

# Mining for our future



Joint Advisory Committee on the  
Ethics of Investment 2022

The **Methodist Church** 

The Joint Advisory Committee on the Ethics of Investment (JACEI) has supported the Central Finance Board of the Methodist Church (CFB) in the launch of a new engagement initiative focusing on the mining industry and mined products.

## Why mining?

A recent World Bank report 'Minerals for Climate Action' highlights how the transition to a low-carbon economy will increase demand for mined products, including rare earth elements.<sup>1</sup> It states that low-carbon technologies such as wind power, solar power and batteries need a variety of products to operate. A single wind turbine is estimated to need 4.7 tonnes of copper, 335 tonnes of steel, 3 tonnes of aluminium, as well as zinc and molybdenum. The growing demand for low-carbon technologies is estimated

to require a huge 965 per cent increase in lithium, a 585 per cent increase in cobalt, and a 383 per cent increase in graphite by 2050 (from a 2017 baseline).

This report demonstrates the high dependence on the mining industry entailed by the transition to a low-carbon economy. The CFB's new mining engagement initiative will help focus attention on the mining sector's environmental impact as the world uses more mined products in the necessary pursuit of global carbon reduction.

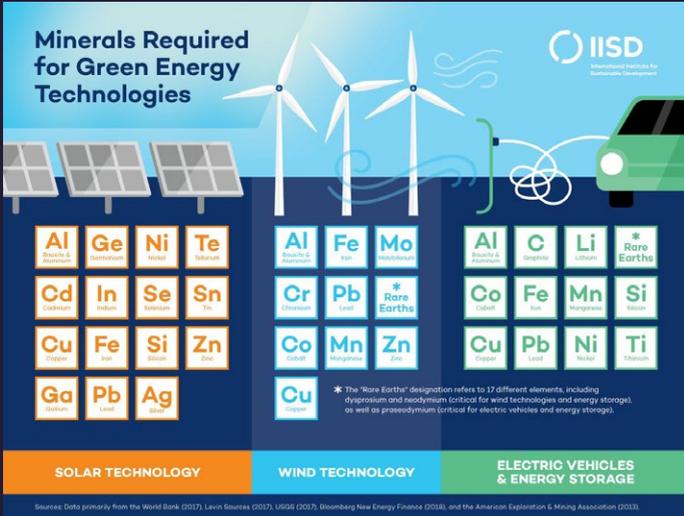


Figure 1: Minerals required for green energy technologies.<sup>2</sup>

1. [www.worldbank.org/en/news/infographic/2019/02/26/climate-smart-mining](http://www.worldbank.org/en/news/infographic/2019/02/26/climate-smart-mining)  
 2. Source: IISD ([www.iisd.org/story/green-conflict-minerals/](http://www.iisd.org/story/green-conflict-minerals/)). This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.

## Equipped for engagement

To underpin the initiative, the CFB has published an extractives policy to better enable engagement with mining companies and help protect indigenous communities and workers' rights. The mining industry affects people all around the world, many of whom are poor and marginalized. The new extractives policy will focus the CFB's efforts on issues that most impact people and planet.

### Anglo American

We were delighted that after a period of close engagement with the mining company Anglo American, the company's most recent climate report outlined an ambition to reduce its scope 3 emissions<sup>3</sup> by 50 per cent by 2040. We are now working with Anglo American and our collaborative partner, Climate Action 100+, to put this report to a shareholder vote so that it becomes policy to which the company can be held to account.

*The dialogue between Anglo American, the Central Finance Board of the Methodist Church, EOS at Federated Hermes and other supporting investors collaborating under Climate Action 100+ began in early 2018 ... Most notably we welcomed the company's target to become carbon neutral on operational emissions by 2040 and to play a broader role in decarbonising the steel value chain.*

**Quote featured in the Anglo American Climate Report from CFB and other co-leads from Climate Action 100+**



## Precious metals, precious people

The CFB continues to represent the Methodist Church on the steering committee of the Mining & Faith Reflections Initiative (MFRI), which brings together mining executives and church leaders to discuss mining and the common good. A major focus of MFRI is to ensure that mining sector workers and those in affected communities are not only protected but given the best opportunity to flourish.

<sup>3</sup>. Scope 3 emissions are defined by the Greenhouse Gas Protocol as "all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions." See [https://ghgprotocol.org/sites/default/files/standards\\_supporting/FAQ.pdf](https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf)

## Rio Tinto

The CFB and Epworth Investment Management featured in a February 2022 article in *The Sunday Times* online as one of the few investors willing to make serious comment, after the mining company Rio Tinto published a report detailing systemic workplace toxicity. The report highlighted incidents of criminal harassment, attempted rape and racism within the company. We believe our role is to stand in solidarity with the victims of these incidents and drive change.

We welcome the efforts of the new leadership at Rio Tinto to uncover and address these issues with robustness

and transparency. Yet the findings demonstrate systemic problems that present a material risk to shareholder value and, more importantly, demonstrate that Rio Tinto employees are exposed to unacceptable conduct and unsafe working conditions.

We have been in contact with Rio Tinto's investor relations team and are part of a constructive dialogue with the company to address the issue of workplace culture. We will be watching Rio Tinto's progress closely and look forward to the resolute implementation of all of Elizabeth Broderick's 26 recommendations contained in the report.

## Digging deeper

As shown by the CFB engagement with Anglo American and Rio Tinto, JACEI and the CFB are committed to driving meaningful change across the mining sector and will continue to hold companies to account. Mining will feature as a main ethical focus for the CFB as it seeks to ensure companies are contributing to a just transition to a low-carbon economy. JACEI and the CFB's position with the mining companies is to have a preferential option for the poor, and to help their voice reach the highest levels of their companies.

## From the Chair of the Joint Advisory Committee on the Ethics of Investment

This short report has focused on one issue – mining. However, during 2021/2022, the Joint Advisory Committee on the Ethics of Investment (JACEI) has also advised the Central Finance Board (CFB) in a number of other ethical areas, in particular:

- advising the CFB/Epworth on its response to the 2017 Conference request for divestment from companies that are not aligned with the Paris Accord, which has led to the exclusion of all oil and gas companies from the CFB/Epworth portfolios
- continuing engagement with companies on tax justice, including encouraging transparency in reporting
- continuing to oppose excessive executive remuneration and voting ecumenically as part of the Church Investors Group voting coalition
- engaging closely with banks across a variety of issues, including climate change and fees charged to charities.

A Summary Report on the work of JACEI is contained in the Agenda of Methodist Conference. The full report is available at [www.methodist.org.uk/jacei](http://www.methodist.org.uk/jacei) and on the CFB website. Other position papers and policy statements on a range of ethical investment issues are also available at [www.cfbmethodistchurch.org.uk/ethics](http://www.cfbmethodistchurch.org.uk/ethics).

We welcome comments and feedback on the work of JACEI and I encourage you to contact me with any questions or concerns about ethical investment and the Church.

**The Revd Dr Stephen Wigley, Chair**  
Joint Advisory Committee on the Ethics of Investment (JACEI)



  
The **Methodist Church** Joint Advisory Committee  
on the **Ethics of Investment**

The Joint Advisory Committee on the Ethics of Investment (JACEI) is composed of representatives appointed by the Central Finance Board of the Methodist Church (CFB) and by the Methodist Council. JACEI meets four times a year to advise the CFB on the ethical aspects of its work and monitors its decisions from an ethical standpoint.

**Joint Advisory Committee on the Ethics of Investment (JACEI)**

Methodist Church House, 25 Marylebone Road, London NW1 5JR

**Telephone:** 020 7467 5245

**Email:** [jaceichair@methodistchurch.org.uk](mailto:jaceichair@methodistchurch.org.uk)

**Web:** [www.methodist.org.uk/jacei](http://www.methodist.org.uk/jacei)

  
**Central Finance Board**  
of the **Methodist Church**

The Central Finance Board of the Methodist Church (CFB) is responsible for managing and investing £1.3 billion of Methodist assets. Its challenge is to make good financial returns, whilst acting within the teachings of the Methodist Church. Its mission statement affirms that “we aim to construct investment portfolios which are consistent with the moral stance and teaching of the Christian faith [and] to be a Christian witness in the investment community”.

**Central Finance Board of the Methodist Church (CFB)**

9 Bonhill Street, London EC2A 4PE

**Telephone:** 020 7496 3600

**Email:** [invest@cfbmethodistchurch.org.uk](mailto:invest@cfbmethodistchurch.org.uk)

**Web:** [www.cfbmethodistchurch.org.uk](http://www.cfbmethodistchurch.org.uk)