

Position statement on water stewardship

January 2017

ICMM members recognise that they have a significant role to play in creating a safer and more sustainable mining and metals industry. Through their commitments they work together, alongside governments and local communities to improve quality of life beyond the provision of the minerals and metals that sustain modern living.

All member companies are represented on ICMM's council by their CEO.

Our members

African Rainbow Minerals

AngloAmerican

AngloGold Ashanti

Antofagasta Minerals

Areva Mines

Barrick

BHP Billiton

Codelco

Freeport-McMoRan

Glencore

Goldcorp

Gold Fields

Hydro

JX Nippon

Lonmin

Mitsubishi Materials

MMG

Newmont

Polyus

Rio Tinto

South32

Sumitomo Metal Mining

Teck

Position statement on water stewardship

1

Overview

This position statement sets out ICMM members' approach to water stewardship. Water stewardship is the use of water in ways that are socially equitable, environmentally sustainable, and economically beneficial.¹ Effective stewardship requires collaboration and concerted action from all parties, including government, civil society, business and local communities through inclusive stakeholder engagement.

The commitments in this position statement require members to:

- Apply strong and transparent water governance
- Manage water at operations effectively
- Collaborate to achieve responsible and sustainable water use

The position statement will not apply retrospectively.²

2

Background on ICMM principles and position statements

All ICMM member companies implement the ICMM *Sustainable Development Framework* as a condition of membership. This includes commitments to implement 10 principles throughout their businesses, to report in line with the Global Reporting Initiative's (GRI) *Sustainability Reporting Framework* and to obtain independent external assurance that the ICMM commitments are being met (this framework is described in detail at www.icmm.com/member-commitments).

ICMM principles of particular relevance to water stewardship are:

- Principle 3: Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
- Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.
- Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.
- Principle 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning.
- Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

In accordance with the principles, ICMM has also developed a number of position statements that further elaborate member commitments to particular issues. Company members comply with these statements by incorporating them into their operational practices.

1. Source: Alliance for Water Stewardship.

2. Members are expected to implement the commitments in this position statement by November 2018.

Position statement on water stewardship continued

3

Recognition statements

ICMM members recognise that:

1. Water is a precious shared resource with high social, cultural, environmental and economic value. Access to water has been recognised as a right³; integral to wellbeing and livelihoods and the spiritual and cultural practices of many communities. It is also essential to the healthy functioning of ecosystems and the services they provide.
2. Water is a vital input for all mining and metals operations – required for the health and wellbeing of employees and at every stage of an operation's life cycle including closure. The dependency and impact on a shared resource creates material risk for the mining and metals sector that requires effective management.
3. Water challenges are increasing around the world. Earth's freshwater resources are finite and under pressure from industrialisation, urbanisation, climate change and the needs of a growing global population.
4. These challenges are shared across countries, industry sectors and society. In order to meet demand, a change is needed in the way water is used, managed and shared. This will require collaboration and concerted action from all parties, including government, civil society, business and local communities.
5. Through the Sustainable Development Goals, world leaders have publicly acknowledged the urgency of using and managing water sustainably. The business sector can play a significant role in supporting this approach including through ensuring access to clean water, sanitation and hygiene (WASH) for employees in the workplace. There is further opportunity for the business sector to support government initiatives through leveraging capital or expertise to improve community WASH and other water related outcomes.
6. Water-related risks and impacts are predominantly experienced by people and ecosystems at the local/catchment level. Therefore companies need to look beyond traditional operations-based water management to the dynamics and interactions of various water users in the wider catchment. Effective water management requires a holistic understanding of hydrology and land use, as well as broader political, economic, social and ecological dynamics that influence water availability and quality.
7. The mining and metals industry has an important role to play in the sustainable management of water resources where companies are active. Proactive and holistic water management strategies can create substantial competitive advantage through reducing water-related risk, identifying opportunities, attracting investment and building trust through improved transparency.

‘Effective water management requires a holistic understanding of hydrology and land use, as well as broader political, economic, social and ecological dynamics that influence water availability and quality.’

3. ICMM members have committed to respect the rights, interests, special connections to lands and waters, and perspectives of Indigenous Peoples, where mining projects are to be located on lands traditionally owned by or under customary use of Indigenous Peoples. In addition, the UN General Assembly recognised access to safe and clean water and sanitation as a human right in July 2010.

January 2017

4**Commitments**

In addition to existing commitments under the ICMM *Sustainable Development Framework* ICMM member companies commit to:

4.1**Apply strong and transparent corporate water governance**

- Publicly disclose the company's approach to water stewardship.
- Allocate clear responsibilities and accountabilities for water – from board and corporate to site levels.
- Integrate water considerations in business planning – including company strategy, life of asset and investment planning.
- Publicly report company water performance, material risks, opportunities and management response using consistent industry metrics and recognised approaches.

4.2**Manage water at operations effectively**

- Maintain a water balance⁴ and understand how it relates to the cumulative impact⁵ of other users.
- Set context-relevant water targets or objectives for sites with material water-related risks.

- Proactively manage water quantity and quality to reduce potential socio-environmental impacts and realise opportunities.
- Ensure all employees have access to clean drinking water, gender-appropriate sanitation facilities and hygiene at their workplace.

4.3**Collaborate to achieve responsible and sustainable water use**

- Identify, evaluate, and respond to catchment-level⁶ water-related risks and opportunities.
- Identify and engage proactively and inclusively with stakeholders that may influence or be affected by a site's water use and discharge.
- Actively engage on external water governance issues, with governments, local authorities and other stakeholders, to support predictable, consistent and effective regulation that underpins integrated water resource management.
- Support water stewardship initiatives that promote better water use, effective catchment management and contribute to improved water security and sanitation.

'ICMM member companies commit to support water stewardship initiatives that promote better water use, effective catchment management and contribute to improved water security and sanitation.'

4. A water balance is an approach used to measure the flow of water in and out of an operational facility. This provides the basis for understanding, managing and communicating the site's water requirements and use. A site water balance is comprised of three main components, namely: water withdrawals, water discharge and water consumption. The formula for calculating a site water balance is: withdrawal volume = discharge volume + consumption volume + any change in the volume of onsite water storage.

5. Cumulative impacts are changes to the environment that are caused by an action in combination with other past, present and future actions.

6. A catchment is the area of land from which all surface run-off converges through a sequence of streams, rivers, groundwater aquifers and lakes into the sea or another outlet at a single river mouth, estuary or delta. The term catchment is sometimes used interchangeably with drainage basin or watershed.

ICMM is an international organisation dedicated to a safe, fair and sustainable mining industry. Bringing together 23 mining and metals companies and 34 regional and commodities associations we strengthen environmental and social performance.

We serve as a catalyst for change; enhancing mining's contribution to society.

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