

INTERNAL

SAFETY, HEALTH AND ENVIRONMENT



**“Our policies guide us
to do the right thing.”**

Mark Cutifani
Chief Executive

GROUP WATER POLICY

v.1

Valid from: 03/07/2018
Next review: 03/07/2021
Policy owner: Group Director - Technical

Context:

At Anglo American we recognize that through our world class assets, operational excellence and resolute commitment to safe and sustainable mining, we can become the leading global mining company.

Water is a fundamental requirement for our operations and future development, as it is to the communities in which we operate. We must therefore recognize our role and responsibility in water by making informed, sustainable and value protecting decisions as a business and stakeholder.

As such our preferred future is to be a Responsible Water Steward, by maximising the value from water resources while seeking to achieve no long-term net harm to the areas in which we operate. We recognize that we are a member of the larger community, and are a net positive contributor to that community. Where possible, we will strive to both improve water access to our communities, and lead sustainable water management within our regions.

Does this apply to me?

This Policy applies to the entire Anglo American plc Group, including all of its Business Units, Group Functions and controlled subsidiaries, regardless of region or operation (collectively, “the Group”). The Policy does not apply to joint ventures and subsidiaries which are not controlled by the Group.

This Policy applies to all employees and directors, as well as contractors, consultants and external advisers (and their personnel) when they are acting on behalf of the Group.

This Policy aligns with leading practices worldwide, as outlined in documents prepared by the World Bank, the International Finance Corporation (IFC), the International Council on Mining and Metals (ICMM) and the Global Water Reporting Initiative, among many other.

This is a Group Policy that applies to Anglo American globally, unless any aspect of the Policy is not permitted by local law or regulation.

What do I need to know?

Underpinning our preferred future there are five fundamental principles:

- **Our people** – building capacity, compliance to simple non-negotiable standards and driving water resilience within our operations;
- **Our process** – Minimizing water abstracting and discharge, embedding water efficiency while striving for sustainable water security throughout our business;

- **Our stakeholders** – recognizing water as an environmental and human right whilst identifying, developing and implementing collaborative solutions with our stakeholders;
- **Our supply chain** – understanding and responding to the water risks and opportunities within our supply chain;
- **Informing public Policy** – contributing our skills and knowledge to the development of socially and environmentally responsible public Policy.

Our responsibility

Through the implementation of these activities we will achieve our strategic ambition:

Securing water without compromising water resources and other users

- Facilitate and encourage water reuse/recycling and fit-for-purpose use;
- Drive compliance with Group standards and regulations as a minimum;
- Develop sustainable water security projects and practices where we operate.

Do no harm to the environment

- Minimize wastewater discharge
- Maximize water recycle and beneficial reuse opportunities within our communities
- Implement fit-for-purpose projects that safely and sustainably store and manage water at and around our Operations

Proactively engaging to build capacity for effective water partnerships

- Play a catalyst role for local and regional water management;
- Share knowledge, build capacity and establish common outcomes;
- Support and propagate an internal culture of water conservation.

Minimising risk to protect and enhance value, while not externalising our impacts

- Identification and proactive management of water risk and opportunity;
- Integration of water management into long term business and sustainable mine closure planning;
- Understanding and internalising the water implications of climate change.

Buffering operations against external water demand, costs and potential climate change

- Integration of the value of water into business planning and decisions;
- Proactive monitoring and performance measurement for water in and around our business;
- Developing and investing in technology and innovation to further water management performance;
- Optimising business water use efficiency while striving to prevent water resource degradation.

Be open and transparent in our water management practices with all stakeholders, both internal and external

- Lead monitoring and reporting practices for water at Anglo operations
- Actively communicate with external community and stakeholders regarding water practices and performance

What do I need to do?

Group Technical Standard on Water Management

The Group Technical Standard on Water Management sets out the minimum requirements at Anglo American. The Technical Standard and related Guideline(s) (which set forth best practices) address all key aspects of efficient water management, including water supply and security, water for operations, hydrology and hydrogeology, mine dewatering, water collection, storage, uses and discharge, closure, post-closure, water quality and potential environmental impacts, including sustainable and socially responsible water use, for sites and projects.

Operations and Business Units must appoint competent practitioners at Operational level that will take responsibility for effective water management, communication of key performance indicators, and implementing the Group Policy and associated standards.

Communication

In order to maintain effective water management, meeting Group Policies and Standards, routine and consistent communication and reporting from sites will be undertaken. Assimilation and governance of water management practices and performance will be routinely monitored and managed at the Group level.

Monitoring and Reporting

Monitoring and Reporting

Anglo American conducts regular monitoring and performance measurement for water in and around our business. All business sites have a Water Management Policy, which includes monitoring and reporting.

Monitoring and reporting of water management practices and status have the dual objective of:

1. Supporting site operations management with best practice.
2. Being transparent, in reporting water management performance to external stakeholders, including shareholders and professional organizations.

Consequences of breach

Breaches of either the Water Policy or its performance requirements must be reported to local and Group management, as well as to the Head of Mineral Residue Facilities and Water Management. Where the breach has a potential regulatory or

legal component, breaches must be reported to the appropriate authorities, subject to prior consultation with Group Legal.

Further Information

Internal references

- [Anglo American Safety, Health and Environment \(SHE\) Way](#)
- [Anglo American Group Technical Standard GTS-21, Water Management](#)
- [Anglo American Water Management Guidelines](#)
- [Anglo American Group Climate Change Policy](#)
- [Anglo American Group Human Rights Policy](#)

If you need any further information, contact the Water Management practice area via water@angloamerican.com.

External references

- [IFC Performance Standards on Environmental and Social Sustainability](#)
- [United Nations Millennium Development Goals](#)
- [United Nations Sustainable Development Goals](#)
- [International Council on Mining and Metals \(ICMM\) Water Stewardship Framework](#)
- [ICMM: A Catchment-Based Approach to Water Management](#)
- [ICMM: Practical Guide to Consistent Water Reporting](#)
- [IFC: Water Metrics to Measure at Catchment Scale](#)
- [World Bank: Environmental Regulations and Standards](#)
- [ISO 14046: Measuring Impact of Water Use and Promoting Efficiency](#)
- [GRI 303: Global Water Reporting Initiative](#)

If you need any further information, contact the Head, Water Management.

Revision History

Policy governance commitment:

Approval date by PGC:	20 April 2018
CorpCo approval:	03 July 2018

Document Control

Frequency of Policy review after date of issue:	Every 3 years
--	----------------------

If this Policy has one or more approved waivers in place:

No.	N/A
Waiver applies to	N/A
Waiver in place from	N/A
Expiration of waiver	N/A
Date waiver approved	N/A

The following changes have been made since this document was previously issued:

Old Policy name, date, and version number:	Group Water Policy, 2011
Main changes made:	<ul style="list-style-type: none"> • Update to reflect change to risk-based water management, and alignment to new Group Water Management Standard and Guidelines. • Update to reflect changes in internal and external monitoring and reporting requirements.