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For immediate release

Churches and campaigners call on National Pensions Reserve Fund to put principles into practice on responsible investment

The National Pensions Reserve Fund (NPRF) today faces calls from British and Irish church-based investor coalition the Ecumenical Council for Corporate Responsibility (ECCR) to back up its statements on responsible investment and prudent investment management by supporting resolutions on controversial “tar sands” projects at Shell and BP’s annual general meetings.

NPRF is a signatory to the UN Principles for Responsible Investment, but has yet to confirm if it will support the shareholder resolutions.

The shareholder resolutions are supported by a broad coalition of individual and institutional investors from around the world, including St Patrick’s Missionary Society, The Co-operative Asset Management, the UNISON Staff Pension Scheme, Rathbone Greenbank, and other fund managers, foundations and faith groups.

Investors already supporting the resolutions are concerned that the companies are risking both financial and reputational damage in the long term by developing what some investors view to be unsustainable assets, which could put the investments of funds like NPRF at risk.

Miles Litvinoff, Coordinator of ECCR, said: “As a signatory to the UN Principles for Responsible Investment, the NPRF recognises that major environmental issues such as tar sands can create financial risks. These resolutions call on Shell and BP to report on these risks, and it is therefore in the interests of NPRF - and the Irish people - to support the resolutions.”

An online action tool has also been set up by responsible investment charity FairPensions, which allows Irish citizens to contact the NPRF directly to express their concerns about tar sands and encourage the fund to lobby in favour of the resolutions.

Louise Rouse, FairPensions’ Director of Investor Engagement, said: “Given that the NPRF is intended to meet as much as possible of the costs of Ireland’s social welfare and public service pensions from 2025 onwards, every Irish citizen has an interest in ensuring that the NPRF takes account of financial performance issues such as those highlighted in the BP and Shell resolutions. Together with ECCR, we urge Irish citizens to visit www.countingthecost.org.uk, and join the thousands of people across Europe who are demanding that the investment community take account of their views.”

The resolutions focus on BP and Shell’s involvement in the Canadian tar sands (also known as oil sands), which are amongst the world’s most controversial industrial projects.

Investors and analysts have raised doubts about the high costs of extracting and converting oil sands, and the risks to future profitability presented by rising carbon emissions costs, oil price fluctuations and legal risks arising from environmental damage and indigenous community impacts.

NGOs supporting the resolutions, including Greenpeace and the Worldwide Fund for Nature, point to the extremely high levels of carbon emissions caused by extraction, huge quantities of toxic waste produced, local air and water pollution, deforestation, and human rights concerns raised by front-line indigenous communities in Canada.

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Notes for editors:

About the National Pensions Reserve Fund and Responsible Investment

The NPRF in response to pressure from lobbying by civil society bodies has signed up to the UN Principles for Responsible Investment (www.unpri.org). This commits the fund to engage as an active owner of its shareholdings and seek to engage the companies it invests in on the materiality of environmental, social and governance issues to long-term profitability of its investments. This commitment is seen as only the first stage in a wider process of reforming the fund to ensure it does not put the state at risk of complicity in human rights and environmental abuses around the world. A report by an inter-departmental committee established by Minister for Finance Brian Lenihan T.D. in March 2009 is expected in the coming weeks. Irish development charity Trócaire has produced an analysis of the future of the NPRF and the work of this inter-departmental committee, available at:
<http://www.trocaire.org/sites/trocaire/files/pdfs/policy/NRPF%20and%20responsible%20investment.pdf>

About tar sands

Canada's oil sands (also known as oil sands) are the second largest oil resource in the world, comprising some 173Bn barrels in reserves. Converting them into usable form of fuel produces on average 3 times the greenhouse gas emissions compared to conventional oil extraction. Even using the oil industry's favoured measure (from oil well to car exhaust), oil from this source emits between 15% and 40% more greenhouse gases than the average of conventional sources. Industry claims about the affordability and efficacy of carbon capture and storage as a solution to tar sands' financial and environmental problems are also increasingly questioned.

Oil sands are now prompting legal challenges from local indigenous communities such as the Beaver Lake Cree Nation, who are affected by pollution, deforestation and wildlife disturbance from tar sands developments. They claim breaches of the constitutional rights protecting their traditional livelihoods.

About the resolutions

The resolutions have been filed for the AGM of BP plc in London on 15 April 2010 and the AGM of Royal Dutch Shell plc in The Hague and London on 18 May 2010.

The resolutions ask the companies to commission and review reports setting out the assumptions made by both companies in deciding to proceed with oil sands projects regarding future carbon prices, oil price volatility, demand for oil, anticipated regulation of greenhouse gas emissions and legal and reputational risks arising from local environmental damage and impairment of traditional livelihoods. The resolutions ask that the findings of the report and review should be reported to investors in 2011.

The resolutions and supporting statements are available at www.fairpensions.org.uk/tarsands/resolutions

About ECCR

The Ecumenical Council for Corporate Responsibility (ECCR) is a British and Irish church-based investor coalition and membership organisation working for economic justice, environmental stewardship, and corporate and investor responsibility. ECCR maintains contacts with local churches and communities in countries where people experience the operations of multinational companies at first hand. Recent examples of such contacts include Nigeria, the Philippines, Uganda and the occupied Palestinian Territories. ECCR works nationally, internationally and through local groups.

About FairPensions

FairPensions campaigns for UK pension funds and fund managers to adopt responsible investment practices, managing environmental, social and governance (ESG) issues which have the potential to be financially relevant.

FairPensions is supported by a number of leading charities and trade unions, including ActionAid, Amnesty, BECTU, CAFOD, Community, CWU, ECCR, EIRiS, Greenpeace, NUJ, Occupational Pensioners' Alliance, Oxfam, PCS, Traidcraft, Unison, Unite and WWF, as well as thousands of individuals.