Holisticic Value Model for the mining industry

"ESG-adjusted NPV-model"

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Program Day 2023

SWEDISH MINING INNOVATION

Med stöd från
VINNOVA Sveriges innovationsmyndighet
Energimyndigheten
FORMAS
Strategiska innovations-program

Goals of the project

- Developing a new decision model for projects that incorporates ESG (environmental, social, governmental) factors in a comparable way to today’s more easily calculated directs costs and revenues.

- With a new model, the industry can both show that ESG factors have a real impact on investment decisions, but also that by considering these factors new types of financially relevant short and long-term risks and opportunities will be included, and hence improve financial transparency and performance.

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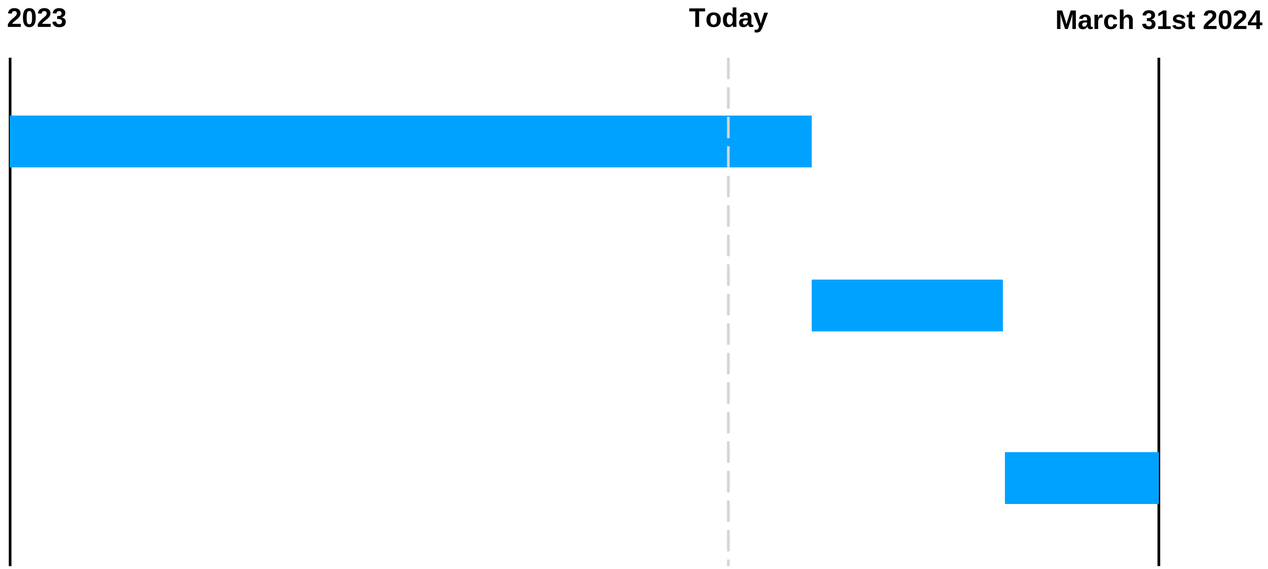
Project Plan

1 Concept model design through current state and best practice analysis

2 Pilot cases and proof-of-concept

3 Pilot evaluation, model adjustment and impact analysis



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1 Concept model design through current state and best practice analysis

Completed

- Results shared with Boliden and sessions scheduled with rest of partner group – both Swedish and English

- Two focuses
  1. Identify and map useful model examples
  2. Examine the value and need for a new approach from a wider, mining external, perspective

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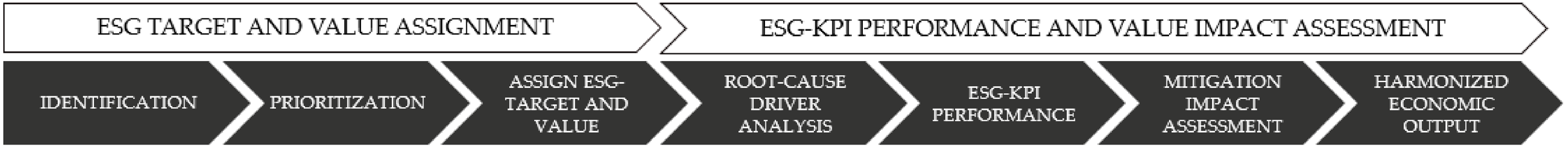
1 Concept model design through current state and best practice analysis

Our tentative model-design:



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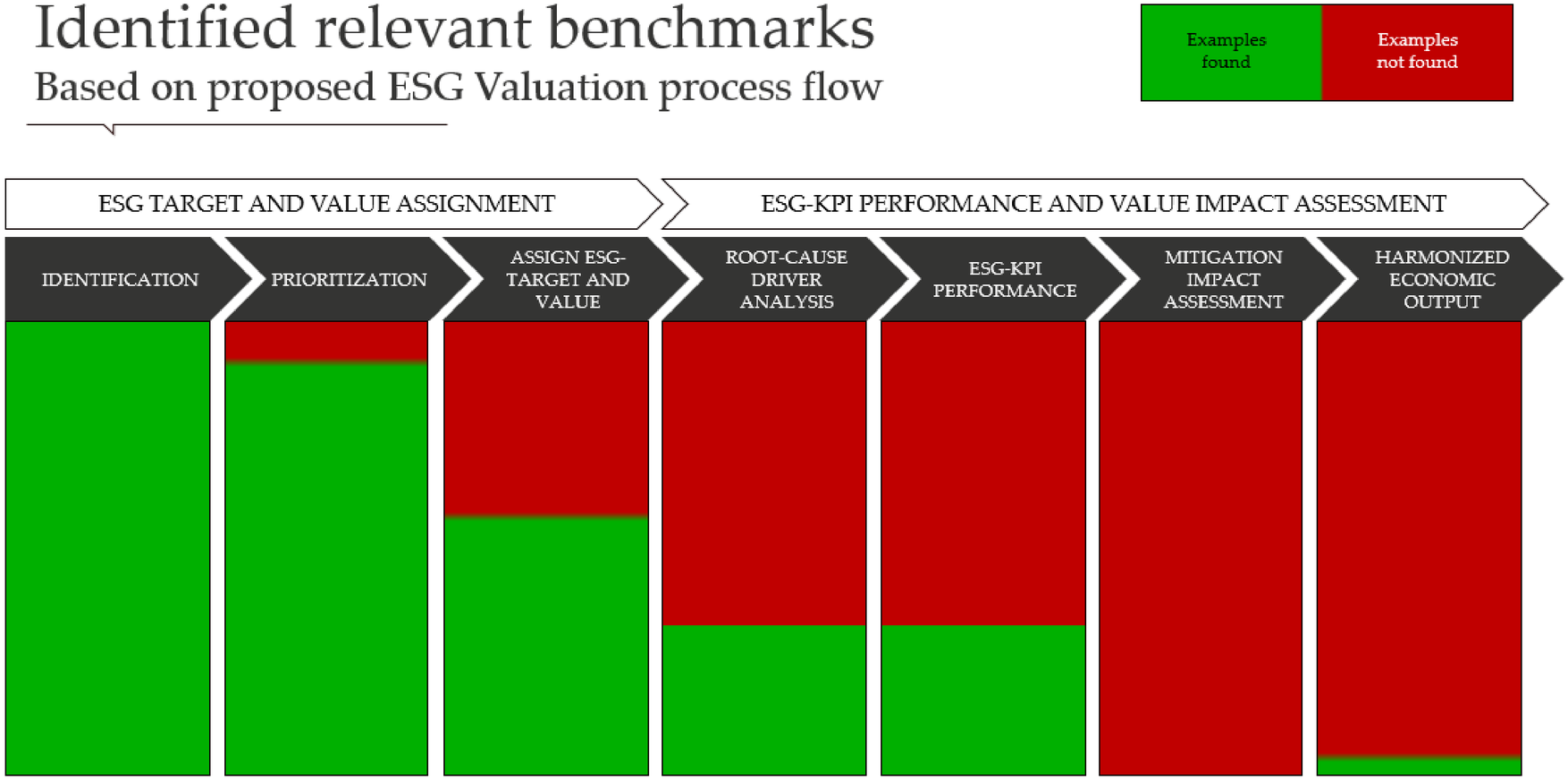
1 Concept model design through current state and best practice analysis

Identified relevant benchmarks

Based on proposed ESG Valuation process flow



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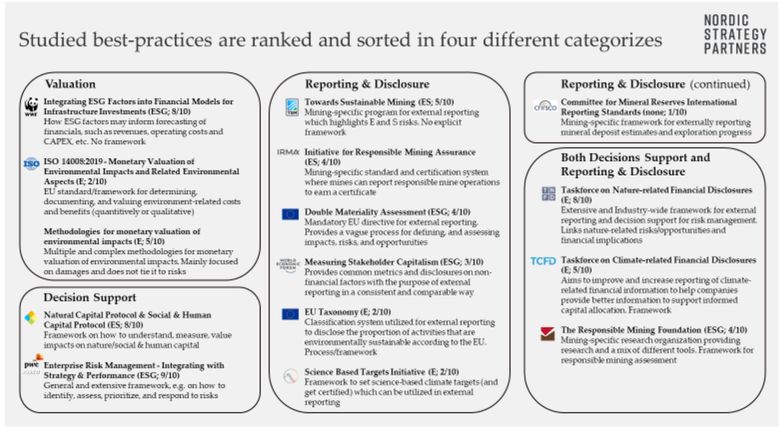
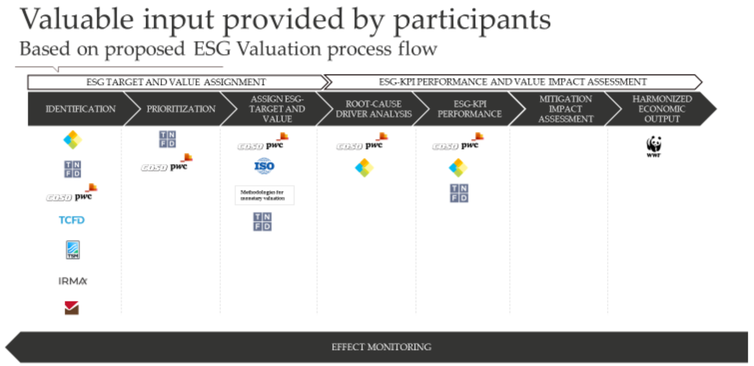
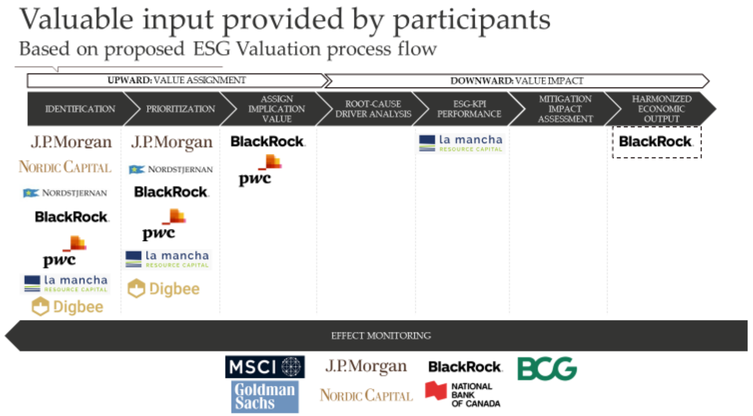
1 Concept model design through current state and best practice analysis







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We are currently in the middle of designing the model and process we want to test in the pilots

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Key questions that need to be answered by ESG valuation model:

1

CAN WE IDENTIFY RELEVANT ESG-RISKS?

2

WHAT VALUES WOULD THESE RISKS IMPOSE TO OUR BUSINESS?

3

HOW CAN WE MEASURE HOW MUCH WE IMPACT THE RISKS BY ANY ACTION?

4

HOW CAN WE MEASURE THE VALUE OF IMPACTING THE RISKS?

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2

Pilot cases and proof-of-concept

- Two pilot cases have been selected together with Boliden
  1. Rakkejaur
  2. Laisvall
- Data collection ongoing

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Thank You!

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