



# How ESG creates business value

## How does ESG create value for the mine ?

ESG performance is not just about risk reduction or meeting regulatory requirements. When applied strategically, ESG supports better financial outcomes, greater operational performance, and stronger long-term value through competitive advantage. It is a business enabler that improves resilience, builds trust, and helps attract the capital, talent, and approvals needed for successful mining operations. Think faster approvals, better reputation, and increased productivity.

## Where to look for ESG added value



### 1. Risk management and resilience

ESG helps mining companies identify and respond to environmental, social, and governance risks early. This includes anticipating regulatory changes, preventing incidents, managing climate, nature and water risks, and avoiding delays caused by stakeholder concerns. Strong ESG practices also improve a company's ability to respond to shocks like



### 2. Investor confidence and cost of capital

Investors and lenders increasingly assess ESG performance when making decisions. Strong ESG credentials can lead to better access to finance, lower insurance costs, and reduced barriers to investment. Transparency, good governance, and ethical conduct build confidence and reduce the risk premium placed on a company or project.



### 3. Market access and customer expectations

Major customers, including those in manufacturing, energy, and technology sectors, increasingly expect responsibly sourced materials. ESG credentials are becoming essential to win and retain contracts, especially in global supply chains. Demonstrating commitment to ESG can provide a competitive edge and open new markets.



### 4. Workforce attraction and retention

A strong ESG culture helps attract skilled workers and retain existing teams. People want to work for companies that care about safety, wellbeing, fairness, and the communities in which they operate. ESG also supports more inclusive and respectful workplaces, which improves team culture and productivity.



### 5. Innovation and efficiency

ESG challenges often drive innovation in areas like energy use, waste reduction, water management, and digital monitoring. These solutions can improve efficiency, reduce operating costs, and create new opportunities for improvement across the value chain.



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## How ESG links to productivity and performance

ESG is connected to day-to-day site performance. Poor environmental controls, poor relationships with community, or poor data systems can all lead to delays, increased costs, and reputational damage. By contrast, strong ESG practices help sites run more smoothly and efficiently. Good planning, clear expectations, and early engagement support better outcomes for production, safety, and reputation. A solid ESG strategy helps ensure your mine can keep operating, adapting, and creating value over time.



### Case Study: Treating water scarcity as a business risk

#### The challenge:

An Australian company operates a gold and copper mine in an arid zone of Western Australia where water was essential for ore processing, dust control, and worker welfare. The company held a water extraction licence based on average seasonal rainfall. However, climate modelling and local observations suggested the area was entering a prolonged dry period. Community concerns were also growing about the impact of mining on shared groundwater supplies.

#### The ESG Risk:

**Environmental risk:** over-reliance on water sources with limited recharge

**Social risk:** eroding trust with local farmers and Traditional Owners due to water scarcity

**Governance risk:** licence conditions may be breached if supply fell short

**Business risk:** production delays, reputational damage, or even loss of licence

#### The response:

Rather than treating this as a compliance issue alone, the company's leadership classified the water challenge as a material business risk. The General Manager escalated it to the corporate risk register, triggering a cross-functional response:

- Operations trialed lower-water processing technologies
- Community and social performance teams held forums to hear concerns and co-design a shared water monitoring program
- Environmental staff installed real-time flow monitoring and reported usage publicly
- Finance and risk teams reassessed exposure in investor disclosures and raised water as a key risk in quarterly briefings
- The board approved a \$4 million investment in water recycling infrastructure, based on long-term cost avoidance and reputational benefit

#### The outcome:

- The site avoided planned production curtailment during the worst of the dry period
- Maintained strong relations with local communities and Traditional Owners
- Investor confidence remained high, with the company awarded a low-risk ESG rating
- Received state government recognition for leadership in water stewardship
- Water savings and efficiency gains lowered unit costs over the next three years

## Would you like to know more ?

Next up in Core ESG Fundamentals, Factsheet 3: Embedding ESG into daily decisions.

For more information visit:

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