

PRESS NOTICE: FOR IMMEDIATE RELEASE

JUSTPENSIONS

Just Pensions launches ninth in a series of sector notes for pension fund trustees

In a continued effort to inform pension fund trustees of non-traditional financial risks, Just Pensions has launched the ninth in a series of sector specific notes, covering the extractive industries. The notes, covering the largest UK industry sectors identify potentially material social, ethical and environmental (SEE) risks facing each sector in the long and short term, i.e. **risks that have the potential to impact on shareholder value**, and are therefore of interest to all investors.

The extractive sector note offers insightful analysis for pension fund trustees and outlines the SEE risks associated with the oil, gas and mining sectors (outlined below) which are relevant to extractive companies today, but are expected to increase significantly in the longer term.

Access to reserves:

The process of finding and accessing new reserves is becoming increasingly complex due to their location in environmentally sensitive locations and within developing countries, where risks related to rule of law are likely to be heightened.

Efficiency of operations:

Issues such as health and safety of employees, ongoing local community acceptance of projects, and risks in dealing with non-OECD countries are factors that are ever more plaguing the industry.

Long term viability of the sector in a carbon constrained economy:

As political momentum to control, stabilise and reduce CO2 emissions grows, the cost to users of carbon intensive fossil fuels is likely to rise. In addition to this, taxes and NGO activism campaigns will give an advantage to companies with access to “cleaner” resources, such as natural gas.

The aim of the notes is to help pension fund trustees understand risks that lie outside the realms of traditional financial analysis but may influence the performance of their investments.

Two sector notes (beverages and financials) remain in the series and the following sectors have already been covered: 1) pharmaceuticals, 2) utilities, 3) media, 4) telecoms, 5) food producers and retailers, 6) tobacco, 7) general retailers, and 8) construction and building materials.

-ENDS-

Notes to Editors

1. *Just Pensions* is a programme of the UK Social Investment Forum (UKSIF) - the UK's membership network for socially responsible investment (SRI). *Just Pensions* aims to educate and influence UK pension funds and other institutional investors about the importance of international development issues in their practice of SRI. In addition to its education and awareness raising activities, *Just Pensions* co-ordinates in-depth research to assess current practice and works to address the blocks to the growth of SRI generally and pro-poor SRI in particular. *Just Pensions* also provides SRI toolkits for trustees, and engages with stakeholders on SRI best practice. Together with UKSIF and Eurosif, *Just Pensions* aims to raise SRI on the public policy agenda in the UK and Europe. *Just Pensions* draws upon the expertise of a multi-stakeholder advisory board of SRI practitioners and other industry specialists and currently receives core funding from the Department for International Development (DFID). For further information, visit www.justpensions.org.
2. The UK Social Investment Forum (UKSIF) is the UK's membership network for socially responsible investment (SRI). UKSIF's primary purpose is to promote and encourage the development and positive impact of SRI amongst UK based investors. UKSIF believes that all material social, environmental and ethical (SEE) issues should be integrated into standard investment practice. The Forum was launched in 1991 to bring together the different strands of SRI nationally and to act as a focus and a voice for the industry. UKSIF's 250+ members and affiliates include retail and institutional fund managers, financial advisers, SRI research providers, consultants, trade unions, banks, building societies, community development finance institutions, NGOs and individuals interested in SRI. In addition to UKSIF's programmes and parliamentary work, the Forum prepares member newsletters and briefings, as well as co-ordinating a wide range of events, from small seminars to conferences on topics reflecting the full spectrum of interest in the SRI field. UKSIF also works to educate the public and Government about SRI. For further information, visit www.uksif.org.
3. This series of notes for pension fund trustees has been compiled by the UK Social Investment Forum in collaboration with a group of its members and the Just Pensions programme. Each note covers one FTSE industry sector in which UK pension funds invest. Potentially material social, ethical and environmental risks facing the largest sectors are highlighted and discussed in relation to their potential impact on shareholder value. In addition, one potentially material developing world issue relating to the sector's activities is explored in more detail. The aim of the notes is to help pension fund trustees understand risks that lie outside the realm of traditional financial analysis but may influence the performance of their investments. Additional questions to aid trustees in their discussion with fund managers will be provided during the series. For further information on the series, or to receive any individual sector note, please do not hesitate to contact the Just Pensions programme at info@justpensions.org or on 020 7440 9712.

For further information and press enquiries, please contact 020 7440 9712 or email info@justpensions.org.