Industry sector efforts to harmonize water measurement & disclosure

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ICMM water stewardship framework

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

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

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

**Input Data**
- Site operational flowcharts
- Site water circuit diagrams
- Site water balance

**Operational setting & water activities**
- Risk-opportunity-response assessments

**Site level**
**Consistent site level dataset**
- Standardised water performance metrics (withdrawal, discharge, consumption and efficiency)
- Four disclosure statements around site context, risk-opportunity exposure and management response (or similar following existing company specific approach)

**Company level**
**Consistent company-wide Information set**
- Company-wide information set, based on compilation of comparable site level metrics and disclosure statements
- Forms consistent basis for external reporting, tailored to the company’s water position

**Corporate Water Summary**
Simple, consistent, transparent water reports describing a company’s:
- water interactions
- water challenges
- commitment and response
- profile metrics
Either to a comprehensive or minimum standard level.

**Formalised Reporting**
Inform formalised reporting via the main disclosure systems
- CEO Water Mandate
- CDP Water
- GRI

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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)

<table>
<thead>
<tr>
<th>Consistent Reporting Water Quality Categories</th>
<th>MCA WAF Water Quality Categories</th>
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<tbody>
<tr>
<td>High Quality</td>
<td>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)</td>
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<tr>
<td>Other Quality</td>
<td>Category 2: Medium quality water which would require a moderate level of treatment to meet appropriate drinking water standard (e.g. agricultural use)</td>
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<td>Category 3: Low quality water which would require significant treatment to raise quality to appropriate drinking water standards (e.g. industrial and waste water)</td>
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Standardising site level information for company level aggregation

<table>
<thead>
<tr>
<th>Dataset available for reporting</th>
<th>Standardised water metrics</th>
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<tbody>
<tr>
<td></td>
<td>Withdrawal by source and quality (high and other)</td>
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<tr>
<td>Location / river basin</td>
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<tr>
<td>Commodity type</td>
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<td>Operational context</td>
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<td>Catchment stress level</td>
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<tr>
<td>Site water risk level</td>
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<tr>
<td>Water risk types (primary &amp; secondary)</td>
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<tr>
<td>Water opportunity level &amp; type</td>
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<td>Management response</td>
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**EXAMPLE context-risk-response statements**

- Usefull internal company-wide dataset, based on meaningful and comparable site level metrics and disclosure statements.
- Forms a comprehensive and transparent basis for external corporate reporting, tailored to the company’s water position.

**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