     | Save                | 1                    | 91-100                                                                |         |
| Namibia      |                     | 3                    | 91-100                                                                |         |
| Botswana     | Orange              | 1                    | 91-100                                                                |         |
| Botswana     | Okavango            | 2                    | 91-100                                                                |         |

### W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

| Country | River basin | Financial reporting metric | Proportion of chosen metric that could be affected within the river basin | Comment |
|---------|-------------|----------------------------|---------------------------------------------------------------------------|---------|
|         |             |                            |                                                                           |         |

### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

| Country   | River basin | Risk driver                                                                           | Potential impact       | Description of impact                                                                                                | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy                                                                   | Costs of response strategy | Details of strategy and costs                                                                                                                     |
|-----------|-------------|---------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------------------------|-------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Australia | Fitzroy     | Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs | Higher operating costs | In Australia, the main water quality issue is that mine affected water is saline. The main risk associated with this | Current-up to 1 year | Highly probable | Medium-high                             | Engagement with public policy makers<br>Other: Comply with local legal requirements |                            | This did not present a material risk in 2014 due to low rainfall. Increased rainfall remains a risk. We are managing this risk by: - Regular one- |

| Country | River basin | Risk driver | Potential impact | Description of impact                                                                                                                                                                                                                                                                                                                     | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|-------------|-------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  | saline rich water is the possible non-compliance when discharging. Compliance is controlled through specific conditions which include conservative release before each wet season. Declining water quality may result in higher input water & treatment costs, increased water discharge quality regulation and therefore discharge water |           |            |                                         |                   |                            | on-one engagement at the operational and national levels with regulators - Implementation plan is in place by the operations to address risk areas through an agreed process/phased approach. The Fitzroy Release programme is now underway to measure and maintain catchment based water quality monitoring programmes (the Fitzroy Partnership for River Health is in development). The programme is ongoing. All |



| Country | River basin | Risk driver | Potential impact | Description of impact                                                                                                                                                   | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|-------------|-------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  | treatment costs. More stringent discharge and ongoing changes to the hazardous dam requirements are likely to result in increased compliance costs and reputation risk. |           |            |                                         |                   |                            | Queensland operations now have a Water Management Plan that provides a description of all water-related elements; a Sediment and Erosion Management Plan that describes the management of non-mine-affected water; a detailed water balance model with associated documentation; Operational Plans for regulated structures; and a Receiving Environment Monitoring Plan that documents the health of surrounding |

| Country   | River basin | Risk driver       | Potential impact      | Description of impact                                                                                                                           | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy             | Costs of response strategy | Details of strategy and costs                                                                                                                                                                       |
|-----------|-------------|-------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------------------------|-------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |             |                   |                       |                                                                                                                                                 |                      |                 |                                         |                               |                            | waterways. Throughout 2012 and 2013, Coal Australia personnel participated in forums organised by the Queensland Resource Council to review release conditions and regulated structures regulation. |
| Australia | Fitzroy     | Physical-Flooding | Closure of operations | High variability in rainfall events and flooding disrupts mining and mineral processing activities. It also has local community and stakeholder | Current-up to 1 year | Highly probable | High                                    | Increased capital expenditure | High                       | In response to these events we initiated the 'Rain Immunisation Project', a climate adaptation initiative that seeks to decrease the environmental risks and production time loss at                |

| Country | River basin | Risk driver | Potential impact | Description of impact                                 | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                        |
|---------|-------------|-------------|------------------|-------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  | impacts that affect our employees and their families. |           |            |                                         |                   |                            | Moranbah North, Capcoal, Foxleigh and Dawson. The project includes extensive pump and piping works, improved flood protection infrastructure, road-sheeting works on semi-permanent roads, and upgrades to underground mines, drainage network, storage and dewatering capacity. This work provided the basis for wet weather plans at each of our operations, which also take into account possible |

| Country | River basin | Risk driver | Potential impact | Description of impact | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|-------------|-------------|------------------|-----------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  |                       |           |            |                                         |                   |                            | drought scenarios. Current scientific evidence suggests that climate change may result in further variability. Our operations have already begun to address the risks through risk assessing the Surface Flooding (The Group has a Surface Flooding Standard) and catering for excessive water make (for example, our Metallurgical Coal business initiated an innovative “rain immunisation” project, a climate |

| Country   | River basin | Risk driver                       | Potential impact       | Description of impact                                                                      | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy                | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                               |
|-----------|-------------|-----------------------------------|------------------------|--------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|----------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |             |                                   |                        |                                                                                            |           |            |                                         |                                  |                            | adaptation initiative that seeks to reduce the environmental risks and production time loss at certain high-risk mines. In addition this business has worked with ACARP on developing tools to identify flooding and drought risks and in 2012 ran a pilot. |
| Australia | Fitzroy     | Physical-Increased water scarcity | Higher operating costs | At Moranbah North and Grosvenor, there is a risk of insufficient raw and mine water supply | 1-3 years | Probable   | Medium                                  | Other: Seek alternative supplies | None to date               | Strategies are already in place to diversify the sources of raw water. To alleviate the pressure of water scarcity in the region, De Beers is currently looking for new                                                                                     |

| Country  | River basin         | Risk driver                       | Potential impact                                      | Description of impact                                                                                                                                                                          | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy                       | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                            |
|----------|---------------------|-----------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------------------------|-----------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          |                     |                                   |                                                       |                                                                                                                                                                                                |                      |                 |                                         |                                         |                            | water sources to meet their consumption requirements.                                                                                                                                                                                    |
| Botswana | Other: Ground water | Physical-Increased water scarcity | Plant/production disruption leading to reduced output | Owing to the water scarce conditions that exist in Botswana, there have been disruptions to production.                                                                                        | Current-up to 1 year | Probable        | High                                    | Other: Diversification of Water Sources |                            | To alleviate the pressure of water scarcity in the region, De Beers is currently looking for new water sources to meet their consumption requirements.                                                                                   |
| Brazil   | Sao Francisco       | Physical-Projected water stress   | Plant/production disruption leading to reduced output | Water availability in the Catalão region is a risk to nickel, niobium and phosphates businesses in Brazil. The risk has increased due to the dry season affecting the region and the increased | Current-up to 1 year | Highly probable | High                                    | Other: Water Source Diversification     | High                       | The risk is mitigated in the short term by an agreement signed with a peer company, which allows us to abstract water from their tailings dam. To mitigate long term risk, a water use license was obtained for abstraction from the São |

| Country | River basin  | Risk driver      | Potential impact                                      | Description of impact                                                                                                                                                                              | Timeframe            | Likelihood | Magnitude of potential financial impact | Response strategy         | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                  |
|---------|--------------|------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------|-----------------------------------------|---------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |              |                  |                                                       | water demand.                                                                                                                                                                                      |                      |            |                                         |                           |                            | Marcos River. In 2014, Catalão experienced savings of 10 ML from WETT projects and a total capital cost for projects of approximately US \$ 560 000.                                                                                                           |
| Brazil  | Other: Peixe | Physical-Drought | Plant/production disruption leading to reduced output | The South eastern region of Brazil has experienced severe droughts. The decreased water supply is compounded by the competition for water. The droughts, coupled with water infrastructure issues, | Current-up to 1 year | Probable   | High                                    | Infrastructure investment | Medium                     | Minas Rio is currently looking testing dust suppressant polymers (dusticide) and is adopting coarser milling which reduces the amount of water needed when transporting the product via pipeline, in slurry form, to the coast. We are also investing in water |

| Country | River basin | Risk driver                       | Potential impact                                         | Description of impact                                                                                                                                                 | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy                                                                 | Costs of response strategy                                                                             | Details of strategy and costs                                                                                                                                                                                            |
|---------|-------------|-----------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |                                   |                                                          | has elevated the importance of water in the region.                                                                                                                   |                      |                 |                                         |                                                                                   |                                                                                                        | treatment facilities which collect, treat and supply water to local communities as part of our license conditions. This initiative has been very well received by communities along the pipeline and in the mining area. |
| Chile   | Salado      | Physical-Increased water scarcity | Other: Constraint to current operation and future growth | Los Bronces is currently experiencing its 5th consecutive dry year. There has been a decrease in production, partially attributable to water shortages in the region. | Current-up to 1 year | Highly probable | High                                    | Other: Implementation of best practices/technology and company internal standards | WETT projects in 2014 cost US \$ 180m. The water recycling system implemented in 2011 cost US \$ 150m. | Risk mitigation measures include using additional sources, increased recycling and sourcing from a neighbouring operation. The water-recycling system implemented in 2011 has enabled the                                |



| Country | River basin | Risk driver | Potential impact | Description of impact                                                                        | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|-------------|-------------|------------------|----------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  | This is resulting in an increase in costs associated with purchasing and transporting water. |           |            |                                         |                   |                            | recycling of about 70% of the water required for the operation. The water reticulation system at Los Bronces has saved 25 million m3 of water, which is equal to a 64% reduction in new water use compared to the business-as-usual projection. A long-term project to improve water resilience includes water management measures to enable the operation to also adapt to flood conditions. Additionally, various efficiency |

| Country | River basin | Risk driver | Potential impact | Description of impact | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|-------------|-------------|------------------|-----------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             |             |                  |                       |           |            |                                         |                   |                            | benefits have been achieved. The SAR (Recirculated Water System) has operated throughout 2014 saving 25.12 million m3 which is equivalent to a 64% reduction in new water use compared to the BAU of Los Bronces. Other initiatives that have been planned include tackling the issue of high evaporation losses. We have been exploring various technologies including chemical sprays, thickeners and evaporation covers. In |

| Country      | River basin | Risk driver                                                              | Potential impact     | Description of impact                                                                                                                                                                          | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy                           | Costs of response strategy | Details of strategy and costs                                                                                                                   |
|--------------|-------------|--------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------------------------------|---------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|              |             |                                                                          |                      |                                                                                                                                                                                                |                      |                 |                                         |                                             |                            | 2014, Los Bronces experienced savings of 24 542 ML from WETT projects and a total capital cost for projects of approximately US \$ 180 million. |
| South Africa | Limpopo     | Regulatory-Statutory water withdrawal limits/changes to water allocation | Delays in permitting | Delays in processing water permit applications result in reduced and/or delayed access to water. This could increase our capital expenditure by reducing our productivity and overall profits. | Current-up to 1 year | Highly probable | Medium-high                             | Other: Comply with local legal requirements | Medium.                    | We are actively working to ensure all its operations have the right water use licences (WUL).                                                   |
| South Africa | Limpopo     | Other: Delays in delivery of                                             | Delays in permitting | Delays in the delivery                                                                                                                                                                         | Current-up to 1 year | Probable        | Medium                                  | Engagement with public                      | Low                        | We are actively engaging in                                                                                                                     |

| Country | River basin | Risk driver                      | Potential impact | Description of impact                                                                                                | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy | Costs of response strategy | Details of strategy and costs                                                                                                                     |
|---------|-------------|----------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|         |             | water infrastructure i.e. OWRWDP |                  | of water infrastructure may result in operational disruptions and community tension where infrastructure is lacking. |           |            |                                         | policy makers     |                            | public partnerships. An in principle agreement has been reached on design and tariff mechanism. Required date is after expected date of delivery. |

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

| Country | River basin             | Risk driver            | Potential impact       | Description of impact                           | Timeframe            | Likelihood      | Magnitude of potential financial impact | Response strategy         | Costs of response strategy    | Details of strategy and costs   |
|---------|-------------------------|------------------------|------------------------|-------------------------------------------------|----------------------|-----------------|-----------------------------------------|---------------------------|-------------------------------|---------------------------------|
| Brazil  | Other: Rio do Peixe and | Physical-Dependency on | Higher operating costs | Approximately 65% of national electricity comes | Current-up to 1 year | Highly probable | High                                    | Engagement with suppliers | Nil beyond normal operational | Anglo American is engaging with |

| Country | River basin   | Risk driver | Potential impact | Description of impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Timeframe | Likelihood | Magnitude of potential financial impact | Response strategy                   | Costs of response strategy | Details of strategy and costs                                                                                                                            |
|---------|---------------|-------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|-----------------------------------------|-------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | Sao Francisco | hydropower  |                  | from hydropower. The South eastern region of Brazil is experiencing the worst drought in more than eight decades putting significant pressure on electricity generation capacity. This has caused electricity price increases and supply outages (although this has not resulted in any production stoppages at Anglo American operations). The drought is leading to more thermal generation. This will also contribute to climate change mitigation-related risks faced by the operations. |           |            |                                         | Promote best practice and awareness | expenditure.               | government around the electricity supply sector. Efforts are being made to improve efficiency and reduce energy consumption at our Brazilian operations. |

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

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W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

|                |              |
|----------------|--------------|
| Primary reason | Future plans |
|----------------|--------------|

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**Further Information**

**Page: W4. Water Opportunities**

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**W4.1**

**Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?**

Yes

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**W4.1a**

**Please describe the opportunities water presents to your organization and your strategies to realize them**

| Country or region | Opportunity           | Strategy to realize opportunity                                                                                                                                                                                                                                                                    | Estimated timeframe  | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rest of world     | Increased brand value | Being a responsible water user is an opportunity for us – it helps build stronger relationships with local communities and governments and enhances our social license to operate: being responsible makes it easier for us to do business                                                         | Current-up to 1 year | The Anglo American water strategy and policy, approved in 2010, reflects our aim to demonstrate leadership within our water basin areas. All the elements underpinning this strategy are designed to facilitate this outcome for all life cycle stages of our business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Rest of world     | Cost savings          | Using water more efficiently will enable us to do business in areas that may not be viable for other businesses and make us the partner of choice for local communities and governments who insist on responsible water use. There is the added benefit of saving money on the unit cost of water. | Current-up to 1 year | Operations employ a combination of technology, behaviour and process-change initiatives in order to save water. Apart from using less water, many of our operations are also experimenting in the use of different qualities & sources of water. More emphasis is on understanding the direct and indirect water costs at operational level across the Group through several water cost parameters managed in our S&SD Database. We have already illustrated an estimated \$85 million savings based on our WETT programme. An example of new technologies being used are bitumen based dust suppressants. A new 'technology open forum' for water has been initiated at Anglo American and will drive a process to develop and implement step change technologies in the business. |

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W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

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**Further Information**

**Module: Accounting**

**Page: W5. Facility Level Water Accounting (I)**

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W5.1

**Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**



| Facility reference number | Country      | River basin         | Facility name                                                                                                                                                                                                                                                    | Total water withdrawals (megaliters/year) at this facility | How does the total water withdrawals at this facility compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|--------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------|
| Facility 1                | South Africa | Olifants(WMA)       | Coal South Africa: Kleinkopje, Landau, Isibonelo, Goedehoop, Greenside, New Denmark, Kriel Anglo American Platinum: Mines, concentrators, smelters and refineries at Rustenburg, Amadelbult, Union, Western Limb, Eastern Limb, Polokwane, Mortimer and Waterval | 32969                                                      | Lower                                                                                     |                                          |
| Facility 2                | South Africa | Limpopo (WMA)       | Kuma Iron Ore: Thabazimbi, Coal South Africa: Zibulo Platinum: Mogalakwena Mine and concentrators, Motoltolo concentrator,                                                                                                                                       | 5043                                                       | Higher                                                                                    |                                          |
| Facility 3                | South Africa | Orange              | De Beers: Venetia, Voorspoed, Ecology Kua Iron Ore: Sishen, Kolomela                                                                                                                                                                                             | 18936                                                      | Higher                                                                                    |                                          |
| Facility 4                | South Africa | Vaal (WMA)          | Coal South Africa: New Vaal                                                                                                                                                                                                                                      | 3848                                                       | About the same                                                                            |                                          |
| Facility 5                | Chile        | Other: Aconcagua    | Copper Chile: El Solado, Chagres                                                                                                                                                                                                                                 | 5558                                                       | About the same                                                                            |                                          |
| Facility 6                | Chile        | Salado              | Los Bronces                                                                                                                                                                                                                                                      | 22420                                                      | Lower                                                                                     |                                          |
| Facility 7                | Chile        | Other: Copiapó      | Mantoverde                                                                                                                                                                                                                                                       | 2835                                                       | About the same                                                                            |                                          |
| Facility 8                | Chile        | Loa                 | Mantos Blancos                                                                                                                                                                                                                                                   | 4373                                                       | About the same                                                                            |                                          |
| Facility 9                | Brazil       | Other: Rio do Peixe | Minas Rio                                                                                                                                                                                                                                                        | 7577                                                       | Much higher                                                                               |                                          |
| Facility 10               | Brazil       | Sao Francisco       | NNP: Codemin, Barro Alto, Phosphate Catalao, Phosphate Cubatao, Niobium operation                                                                                                                                                                                | 12060                                                      | Lower                                                                                     |                                          |
| Facility 11               | Australia    | Other: Upper Hunter | Coal Australia: Drayton                                                                                                                                                                                                                                          | 1698                                                       | About the same                                                                            |                                          |
| Facility 12               | Australia    | Fitzroy             | Coal Australia: Callide, Dawson. Foxleigh, Capcoal, Moranbah                                                                                                                                                                                                     | 22209                                                      | About the same                                                                            |                                          |
| Facility 13               | Canada       | Mackenzie           | Coal Australia: Trend Mine                                                                                                                                                                                                                                       | 2                                                          | Much higher                                                                               |                                          |

| Facility reference number | Country  | River basin  | Facility name                           | Total water withdrawals (megaliters/year) at this facility | How does the total water withdrawals at this facility compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|----------|--------------|-----------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------|
|                           |          | River        |                                         |                                                            |                                                                                           |                                          |
| Facility 14               | Canada   | St. Lawrence | De Beers: Snap Lake, Victor, Gahcho Kue | 5223                                                       | Much higher                                                                               |                                          |
| Facility 15               | Zimbabwe | Save         | Platinum: Unki mine and concentrator    | 1297                                                       | Lower                                                                                     |                                          |
| Facility 16               | Namibia  | Not known    | De Beers: Namdeb, De Beers Marine       | 38170                                                      | About the same                                                                            |                                          |
| Facility 17               | Botswana | Orange (WMA) | De Beers: Jwaneng                       | 10126                                                      | Higher                                                                                    |                                          |
| Facility 18               | Botswana | Okavango     | De Beers: Orapa, Letlhakane, Damtshaa   | 9625                                                       | Higher                                                                                    |                                          |

#### Further Information

Page: W5. Facility Level Water Accounting (II)

#### W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

| Facility reference number | Fresh surface water | Brackish surface water/seawater | Rainwater | Groundwater (renewable) | Groundwater (non-renewable) | Produced/process water | Municipal water | Wastewater from another organization | Comment |
|---------------------------|---------------------|---------------------------------|-----------|-------------------------|-----------------------------|------------------------|-----------------|--------------------------------------|---------|
| Facility 1                | 12                  | 0                               | 6707      | 6074                    | 0                           | 0                      | 17237           | 2939                                 |         |
| Facility 2                | 1459                | 0                               | 0         | 2010                    | 0                           | 0                      | 382             | 1193                                 |         |

| Facility reference number | Fresh surface water | Brackish surface water/seawater | Rainwater | Groundwater (renewable) | Groundwater (non-renewable) | Produced/process water | Municipal water | Wastewater from another organization | Comment |
|---------------------------|---------------------|---------------------------------|-----------|-------------------------|-----------------------------|------------------------|-----------------|--------------------------------------|---------|
| Facility 3                | 1418                | 0                               | 0         | 17486                   | 0                           | 0                      | 32              | 0                                    |         |
| Facility 4                | 25                  | 0                               | 2551      | 0                       | 0                           | 0                      | 1273            | 0                                    |         |
| Facility 5                | 0                   | 0                               | 248       | 5303                    | 0                           | 0                      | 7               | 0                                    |         |
| Facility 6                | 14056               | 0                               | 2900      | 5094                    | 0                           | 0                      | 0               | 370                                  |         |
| Facility 7                | 0                   | 1085                            | 0         | 1215                    | 0                           | 0                      | 0               | 535                                  |         |
| Facility 8                | 0                   | 0                               | 0         | 0                       | 0                           | 0                      | 0               | 4373                                 |         |
| Facility 9                | 6714                | 0                               | 0         | 856                     | 0                           | 0                      | 7               | 0                                    |         |
| Facility 10               | 7139                | 0                               | 1202      | 3624                    | 0                           | 0                      | 95              | 0                                    |         |
| Facility 11               | 0                   | 0                               | 737       | 943                     | 0                           | 0                      | 18              | 0                                    |         |
| Facility 12               | 1948                | 0                               | 13428     | 4420                    | 0                           | 0                      | 38              | 2375                                 |         |
| Facility 13               | 0                   | 0                               | 0         | 0                       | 0                           | 0                      | 2               | 0                                    |         |
| Facility 14               | 3275                | 0                               | 1881      | 67                      | 0                           | 0                      | 0               | 0                                    |         |
| Facility 15               | 1132                | 0                               | 0         | 65                      | 0                           | 0                      | 85              | 16                                   |         |
| Facility 16               | 1692                | 30123                           | 0         | 6331                    | 0                           | 0                      | 24              | 0                                    |         |
| Facility 17               | 0                   | 0                               | 0         | 10126                   | 0                           | 0                      | 0               | 0                                    |         |
| Facility 18               | 0                   | 0                               | 58        | 9567                    | 0                           | 0                      | 0               | 0                                    |         |

## W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

| Facility reference number | Total water discharged (megaliters/year) at this facility | How does the total water discharged at this facility compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------|
| Facility 1                |                                                           |                                                                                          |                                          |
| Facility 2                |                                                           |                                                                                          |                                          |

| Facility reference number | Total water discharged (megaliters/year) at this facility | How does the total water discharged at this facility compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------|
| Facility 3                |                                                           |                                                                                          |                                          |
| Facility 4                |                                                           |                                                                                          |                                          |
| Facility 5                |                                                           |                                                                                          |                                          |
| Facility 6                |                                                           |                                                                                          |                                          |
| Facility 7                |                                                           |                                                                                          |                                          |
| Facility 8                |                                                           |                                                                                          |                                          |
| Facility 9                |                                                           |                                                                                          |                                          |
| Facility 10               |                                                           |                                                                                          |                                          |
| Facility 11               |                                                           |                                                                                          |                                          |
| Facility 12               |                                                           |                                                                                          |                                          |
| Facility 13               |                                                           |                                                                                          |                                          |
| Facility 14               |                                                           |                                                                                          |                                          |
| Facility 15               |                                                           |                                                                                          |                                          |
| Facility 16               |                                                           |                                                                                          |                                          |
| Facility 17               |                                                           |                                                                                          |                                          |
| Facility 18               |                                                           |                                                                                          |                                          |

#### W5.2a

**Water discharge:** for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

| Facility reference number | Fresh surface water | Municipal Treatment Plant | Seawater | Groundwater | Comment |
|---------------------------|---------------------|---------------------------|----------|-------------|---------|
| Facility 1                |                     |                           |          |             |         |
| Facility 2                |                     |                           |          |             |         |

| Facility reference number | Fresh surface water | Municipal Treatment Plant | Seawater | Groundwater | Comment |
|---------------------------|---------------------|---------------------------|----------|-------------|---------|
| Facility 3                |                     |                           |          |             |         |
| Facility 4                |                     |                           |          |             |         |
| Facility 5                |                     |                           |          |             |         |
| Facility 6                |                     |                           |          |             |         |
| Facility 7                |                     |                           |          |             |         |
| Facility 8                |                     |                           |          |             |         |
| Facility 9                |                     |                           |          |             |         |
| Facility 10               |                     |                           |          |             |         |
| Facility 11               |                     |                           |          |             |         |
| Facility 12               |                     |                           |          |             |         |
| Facility 13               |                     |                           |          |             |         |
| Facility 14               |                     |                           |          |             |         |
| Facility 15               |                     |                           |          |             |         |
| Facility 16               |                     |                           |          |             |         |
| Facility 17               |                     |                           |          |             |         |
| Facility 18               |                     |                           |          |             |         |

### W5.3

**Water consumption:** for the reporting year, please provide water consumption data for all facilities reported in W3.2a

| Facility reference number | Consumption (megaliters/year) | How does this compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|-------------------------------|---------------------------------------------------|------------------------------------------|
| Facility 1                | 31528                         | Lower                                             | Comment not available.                   |
| Facility 2                | 8399                          | About the same                                    | Comment not available.                   |
| Facility 3                | 14549                         | About the same                                    | Comment not available.                   |

| Facility reference number | Consumption (megaliters/year) | How does this compare to the last reporting year? | Please explain the change if substantive |
|---------------------------|-------------------------------|---------------------------------------------------|------------------------------------------|
| Facility 4                | 1706                          | Lower                                             | Comment not available.                   |
| Facility 5                | 5559                          | About the same                                    | Comment not available.                   |
| Facility 6                | 22420                         | Lower                                             | Comment not available.                   |
| Facility 7                | 2835                          | About the same                                    | Comment not available.                   |
| Facility 8                | 4343                          | About the same                                    | Comment not available.                   |
| Facility 9                | 7577                          | Much higher                                       | Comment not available.                   |
| Facility 10               | 11019                         | Lower                                             | Comment not available.                   |
| Facility 11               | 1584                          | Higher                                            | Comment not available.                   |
| Facility 12               | 13725                         | About the same                                    | Comment not available.                   |
| Facility 13               | 125                           | Higher                                            | Comment not available.                   |
| Facility 14               | 1515                          | Higher                                            | Comment not available.                   |
| Facility 15               | 1225                          | About the same                                    | Comment not available.                   |
| Facility 16               | 38516                         | About the same                                    | Comment not available.                   |
| Facility 17               | 12353                         | Higher                                            | Comment not available.                   |
| Facility 18               | 13401                         | Lower                                             | Comment not available.                   |

#### W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

| Water aspect                         | % verification | What standard and methodology was used?                                                                                                 |
|--------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Water withdrawals- total volumes     | 76-100         | A representative sample of water used for primary and non-primary water use has been externally verified, therefore 100% of operations. |
| Water withdrawals- volume by sources | 76-100         | A representative sample of water used for primary and non-primary water use has been externally verified, therefore 100% of operations. |
| Water discharges- total volumes      |                |                                                                                                                                         |

| Water aspect                                                          | % verification | What standard and methodology was used?                                                                                                 |
|-----------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Water discharges- volume by destination                               |                |                                                                                                                                         |
| Water discharges- volume by treatment method                          |                |                                                                                                                                         |
| Water discharge quality data- quality by standard effluent parameters |                |                                                                                                                                         |
| Water consumption- total volume                                       | 76-100         | A representative sample of water used for primary and non-primary water use has been externally verified, therefore 100% of operations. |

#### Further Information

Discharge data is not available, hence tables W5.2 and W5.2a have not been populated. W5.4. A representative sample of water used for primary and non-primary water use has been externally verified, therefore 100% of operations.

### Module: Response

#### Page: W6. Governance and Strategy

##### W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

| Highest level of direct responsibility for water issues                   | Frequency of briefings on water issues | Comment                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual/Sub-set of the Board or other committee appointed by the Board | Scheduled- quarterly                   | The Sustainability Committee of the Board is provided with a quarterly report on water management and an annual detailed review. Material operational issues or incidents are reported to the executive and Board on a risk basis. |

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**W6.2**

**Is water management integrated into your business strategy?**

Yes

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**W6.2a**

**Please choose the option(s) below that best explain how water has positively influenced your business strategy**

| Influence of water on business strategy                                              | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Establishment of a clear water strategy                                              | Anglo American has set out a new strategy. At the heart of this sits our new Organisation and Operating Models. These two clearly defined and focused approaches will see us operating smarter in every area of our business, across the value chain. In the context of water this means • Rebuilding technical capacity – e.g. hydrogeological capacity • Reducing costs – e.g. improving water use efficiency or preventing treatment • Measuring success • Encouraging innovation and sharing of best practices; and • An intense focus on operational fundamentals – doing the basic things better – Stable operations deliver predictable outcomes. Producing consistent, improving and repeatable outcomes will enable water benefits (reduced use and reduced impact). The platforms for integration across formally exist. Water is being looked at in a more deliberate way to ensure issues are addressed and that the business is sustainable into the future. Building on the original focus on efficiencies we are looking towards water quality, integrated water management (across the catchment) and better integration of water into processing and mining. The WETT programme focused on operational efficiencies and achieved some successes. While it continues, the intention was always to shift into playing more of a leadership role in catchment management. |
| Tighter operational performance standards                                            | We are trying to become more mindful in the optimization of water. Every operation needs to understand what is technically feasible through interrogation of design fundamentals (e.g. to what extent can you dewater a tailings before disposing of it and do we have the best process routing for water (prevent it going to the sources of loss?). This is coupled with active benchmarking. We then apply a more integrated approach around developing water strategies. For example, there is greater coordination across engineering, mining, processing and S&SD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Water resource considerations are factored into location planning for new operations | There is a focus on achieving better communication between mining, processing and engineering departments to understand how water demand can be reduced at different stages of production (currently water efficiency is not a key priority for mining and processing). As part of this there is a drive towards establishing accountability for water management in the engineering disciplines. The objective is to prevent mining activities from coming into contact with water (and avoid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |



| Influence of water on business strategy | Please explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Greater supplier engagement             | <p>contamination) or to extract it and use it for communities and neighbouring users</p> <p>Up to now we have not had any significant supply chain disruptions relating to water. We understand that water intensive products such as timber and electricity are exposed to water risks. Our supply chain department is placing greater emphasis on engagement with suppliers around environmental issues, including the management of water risks. This is being done by engagements and the dissemination of questionnaires to suppliers requesting environmental and water related information to inform judgements about potential risks within the supply chain and the overall security of supply.</p> |

#### W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

| Influence of water on business strategy | Please explain                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increased capital expenditure           | At a project level, before it is allowed to progress to the next phase (stage gate), the requirements of the Group's water standard requirements must be met. This is to ensure appropriate development of projects taking water into account and to prevent the more expensive "retro- fitting" of water efficient technologies that we are experiencing in our more established operations. |

#### W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

|                |                |
|----------------|----------------|
| Primary reason | Please explain |
|----------------|----------------|

### W6.3

**Does your organization have a water policy that sets out clear goals and guidelines for action?**

Yes

### W6.3a

**Please select the content that best describes your water policy (tick all that apply)**

| Content                                                                                                                                                                                                                             | Please explain why this content is included                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Publicly available<br>Company-wide<br>Performance standards for direct operations<br>Performance standards for supplier, procurement and contracting best practice<br>Acknowledges the human right to water, sanitation and hygiene | Our 10-year water strategy, launched in 2010, guides our approach to demonstrating leadership in water stewardship. All our operations have water programmes in place and employ the 'avoid, minimise, mitigate' hierarchy of controls to reduce our water consumption, moderate the potential impact we have on water quality and eliminate water related environmental incidents. Those operations in water stressed locations seek to go beyond our minimum requirements, using a risk based approach that aims to demonstrate leadership by working with partners and through implementing good practice technologies. |

### W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting period compare to the previous reporting period?

| Water CAPEX (+/- % change) | Water OPEX (+/- % change) | Motivation for these changes |
|----------------------------|---------------------------|------------------------------|
|                            |                           |                              |

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#### Further Information

W6.4 No data to report.

#### Page: W7. Compliance

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##### W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

Yes, significant

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##### W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

| Facility name                      | Incident          | Incident description                                                                                                                                                | Frequency of occurrence in reporting year | Financial impact | Currency | Incident resolution                                                                                                                                                                                         |
|------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| South Africa (Kriel Colliery) – L3 | Fine              | There was an overflow of mine-affected water into a local stream                                                                                                    | 1                                         |                  |          | The pipe was blocked to prevent further flow of water, the area was assessed to ensure no damage to the natural environment, daily checks were conducted to ensure there are no further leaks.              |
| South Africa (Landou Colliery) L3  | Fine              | There was an overflow of mine-affected water into a local stream.                                                                                                   | 1                                         |                  |          | There has been an increase in inspections and monitoring of control measures in line with appropriate procedures. Engineering measures were also taken to prevent a repeat.                                 |
| South Africa (Landau Colliery L4)  | Fine              | The Level 4 incident involved an acidic water discharge at Coal South Africa's Landau mine causing some water discolouration and metal precipitation in the stream. | 1                                         |                  |          | Systems have been improved and the stream remediation is complete. This incident was investigated by a team of internal experts and the lessons were shared across the Group to prevent a repeat elsewhere. |
| South Africa (Landau Colliery)     | Enforcement order | A partial dam wall collapse occurred resulting in an overflow into the wetland and river.                                                                           |                                           |                  |          | Remedial action was taken and process and engineering mitigation measures put in place.                                                                                                                     |
| Australia (Drayton)                | Fine              | A diesel spill on operational land contaminated a site storage dam.                                                                                                 | 1                                         | 1500             | AUD (\$) | Remedial action was taken and improved process and engineering controls have been put in place.                                                                                                             |
| Brazil (Passa sete)                | Enforcement order | The release of treated effluent into a tailings dam resulted in fish deaths in a river down-stream from a tailings dam.                                             | 0                                         | 0                |          | The discharge of treated sanitary effluent into the tailings dam was discontinued and water quality monitoring was increased.                                                                               |

#### W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

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**W7.1c**

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

| Impact as % of OPEX | Comparison to last year |
|---------------------|-------------------------|
|                     |                         |

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**Further Information**

W7.1b and W7.1c Data not available but processes in place to collect this data.

**Page: W8. Targets and Initiatives**

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**W8.1**

**Do you have any company wide targets (quantitative) or goals (qualitative) related to water?**

Yes, targets and goals

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**W8.1a**

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

| Category of target               | Motivation | Description of target                                                     | Quantitative unit of measurement        | Base-line year | Target year | Proportion of target achieved, % value |
|----------------------------------|------------|---------------------------------------------------------------------------|-----------------------------------------|----------------|-------------|----------------------------------------|
| Reduction in consumptive volumes |            | Reduction in abstracted volume relative to a projected business-as-usual. | Other: Absolute reduction in megalitres | 2011           | 2020        | 100%                                   |

#### W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

| Goal | Motivation | Description of goal | Progress |
|------|------------|---------------------|----------|
|      |            |                     |          |

#### W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

#### Further Information

In 2014, for the second year running, we exceeded the 2020 water savings target of 14%; by the end of 2014 we had achieved an estimated 16% water saving against our projected water usage. Water saving projects, which include more effective dust suppression, dewatering of tailings and more efficient ore separation, saved the Group approximately 36 million m3 of water.

#### Module: Linkages/Tradeoff

**Page: W9. Managing trade-offs between water and other environmental issues**

**W9.1**

**Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?**

Yes

**W9.1a**

**Please describe the linkages or trade-offs and the related management policy or action**

| Environmental issues                                                                                                                                                                                                                                                                       | Linkage or trade-off | Policy or action                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The lack of vegetation on mining sites causes the infiltration of water into the soil profile. A free-draining model will allow for water to run-off and thereby reduce the amount of water that needs to be dewatered in future operations.                                               | Linkage              | By reducing our rehabilitation backlog, we will be able to ensure that infiltration is reduced and free-draining water (surface run-off) occurs on our mining sites.                    |
| Desalination plants and reuse of water pumping from the valley to high mountain, uses more energy                                                                                                                                                                                          | Trade-off            | This is a challenge particularly at Los Bronces. The mine is looking at alternative water sources and improving water use efficiency in order to minimize this additional energy demand |
| More stringent air quality standards will pose a particular challenge relating to dust suppression at Kumba Iron Ore's Sishen mine. This will require more dust suppression which will therefore increase the mine's water use.                                                            | Trade-off            | Anglo American will continue to investigate and put in place dust suppression technologies that minimize the use of water.                                                              |
| Much of the vegetation in the region surrounding Minas Rio in Brazil has been cut down for farming activities. This has resulted in silting of the water. Rehabilitation and efforts to increase biodiversity reduce silting and therefore increase the availability of water in the area. | Linkage              | IOB continues to invest in rehabilitation and promotion of biodiversity along the pipeline corridor.                                                                                    |

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**Further Information****Module: Sign Off****Page: Sign Off**

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**W10.1**

Please provide the following information for the person that has signed off (approved) your CDP water response

| Name        |                                                  | Job title | Corresponding job category    |
|-------------|--------------------------------------------------|-----------|-------------------------------|
| Dave Morris | Group Head of Safety and Sustainable Development |           | Chief Operating Officer (COO) |

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**W10.2**

Addressing water risks effectively, in many instances, requires collective action. CDP would like to support you in finding potential partners that are also working to tackle water challenges in the river basins you report against. Please select if your organization would like CDP to transfer your publicly disclosed risk and impact drivers and response strategy data from questions W1.4a, W3.2b, W3.2c, W4.1a and W8.1b to the United Nations Global Compact Water Action Hub.

No

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**Further Information****CDP 2015 Water 2015 Information Request**