



September 29, 2006

Oil Sands Consultations
Alberta Department of Energy
North Petroleum Plaza
7th floor, 9945-108 St
Edmonton, Alberta Canada
T5K 2G6

Dear Sir/Madam:

The Ethical Funds Company™ is Canada's leading manager of socially responsible mutual funds, with \$2.2 billion in assets under management.

In addition to evaluating all investments according to their environmental, social, and governance (ESG) performance, **The Ethical Funds Company** engages companies in dialogue to encourage long term wealth creation in support of a more just and sustainable world.

Socially responsible investing is a growing field. Broadly defined, it incorporates an active consideration of ESG factors for investment decision making. In addition to traditional financial measures, socially responsible investors evaluate factors such as the effectiveness of environmental risk management systems, employee health and safety procedures, capacity to attract and retain talent at all levels of the organization, corporate governance, and stakeholder engagement practices. Socially responsible investors believe that ESG factors can be material to investment performance, particularly in terms of helping companies avoid and mitigate risk.

The Ethical Funds Company has significant investments in oil and gas companies operating in the oil sands and a large number of our unitholders are residents of Alberta.

We are writing today in response to your call for views on a vision for oil sands development in the Province of Alberta. We fully support the process now underway and are hopeful that oil sands consultation will lead to development that meets the needs of Alberta today while protecting the environment and safeguarding the interests of future generations.

The Ethical Funds Company concurs with many of the views expressed by the Pembina Institute for Appropriate Development. Specifically, we request that the Government of Alberta slow the pace of oil sands development until such time that a integrated land use plan can be developed and implemented. This plan should acknowledge the need to maintain and restore functioning ecosystems while providing for the economic needs of local communities and respecting the rights of impacted First Nations. We urge the development of an integrated land use plan that protects the ecosystem while allowing for appropriate forms of economic development.



Our position is driven by the belief that viable ecosystems underpin our communities, our economy, the business sector, and investment institutions. Our natural capital is the foundation of our country's economic, human, and ecological well-being. The potential negative impact of oil sands development on boreal ecosystems in northern Alberta is well documented.

Further, our position is informed by the observation that Canada's performance in the realm of ecosystem protection is, at best, weak. The Report of the Commissioner of the Environment and Sustainable Development in the Office of the Auditor General of Canada last year concluded that the federal government's progress in protecting biodiversity is unsatisfactory. Nearly 10 years after adopting a National Biodiversity Strategy, Ottawa lacks a coherent plan for implementation and has failed to improve capacity to inventory, understand, and manage biodiversity information. The Province of Alberta now has a golden opportunity to help rectify this situation by protecting the boreal ecosystem in the context of oil sands development.

Finally, our position is informed by the need for the Government of Canada – and provincial governments across this country – to take action to limit greenhouse gas emissions. Clearly, rapid oil sands development in advance of carbon mitigation strategies will limit the effectiveness of the policy and market-based mechanisms that will eventually emerge from a future consultation between industry, the provinces, and the federal government. We again urge the oil sands consultation process to bear this in mind and consider adoption of a recommendation to slow the pace of development until such time that a widely agreed plan to limit greenhouse gas emissions is in place.

We thank you for taking our perspective into consideration as you move forward on this important consultation. We look forward to your response. If we can be of any help in explaining this initiative further, feel free to contact us.

With Best Regards,

The Ethical Funds Company



Robert Walker
Vice President, Sustainability