

Are businesses ready to attract tomorrow's investors?

By [Joe Keenan](#)

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Like the mining companies they service, mine suppliers and technology providers should be looking beyond the customer demands of today to remain relevant to the investors of tomorrow.



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The world has become rapidly alive to the threats posed by climate change, and mining companies are seeing their shareholders demanding more than just a financial return. Investors – both institutional and private – want their mineral portfolios to speak to their value systems, and these values now centre increasingly on sustainability and shared value for all stakeholders.

By the same token, others in the mining ecosystem should have similar concerns about their respective futures. The question for our sector might be posed along these lines: How does a blasting and explosives company, for instance, position its brand to be relevant not only to its current customers but to future investors?

To be sure, supply companies receive business from mines because they provide valuable solutions that make mines productive and help keep them viable. That is no longer enough, however. Just as the South African mining sector is subject to the country's Mining Charter and BEE compliance requirements, so there is a growing expectation globally that mines prioritise environmental, social and governance (ESG) concerns. The once optional approach that businesses serve the broader good is now becoming mainstream as more businesses aspire to make a positive impact and leave behind a better world.



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In mining, there are already thresholds for suppliers to clear in the field of safety. Many mining companies will not entertain tenders from suppliers whose recordable case rate (RCR) exceeds a certain maximum level. The same often applies to inclusive procurement, where mines expect suppliers to support their efforts to place business with local firms in the vicinity of the mining operation.

While some companies are already driving compelling, integrated sustainability strategies, others are exploring how best to diversify themselves. The emphasis is on going beyond their current offerings and moving further into the sustainability spectrum, with a focus on ESG and green mining imperatives. Looking ahead 30 years, for instance, it is clear that fossil fuels will be playing a much-diminished role in energy production – and will be in considerably less demand. European countries are applying their Green Deal, through which the region aims to achieve carbon neutrality by 2050.

We are already seeing major mining players extracting themselves entirely from the coal sector – for reasons related partly if not largely to the strategic recalibration of many investors and lenders in the light of climate change. Equally, responsible businesses are increasingly choosing like-minded partners, who share their vision for sustainability.



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It is worth remembering that coal is still the planet's most mined mineral – at almost 8-billion tonnes in 2019. The anticipated decline in this segment of the market is therefore likely to have a considerable impact on most supply companies to the mining sector; it will certainly have an effect on explosives and blasting providers – although this will depend on regional location and other factors.

The uncertainty in mining's future might not stop there. Alternatives to coal-fired generation will have to be found, and this is already leading to greater interest in other commodities such as battery raw materials. Some of these will continue to require blasting in a hard rock environment, while others will not – being mineable by free digging. As technology develops, there is even the prospect of energy being generated or stored using materials or substances that are not mined at all; for example, research is being carried out into the electrical storage capacity of certain plant-based material.

The pace of this technological change is being spurred on by tomorrow's generation, who see in it an epochal opportunity for a more sustainable future. Those who make up this generation are not just the pioneers of a new age but are the investors of the future. It is they who will set the preconditions for investment in coming decades, and it is clear they will prioritise sustainability.

Many – perhaps most – financial institutions have set demanding goals for their investment portfolios, and it is increasingly vital for capital-seeking firms to know what those comprise. They are certainly not 'tick box' requirements that can be applied when capital is needed; they are strategic elements that require considerable planning and years of dedicated implementation.



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As suppliers to mines, our current commitment to creating value for customers – and to building the technology that will help us to achieve this vital goal – should not blind us to the broader, tectonic shifts underway in society. These promise to drive our economies toward greater sustainability, but they will demand fundamental changes in value systems that many businesses do not yet seem ready to embrace.

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