



Code of Conduct: Safety, Health and Environment

GROUP WATER POLICY

Valid from:	23/01/2023
Policy owner:	Group Director - Technical



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

Chief Executive

1. Context

Water is vital to our business and to all our stakeholders, including our host communities where we operate. Access to water is a fundamental human right and a key enabler for social equality and prosperity. We treat water with respect, as an asset that underpins the vibrancy of the natural environment and biodiversity. The importance of water to our business, our host communities and other stakeholders, and the natural environment is integral to our commitment to be a responsible steward of valuable resources.

Anglo American's approach to how we use, manage and care for water is guided by recognised best practices for water management and stewardship. We aim to use, manage, and care for water through the lifecycle of our operations in a way that is socially and culturally equitable, environmentally sustainable, and economically beneficial.

As the world's climate changes, we must innovate to solve challenges that lie ahead. Global modelling¹ indicates that increasing weather volatility associated with climate change will, over time, change the quantity, frequency, and intensity of rainfall and exacerbate extreme weather events (including droughts and floods) around the world. Most of Anglo American's operating sites are in water scarce or water stressed regions and they are typically long-life assets with multi-decade resources and reserves. We focus on robust operational planning and collaboration with relevant stakeholders to lead sustainable water management across our operations and to enable responsible solutions for the regions in which we operate.

This Policy is underpinned by the Group Water Management Standard ("WMS"), which defines the technical requirements for water management in Anglo American.

For ease of reading, we use generic language in describing the Anglo American Group, which is explained in the "Terms" at the end of this document.

2. Does this apply to me?

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. It applies to all directors, employees, contractors, consultants, and external advisers of Anglo American, including all its listed and subsidiary companies. Where Anglo American does not manage an operation but is associated with it through a business relationship (such as a joint venture or other business partnership), we will seek to influence the operation in line with the requirements of this Policy.

¹ IPCC 6th Assessment Report, 2021

3. What do I need to know?

We have six interconnected areas of focus for water management and water stewardship:

1. Safety is at the heart of water management

Whilst valuing water as an asset, it is also a hazard that represents critical safety risks. Our management of operations embeds a total commitment to safety, including the stability of our mining operations and mineral residue facilities. We are conscious of the safety risks posed by water storage facilities to communities and strive to ensure safe design and operation.

2. Ensure water security and resilience

Through our operating processes – including the use of hydrological and water resource analysis models, consideration of climate change and scenario planning to deal with variable water availability (ranging from excessive water to an insufficient amount) – we implement water security measures for the long-term business continuity, including reducing reliance on surface and ground water sources, which are susceptible to hydrological / climate variability.

3. Reduce our use of water and be operationally efficient

We minimise the amount of water we need, particularly our use of freshwater. Through optimising operational efficiency, innovation and leveraging international best practice water management guidance, we reuse water and recycle as much of it as possible as part of optimising operational site performance.

4. Manage water quality

We manage, contain, and control the quality of water we use and release to the environment, including compliance to internal expectations and statutory requirements, during operations and post-closure. We use the lowest quality of water possible to reduce our use of fresh water. We also control the quality of water inside our operational cycle to maximise mining value and product recovery, whilst ensuring our mining infrastructure is not adversely impacted using low quality water.

5. Maximise beneficial use for communities and the environment

We place beneficial use of water at the core of what we do, to support long-term social, cultural, and environmental needs of host communities and for the natural environment where they live and work, building effective water partnerships. We contribute our skills and knowledge to the development of socially and environmentally responsible Public Policy as relevant and appropriate.

6. Risk management

We are open and transparent in our water practices with all stakeholders, building capacity and capability to identify and proactively manage water risk and opportunity, integrating water management into long term business planning, decision making and sustainable mine closure planning. We proactively monitor and measure performance of water management in and around our business, developing and investing in technology and innovation to reduce risk and further improve water management performance.

Our six focus areas of water management and water stewardship are incorporated into the Water Management Plans (“WMP”) of our sites, which are guided by and audited against the Water Management Standard (“WMS”), the Water Management Guideline, and the Guideline for Water Definitions & Reporting.

Communication and Engagement

We promote and communicate our water management and water stewardship activities – including this Policy – to our people and partners, and we will engage in a continuous stakeholder consultation and dialogue to discuss performance and areas of improvement.

4. What do I need to do?

Everyone who works for Anglo American

Being accountable for our actions is integral to how we work. By holding each other to account, we uphold our principles and carry out the following:

- **Leadership** – We apply our leadership culture to ensure the key principles for water management as set out in this policy are understood across the Group, and that our priorities for water and the implications for the areas in which individuals work, are understood.
- **Integration** – The principles of the policy must be integrated into how our operational activities are designed, approved, planned, procured, scheduled, resourced and executed, as well as integrated into our performance targets and objectives.
- **Implementation** – **The policy must be effectively implemented wherever there are water risks and opportunities** (to the business and other stakeholders) identified.
- **Governance & Compliance** – We must know the specific performance requirements that are expected of us in this policy, with water risks and opportunities actively identified, assessed and managed, with controls and actions identified, prioritised and implemented. All concerns about compliance to internal and regulatory requirements must be raised and discussed with a manager or the Water team.
- **Continuous Improvement** – We are all expected to collaboratively share and learn from “what goes right” with our management and stewardship of water as well as “what goes wrong” from incidents and non-conformances. Everyone is encouraged to put forward innovative ideas to minimise our use of water and achieve successful water stewardship.

Business Units (BUs)

Management in Business Units must ensure the following:

- **Leadership** – A nominated BU executive will have accountability for water management and water stewardship for operations in the BU, including a long-term strategy for water implementation and compliance with policy, and for ensuring awareness across all impacted disciplines.

- **Integration** – All teams (including contractors and suppliers) must know the water standards and procedures they must follow, and ensure they have the right skills, training, and knowledge for the activities they undertake to ensure our management system for water is fully integrated into our operational activities.
- **Implementation** – BU operations must have water balances and water management plans in place to manage water security, freshwater reduction, operational efficiency, and discharge management. Progress must be monitored by the BU to ensure objectives are being achieved and that this Policy is being implemented and complied with.
- **Governance & Compliance** – There must be a rigorous governance plan to act upon, monitor and proactively report on all compliance obligations and conditions, including first line assurance and required self-assessment completion and reporting.
- **Continuous Improvement** – We must follow up and act on approved improvement opportunities.

Group Management

- The Group Technical Director is accountable to the Anglo American Board of Directors for this Policy.
- Group T&S Office & Sustainable Development (Water Management discipline) set the Group-level minimum performance standards under this Policy and provide second line assurance on compliance to policy, as well as managing the external assurance on selected water data.
- Business Unit Executives are accountable for the implementation of this Policy and the Water Management Standard, and for monitoring adherence to it in their part of the Group.

5. Monitoring and reporting

Reporting and Analysis

Anglo American takes its internal and external reporting seriously and is committed to providing transparent information about its performance against targets. We report in terms of the ICMM's guidelines².

Each managed operation shall have water targets defined in their WMP. These targets will include compliance requirements and as a minimum will be aligned with commitments in the site Sustainable Mining Plan (SMP). Managed operations must report annually on the implementation status of their WMP and the agreed water targets.

General managers and operational management are required to monitor, report, and analyse performance and implement agreed improvement actions for their BU. Any incidents

² ICMM Water Reporting Good Practice Guideline, Second Edition, August 2021

must be reported in accordance with the requirements of the Learning from Incidents Standard.

BU water leads shall provide reporting, measurement, analysis, and suggestions for action to BU management teams and managed operations, at an agreed frequency.

Assurance

The parties responsible for ensuring, and overseeing, compliance with this Policy are as follows:

- Business Units and Group Functions are responsible for ensuring compliance with this Policy and undertaking first line assurance.
- Group Sustainable Development (local, regional, or global representatives) are responsible for providing complementary expertise, support, monitoring, and challenge relating to compliance with this Policy and providing second line assurance, as well as managing the external assurance of selected water data.
- Internal Audit are responsible for providing independent assurance on the adequacy and effectiveness of the Policy controls in meeting the Policy objectives.

6. Further information

Terms

Term	Explanation
<p>“Anglo American”, the “Anglo American Group”, the “Group”, “we”, “us”, and “our”</p>	<p>In this Policy, and any related procedures or standards, references to “<i>Anglo American</i>”, the “<i>Anglo American Group</i>”, the “<i>Group</i>”, “<i>we</i>”, “<i>us</i>”, and “<i>our</i>” are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.</p>
<p>ABAS ¹</p>	<p>Anglo American Business Assurance Services, acting through the local, regional or global representatives as appropriate.</p>
<p>Anglo American Operating Model (AAOM) ¹</p>	<p>The Anglo American Operating Model (AAOM) is our structured approach for how we set targets, plan, execute and improve our work.</p>

Term	Explanation
Audit ¹	<p>Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.</p> <p>NOTE 1 Internal audits, sometimes called first party audits, are conducted by the organization itself, or on its behalf, for management review and other internal purposes (e.g. to confirm the effectiveness of the management system or to obtain information for the improvement of the management system). Internal audits can form the basis for an organization's self-declaration of conformity. In many cases, particularly in small organizations, independence can be demonstrated by the freedom from responsibility for the activity being audited or freedom from bias and conflict of interest.</p> <p>NOTE 2 External audits include second and third party audits. Second party audits are conducted by parties having an interest in the organization, such as customers, or by other persons on their behalf. Third party audits are conducted by independent auditing organizations, such as regulators or those providing certification.</p>
Compliance obligations ¹	<p>Legal and other requirements that an organisation has to comply with and other requirements that an organisation chooses to comply with. Compliance obligations can arise from mandatory requirements, such as applicable laws and regulations, or voluntary commitments, such as organisational and industry standards, contractual relationships, codes of practice and agreements with stakeholders such as community groups or non-governmental organisations.</p>
Fresh water	<p>Naturally occurring water that meets the criteria of Water Accounting Framework (WAF) Category 1 Water, excluding precipitation and runoff whose entry into operational areas cannot be controlled</p>
Management system ²	<p>A management system is a set of interrelated or interacting elements of an organisation to establish policies and objectives and processes to achieve those objectives.</p>
Managed Operation ¹	<p>Physical operations that are managed by Anglo American including sites, projects, offices, facilities and outlets.</p>
Risk ³	<p>Risk is the effect of uncertainty on objectives.</p>
Risks and opportunities ³	<p>Potential adverse effects (threats) and potential beneficial effects (opportunities).</p>
Stretch Goals ¹	<p>Ambitious Group level goals set out in our Sustainable Mining Plan.</p>
Sustainable Mining Plan ¹	<p>The Sustainable Mining Plan is part of FutureSmart Mining™. It is a set of deliberately ambitious stretch goals to be achieved by 2030 alongside milestones in 2020 and 2025. These goals are underpinned by six critical foundations that are enabled by partnership and engagement. Collaborative Regional Development (CRD) is central to the approach and aims to stimulate socio-economic development both inside and outside the mining value chain.</p>
The Water Management Standard ¹	<p>The Anglo American management standard that describes our systematic approach to the management of water and water-related risks and opportunities and how this integrates with our business processes.</p>

^{*1} Source: Anglo American term

^{*2} Source: ISO 46001: 2019 – terms and definitions

^{*3} Source: Anglo American Group Integrated Risk Management Policy and ISO 31000:2018

Internal references

The Policy is aligned with Group Policies including those for Climate Change, Human Rights, Integrated Risk Management, International & Government Relations, Safety Health & Environment (SHE), Resilience, and the Social Way. Refer to the Policy Hub for related Group Policies described in this Policy.

Reference Standards and Frameworks:

The Water Management Standard	Water Management Plan template
Anglo American Operating Model	The Sustainable Mining Plan
The Social Way	Group Code of Conduct
Learning from Incidents Standard	Operational Risk Management Standard
The Anglo American Operating Model	Sustainable Mining Plan
Minimum Permitting Requirements	YourVoice

External references

The Alliance for Water Stewardship	The CEO Water Mandate
ICCM Guidance on Water reporting	United Nations Sustainable Development Goal 6 (Water)
The Global Water Partnership	UNEP Integrated Water Resources Management (IWRM)

Note: access to external references can be obtained through the [Technical Library](#). For further information, contact Group Sustainable Development.

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

Revision history

Policy governance commitment:

Version number:	2
Approval date by PGC:	18/10/2022
Approval by CorpCo:	23/01/2023

Document control

Frequency of Policy review after date of issue:	Every 3 years
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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:	Group Water Policy
Old Policy date:	03/07/2018
Old Policy version number:	1
Main changes made:	<ul style="list-style-type: none"> • Focus on water stewardship, water management and quality. • Five interconnected areas are defined for the above. • Everyone who works for Anglo American has a role to play. • Use the 5 focus areas for “What do I need to do” as defined in the Group SHE Policy. • Long-term water planning is key (through to regeneration). • Emphasise importance of the assurance model.