

## **The future of mining: A new approach to an old industry – Why we must do it!**

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In the last decades, mining companies have typically developed, implemented, and operated projects under a framework in which the main objective is to maximize shareholder value and secondarily bring some benefits to society as a whole by adopting sustainable practices and, on occasion, contributing to improve the quality of life in its surrounding.

Although this approach may have served well in the past, it is unlikely to work in the future. The world has changed! People are much more concerned with issues related to the environment than they were a few decades ago. Mining deals intrinsically with nature and projects are normally located in places that are beautifully natural and intact. In addition, the mining sector is not very skilled in communicating the value it brings to society as a whole. Making holes in nature coupled with a lack of communication skills results in most stakeholders outside the mining industry believing mining is bad for the environment, is done by bad people that only think about profits, and is done for bad reasons.

Tangible effects come from several sides. Governments increasingly restricting mining regulations, local communities opposing, and occasionally shutting down mining projects, society requiring more royalties, final consumers demanding sustainable practices over the value chain. These are just a few examples of the challenges in this new mining era. All the while, kids, adolescents, and young adults, our future leaders, all over the world learn from their teachers that mining is killing the environment.

One point is clear: society cannot do without mining. If mining is not going anywhere, it must change its approach. First and foremost, the mining sector must effectively communicate to world stakeholders the benefits it brings to our lives. Second, it must prioritize the adoption of sustainable practices minimizing impact on the environment. Third, it must significantly contribute to improve quality of life and leave a long-lasting legacy where it operates.

Mining companies can and must adopt a new framework in which shareholder value is maximized, however, subject to these new constraints. This new world requires a new social contract and the mining sector must deliver it.