

Deloitte.



Tracking the trends 2024

Navigating global challenges and opportunities in mining and metals

Introduction

Navigating global challenges and opportunities in mining and metals

As we enter 2024, the mining and metals industry finds itself at the center of a complex matrix of challenges and opportunities, expectations, and demands.

With supply shortages looming in metals that are critical, not just to the energy transition but to global urbanization and industrialization, stakeholders are acting strategically to secure their supply chains (copper, for instance, is expected to see a supply deficit of 9.9Mt by 2035¹). With supply source alternatives such as urban mining still in their infancy, downstream companies and even governments are striking deals with miners and metals providers in a reshuffle that has seen some traditional value chains realign over the past 12 months.

Organizations also remain under pressure to improve the efficiency of existing assets and operations by embracing generative artificial intelligence (gen AI), leveraging third party delivery models with specialized back office capabilities and to unlock new value in assets. Additionally, the need for mining and metals companies to collaborate with industry peers, suppliers, and competitors to tackle productivity and environmental issues, all while upholding environmental, social, and governance (ESG) expectations in day-to-day operations remains a priority.

With strong business strategies in place and 2050 sustainability targets as its North Star, now is the time for the mining and metals industry to accelerate growth. However, with heightened uncertainty in the global geopolitical sphere and volatility in commodity markets, to do so may not be easy. Companies that navigate uncertainty, work with governments to address permitting issues for new projects, rethink the strategic value of exploration, work with regional players to address skills shortages, and drive toward becoming more purpose-led organizations are most likely to prevail.

In this, the 16th edition of Deloitte Global's *Tracking the trends*, a team of professionals from around the world provides insights and examples as well as practical ideas to help mining and metals companies rise to the challenges that lie ahead and capitalize on new opportunities. We're looking forward to discussing these trends with you in more depth and helping your organization to continue forging its own pathway to success. Thank you for your ongoing support.

Endnotes

1. Camellia Moors and Kip Keen, "[Looming copper shortage shifts attention to alternative supply solutions](#)," S&P Global Market Intelligence, 7 September 2022.



Trend 1

Putting purpose at the heart of mining and metals: Creating social momentum

Ian Sanders, Global Mining & Metals Sector leader, Deloitte Global
Mike Robitaille, partner, Purpose & Momentum practice lead, Deloitte Canada

Despite mining companies taking significant action over the past decade to change the narrative surrounding the role they play within society—for example, through enhanced transparency and focusing on responsible mining methods—the industry remains undervalued.

Research from GlobeScan across 27 countries saw mining ranked second-to-last when asked how well different types of companies fulfill their responsibilities to society.¹ However, demand for certain critical metals will outstrip supply in the near term, and to meet this shortfall, the industry will most likely need to develop greater capacity, often in previously unmined regions. As they seek to expand, companies will therefore need to put even greater effort into building trust.²

“Purpose has been a key movement in industries such as consumer products over the past 20 years, and it’s one that we see increasingly in energy and resources. This is not about creating a better narrative or setting out a new vision, but rather organizations actively living a wider purpose in the world.”

**Ian Sanders, Global Mining & Metals Sector leader,
Deloitte Global**

Why is purpose important?

A clear purpose is vital to an organization. It articulates why the organization exists, what problems it exists to solve, and who or what it wants to be to each human it touches.³ Increasingly, businesses are living out their purposes in ways that create deeper connections with customers, to do more for the communities with which they work, and to attract and retain talent. At the heart of this effort can be powerful collaboration across many players, and in the process, they’re achieving greater results and impacts.⁴

Examples from the consumer products sector include Lego, lululemon, and Starbucks. These are companies that, through their work, aim to go beyond making money to becoming agents of human idealism and societal progress. When brands become a force for their ideals, they give people a compelling reason to care about and contribute to their successes. And when people genuinely care about a company and the change it is bringing about in the world, that company becomes more valuable and advantaged.

Not every organization sees purpose as an all-encompassing ideal. Some consider it a tool to advertise what they do and stand for and to capture more market share. However, research from Deloitte US⁵ has shown that what separates purpose-driven businesses from the rest are longevity and authenticity.⁶ Purpose-driven companies can witness higher market share gains and grow, on average, three times faster than their competitors, while achieving higher employee and customer satisfaction.⁷

For example, outdoor clothing brand Patagonia, the ownership of which founder Yvon Chouinard famously placed into a trust for the benefit of the planet in 2022,⁸ is purpose-led. The company is ranked number one in its US\$12 billion market⁹ and scores higher than its main competitor on many employee satisfaction metrics.¹⁰

“Companies that lead with purpose and build around it can achieve continued loyalty, consistency, and relevance for their customers, consumers, communities, suppliers, and employees. Those that fail to identify and articulate their purpose may survive in the short term, but over time, people are likely to demand more.”

Ian Sanders, Global Mining & Metals Sector leader, Deloitte Global

Purpose can help businesses navigate change

While purpose is important to every organization, it's particularly pertinent in mining and metals because the products of this industry touch the lives (directly or indirectly) of humans in even the remotest reaches of the planet. Mining and metals providers are already influential forces for economic development in many regions and, if they can harness the powers of their purposes, they have the chance to not only help secure their own sustainability ambitions, but also drive social development and environmental restoration, too.

“Over the past five years, one of the biggest shifts we've seen, which is highly relevant for mining and metals, is away from exclusively business-to-business models. Thanks to social media and online information, organizations that traditionally have had little exposure to the public are now expected to be more transparent. Almost every company now has a business-to-public model and that requires an evolution in their value proposition.”

Mike Robitaille, partner, Purpose & Momentum practice lead, Deloitte Canada

This is not the only change that mining and metals organizations face. As discussed in [trend 7](#), today, employees want more than a job; they want to be emotionally invested in doing something that they believe is meaningful through their daily work. This is particularly evident with Generation Z, a generation characterized by people who are highly driven to make career decisions in ways that align with their personal values.¹¹ Downstream consumers of metals also want to know what companies in their value chains stand for, and expect them to create a better world for the communities in which they operate as well as deliver their own sustainability goals. Additionally, governments want to see that operators are good corporate citizens, and investors are demanding the aggressive management of environmental, social, and governance (ESG) risks.¹²

Putting purpose at the heart of a company could help to address these challenges. However, it requires more than just good storytelling, ESG reporting, or financial handouts to communities. Purpose-led growth requires new value to be created for stakeholders, rightsholders and operations; plans and strategies to be rearchitected toward common goals; and leaders and employees to demonstrate that intention consistently (figure 1). Most importantly it requires commitment and alignment over time.

Bringing purpose into mining and metals

Due to the cyclical nature of the mining and metals industry, sustaining transformation programs through commodity cycles requires unequivocal buy-in from leadership and a commitment to their resourcing and investment, whatever the economic weather. Also, while the industry prides itself on meeting quantifiable operational metrics, such as production targets, ESG efforts in recent years have proven that it's much harder to address nonfinancial stakeholder expectations.

The industry isn't alone in finding this difficult; research from Deloitte Canada across various sectors found that while 86% of companies have stated a "purpose beyond profit," only 18% showed any evidence of associated change.¹³ However, there are some early case studies that could offer valuable lessons.

Worley is investing AU\$100 million (approximately US\$65 million) over three years to target and develop solutions for customers in high-growth areas aligned with its purpose. The company has put in place initiatives focused on the education of its workforce, challenging traditional approaches and identifying innovative ways to meet sustainability challenges across the company and its customers' operations.¹⁴ In FY2023, 41% of Worley's total revenue was sustainability-related, up from 35% in FY2022, and by FY2026, the company aims for 75% of its total revenue to be sustainability-related. To date, more than 40,000 sustainability-related learning modules have been undertaken by Worley people, and the company now boasts 700 sustainability champions.¹⁵

Fueling future growth and longevity

There is a tremendous opportunity for forward-thinking mining and metals companies to reorient their corporate brands and to become instruments of progress and idealism, increasing their profit growth and product demand as a result. The environmental and social challenges that we see today are the harbingers of change, and society is asking more of businesses. The question is, *Which organizations will rise to the challenge?*

Figure 1: Steps to operationalizing purpose



Source: Isaac by Deloitte Canada, *Companies for the people*, 2023

From ideas to actions

- **Ignite a founders fire:** A CEO can become the founder of an era within their company. The key lies in identifying the ideals that they value most and how these values could align with the company's values and business model and be leveraged to drive value. This process could take the form of a simple interview with the board or could be much more complex. It will look different for every business. Either way, test the outcomes with the wider leadership team to ensure their commitment.
- **Establish a reputation team:** Organize a subset of the executive leadership team whose responsibility is to infuse purpose into the actions and communications throughout the company. Clear governance helps ensure oversight and delivery.
- **Think about branding:** This will act as a creative platform to cohere communications, actions, and ESG efforts of the company. Give people reasons to join in support of the company and the change it aims to lead through linking these reasons to important human ideals, such as equality, freedom, and peace.
- **Create a social momentum strategy:** Social momentum strategies can make a company an active agent of idealism and progress in its programs, policies, and impact. For example, Starbucks created a "Third Place" for its customer—we all have home and work (our first and second places), but we also need a place for "me time."¹⁶ This experience enhances the company's value proposition, making its strategy about more than just selling coffee. To unlock next-level value for their stakeholders, mining and metals providers could determine what's required to methodically earn their trust and support, show enthusiasm following patterns of social movements, and create strategies based upon them.
- **Use horizon planning to make change tangible:** Assess interactions between the organization and its stakeholders to determine whether they demonstrate the company's stated purpose, the potential cost to innovate or reconceive each interaction, and its ability to create momentum among stakeholders. Based on these answers, actions to reorient or realign each aspect of the business can then be prioritized across different time horizons to meet the company's overall transformation strategy and budget.
- **Develop a socialization plan:** Develop communications plans for key stakeholder groups to spark enthusiasm for the progress the company can bring about. Build enthusiasm by adding meaning, humanity, and purpose to transactional interactions.

Endnotes

1. Pia Heidenmark Cook et al., *Business & society: Societal trends and corporate leadership*, GlobeScan, 29 September 2020.
2. Allan Taylor, Preeti Nana, and Janina Moutia-Bloom, "How mining & metals companies can make ESG work in a downturn," White & Case, 22 September 2022.
3. Diana O'Brien et al., "Purpose is everything," Deloitte Insights, 15 October 2019.
4. Isaac by Deloitte Canada, *Companies for the people*, 2023.
5. O'Brien et al., "Purpose is everything."
6. Ibid.
7. Jim Stengel Company, "Purpose" webpage, accessed 22 November 2023.
8. Patagonia Works, "Patagonia's next chapter: Earth is now our only shareholder," press release, 14 September 2022.
9. Shawn Baldwin, "How The North Face is moving to compete with Patagonia," 27 January 2022.
10. Comparably, "Patagonia vs The North Face," accessed 22 November 2023.
11. Deloitte, "Deloitte's 2023 Gen Z and Millennial Survey reveals workplace progress despite new setbacks," press release, 17 May 2023.
12. Isaac by Deloitte Canada, *Companies for the people*, 2023.
13. Ibid.
14. Climate Leaders Coalition (CLC), *Credible Transition to Net Zero: Practical insights for getting started written by CEOs, for CEOs*, November 2023.
15. Ibid.
16. Heidi Peiper, "Reimagining the third space: How Starbucks is evolving its store experience," Starbucks Stories & News, 13 September 2022.

Global contacts

Stanley Porter

Global Energy, Resources & Industrials Industry leader

Deloitte Global

+1 301 793 4170

sporter@deloitte.com

Ian Sanders

Global Mining & Metals Sector leader

Deloitte Global

+61 3 9671 7479

iasanders@deloitte.com.au

Regional/Country Mining & Metals Leaders

Africa

Louis Kruger

+27 11 806 6165

lokruger@deloitte.co.za

Mexico

Valeria Vazquez

+52 55 5080 7548

vavazquez@deloittemx.com

Australia

Nicki Ivory

+61 422 024 597

nivory@deloitte.com.au

Southeast Asia

Jarrold Baker

+65 9896 1225

jarbaker@deloitte.com

Brazil

Patricia Muricy

+55 21 3981 0526

pmuricy@deloitte.com

United Kingdom

Stacey Toder Feldman

+44 20 7007 0051

stoderfeldman@deloitte.co.uk

Canada

Van Ramsay

+1 416 998 4905

vramsay@deloitte.ca

United States

Teresa Thomas

+1 713 982 2059

tethomas@deloitte.com

Chile

Chris Lyon

+56 9923 44429

clyon@deloitte.com

United States

John Diasselliss

+1 303 305 3972

jdiasselliss@deloitte.com

China

Jill Wang

+86 10 85207766

jillwang@deloitte.com.cn

United States

Bradley Johnson

+1 412 338 7987

bradjohnson@deloitte.com

India

Rakesh Surana

+91 22 6122 8160

rvsurana@deloitte.com

Authors

Trend 1: Putting purpose at the heart of mining and metals—Creating social momentum

Ian Sanders, Global Mining & Metals Sector leader, Deloitte Global | iasanders@deloitte.com.au

Mike Robitaille, partner, Purpose & Momentum practice lead, Deloitte Canada | mrobitaille@deloitte.ca

Trend 2: Navigating global uncertainty—Building capacity to thrive in the face of disruption

Andrew Swart, partner, Energy, Resources & Industrials leader, Deloitte Canada | aswart@deloitte.ca

Patricia Muricy, partner, Energy, Resources & Industrials leader, Deloitte Brazil | pmuricy@deloitte.com

Trend 3: Dealmaking for future-focused growth—Rethinking minerals and metals investments

Nicki Ivory, partner, Mining & Metals leader, Deloitte Australia | nivory@deloitte.com.au

Mark Upton, partner, Tax, Deloitte Australia | maupton@deloitte.com.au

Stacey Toder Feldman, partner, Mining & Metals leader, Deloitte UK | stoderfeldman@deloitte.co.uk

Trend 4: Working toward net-zero—Building capacity and futureproofing ESG strategies for a credible transition

Celia Hayes, partner, Risk Advisory, Deloitte Australia | chayes@deloitte.com.au

John O'Brien, Sustainability & Climate leader, Mining & Metals, Deloitte & Touche LLP | johnobrien1@deloitte.com

Trend 5: Collaborating with governments to rethink regulation—Unlocking critical resources through permitting

Professor Deen Sanders OAM, partner, Integrity lead, Deloitte Australia | deensanders@deloitte.com.au

Michelle Leslie, senior manager, Financial Advisory, Deloitte Canada | milesie@deloitte.ca

Louis Kruger, partner, Energy, Resources & Industrials leader, Deloitte Africa | lokruger@deloitte.co.za

Trend 6: Going back to grassroots—Nourishing growth through investments in exploration

Charles Hooper, director, Consulting, Deloitte Canada | chooper@deloitte.ca

Van Ramsay, partner, Mining & Metals leader, Deloitte Canada | vramsay@deloitte.ca

Trend 7: Addressing workforce challenges through a skills-based approach—Equipping mining and metals companies for the future

Kristy Delaney, partner, Consulting, Deloitte Australia | kdelaney@deloitte.com.au

Joanne Doyle, senior manager, Consulting, Deloitte Canada | joandoyle@deloitte.ca

Trend 8: Unlocking new value in existing assets—Balancing complex priorities and meeting supply demand through operational optimization

Herman Lombard, partner, Industrial Smart Operations leader, Deloitte Canada | hlombard@deloitte.ca

Shak Parran, partner, Ecosystems & Alliances leader, Energy, Resources & Industrials, Deloitte Canada | sparran@deloitte.ca

Trend 9: Bringing generative AI into mining and metals—Capitalizing on current and future opportunities

Shak Parran, partner, Ecosystems & Alliances leader, Energy, Resources & Industrials, Deloitte Canada | sparran@deloitte.ca

David Alonso, partner, Generative AI leader, Deloitte Australia | davalonso@deloitte.com.au

Sonia Solova, senior manager, Consulting, Deloitte Canada | ssolova@deloitte.ca

Trend 10: Third party delivery models—Gaining agility and competitive advantage through next-gen approaches to outsourcing

Tim Boehm, principal, Global Operate leader, Energy, Resources & Industrials, Deloitte Consulting LLP | tboehm@deloitte.com

Rob Hillard, partner, Consulting leader, Deloitte Asia Pacific | rhillard@deloitte.com.au

Mahendra Dedasaniya, partner, Consulting, Deloitte Canada | mdedasaniya@deloitte.ca



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.