

Arch Coal Mining and Water Management

WHEREAS: Arch Coal's mining operations significantly affect water quantity and quality, yet Arch has done little to disclose these impacts to shareholders.

Water is essential for coal mining. However, pumping water to support mining operations can deplete water availability. Furthermore, mining's waste materials, including acidic mine water and mine tailings, contain toxic pollutants that can cause long-term environmental damage and degrade both surface water and groundwater quality.

Arch conducts extensive strip mining in the Powder River Basin, including its Black Thunder mine, which it describes as "the largest single coal mining complex in the world." Strip mining removes coal seams, which are important sources of groundwater in the region, and thereby harms farmers, ranchers and wildlife dependent on groundwater. In the Appalachian region, Arch engages in mountaintop mining (MTM), a practice with serious environmental impacts. MTM involves blasting off the tops of mountains and depositing the rock in adjacent valleys, burying streams, causing permanent damage to ecosystems, and rendering streams unfit for swimming, fishing and drinking. Streams affected by MTM contain pollutants in concentrations dangerous to people and wildlife.

Arch's 2013 Corporate Social Responsibility report fails to disclose the full nature and extent of the company's water impacts. It lacks information on water sources significantly affected by the company's withdrawals; the size, biodiversity value, and importance to communities of water bodies affected by the company's water discharges; the amount of waste the company disposes of by means other than recycling; and data on the quantity, quality, and destination of the company's water discharges. This information is important because without it, shareholders cannot accurately assess the company's overall water impacts or the likely impact of its controversial Powder River Basin expansion plans. There is significant opposition to expansion in the Powder River Basin and a recent report states that expansion of coal mining operations there will compound the depletion and degradation of aquifers already occurring in the region.

Resolved: Shareholders request a report, prepared at reasonable cost within six months after the 2014 annual meeting, omitting confidential information, on the company's efforts to reduce environmental hazards associated with its mining operations, and how those efforts may reduce legal, reputational and other risks to the company's finances. The report should include complete, detailed information for these GRI performance indicators:

- Total water withdrawal by source, including surface water, groundwater and municipal supplies.
- Water sources significantly affected by withdrawal of water and their size, biodiversity value, and importance to local communities.
- Total planned and unplanned water discharges by quality (i.e., treated or untreated) and destination, and how much was reused by another organization.

- Total weight of waste by type and disposal method, including (but not limited to) landfill, incineration, and on-site storage.
- Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the company's discharges of water and runoff.