

# **Pension fossil fuel divestment**

## **A guide for workers in Ireland**



**Most people in Ireland have little or no knowledge of how their pension savings are being invested. Most people are unknowingly supporting the fossil fuel industry, through their pension savings, to explore and drill for more and more fossil fuels, worsening the climate crisis.**

**In a survey carried out by the Divest Ireland group to gauge people's knowledge on this topic, 60% of respondents said that they did not know whether their employer-based pension fund was invested in fossil fuels or not. This is unsurprising, as pensions tend to be an opaque topic to the average worker. Over 90% said that it was very important or somewhat important to them that their money was not being used to fund fossil fuel companies or projects, showing that this is an issue of concern to Irish pension holders.**

## **Why Divest?**

**In order to avert massive ecological breakdown and its effects on human life and health - we need to keep 60% of the world's fossil fuels in the ground. A key way we can take the power back from this destructive industry is to de-fund it.**

**Divesting from the toxic fossil fuel industry has massively grown over the past few years. Figures from the the Divestment Database show that over 1500 institutions worldwide have already divested to the value of 40 trillion dollars. This guide is to inform people in Ireland more about this issue and empower you to take action.**

# What can workers in Ireland do?

**Workers have a huge role to play in fighting climate change. In 2018 the Irish Government voted in favour of divesting national assets away from fossil fuels, but workers in Ireland are still often forced into pension funds with no say over how their savings are being invested. Here are some actions we can take to move our savings out of the fossil fuel industry;**

## **Talk to your employer and co-workers**

**Gather together employees who are interested in ensuring their pensions are not invested in fossil fuels and approach your employer's leadership as a group, or simply approach or email your employer as an individual. Make sure your employer knows that this issue is important to you, and passes that on to your employer's financial advisors/brokers and your employer's pension fund provider. Relevant people to contact within your employer organisation could include the senior leadership, HR managers, financial or payroll managers and your line manager.**

- **Ask what your pension is invested in**
- **Ask what are the options available to employees to divest from fossil fuels**
- **Ask was the carbon footprint of different schemes, and fossil fuel divestment, considered when the organisation chose a particular pension fund provider or scheme**

## **Talk to your broker and pension fund provider**

**Arrange a call with your financial advisor/broker, and directly with your pension provider, and tell them you do not want your pension savings being invested in fossil fuels. The more financial brokers and pension fund providers hear from people about this concern the more likely they are to provide greener options in Ireland.**

**Divestment is a growing trend that makes financial sense. The Divestment Database shows that over 1500 institutions worldwide have already divested to the value of 40 trillion dollars.**

**Another point you can raise with your pension provider is to ask them whether they are supporting legal actions being taken by investors against fossil fuel companies on climate, such as this one**

## **Talk to your TD's and MEP's and demand support for divestment at national and European level**

**We can call for action by political leaders through contacting them, protesting etc. Here are some points to raise with them:**

- **In 2018 the Irish Government voted in favour of divesting national assets away from fossil fuel industries. The same necessity for divestment should be applied to all workers' pensions and savings.**
- **Publicly administered pension schemes, such as the new “auto-enrollment” scheme in Ireland, should not be invested in fossil fuels.**
- **Regulated classification systems (taxonomies) for green investments should be made much more strict to avoid greenwashing.**
- **Regulations should specify rights to information about what exactly your savings are being invested in. For example, the Irish pension authority does not mention anything about your right to information about how your funds are invested on this page.**

## Join us!

**We are a One Future group focused on fossil fuel divestment - we are a grassroots group of volunteers supported by Friends of the Earth Ireland.**

**divestireland@gmail.com**

## Useful info: Who is who in the Pension World

- **Qualified Financial Advisor / broker - acts as an advisor to you or to your employer. A financial advisor can be affiliated with a particular pension fund provider or can be independent across multiple pension fund providers.**
- **Pension fund provider - a pension fund provider administers pension schemes/plans. When investing in a pension scheme, the scheme may be invested in a number of different funds, and also moved between funds over time. Examples of large pension providers in Ireland include Aviva, Zurich etc.**
- **Pension fund managers - fund managers work for pension fund providers to manage particular investment funds; they are responsible for choosing which companies or organisations or projects a fund is invested in, and for moving money in and out of different companies over time. They may also be able to vote at company shareholder meetings.**

## **What control do you have over how your pension is invested?**

**Right now in Ireland, many workers do not have control over how their pensions are invested.**

**Occupational pension schemes are linked with your employer. Most employers provide a matching contribution to your contribution. There are tax benefits to participating. Your employer might be tied to one particular financial advisor and one particular pension fund provider. You may have some flexibility as an individual employee to choose among the pension funds that the provider makes available to you.**

**However, switching pension fund provider is usually a decision the employer makes rather than the individual employees, if you are to have continued access to the employer's matching contribution.**

**A Personal Retirement Savings Account (PRSA) allows you to save for retirement and get tax benefits, independently from an employer. You may contribute to both an occupational pension scheme and a PRSA. With a PRSA you will have more freedom to choose between pension funds, but you will not get an employer matching contribution. If you move between employments, you may transfer accumulated savings from an occupational pension scheme into a PRSA.**

**A key goal of our campaign is to show the demand for divestment in Ireland. By collectively putting pressure on our employers and on decision makers such as the large pension fund providers, and the government, we can take back the power over where our savings are going and how they are being invested.**

## Choosing green or fossil free pension funds - the greenwashing problem

It is important to be aware that a fund simply calling itself green or being classified as green does not necessarily mean that it has fully divested from fossil fuels. **Greenwashing involves making an unsubstantiated claim to deceive consumers into believing that a company's products are environmentally friendly or have a greater positive environmental impact than they actually do.**

A term used in the industry is “ESG” which stands for making investment decisions based on environmental, social and governance (ESG) factors, or using the pension fund's role as shareholder in a company to vote for change or advocate for change in a company.

In the EU, a Sustainable Finance Disclosure Regulation (SFDR) was introduced in 2019 which aimed to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants. However there has also been extensive criticism that EU regulations still allow greenwashing.

Under the SFDR,

- **Article 9 investments (known as “dark green”)** are investments which have sustainability as an objective,
- **Article 8 investments** involve “promotion of environmental or social characteristics” (known as “green”); and
- **Article 6 investments** are the default which comply with minimum EU standards



## **Terms to watch out for**

**Some funds that call themselves dark green or are classified as dark green are still widely criticised for greenwashing.**

**Despite strong opposition from people concerned about the environment, the EU recently allowed investments in fossil gas and nuclear power to be classified as green in its Taxonomy for Sustainable Activities.**

**Other countries have pension fund options which specifically invest only in particular types of projects such as renewable energy, organic farming, social housing and social enterprises and are fully transparent about all the projects they invest in, for example Triodos Bank - however, the availability of such targeted funds in Ireland is more limited.**

**More info on greenwashing is available from the following sources:**

**Friends of the Earth UK explainer on Greenwashing**  
**Great Green Investment Investigation**

## Stay in touch!

**We hope this guide inspires other workers to talk to their employers and build the movement for divestment in Ireland.**

**We'd love to hear your experiences!**

**If you want to get involved you can contact us at [divestireland@gmail.com](mailto:divestireland@gmail.com) on Twitter [@divestireland](https://twitter.com/divestireland) or on Instagram [@divest\\_ireland](https://www.instagram.com/divest_ireland)**

**Here's a few more handy resources on divestment:**

**[Divest UK](#)**

**[Fossil Free Campaign Guide](#)**

**This guide was written by Divest Ireland - a group of volunteers involved in the One Future network who came together to campaign for divestment and an end to fossil fuel financing.**

**One Future is a network of activists and groups in Ireland campaigning for faster and fairer climate action.**

**We are supported by Friends of the Earth Ireland**

**Divest Ireland  
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