Anglo American water response 2016

Module: Introduction

Page: W0. Introduction

W0.1
Introduction

Please give a general description and introduction to your organization.

Anglo American is a global and diversified mining business that provides 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.

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.

For the purposes of the WDP and other sustainable development reporting, we include only managed businesses and material joint-ventures (such as De Beers' Debswana and Namdeb Holdings 50:50 JVs with the governments of Republics of Botswana and Namibia) where Anglo American standards are applied. Data from operations that are divested during the year is included up until the point of sale.

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
Thu 01 Jan 2015 - Thu 31 Dec 2015

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

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

Further Information

Module: Current State

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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	Vital for operations	Important	Direct: Water is a critical resource for the business. Good quality freshwater is vital for our employees, their families and the surrounding communities. This includes the provision of sufficient good quality water for drinking purposes to our workforce in under-ground operations, given the high temperatures in underground mines. Good quality fresh water is also necessary in some processing activities. An unstable supply of fresh water has the potential to compromise operational continuity and is thus deemed essential. Indirect use (water use that takes place within the value chain and outside of our direct control): Many of the goods we procure for our operations rely on good quality water in their production (e.g. production of steel and timber). Sufficient amounts of freshwater are also essential in the supply of largely hydro-based electricity from public utilities to our Brazilian operations. An insufficient supply of these commodities would pose a risk to operational continuity.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital for operations	Not very important	Direct: A large proportion of our operations are located in water stressed regions, emphasizing the importance of relying on recycled/secondary water. Recycled/secondary water can be used in many of our processing operations and reduces our need for potable water. Our coal business, for example, is increasingly using lower quality water in its processing 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 use, which refers to all water use that takes place within the value chain and outside of our direct control, of recycled, brackish or produced water is not common across our value chain and is not deemed important to Anglo American currently.

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	Anglo American records consumption of water withdrawn by all of its operations (100% of facilities) on a monthly basis. The data are used to track performance against water reduction targets and form and integral part of operational water balances.

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- volume by sources	76-100	Anglo American records the volume of water abstracted from different sources (surface water, ground water and municipal water) at 100% of its facilities. The purpose of reporting these data is to ensure adequate supplies of water for operational use, measure our impact on water sources, reduce our dependence on potable water or stressed sources, and meet external reporting requirements.
Water discharges- total volumes	76-100	Anglo American's water management standard (GTS21) requires operations to develop a water balance model, which includes measuring and monitoring discharges. The total volume of water discharged from Anglo American facilities is monitored and measured and is used to track environmental performance. Anglo American measures this water aspect for all its sites (100%).
Water discharges- volume by destination	76-100	Anglo American's water management standard (GTS21) requires operations to develop a water balance model, which includes measuring and monitoring discharges. The total volumes of discharges per destination are therefore monitored and measured at all (100%) of our facilities.
Water discharges- volume by treatment method	76-100	Water is discharged from various sources/processes at certain Anglo American operations. As a result varying degrees of treatment are required per source of discharge. Anglo American actively measures the quantity discharged per source at the operation and, where necessary, monitors the quality of the discharged water to ensure that the composition of the water is within the treatment method's specified limits. Anglo American measures this water aspect for all it relevant sites (100%).
Water discharge quality data- quality by standard effluent parameters	76-100	Water quality from discharges is measured at all of Anglo American sites (100%) and takes place on the occasions that water is discharged (as discharges do not happen continuously) to ensure that Anglo American is in compliance with its water use license conditions.
Water consumption- total volume	76-100	Anglo American records total volumes of consumption of water from all of its operations on a monthly basis (100% of facilities). The data are used to track performance against water reduction targets and form and integral part of operational water balances.
Facilities providing fully-functioning WASH services for all workers	76-100	Workers at all (100%) of our sites are provided with fully functioning WASH services (clean drinking, cooking and cleaning water; solid waste management and drainage; and hygiene information and education). In addition, a total of $1.72 million was invested in community water and sanitation projects during 2015.

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	68764	Much higher	The reason for the increase in surface water is largely attributable to the commissioning of Minas-Rio operation in Brazil, which contributed an additional 13000ML of new water consumption in 2015.
Brackish surface water/seawater	31695	About the same	The volume of brackish surface water / seawater withdrawn is about the same compared to last year.

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Rainwater	20756	Much lower	Our coal operations in Australia, platinum operations in South Africa and Copper operations in Chile consume the largest volumes of rainwater. The reduction in rainwater abstracted is primarily due to lower rainfall in all of these regions.
Groundwater - renewable	89914	Higher	The increase is due to an increase in dewatering at Kolomela mine in South Africa. Much of the water is piped to the local municipality for use.
Groundwater - non-renewable	0	Not applicable	Anglo American has not split its groundwater use into renewable and non-renewable sources consistently across the Group yet and as such is reporting this category as zero.
Produced/process water	0	Not applicable	Anglo American does not make use of produced or process water in its operations thus the quantity withdrawn is zero.
Municipal supply	20326	About the same	The volume of municipal water withdrawn is about the same compared to last year
Wastewater from another organization	17018	About the same	The volume of waste water is about the same compared to last year.
Total	248473	Higher	The reason for the increase in water withdrawal is largely attributable to the commissioning of the Minas-Rio operation in Brazil, which contributed an additional 13000ML of new water consumption in 2015.

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	69940	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations.
Brackish surface water/seawater	30100	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations.
Groundwater	587	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations.
Municipal/industrial wastewater treatment plant	6856	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Wastewater for another organization	3454	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations
Total	110937	This is our first year of measurement	Anglo American has been measuring and monitoring discharge information at its operations in line with license conditions for many years but this is the first year we have consolidated Group data for the majority of our operations.

W1.2c
Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
222866	Higher	New water consumption increased by 13% in the reporting year. The increase was largely attributable to the commissioning of Minas-Rio in Brazil, which contributed an additional 13000ML of new water consumption in 2015.

W1.3
Do you request your suppliers to report on their water use, risks and/or management?

Yes

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	Anglo American's approach to procurement is guided by the Anglo American Supplier Sustainable Development Code and Policy. We prioritise engagements given limited resources. Efforts are made to engage with suppliers who are common to our different business units (BUs) in a coordinated way to limit multiple requests coming from different Anglo American BUs. Based on a risk ranking, suppliers have been requested to complete a self-assessment “responsible sourcing” questionnaire. This questionnaire has been disseminated 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. Environmental information, including information on water, was previously requested in the self-assessment questionnaire and used to evaluate risks. Along with this, suppliers may be required to provide proof of statements made and demonstrate that the supplier code is followed. Anglo American may conduct site visits and audits to verify compliance with the code. Where elements of the code aren’t met, suppliers are required to implement corrective action plans to prevent recurrence. Anglo American may revoke the contracts of suppliers who fail to comply with the code. No incentive is given to suppliers to report information; however a penalty of non-compliance could result in that supplier losing their contract.

W1.4
Has your organization experienced any detrimental impacts related to water in the reporting year?

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 Phys-Increased water stress	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 resulted in production constraints. 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.	Ongoing	Total copper production of 2015 was 401,700 tones, marginally lower compared to previous year due to the impact of the drought-related water restrictions. The water restrictions had a net negative impact on production of approximately 18,000 tonnes although production returned to normal levels at the end of the year following snowfall. The resultant financial loss was approximately $90.5 million.	Infrastructure investment Greater due diligence	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. At Los Bronces, the operation has continued to implement technical solutions to prevent further business impacts: water is now transported via a 56-kilometre pipeline from the Las Tórtolas tailings dam to Los Bronces, using a special water-recycling system. Other reduction initiatives include reducing the evaporation in tailing dams as well as improving tailings deposition. The site will be adopting evaporation covers, expanding the use of thickeners, and investigating other

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
								technology to recover water from tailings dams in 2016. In August the installation of a new cyclone station was completed to increase the recovery of water in the dam. Los Bronces is currently recycling more than 78% of available water. 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.
South Africa	Limpopo (WMA)	Phys-Increased water scarcity Phys-Increased water stress	Constraint to growth	All of our operations within the Limpopo river basin are located in water stressed areas. In addition, there are challenging socio-economic circumstances with high poverty levels and poor infrastructure. These conditions are exacerbated by the drought conditions experienced in southern Africa as a result of the El Nino effect. This means that access to secure water and	Ongoing	The direct impact to Mogalakwena for providing water to communities was an increase of operational costs of approximately $250,000. In order to secure additional future water, the operation invested approximately $5 million in upgrading the municipal (Polokwane) sewage works.	Infrastructure maintenance Greater due diligence Increased capital expenditure	While the delivery of services lies within the remit of local municipalities, as a temporary measure (until a long-term solution is found) the mine offered to assist with water provision. This is especially important as the province is undergoing a period of drought, which has impacted borehole water levels. The mine therefore is extracting water from its deeper boreholes and

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				community opposition is a risk. For example, in August 2015 Mogalakwena mine experienced community protests and public violence. When consultations between government and the mines and communities took place, one of the issues highlighted by communities was the lack of potable water provision by the government.				distributing it to the community by bowser. It is also engaging with the municipality in finding a permanent. Since November 2015, a total of 12 villages, with a population of approximately 35,000 residents, have been supplied with water by the mine on a temporary basis. In addition, the families that have not yet been relocated as part of the ongoing resettlement at Motlhotlo are also being supplied with water until the process is completed. We also provide water to Podile Primary School at Ga-Molekana and Seritarita High School as the water from their borehole is of poor quality. To ensure the long-term security of water availability for our operations and surrounding communities, Anglo American Platinum have also developed a bulk-water strategy and infrastructure plan, to protect, manage and maintain the water supply.

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
South Africa	Olifants(WMA)	Phys-Pollution of water source Reg-Mandatory water efficiency, conservation, recycling or process standards Reg-Regulation of discharge quality/volumes leading to higher compliance costs Rep-Negative media coverage	Decrease in shareholder value	Anglo American Coal South Africa's operations are located in the Olifants river catchment in Mpumalanga. This catchment is under significant water stress because of historical coal mining impacts, compounded by impacts from agriculture, industry and sewage pollution. The main water quality issue associated with many Coal operations is that mine affected water is saline. One of the risks associated with this saline rich water is possible water quality non-compliance when discharging to the environment. More stringent discharge requirements are likely to result in increased compliance costs and reputational risk. The potential impacts may involve an increase in operational costs and long-term reduction in shareholder value. New draft legislation in South Africa, which incorporates water liability in closure costs,	Ongoing	The financial impact has not been quantified in full.	Engagement with public policy makers Greater due diligence	At Coal South Africa, long term integrated water management plans are being developed for sites to mitigate non-compliance risks and post closure water management liabilities. These will be based on the development of robust conceptual hydrogeological models, which will provide high confidence level water and salt balances and improve prediction and quantification of risks at the receptor. At Coal South Africa, water-treatment plants are used extensively to treat mine-affected water. The flagship eMalahleni water-reclamation plant, built in partnership with South32 and the eMalahleni Municipal Council in 2007, treats around 50 million litres of mine-affected water every day. Coal South Africa is now piloting passive water-treatment technologies at three of its sites. Passive technologies are more sustainable because they do not require active human intervention in the long

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				has been published and may result in significant increases in current closure liabilities across the industry. Active treatment of this saline water with available technology is likely to result in significant cost to operations.				term, or power. In all cases, the treated effluent is suitable for irrigation of crops in local communities. This will reduce our potential closure liability estimate. Mafube mine has been selected by the Department of Water and Sanitation as the first trial site to demonstrate varying aspects of mine-water irrigation for crop production.
Canada	Mackenzie River	Phys-Declining water quality Phys-Pollution of water source Reg-Regulation of discharge quality/volumes leading to higher compliance costs Other: Excess underground water	Higher operating costs	De Beers Snap Lake underground mine operation in Canada is located in an area of excessive water where the host rock surrounding the ore body is fractured. This has resulted in the inflow of excess water including ancient, naturally occurring "connate" groundwater that has been trapped in the rock deep underground for thousands of years. This groundwater is high in mineral salts and requires special attention so that the mine remains in compliance with water licence requirements.	Ongoing	The site was spending approximately $100 million per year on water management.	Engagement with public policy makers Infrastructure investment	Snap Lake mine was storing large volumes of water underground due to high concentrations of dissolved solids including mineral salts, which required treatment before discharge to conform to prescribed limits. The excess water also limited access to certain parts of the mine, which reduced the mineable ore level. As a result of market conditions, the operation was placed into care and maintenance on December 4, 2015. Water quality at the operation continues to be managed and monitored in line with its approved care and maintenance plan. The mine is involved in

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				The major impacts include increased water management costs linked to more stringent license conditions related to the volume and quality of discharge.				technical studies, stakeholder engagement and legal processes to evaluate options should it remain in extended care and maintenance.

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 suppliers	Anglo American employs a company-wide bottom-up and top-down approach to assessing and managing risk, including risks from water. Site environmental management systems, which are ISO 14001 certified, link 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 Risk register, which is reviewed by the Group Executive and relevant Board committees. During 2015, the top priority unwanted events continued to be audited at operations on a rotational basis. The results are reported to site and business unit leadership teams, and reviewed at the Sustainability Committee of the Board. Where material, these include water related risks. To assess the water risks related to our supply chain, we have engaged with suppliers through a self-assessment questionnaire.

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	3 to 6 years	Each operation is required to conduct an integrated risk assessment using the Group's Operational Risk Management standard. Our water-related risks are assessed up to 2020 (although the long-term risk is not assessed every 6 months), and beyond where relevant. The facility-level water risk identification is aided by the Anglo American Water Management Standard (GTS21) and all operations are currently ISO 14001 certified.
Six-monthly or more frequently	Region	3 to 6 years	Operational risks 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.
Six-monthly or more frequently	Country	>6 years	Business unit risk registers are analysed and incorporated into the Group Risk Register where material. The Risk Register is presented to Anglo American executive team and Board bi-annually. The Aqueduct Water Risk Atlas and WBCSD Global water tool has been used at a group level for high level risk profiles, as it provides an all-round risk profile for water management.

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 is fundamental to our business; it is of increasing significance given that more than 70% of our mines are in high water risk areas.
Example of a water risk that impacts Anglo American's growth strategy: Chile experienced its sixth year of drought and production at the Los Bronces copper mine in Chile was constrained by water supply challenges in 2015, although production returned to normal levels at the end of the year following snowfall.

Process by which results of the water risk assessment inform Anglo American's growth strategy: One way in which water informs our growth strategy is through a rigorous stage-gate decision-making process for new projects. The Anglo American water specialists revamped the stage-gate criteria in new projects to ensure that water risks are carefully considered. This process will flag water risks, which may detrimentally impact long term value, early in the process and allow Anglo American to make decisions accordingly.

How Anglo American's growth strategy has changed as a result of water risks: Five years into our ambitious 10-year water strategy towards water resilience, we continue to proactively improve our usage of water and demonstrate leadership in water stewardship. Progress in implementing our strategy is driven through our water management programme, which has three areas of focus: driving operational excellence; investing in technology; and engaging and partnering with our stakeholders. The programme is supported by mandatory Group water standards and delivered via operation-specific water-action plans. The latter are dependent on high-quality operational water balances that identify site priorities. A focus in 2015 has been on ensuring that these are in place at priority operations.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge WBCSD Global Water Tool WRI Aqueduct	Anglo American uses a combination of internal knowledge and external tools to assess water risks at a global level and at each operation. Internally, our Integrated Risk Management Standard and the ORM programme includes the expectation that the environmental manager at site level assesses water risks. 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. This process is supported by Anglo American Group Water experts. This approach allows Anglo American to provide specific details of water related risks in the areas in which we operate. The operational scope of the risk assessment includes all of Anglo American's operations. In addition, Anglo American has also used the WRI Aqueduct Risk Mapping Tool to evaluate water stress and scarcity on the overall business.

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	Anglo American conducts extensive water availability and water quality monitoring and analysis of surface water and groundwater resources at all of our sites to assess security of supply and risk. We use this data and our internal company knowledge to feed into the risk assessments we conduct on site regularly.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Anglo American's corporate water management standard requires sites to manage their water issues in compliance with applicable laws, regulations and other obligations or requirements. We use both internal knowledge and external legal compliance audits to ensure we stay up to date with current regulatory information and tariffs. Regulatory and tariff information is integrated into our on-site water risk assessment processes that are on-going.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Stakeholder conflict over water resources is a significant risk for Anglo American, particularly in Anglo American Platinum. As part of our risk assessment we identify opportunities to work in partnership with the water utilities and stakeholders to manage the water supply. An example is the Lebalelo Water Users' Association and Olifants River Joint Water Forum comprised of various local stakeholders including businesses, communities and government, where the business plays a significant role. 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.
Current implications of water on your key commodities/raw materials	Relevant, included	Our key purchased commodities/raw materials include electricity, diesel, explosives, tyres and timber. We have started to assess water risks within our supply chain by the dissemination of questionnaires to suppliers. The “responsible sourcing” questionnaire includes a call for water and environmental related metrics. Certain commodities may present inherent water risks due to a combination of their importance to our processes and the importance of water in their production (e.g. the drought in South America impacts electricity provision which is sourced from hydropower). We use the feedback from our internal engagement with our suppliers to feed into our risk management processes.
Current status of ecosystems and habitats at a local level	Relevant, included	Our corporate Biodiversity Management standard aims to protect ecosystems and habitats at the site level. Ecosystem and habitat impacts from our water use are addressed in site Biodiversity Action Plans that are the

Issues	Choose option	Please explain
		basis for formal obligations and commitments. Our on-site environmental professionals with internal company knowledge manage these issues and feed relevant information into the risk processes on site.
Current river basin management plans	Relevant, included	River basin management plans are important as they impact directly on water availability and water quality of our operations. Anglo American updated its technical water standard (GTS21) in 2015 which requires all our sites to consider the catchment context in which they operate. This will include an evaluation of river basin plans in the risk assessment process. We use our internal company knowledge and the engagement we have with stakeholders to feed this into the risk assessment process.
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, resulting in disruptions to the work force. Access to safe water, adequate sanitation and proper hygiene is a basic human right. As such Anglo American incorporates access to fully-functioning WASH services at all mining operations and hostels. Internal company knowledge is used to integrate the contextual issues of WASH services into the risk assessment process.
Estimates of future changes in water availability at a local level	Relevant, included	The use of climate change risk assessments and climate models, the WRI's Aqueduct tool, and internal methods at operations allows us to forecast and estimate future changes in water availability in the river basins we operate in. For example, as part of its climate risk assessments, Kumba Iron Ore evaluates the risks of aquifer discharge and recharge to determine the risk of lack of water on the mine operations. Therefore, we are able to identify possible risks much earlier and incorporate the necessary changes into our planning processes.
Estimates of future potential regulatory changes at a local level	Relevant, included	Future potential regulatory changes at a local level can pose significant risks to Anglo American. For example, there is future regulation on the inclusion of water costs in closure cost estimates in South Africa that may lead to increased costs. We engage regularly with regulators and water supply entities on potential local-level regulations anticipated in the future. The Anglo American Legal department, the Chamber of Mines forums and other working groups also inform the business risks related to future regulation. Future regulatory and tariff information is gathered in this manner and integrated into the risk management process.
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 engage with stakeholders on future water risks and understand our socio-economic impacts from a water perspective (both positive and negative). We are also heavily involved in initiating projects that can secure the supply of water for stakeholders and this allows for conflict and risks to be averted at a local level. Our ongoing stakeholder engagement allows us to integrate future water risks into the risk assessment process.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	Anglo American's key commodities include steel, timber, diesel, chemicals, electricity and explosives. Delays caused by water issues that affect the production of these commodities will reduce production levels and profit margins. The issue surrounding future water implications on key commodities/raw materials are factored into the risk assessment process through engagements and the dissemination of questionnaires to suppliers requesting environmental and water related information.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	For new operations, 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. For existing operations, we use the knowledge of our on-site environmental specialists and the Biodiversity Action Plans we have on site to ensures future changes are integrated into the relevant risk management process.

Issues	Choose option	Please explain
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Scenarios are modelled in Anglo American's Water Efficiency and Target Tool (WETT) system to obtain an understanding of the sensitivity to changes in water quantity up to 2020. Scenario analysis is also considered in climate change risk assessments which Anglo American has conducted at a number of sites. For example, climate change and its impact on water was identified as potentially material in the Olifants catchment and at Minas-Rio. Our internal water and climate change specialists ensure the results of these scenarios are included in the risk assessment process.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	Given the uncertainty regarding changes in water regulation and policy (or the implementation of proposed changes), we do consider a range of potential outcomes and scenarios, especially with regard to water pricing strategies. By regular engagement with regulators and water authorities we are able to consider the most relevant information in our future scenarios.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Anglo American engages with its stakeholders on a regular basis and uses this to determine potential concerns that the stakeholder has. 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. By regular engagement with stakeholders we are able to consider the most relevant information in our future scenarios.
Scenario analysis of implications of water on your key commodities/raw materials	Not relevant, explanation provided	Although we do engage with our suppliers around water issues, the risk is not material enough to warrant scenario analyses on our commodities or raw materials.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not evaluated	Anglo American proactively manages the ecosystems and habitats within which it operates on a continuous basis but the risk is not so material that it requires us to conduct scenario analyses on future habitat changes.
Other	Not evaluated	

W2.7

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

Stakeholder	Choose option	Please explain
Customers	Not relevant, explanation provided	The nature of the commodities that Anglo American produces typically does not require water to transform it for other applications. As a result, our customers are not exposed to significant water risks. Managing the water risks within our own boundaries, including the communities that live alongside our operations, is far more significant and as such our customers are not engaged with regards to water risks.
Employees	Relevant, included	Employees are included in water risk assessment processes where relevant to their work responsibilities. Where required and where relevant, employees that have a responsibility or activity that involved water management will be included in the risk management processes that happen at an operational level. Water targets are also included in performance contracts of relevant managers. In addition, employees are made aware of water risks through communications initiatives around, for example, world water day. For example, the Polokwane smelter at our Platinum business celebrated water week by putting up posters, handing out cards with water saving messages and holding a competition to raise awareness of water efficiency.
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. Views expressed by investors are

Stakeholder	Choose option	Please explain
		through interviews and direct electronic queries which occur on a regular basis. It is important that these investor views are factored into the company's water risk assessment.
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 has been shown by demonstrations by local communities about water supply outside some of our platinum operations in South Africa. We engage with local communities regularly in a formal (e.g. community meetings) and informal (e.g. one-on-one meetings) manner and the views expressed by these communities factor into our water risk assessments. We also provide potable water to communities in drought-stricken areas, e.g. Mogalakwena platinum mine in South Africa and Cerrejón coal mine in Columbia.
NGOs	Relevant, included	The concerns and perspectives of key NGOs are important considerations in our water risk assessments and social impact assessments. An example and an important achievement in 2015 was the partnership between Iron Ore Brazil's Minas-Rio operation and BioAtlântica Institute (IBio), a non-profit organization that works to improve the environmental quality and promote integrated management of regional resources. The objective of this partnership is the development of an Environmental and Productive Zoning Plan for the Santo Antonio river sub-basins, which is the first step of the Water Availability Master Plan. The Master Plan is supported by the State of Minas Gerais and all Rio Doce's basin committees. These engagements are typically done face to face on a specific needs basis throughout the year and feed into the risk assessment process thereafter, where relevant.
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. Water forums are developed and often led by Anglo American operations to ensure that the requirements of all the mining companies, other water users and the municipalities are known and risks determined through these forums. We engage with the water forums in meetings and workshops (e.g Fitzroy River Partnership in Australia and the Olifants River Joint Water Forum in South Africa) on a regular basis throughout the year and this information is used in our risk assessments.
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. Our engagement with the regulators is done regularly throughout the year in face to face meetings and workshops. We also 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	Anglo American considers the river basin management authorities as the same stakeholder as the "regulators at a local level". We engage with these stakeholders in the same fashion as regulators as they are typically responsible for setting the regulations, developing water pricing reforms and reviewing and approving our water use licenses. Our engagement is done regularly throughout the year in face to face meetings and their concerns and perspectives are critical inputs to our water risk assessment.
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 issues. For example, in Anglo American Platinum we lead the Olifants River Joint Water Forum, various mining forums in the areas where we operate. In Chile, our Los Bronces Copper operation participates in the round tables as part of the Maipo Irrigation Society and Mapocho River Supervisory Board to coordinate the use of water rights in the area that we operate in. This engagement usually takes place throughout the year in the form of regular face-to-face meetings.
Suppliers	Relevant, included	We have started 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

Stakeholder	Choose option	Please explain
		of products would result in production prices increasing. This process is new, but is likely to be considered within future water risk assessments. In addition, we hosted our first Open Forum on water in 2015. The focus was to find more efficient ways to mine but also, crucially, to reduce our impact and create a positive legacy for the surrounding environment and local communities. The first forum had representation from more than 75 different market sectors, 30 companies, 16 countries and six continents, including some of our suppliers.
Water utilities/suppliers at a local level	Relevant, included	We constantly engage with the water supply companies through face to face meetings on a regular basis throughout the year. 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. For example, Kumba Iron Ore pumps excess water from its open-cast mining pits to Sedibeng Water, the local water services. Sedibeng treats the water and supplies it to the local communities.
Other		

Further Information

Module: Implications

Page: W3. Water Risks

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 only

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 it strategic objectives
• has a high degree of inter-connectivity with other material issues.

From a financial perspective and with respect to water a 'substantive change' would be a disruption to our operations or supply chain caused by a water incident that results in a change in production or increase in costs. A water incident may, for example, include a community protesting around water supply and preventing usual operations or insufficient supply of potable water from a municipal supplier.

Financially Anglo American defines substantive change as a loss in revenue or increase in operating costs of more than $25 million.

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 this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
South Africa	Olifants(WMA)	10	11-20	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
South Africa	Limpopo	14	21-30	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
South Africa	Orange (WMA)	4	6-10	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
South Africa	Vaal (WMA)	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Chile	Other: Aconcagua	2	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Chile	Salado	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Chile	Other: Copiapó	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Chile	Loa	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Brazil	Other: Rio do Peixe	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Brazil	Sao Francisco	6	6-10	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Australia	Other: Upper Hunter	1	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Australia	Fitzroy	5	6-10	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Canada	St. Lawrence	3	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Zimbabwe	Save	2	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Namibia	Orange	3	1-5	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change
Botswana	Okavango	4	6-10	Anglo American regards all of our operating mines to be exposed to water risks that could have a substantive change

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
South Africa	Olifants(WMA)	% global production capacity	6-10	The production capacity indicator was tonnes mined
South Africa	Limpopo	% global production capacity	11-20	The production capacity indicator was tonnes mined
South Africa	Orange (WMA)	% global production capacity	1-5	The production capacity indicator was tonnes mined
South Africa	Vaal (WMA)	% global production capacity	1-5	The production capacity indicator was tonnes mined
Chile	Other: Aconcagua	% global production capacity	1-5	The production capacity indicator was tonnes mined
Chile	Salado	% global production capacity	11-20	The production capacity indicator was tonnes mined
Chile	Other: Copiapó	% global production capacity	1-5	The production capacity indicator was tonnes mined
Chile	Loa	% global production capacity	1-5	The production capacity indicator was tonnes mined
Brazil	Other: Rio do Peixe	% global production capacity	1-5	The production capacity indicator was tonnes mined
Brazil	Sao Francisco	% global production capacity	1-5	The production capacity indicator was tonnes mined
Australia	Other: Upper Hunter	% global production capacity	1-5	The production capacity indicator was tonnes mined
Australia	Fitzroy	% global production capacity	21-30	The production capacity indicator was tonnes mined
Canada	St. Lawrence	% global production capacity	1-5	The production capacity indicator was tonnes mined
Zimbabwe	Save	% global production capacity	Less than 1%	The production capacity indicator was tonnes mined
Namibia	Orange	% global production capacity	6-10	The production capacity indicator was tonnes mined
Botswana	Okavango	% global production capacity	6-10	The production capacity indicator was tonnes mined

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
Chile	Salado	Physical-Drought Physical-Increased water scarcity Physical-Increased water stress	Constraint to growth	Water scarcity and stress is considered one of Anglo American's most significant water risks considering 70% of operations are located in water scarce areas. For example, Los Bronces Copper operation in Chile is currently experiencing its 6th consecutive dry year. There has been a decrease in production, partially attributable to water shortages in the region. This is resulting in an increase in costs associated with purchasing and transporting water.	Current-up to 1 year	Highly probable	High	Engagement with public policy makers Infrastructure investment Increased investment in new technology	The water recycling system was a significant investment of $180 million at the Los Bronces operation.	Progress in implementing our water strategy is driven through our water management programme, which has three areas of focus: driving operational excellence; investing in technology; and engaging and partnering with our stakeholders. The programme is supported by a mandatory Group water standard and delivered via operation-specific water-action plans. Los Bronces has continued to implement technical solutions to prevent further business impacts: water is now transported via a 56-kilometre pipeline from the Las Tórtolas tailings dam to Los Bronces, using a special 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
										recycling system. Other reduction initiatives include reducing the evaporation in tailing dams as well as improving tailings deposition. The site will be adopting evaporation covers, expanding the use of thickeners, and investigating other technology to recover water from tailings dams in 2016. In August, the installation a new cyclone station was completed to increase the recovery of water in the dam. Los Bronces is currently recycling more than 78% of available water. The water recycling system at the Los Bronces operation was a significant investment of $180 million, which was a direct capital expenditure cost

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
										derived from invoices.
South Africa	Olifants(WMA)	Physical-Declining water quality Regulatory-Mandatory water efficiency, conservation, recycling or process standards Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs Reputational-Litigation Reputational-Negative media coverage	Decrease in shareholder value	Anglo American Coal South Africa's operations are located in the Olifants river catchment in Mpumalanga. This catchment is under significant water stress because of historical coal mining impacts, compounded by impacts from agriculture, industry and sewage pollution. The main water quality issue associated with many Coal operations is that mine affected water is saline. One of the risks associated with this saline rich water is possible water quality non-compliance when discharging to the environment. More stringent discharge requirements are likely to result in	Current-up to 1 year	Probable	High	Engagement with public policy makers Increased capital expenditure Increased investment in new technology	Costs have not been quantified.	At Coal South Africa, long term integrated water management plans are being developed for sites to mitigate non-compliance risks and post closure water management liabilities. These will be based on the development of robust conceptual hydrogeological models, which will provide high confidence level water and salt balances and improve prediction and quantification of risks at the receptor. At Coal South Africa, water-treatment plants are used extensively to treat mine-affected water. The flagship eMalahleni water-reclamation plant, built in partnership with South32 and

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
				increased compliance costs and reputational risk. The potential impacts may involve an increase in operational costs and long-term reduction in shareholder value. New draft legislation in South Africa, which incorporates water liability in closure costs, has been published and may result in significant increases in current closure liabilities across the industry. Active treatment of this saline water with available technology is likely to result in significant cost to operations.						the eMalahleni Municipal Council in 2007, treats around 50 million litres of mine-affected water every day. Coal South Africa is now piloting passive water-treatment technologies at three of its sites. Passive technologies are more sustainable because they do not require active human intervention in the long term, or power. In all cases, the treated effluent is suitable for irrigation of crops in local communities. This will reduce our potential closure liability estimate. Mafube mine has been selected by the Department of Water and Sanitation as the first trial site to demonstrate

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
										varying aspects of mine-water irrigation for crop production.
South Africa	Limpopo (WMA)	Physical-Increased water scarcity Physical-Increased water stress Reputational-Inadequate access to water, sanitation and hygiene	Constraint to growth	The expansion of Mogalakwena mine at our Platinum operations is dependent on access to sufficient water, which has been compromised by on-going drought conditions. The mine is located in an area where there are rapidly growing demands for water to support agricultural, mining, industrial and domestic consumption. Although the site has been re-using pit water in the concentrators, this source is beginning to deplete. The impact is an increase in costs (in order to find and purchase alternative water supplies) and a	Current-up to 1 year	Probable	High	Engagement with community Engagement with suppliers Infrastructure investment Increased capital expenditure	A $5 million investment by Platinum will be made to support the upgrade of the Polokwane's sewage works for quality improvement and to secure an additional 6 ML. We have also provided significant time and technical input, which cannot be quantified, into the Olifants River Water Resources Development Project	Anglo American Platinum has implemented a long term bulk water strategy and infrastructure plan, to protect, manage and maintain water supply to its operations. The business unit is a representative member and a Platinum employee serves as the chairperson of the Executive Committee of the Olifants River Joint Water Forum, which represents 22 mining companies with potentially 40 mining projects in the area. The forum is part of the Olifants River Water Resources Development Project (ORWRDP) which will has

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
				potential reduction in the output of the mine if water supplies are not found which would result in reduced revenue. We expect this to remain a risk until such time as the De Hoop Dam pipeline is completed in 2025.						constructed the De Hoop Dam and associated distribution infrastructure to provide water to the Olifants and Mogalakwena/Sand Catchments. The next phase of this project involves the construction of a pipeline from the De Hoop Dam into the Limpopo province. This pipeline is still in planning phase and is expected to be completed in 2025. The aim is to source water from the pipeline to improve water security at Mogalakwena. In order to further mitigate the risk of inadequate water supply to Mogalakwena, we have: 1. Invested $5 million into upgrading the Polokwane Sewage Works.

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
										Construction of this will start in 2016 and will provide an additional 6ML of water to the mine by late 2017; 2. We initiated studies in 2015 to evaluate the suitability of the groundwater as a source of additional water; 3. We are evaluating the utilisation of wastewater effluent from the 2 larger Municipal Wastewater treatment plants of Mokopane. The $5 million investment will be a direct capital expenditure cost and were derived from detailed engineering quotes.
South Africa	SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs)	Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs Regulatory-	Higher operating costs	The regulatory environment for water is developing in South Africa and poses potential risks to Anglo American. Three important draft regulations include:	1-3 years	Highly probable	Medium	Engagement with public policy makers	The cost for responding to this risk is limited to employee remuneration for tasks carried out during	Anglo American engages regularly with the regulators, directly and through the Chamber of Mines. The Chamber of Mines is an industry

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
		Regulatory uncertainty Regulatory-Statutory water withdrawal limits/changes to water allocation		1. The draft regulations requiring the lining of pollution control infrastructure and mine residue dumps has a potential cost impact on the business. 2. New draft legislation incorporating water liability in closure costs may result in significant increases in closure liabilities as water was previously not requested/required to be included by the Department of Mineral Resources (DMR) in the closure provision submitted to the regulator. 3. The Waste Discharge Charge System (WDCS) will require polluters to internalise costs associated with waste and encourage the reduction in waste. There is a risk of a					normal operating procedures.	organisation established to examine policy issues in the mining sector. In this way Anglo American ensures that issues that might arise due to this new regulatory environment are addressed.

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
				change in discharge regulations. Failure to comply will result in fines.						
Brazil	Other: Peixe	Physical-Increased water scarcity Physical-Increased water stress	Constraint to growth	The south-eastern region of Brazil has experienced a series of dry years since 2012. During this period, rainfall registered in the region has been consistently below the historical average. This lower rainfall rates has had an impact on the water availability in the Peixe River, which is responsible for the supply of up to 80% of fresh water for primary activities at the Minas-Rio operation (steady state). Consequently, in September and October 2015, IOB had to temporarily interrupt water abstraction from the Peixe River to ensure the	Current-up to 1 year	Probable	High	Increased capital expenditure	In the order of 13 million Reais (Brazilian Real currency) for the acquisition and installation of additional pumping capacity at the tailings dam to increase the use of process water recirculated and stored in the tailings dam reservoir, as per its design.	In order to mitigate this risk, the water resources team in IOB has developed operational water balance, hydrological model and simulations to predict water abstraction stoppage periods in the Peixe River during the following dry season in order to anticipate contingency plan. The current contingency plan has been implemented comprising the acquisition and installation of additional pumping capacity at the tailings dam to increase the use of process water recirculated and stored in the tailings dam

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
				maintenance of residual minimum flow in the river, as an environmental control. During the water abstraction interruption period, operations were sustained by increasing the use of process water recirculated and stored in the tailings dam reservoir, as per design.						reservoir, as per its design. The cost estimates were derived from incurred operational costs and invoices.

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
Risks exist, but no substantive impact anticipated	Anglo American recognises that there are water risks in the supply chain, primarily linked to some of the main commodities that we use such as timber, electricity and fuel. For e.g. approximately 65% of national electricity comes from hydropower in Brazil where drought conditions have put pressure on hydro-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). During the reporting year, we relooked and updated the definition of 'substantive change'. In doing this we reviewed the water risks in the supply chain and determined that the impacts will not be substantive. The reason is that the impact would need to trigger a $25 million threshold to be substantive. The commodities that we procure that may be impacted by water are generally supplied by large companies that are addressing their own water risks internally. Our procurement policies also ensure that we consider alternative suppliers of our main commodities in order to manage the supply risk. In analysing these commodities we believe that should one of the suppliers be impacted by water risks, we would be able to source an alternative. In this way, the impact on the business would be less than $25 million. We anticipate repeating this exercise again in 2016 and will request additional information from suppliers who we consider to be potentially exposed to water risks.

Further Information

Page: W4. Water Opportunities

W4.1
Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

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	Cost savings	Driving operational excellence is one of the corner-stones of our 10-year water strategy. 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. 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. Progress against these targets is being tracked year-on-year and reviewed annually at each operation. The outcome of this process is a reduction in potable water use and an overall cost saving in using less water. In 2015, for the third consecutive year, we exceeded the 2020 water savings target of 14%; by the end of 2015 we had achieved an estimated 16% water saving against our projected water usage. Water-saving projects, which included more effective dust suppression, dewatering of tailings and more efficient ore separation, saved the Group approximately 25 million m3 of water, equating to savings of approximately $15million.	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. 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.
Rest of world	Increased brand value Social licence to operate	Water is of increasing significance to our business, given that around 70% of our current portfolio is located in high-water-risk regions. To maintain our licence to operate, we cannot degrade water quality or compromise the access rights of other users. We are five years into our 10-year water strategy. Progress in implementing our water strategy is driven through our water management programme, which has three areas of focus: driving operational excellence; investing in technology; and engaging and partnering with our stakeholders. This last element of the strategy can be demonstrated by building resilience in the communities through provision of water and assisting in infrastructure delivery. Examples include: 1. Kumba Iron Ore operations of	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.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		Kolomela and Sishen pumped groundwater, in excess of operational needs, to Sedibeng Water to supply it to the communities. 2. Kolomela also implemented an initiative to artificially recharge mine water to underground aquifers, thereby improving groundwater resources for neighbouring farmers 3. Cerrejón, a 33.3%-owned coal mine located in drought-stricken Columbia, has invested more than $1.9 million in providing assistance to communities. In excess of 20 ML of water has been distributed to over 200 communities. The financial implication of increased brand and social license to operate is not easily quantified but can be significant if neighbouring communities protest and prevent operations from functioning effectively.		

Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

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
Facility 1	South Africa	Olifants(WMA)	Coal South Africa: Kleinkopje, Landau, Isibonelo, Goedehoop, Greenside, New Denmark, Kriel, Central Workshops, Highveld Hospital, Rapid Loading Terminal, Shared Services; Platinum: EL - Twickenham, Mototolo; De Beers: Kimberley mine	15095	Much lower	The lower figure relates to the fact that the Limpopo and Olifants facility catchment allocations were reviewed and updated this year. Certain operations were removed and allocated to the Limpopo catchment resulting in lower figures for Olifants and higher figures for Limpopo.
Facility 2	South Africa	Limpopo (WMA)	Kuma Iron Ore: Thabazimbi, Coal South Afria: Zibulo Platinum: Mogalakwena Mine,	37041	Much higher	The higher figure relates to the fact that the Limpopo and Olifants facility catchment allocations were reviewed and

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
			concentrators, smelters and refineries at Rustenburg, Amadelbult, Union, Western Limb, Eastern Limb, Polokwane, Mortimer and Waterval; De Beers: Venetia			updated this year. Certain operations were removed and allocated to the Limpopo catchment resulting in lower figures for Olifants and higher figures for Limpopo.
Facility 3	South Africa	Orange (WMA)	De Beers: Voorspoed, Ecology; Kumba Iron Ore: Sishen, Kolomela.	26685	Much higher	Sishen Iron Ore is the biggest contributor to this facility. The operation was moving a significantly higher volume of overburden (waste) material in 2015 which has increased their water and energy consumption.
Facility 4	South Africa	Vaal (WMA)	Coal South Africa: New Vaal	3229	About the same	The volumes are in line with last year.
Facility 5	Chile	Other: Aconcague	Copper Chile: El Solado, Chagres	5233	About the same	The volumes are in line with last year.
Facility 6	Chile	Salado	Los Bronces	26052	Higher	Additional surface water was required this year compared to last year due to increased evaporation from the worsening drought.
Facility 7	Chile	Other: Copiapó	Mantoverde	1697	Much lower	The reduction in water use is aligned to the corresponding reduction in production volumes
Facility 8	Chile	Loa	Mantos Blancos	2688	Much lower	The reduction in water use is aligned to the corresponding reduction in production volumes
Facility 9	Brazil	Other: Rio do Peixe	Minas-Rio	20640	Much higher	The increase was largely attributable to the commissioning of Minas-Rio in Brazil, which contributed an additional 13000ML of new water consumption in 2015
Facility 10	Brazil	Sao Francisco	NNP: Codemin, Barro Alto, Phosphate Cataloa, Phosphate Cubatao, Niobium operation	17546	Much higher	There was an increase in the total volume of water required for industrial processing mainly due to an increased

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
						production of the phosphoric acid plant at Cubatão and the ramp up of the BVFR (Boa Vista Fresh Rock) plant at Niobium. In addition, more surface water was extracted at Phosphates Catalão to maintain the water reservoir levels.
Facility 11	Australia	Other: Upper Hunter	Coal Australia: Drayton	1824	About the same	The volumes are in line with last year.
Facility 12	Australia	Fitzroy	Coal Australia: Callide, Dawson. Foxleigh, Capcoal, Moranbah	23374	About the same	The volumes are in line with last year.
Facility 13	Canada	St. Lawrence	De Beers: Snap Lake, Victor, Gahcho Kue	6195	About the same	The volumes are in line with last year.
Facility 14	Zimbabwe	Save	Platinum: Unki mine and concentrator	1506	Higher	Much lower rainfall in 2015 compared to 2014. More water from external sources was required as top-up.
Facility 15	Namibia	Orange	Namibia: De Beers: Namdeb, De Beers Marine	38476	Much higher	These figures are much higher as two facilities in the same catchment were combined into a single facility under the Orange river catchment.
Facility 16	Botswana	Okavango	De Beers: Orapa, Letlhakane, Damtshaa, Jwaneng	19317	Much higher	The higher figure relates to the fact that the facility catchment allocations were reviewed and updated this year. The Jwaneng operation was added to the Okavango catchment resulting in higher figures.

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	74	0	1	6116	0	0	4872	4032	
Facility 2	8602	0	2	10595	0	0	13411	4431	
Facility 3	1116	0	0	24205	0	0	36	1328	
Facility 4	35	0	1806	0	0	0	1388	0	
Facility 5	0	0	586	4647	0	0	0	0	
Facility 6	17903	0	1831	5218	0	0	0	1100	
Facility 7	0	1559	0	138	0	0	0	0	
Facility 8	0	0	0	0	0	0	0	2688	
Facility 9	19974	0	0	664	0	0	3	0	
Facility 10	10868	0	850	5720	0	0	108	0	
Facility 11	0	0	1506	309	0	0	9	0	
Facility 12	2024	0	11481	6846	0	0	39	2984	
Facility 13	4064	0	2053	78	0	0	0	0	
Facility 14	1255	0	0	252	0	0	0	0	
Facility 15	2494	30136	0	5823	0	0	24	0	
Facility 16	0	0	32	19285	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
Facility 1	9710	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 2	666	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 3	0	This is our first year of measurement	This facility has not reported any discharge for 2015. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 4	3454	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.

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
Facility 5	261	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 6	0	This is our first year of measurement	This facility has not reported any discharge for 2015. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 7	0	This is our first year of measurement	This facility has not reported any discharge for 2015. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 8	0	This is our first year of measurement	This facility has not reported any discharge for 2015. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 9	33	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 10	2603	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 11	0	This is our first year of measurement	This facility has not reported any discharge for 2015. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 12	3142	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 13	52376	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 14	153	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 15	30100	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.
Facility 16	0	This is our first year of measurement	This facility is discharging to various sources. This is the first year we have consolidated the discharge data by catchment and thus comparisons cannot be made to last year.

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/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	2564	6560	0	587	0	
Facility 2	370	296	0	0	0	
Facility 3	0	0	0	0	0	
Facility 4	0	0	0	0	3454	
Facility 5	261	0	0	0	0	
Facility 6	0	0	0	0	0	
Facility 7	0	0	0	0	0	
Facility 8	0	0	0	0	0	
Facility 9	33	0	0	0	0	
Facility 10	2602	1	0	0	0	
Facility 11	0	0	0	0	0	
Facility 12	3142	0	0	0	0	
Facility 13	52376	0	0	0	0	
Facility 14	153	0	0	0	0	
Facility 15	0	0	30100	0	0	
Facility 16	0	0	0	0	0	

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
Facility 1	13253	Much lower	The lower figure relates to the fact that the Limpopo and Olifants facility catchment allocations were reviewed and updated this year. Certain operations were removed and allocated to the Limpopo catchment resulting in lower figures for Olifants and higher figures for Limpopo
Facility 2	37655	Much higher	The higher figure relates to the fact that the Limpopo and Olifants facility catchment allocations were reviewed and updated this year. Certain operations were removed and allocated to the Limpopo catchment resulting in lower figures for Olifants and higher figures for Limpopo.
Facility 3	11471	Higher	Sishen Iron Ore is the biggest contributor to this facility. The operation was moving a significantly higher volume of overburden (waste) material in 2015 which has increased their water and energy consumption.
Facility 4	2141	About the same	The volumes are in line with last year.
Facility 5	5290	About the same	The volumes are in line with last year.

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 6	26053	Higher	Additional surface water was required this year compared to last year due to increased evaporation from the worsening drought.
Facility 7	1697	Much lower	The reduction in water use is aligned to the corresponding reduction in production volumes
Facility 8	2690	Much lower	The reduction in water use is aligned to the corresponding reduction in production volumes
Facility 9	20620	Much higher	The increase was largely attributable to the commissioning of Minas-Rio in Brazil, which contributed an additional 13000ML of new water consumption in 2015
Facility 10	18009	Much higher	There was an increase in the total volume of water required for industrial processing mainly due to an increased production of the phosphoric acid plant at Cubatão and the ramp up of the BVFR (Boa Vista Fresh Rock) plant at Niobium. In addition, more surface water was extracted at Phosphates Catalão to maintain the water reservoir levels
Facility 11	1070	About the same	The volumes are in line with last year
Facility 12	14087	About the same	The volumes are in line with last year.
Facility 13	761	Much lower	The volumes are in line with last year.
Facility 14	1497	Higher	Much lower rainfall in 2015 compared to 2014. More water from external sources was required as top-up.
Facility 15	38498	Much lower	These figures are much lower as the facility catchment allocations were reviewed and updated this year.
Facility 16	25221	Much higher	The higher figure relates to the fact that the facility catchment allocations were reviewed and updated this year. The Jwaneng operation was added to the Okavango catchment resulting in higher figures.

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	Not verified	
Water discharges- volume by destination	Not verified	
Water discharges- volume by treatment method	Not verified	
Water discharge quality data- quality by standard effluent parameters	Not verified	
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

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
Board of individuals/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.

W6.2

Is water management integrated into your business strategy?

Yes

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
Tighter operational performance standards	Anglo American is 5 years into a 10-year water strategy towards water resilience. Progress in implementing our strategy is driven through our water management programme, which has three areas of focus: driving operational excellence; investing in technology; and engaging and partnering with our stakeholders. The programme is supported by mandatory Group water standards and delivered via operation-specific water-action plans. With regards to operational excellence, the impact of this water strategy on the business has resulted in particular attention being paid to water risks and costs. For example, every site has set quantifiable water usage goals. Operational targets are aggregated at business unit level where they are included in business unit CEO performance contracts. The outcome of this is that in 2015, for the third consecutive year, we exceeded the 2020 water savings target of 14%; by the end of 2015 we had achieved an estimated 16% water saving against our projected water usage.
Other: Investing in technology	With regards to investing in technology (the second leg of our strategy): Investing in new integrated water-technology solutions is one of our most important technology focus areas and fundamental to achieving a step change in water-efficient mining. The outcome is that during 2015, we made good progress in introducing 'newer' technologies. These relate, for example, to separating water streams that do not contact wastewater; discharging less water to tailings; remote monitoring of water flows and levels in dams and tailings; and piloting passive water treatment technologies. Designing and operating water-efficient mineral residue and processing facilities are another priority for us. Los Bronces, for example, will be adopting evaporation covers, expanding the use of thickeners, and investigating other technology to recover water from slimes dams in 2016.
Other: Engagement and partnerships	With regards to engagement and partnerships (third leg of the strategy) our engagements with host governments, industry associations, local authorities, communities, NGOs, businesses, suppliers and other stakeholders on water-related issues are an integral part of our water journey. We continue to participate in a number of important water-related forums. One of the positive outcomes was that the International Council on Mining and Metals, of which Anglo American is an active member published their practical guide to catchment-based water management which was designed as a practical tool to help mining sites manage the wider risks associated with water. Our Iron Ore Brazil operation was chosen from all the ICMM members to receive free

Influence of water on business strategy	Please explain
	consulting support and to pilot the guide. This process will assist Anglo American in addressing catchment-level water risks across the Group in a more structured manner going forward.

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	The cost of implementing projects to optimise water usage and improve supply to our operations does increase capital expenditure. Examples of increased capital expenditure include the improvement of the water supply at the Polokwane sewage works and Thabazimbi municipality of $7 million and implementation of water recycling system of $180 million at the Los Bronces operation. Other examples of capital projects include Kumba Iron Ore's Kolomela's initiative to artificially recharge the underground aquifers and the pumping of excess groundwater by the Kolomela & Sishen mines to Sedibeng. The outcome of this capital expenditure is improved access to water, however improving municipal water infrastructure in the current economic environment does require funding that could have been used to expand the business in other ways.

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 Company-wide Performance standards for direct operations Performance standards for supplier, procurement and contracting best practice Commitment to customer education Acknowledges the human right to water, sanitation and hygiene Other: Link between water and climate change	Anglo American has developed a stand-alone, company-wide and publicly available Group Water Policy, to showcase our awareness and commitment to safe and sustainable mining along with sustainable use of water within its organisation. The policy requires us to develop and invest in technology, optimise efficiency and prevent environmental degradation in its operations which demonstrates commitment to performance standards, including the commitment to monitor performance regularly. The policy includes a commitment to understand and respond to the water risks and opportunities within our supply chain which Anglo American implements through supplier evaluation and performance standards. The water policy includes a commitment to customer education as it requires us to share knowledge, build capacity and establish common outcomes. Anglo American achieves this through engagement with its suppliers and regulators and partnerships with water utilities. One of the five principles in the policy is that Anglo American recognises water as an environmental and human right. Anglo American recognises that there is a clear link between water impacts and climate change. As such, the policy commits us to understanding and internalising the water implications of climate change.

W6.4

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

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
13	-4	Capex and Opex is only reported for two of our divisions, Platinum and Kumba Iron Ore. Kumba's water related CAPEX increased by 16% between 2014 and 2015. This increase is mainly due to the large infrastructure project carried out at Sishen mine. The mine completed the construction of new water pipeline to Sedibeng municipality to increase the export capability of the mine. CAPEX at Platinum decreased in line with the overall CAPEX reduction in the business as a result of the downturn in platinum prices. When combined there was an overall CAPEX of 13%. OPEX increased at Kumba by approximately 38% which was mainly due to 28% increased volumes of water being pumped out of the mining pits. In addition, the pumping costs increased by 7%. OPEX at Platinum was lower than last year due to the downturn in platinum prices and a focus on reduced spending. Platinum has more operations than Kumba and thus overall OPEX decreased by 4%.

Further Information

Page: W7. Compliance

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, not significant

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
Minas-Rio, Iron Ore Brazil	Enforcement order	In May-15, local residents on the west side of the ridge at Minas-Rio, opposite to where the mine is located, raised a complaint to the environmental agency claiming that our operations were polluting streams and water springs due to silting (erosion and sedimentation) related to loose material accumulated at the crest of the ridge and on the upper west slope, opposite to our open pit development. The authorities issued a Legal Notice of Violation on July 8th.	1	0	USD($)	Anglo American proceeded with mitigation actions accordingly to a rehabilitation plan agreed and approved with the SUPRAM Jequitinhonha (Environmental Agency), which was already completed.

W7.1b

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

2%

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
0	Lower

Further Information

Page: W8. Targets and Initiatives

W8.1
Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

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	Water stewardship	Anglo American has a target to reduce water consumption by 14%, which equates to 29995ML, against a business-as-usual (BAU) forecast consumption in 2020 of 192272ML. The target was set in 2011 with a forecast BAU calculation up to 2020. Anglo American tracks its progress against this target through WETT. Anglo American's consumption in 2015 was 221000ML and we are progressing well to meet the 2020 target	Other: Absolute	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
Other: Increase use of recycled / re-used water	Water stewardship	A key feature of our water strategy is to reduce our dependency on high quality water through water switching and the use of lower quality water. This will reduce costs and allow more water to be available in the communities in which we operate. Our long term goal is for 80% of our total operational water requirements to be met by recycling/re-using water, and if this is achieved this will be regarded as the measure of success. This will be achieved through the application of advanced technology. We do not have a set target date for achieving this goal as it is aspirational.	We are making progress towards the goal and in 2015, of our total operational water requirements, 64% was met by recycling/re-using water. This goal has not been achieved yet as it is long term in nature. Our operations also seek to reduce their dependency on high quality water through water switching and the use of lower quality water where practicable. Potable water usage continues to decrease and now accounts for only 8% of the Group's new water used (2014: 9%).

Further Information

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
Biodiversity and water quality	Linkage	During the open-cast coal mining process the lack of vegetation on mining sites causes the infiltration of excess rainwater and surface water into the soil profile. The actions that have contributed to causing this is insufficient concurrent rehabilitation of surface areas. The impact of this is additional contaminated water that may need to be treated at end of life of mine. This saline water in our coal mines in South Africa is a potential future risk. It has been shown that a free-draining model will allow for more water to run-off and thereby reduce the amount of water that needs to dewatered in future operations. This can be achieved by undertaking concurrent rehabilitation of the site. 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. This in turn will improve the quality of water that may need to be treated at the end of life of mine and potentially improve the biodiversity of the catchment as less contaminated water will be produced. In order to ensure this happens, our Coal operations have included concurrent rehabilitation targets in the performance contracts of the General Managers.
Waste caused by desalination of water	Trade-off	One of the most significant issues associated with desalination unit processes utilising membrane technology is the generation of a highly concentrated salt stream (brine). Brine management requires long term handling and storage in brine ponds which impacts considerably on life cycle costs whilst remaining an environmental liability with a substantial footprint which is not sustainable into the future. A number of brine treatment or minimisation technologies, such as Eutectic Freeze Crystallisation, HybridIce and Ion Exchange technologies have been developed and tested on a laboratory/pilot scale under the auspices of Coaltech in South Africa. The New Vaal Colliery in South Africa has implemented a full scale (approx. 2 ML/d) brine treatment plant using the Eutectic Freeze principle to address brine storage/disposal constraints on site.

Further Information

Module: Sign Off

Page: Sign Off

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
Tony O'Neill	Director: Technical & Sustainability	Chief Operating Officer (COO)

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

Further Information