

## Peabody Energy

### Mining and Water Management

WHEREAS: The world may face a 40% water shortfall by 2030. Peabody's 2012 Corporate Social Responsibility Report states that the company "views water as a vital and finite resource that must be conserved" and that it is "committed to further reducing its water use whenever possible," yet Peabody's activities have substantial impacts on water quantity and quality in the regions where it operates. For example:

In Wyoming, the 3<sup>rd</sup> driest state in the nation, the impact of Peabody's North Antelope Rochelle Mine is such that it will take hundreds of years for water levels to recover. In Arizona, the 4<sup>th</sup> driest state in the U.S, Peabody depleted the Hopi tribe and Navajo Nation's primary aquifer to the point that it endangered the ability of the Hopi and Navajo to draw on groundwater for subsistence and other needs.

On top of depleting water resources, Peabody's operations have had a significant impact on water quality. Groundwater monitoring data collected near the coal waste impoundment at Peabody's Gateway Mine in Illinois show exceedances of state water quality standards for eight toxic metals. Peabody has acquired permits to expand Gateway Mine's annual production capacity by 40% and to expand to the mine's impoundment area. In addition, Peabody, BNSF Railway Co., and several other coal and energy companies are being sued for violating the Clean Water Act by discharging non-permitted quantities of coal and related products during the transportation of coal via railcars throughout Washington State from 2008 to the present.

The Global Reporting Initiative (GRI) framework is the "most widely used framework" and the "de facto standard" for corporate sustainability reporting and is used by 5,646 organizations around the world. It gives shareholders valuable information on the social, economic, and environmental impacts of a company's operations.

Peabody claims to be committed to mitigating its water impacts, but the company does not use the GRI or any recognized framework to report its water impacts to shareholders. Several major competitors, including Arch, BHP and Rio Tinto, already use the GRI reporting framework.

**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 and health 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
- Water sources significantly affected by withdrawal of water
- Percentage and total volume of water recycled and reused
- Total water discharged by quality and destination
- Total weight of waste by type and disposal method
- Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by reporting organization's water discharge and runoff.
- Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce