

Does ESG belong in Public Reports?

CRIRSCO AusIMM Colloquium

Perth Convention & Exhibition Centre

5 September 2025

Teresa Steele-Schober

Agenda



How 'ESG' came to mean everything and nothing

B B C

Earth

"ESG" was supposed to be a clear way for companies to explain their business decisions around environmental, social and governance considerations. How did the term go off the rails?

<https://www.bbc.co.uk/worklife/article/20231114-how-esg-came-to-mean-everything-and-nothing>

How 'ESG' came to mean everything and nothing

BBC

Earth

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Intended objective was to integrate ESG into Business



ESG Initiatives such as net zero and climate action launched and boosted share prices



Greenwashing, political backlash challenged the credibility, but underlying pressures remained

Politics of 'ESG'

“Political changes sweeping across the US may drastically impact ESG outlooks. Donald Trump’s presidential campaign and subsequent return to the White House in early 2025 have ignited a battle over ESG principles.”

Trump and ESG: the outlook for 2025

May 2025 | FEATURE | RISK MANAGEMENT

Financier Worldwide Magazine



<https://www.financierworldwide.com/trump-and-esg-the-outlook-for-2025>

Politics of 'ESG'

PERSONAL FINANCE

'Game over' for ESG investing due to Trump backlash? Analysts say no

PUBLISHED MON, MAR 31 2025 9:00 AM EDT



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KEY POINTS

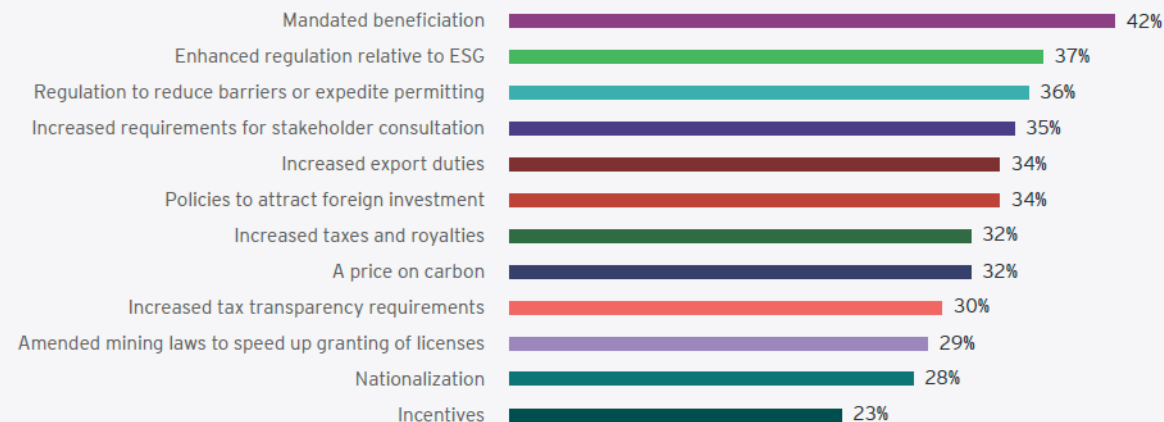
- ESG funds have suffered outflows for two consecutive years, partly due to political blowback.
- Investment analysts say “environmental, social and governance” funds are here to stay despite headwinds.
- Critics say ESG investing is akin to “woke” capitalism. Advocates say it delivers better long-term returns for investors.

<https://www.cnbc.com/2025/03/31/trumps-backlash-isnt-game-over-for-esg-investing.html>

Mining Risks

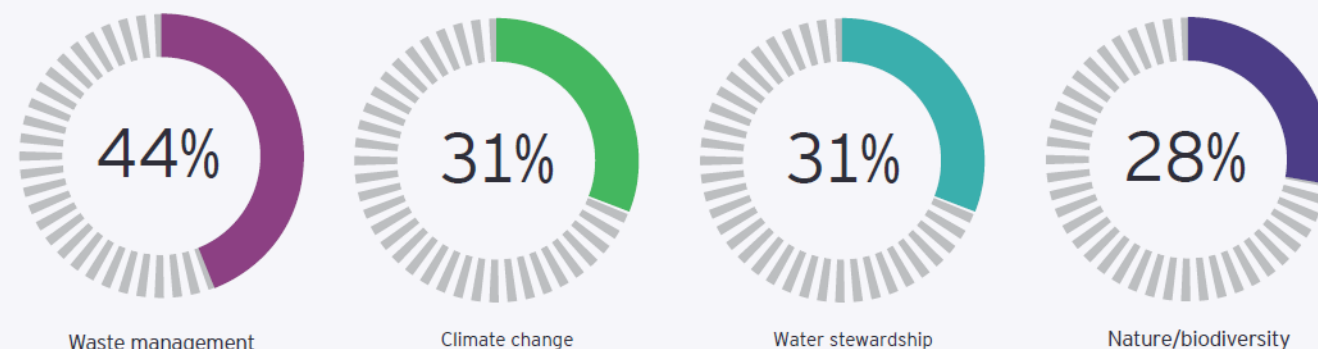
- Industry is expecting enhanced ESG regulation
 - Australia currently debating amendments to the Environment Protection and Biodiversity Conservation Act to drive 'nature positive' outcomes
- Investors continue to scrutinise environmental and social aspects of mining
- Whilst expectations are that permitting processes may be simplified, there is an expectation for increased stakeholder engagement

What actions do you expect governments to take over the next 12 months in relation to the mining and metals sector?



Note: Respondents could choose more than one option.
Source: EY Business Risks and Opportunities Study 2025.

Which areas of ESG will face the most scrutiny from investors in the mining and metals sector over the next 12 months?



Note: Respondents could choose more than one option.
Source: EY Business Risks and Opportunities Study 2025.

Mining Risks - Australia

Top Industry Risks

Based on reporting in annual reports and related governance reports, in 2024 ASX listed companies have indicated that the following are their top risks.


	2025	RANK	2024
	Financial Risks	1	Climate Change
	Commodity Price Risk	2	Community Relations and Social License to Operate
	Climate Change and Decarbonisation	3	Commodity Price Risk
	Cyber and IT Security Risks	4	Health, Safety and Security Risks
	Talent Attraction and Retention	5	Environment Risks, (including new regulations)*
	Geopolitical and Economic Uncertainty	6	Financial Risks
	Regulatory and Compliance Change	7	Operational Risk*
	Health, Safety and Security Risks (including Wellbeing)	8	Access to Resources
	Community Relations and Social License to Operate	9	Regulatory and Compliance Change
	Access to Resources	10	Talent Attraction and Retention


ASX 100 compared to ASX 200+

Risk Categories		
ASX 100	RANK	ASX 200+
Commodity Price Risk	1	Financial Risk
Financial Risk	2	Commodity Price Risk
Climate Change and Decarbonisation	3	Climate Change and Decarbonisation
Cyber and IT Security Risk	4	Talent Attraction and Retention
Access to Resources	5	Health, Safety and Wellbeing Risk
Health, Safety and Wellbeing Risk	6	Cyber and IT Security Risk
Regulatory and Compliance Changes/Burden	7	Regulatory and Compliance Change
Community Relations and Social License to Operate	8	Community Relations and Social Licence to Operate
Operational Risk	9	Access to Resources
Environmental Risks, Including New Regulations	10	Operational Risk

What are Boards discussing?

1. Are other leading mining companies backtracking on ESG due to the backlash?
2. What ESG topics should the Board prioritise?
3. What capability does the Board need [to respond to ESG]?



Rohitesh Dhawan • 2nd
President and CEO of ICMM
4d • 

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Spoken to 5 Boards in the last week. All grappling with similar questions about ESG. Here are the top 3 and my top-line answers:

1. Are other leading (mining) companies backtracking with the [#ESG](#) backlash?

No. Some have adjusted how they communicate externally, but nearly all are staying the course or doubling down.

Not because they are staging a cultural counter-revolution but because it makes business sense - now and for the long-term nature of our business.

Like commodity cycles, ESG will go through cycles. We're currently in a correction, having been through a hype cycle. The pendulum will swing again - which calls for a steady course and speed so you don't whipsaw.

2. What ESG topics should we prioritise?

Dunno - what's your favourite ice cream flavour?! Seriously though, it broadly depends on 2 things: 1). What are your biggest risks, and 2). Where's your biggest opportunity for impact.

And it's specific to company, commodity, region, and site.

Think more like a triathlete and less like an Olympic Sprinter. You need to have a good base level of capability across the board (swim, run, cycle) and then you can pick something you're particularly good at. You can't be amazing at one thing (sprinting) and be failing at others, not least safety.

3. What is the single most important capability we need?

Authenticity. The ESG backlash has made people's BS-radar super sharp. Take the pain in the moment of someone disagreeing with you / "calling you out" rather than pretending you're committed to something (or not), only to face a bigger conflict later.

Isn't ESG the same as Sustainability?

ESG

- Uses measurable standards to assess companies' ethical and sustainable practices, mainly for investors.
- Outside-in focus – considers how external factors impact company.
- Risk management framework designed to protect shareholder value.

Sustainability

- Inside-out focus – how company can impact environment and society
- Aims to create value and leave long-term positive impacts
- Short term costs often traded against long-term value creation

Key Differences

ESG is investment-driven and data-oriented, while sustainability is comprehensive, emphasizing ongoing environmental and social responsibility beyond measurable investment criteria.



Does ESG fit with mineral reporting?



Mining Industry

- International business
- Economic contributor
- International impacts
- Ecosystem services underpin economic systems



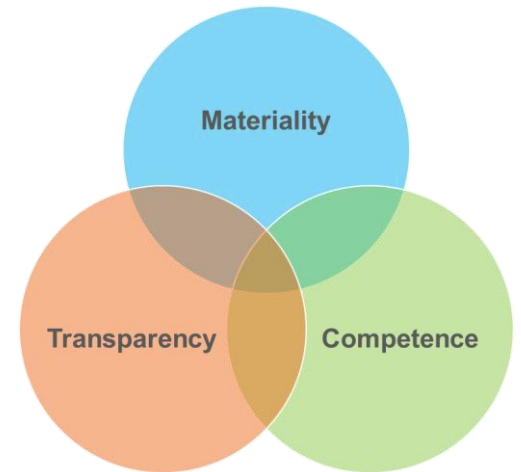
Knowledge uncertainties

- Imperfect & evolving knowledge
- Depleting asset base
- Information gaps
- Evolving knowledge base
- Adaptive management
- Value addition



Communication of Risks

- Clear, transparent communication of risks
- Investor & stakeholder confidence
- Transparent communication of risks
- Investor & societal confidence



ESG Disclosure Concerns in Public Reports

Doubts About ESG Relevance

Many Competent Persons question whether ESG data is relevant or reliable enough to include in mineral reports.

Expertise and Standardization Concerns

ESG factors are often seen as outside technical expertise. Standardization issues make disclosure more complex and uncertain.

Legal and Scope Issues

Legal liability worries and the belief that reports should focus only on geology and other technical disciplines lead to ESG reluctance.

Cost Concerns

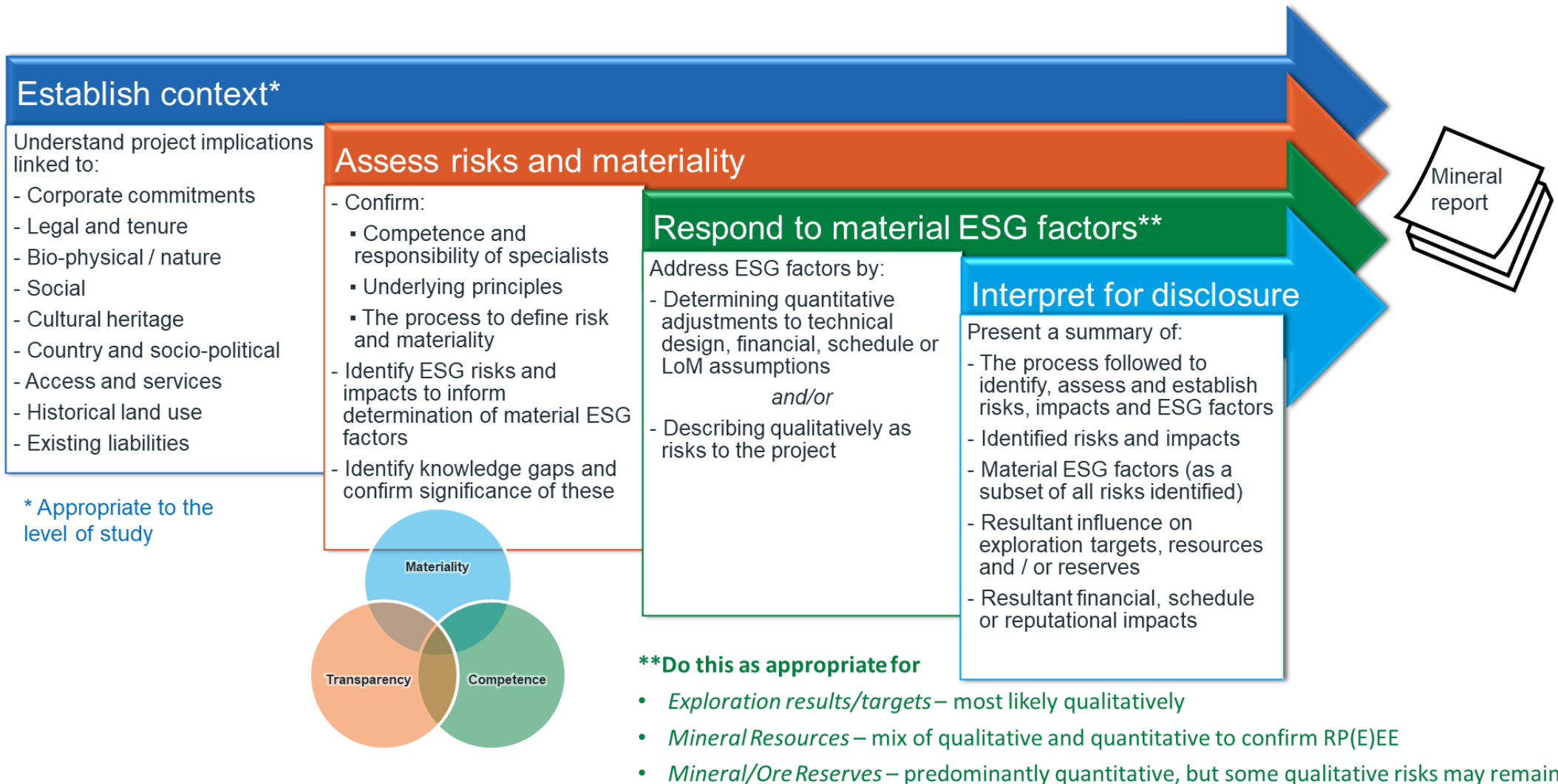
Competent Persons believe that the inclusion of ESG information will increase the cost and reporting burden for issuers

Impact to Company Valuations

Disclosure of ESG information in Public Reports is perceived to result in devaluation of the company



An approach in practice



Conclusion

“The environmental impact of mining presents a troubling dichotomy. On one hand, the industry must unlock and deliver a new, never-seen-before level of mineral and metals output for the energy transition. However, it must do so with an ever-reducing environmental impact due to social and jurisdictional pressures”.

Mining Journal, 2023



Thank You

Teresa Steele-Schober

Principal Consultant

Chair: SAMESG

Former Chair: CRIRSCO ESG Working Group

SRK Office Locations



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