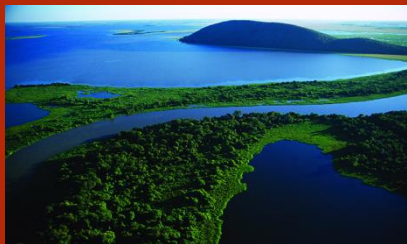


Industry sector efforts to harmonize water measurement & disclosure

Ross Hamilton, Director

Tuesday 30th August 2016



ICMM water stewardship framework

ICMM
International Council
on Mining & Metals

InBrief

Water stewardship framework

Environment and Climate Change
April 2014



Be transparent and accountable

Publicly report material water risks, management activities and performance.

Engage proactively and inclusively

Engage stakeholders in an open and transparent manner to understand their priorities, share plans and collaborate on solutions.

Effective water resource management

Manage operational water (quantity and quality) inputs, use and outputs to maximize resource sustainability, operational flexibility and economic benefit.

Adopt a catchment-based approach

Understand the social, cultural, economic and environmental value of water at the catchment scale to identify material water stewardship risks and provide context for corporate and operational water management.

The drive for a step change in disclosure



March 2015

An Investor Handbook for Water Risk Integration

Practices & Ideas Shared by 35 Global Investors

A Ceres Report
March 2015

WATER RISK VALUATION TOOL PREVIEW

Authored by
Monika Frey
Siobhan Col
Brooke Bart

MARCH // 10 // 2015

Bloomberg

Investors also know how damaging inaction, inappropriate action or delaying interventions on water-related issues can be... The global economy will favour businesses that take a pro-active approach to water stewardship.

Eurizon Capital

The ask:

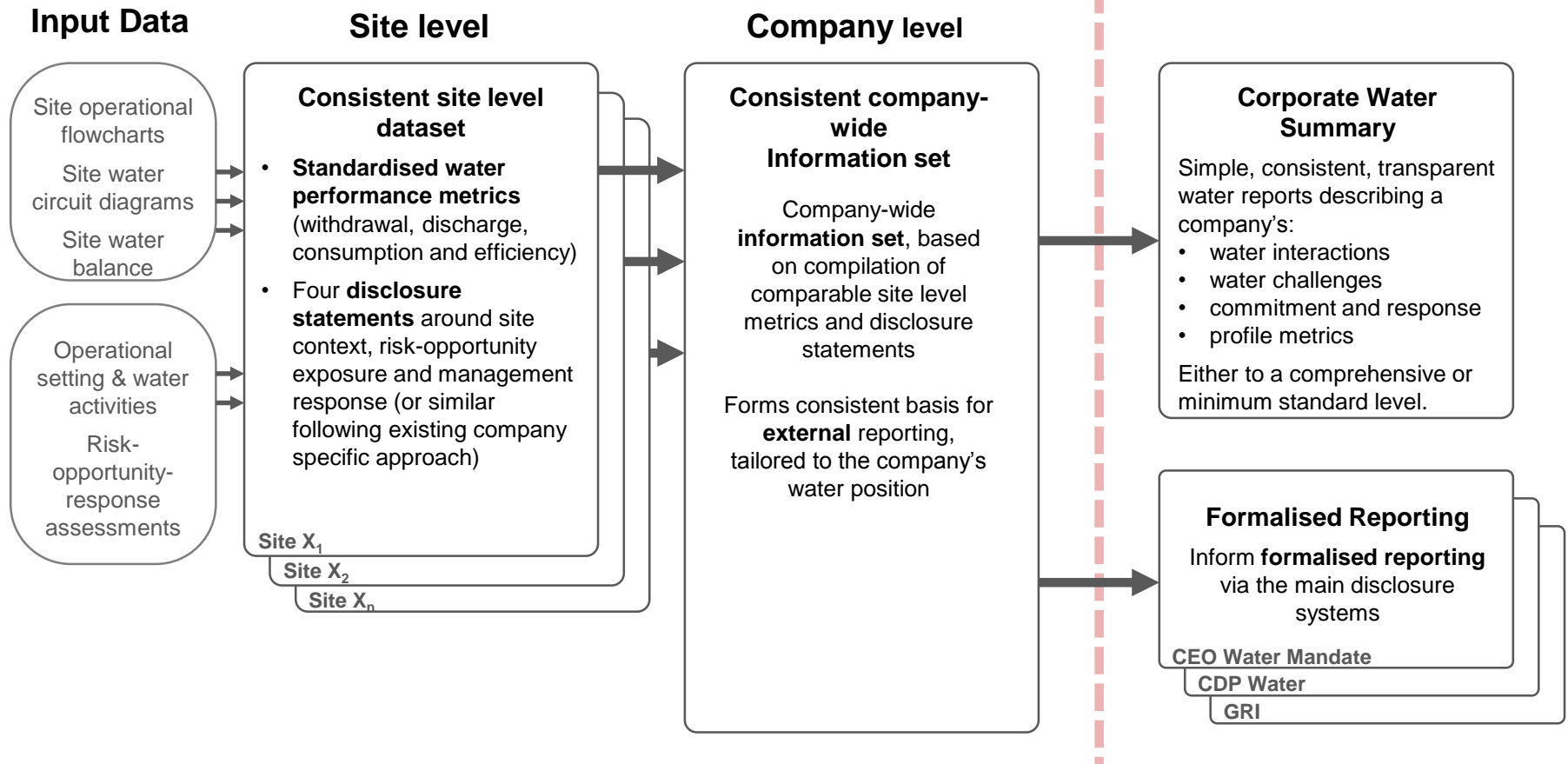
- Comparable data
- Data on water effluents (discharge), recycling
- Comprehensive picture of risk profile
- Risk methodology / approach

.....and ultimately value at risk

Consistent water reporting for the industry

INTERNAL

Data collation, compilation and analysis



Water performance metrics

- Withdrawals (by four source types and quality)
- Discharge (four receiving body types and quality)
- Consumption (High and Other)
- Efficiency (Reuse Efficiency + Recycle Efficiency)
- Intensity (internal use)

Consistent Reporting Water Quality Categories	MCA WAF Water Quality Categories ¹⁰
High Quality	Category 1 High quality water which may require minimal and inexpensive treatment to raise quality to appropriate drinking water standard (e.g. near potable water)
	Category 2 Medium quality water which would require a moderate level of treatment to meet appropriate drinking water standard (e.g. agricultural use)
Other Quality	Category 3 Low quality water which would require significant treatment to raise quality to appropriate drinking water standards (e.g. industrial and waste water)

Standardising site level information for company level aggregation

Dataset available for reporting		Standardised water metrics			
		Withdrawal by source and quality (high and other)	Discharge by source and quality (high & other)	Consumption by quality (high & other)	Efficiency total
EXAMPLE context-risk-response statements	Location / river basin	<p><i>Useful internal company-wide dataset, based on meaningful and comparable site level metrics and disclosure statements.</i></p> <p><i>Forms a comprehensive and transparent basis for external corporate reporting, tailored to the company's water position.</i></p>			
	Commodity type				
	Operational context				
	Catchment stress level				
	Site water risk level				
	Water risk types (primary & secondary)				
	Water opportunity level & type				
	Management response				

Note: This approach uses categorised responses for site level operational context, catchment stress level, site water risk level and local management response to allow compilation and use at the company level

Company profile (illustrative)

- **Interactions with water**
 - Main operational water activities, consumptive water uses, sources for withdrawals, main discharges
- **Water challenges and opportunities**
 - Corporate level: Materiality of water risk to the business value and performance
 - Operational level: Material water risks / challenges, exposure to water stressed areas, material opportunities
- **Commitment and response**
 - Corporate level: Commitment to water stewardship, integration to business strategy, stakeholder engagement
 - Operational: process for risk management, targets, proactive initiatives, case examples to illustrate

For further information:

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Key elements of a consistent water reporting

- 1 Mandating the minimum disclosure standard:
- 2 Defining the set of standardised water performance metrics
 - Based on Mining Council of Australia Water Accounting Framework
- 3 Providing practical guidance around preparing corporate water profile:
 - Includes simple approach to collation of site level data / information collation, compilation and analysis
 - Minimum disclosure standards at company level
 - Based on CEO Water Mandate and CDP
- 4 Maintain flexibility in approach to external disclosure