



March 26, 2012

The Honourable Peter Kent
Minister of the Environment, Government of Canada
Les Terrasses de la Chaudière
10 Wellington Street, 28th Floor
Gatineau, Quebec K1A 0H3

The Honourable Diana McQueen
Minister of Environment and Water, Government of Alberta
#425 Legislature Building
10800 - 97 Avenue
Edmonton, Alberta T5K 2B6

Re: Joint Canada-Alberta Implementation Plan for Oil Sands Monitoring

Dear Ministers:

The undersigned institutions, representing over C\$ 1.6 trillion (U.S. \$ 1.62 trillion) in assets under management, invest in companies that operate in the Alberta oil sands. We commend the governments of Canada and Alberta for the announcement of a robust implementation plan for a world-class monitoring system for the oil sands region of Alberta.¹ The proposed plan appears to be both ambitious and realistic, and most importantly, to be underpinned by a strong scientific rationale. We write to encourage both levels of government to address outstanding concerns about the long-term governance of the monitoring system.

In 2011 a number of signatories to this letter submitted comments to the public consultation held by the Alberta Environmental Monitoring Panel (AEMP)², and later wrote to the Federal and Alberta governments to call for timely implementation of the recommendations of both the AEMP and the Environment Canada Integrated Oil Sands Monitoring Plan.³ These letters discussed investor perspective concerns about environmental and social impacts from oil sands development, and the need to understand, acknowledge and mitigate these impacts in a timely fashion if companies are to avoid serious risks to their long-term value. Controversy and conflicting information about the extent of potential impacts create unwelcome uncertainty for both companies and their investors. The recent announcement of an implementation plan for an expanded and scientifically credible monitoring system is therefore welcome.

We support the prudent decision to undertake the transformation of the current monitoring system without further delay, and to begin implementation of enhanced monitoring in time for the spring season. We note, however, that the Federal and

¹ **Governments of Canada and Alberta.** Joint Canada/Alberta Implementation Plan for Oil Sands Monitoring [Online] 2012.

http://environment.alberta.ca/documents/Joint_Canada-Alberta_Implementation_Plan_for_Oil_Sands_Monitoring.pdf

² <http://www.neiinvestments.com/neifiles/PDFs/5.5%20Public%20Policy%20and%20Standards/Investors%20Oil%20Sands%20Monitoring.pdf>

³ http://www.neiinvestments.com/neifiles/PDFs/5.5%20Public%20Policy%20and%20Standards/Oil%20Sands%20Monitoring%20Implementation_Investor%20Letter.pdf.

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Alberta governments will have oversight of the system, while the AEMP had emphasized the need for arm's length monitoring governance mechanisms.⁴ Minister McQueen's remarks at the announcement of the implementation plan referred to further work on the design of a province-wide external monitoring commission.⁵ We urge early action to address these outstanding governance issues. We are pleased to note the Alberta government's establishment of a working group to provide detailed advice on the implementation of the monitoring system, with specific responsibility for providing advice on governance and funding.⁶ We believe that the long-term credibility of the monitoring system will rest on the establishment of an independent governance structure guided by science. We feel strongly that this will contribute to both the actual quality of the monitoring system, and the public perception of its quality. It is essential that the governance model for the monitoring system should be beyond reproach – all the more so because of the atmosphere of mistrust that has been generated by conflicting information on oil sands impacts.

In conclusion, once again we would like to commend both levels of government for the announcement of a robust implementation plan for a world class monitoring system for the oil sands, while urging early action to establish independent oversight. If you have any questions regarding this letter, please contact **Michelle de Cordova, Director, Corporate Engagement & Public Policy, NEI Investments** (mdecordova@NEIinvestments.com, 604-742-8319).

Sincerely,

NEI Investments

A handwritten signature in black ink, appearing to read "Robert Walker", with a long horizontal line extending to the right.

Robert Walker
Vice President, ESG Services & Ethical Funds

CC:

Dr. Howard Tennant, Co-Chair, Alberta Environmental Monitoring Panel
Mr. Hal Kvisle, Co-Chair, Alberta Environmental Monitoring Panel
Ms. Elizabeth Dowdeswell, Chair, Integrated Oil Sands Monitoring Plan Final Expert Reviewers

⁴ **Alberta Environmental Monitoring Panel.** A World Class Environmental Monitoring, Evaluation and Reporting System for Alberta: The Report of the Alberta Environmental Monitoring Panel. [Online] 2011. <http://environment.gov.ab.ca/info/library/8381.pdf>

⁵ **Alberta Environment and Water.** Joint Implementation Plan Speaking Notes. http://environment.alberta.ca/documents/EDITED_for_WEB_Monitoring_Joint_Announcement_SN_20120203.pdf

⁶ Alberta Environment and Water. Experts begin work on designing improved provincial environmental monitoring system. <http://alberta.ca/acn/201203/321010C977E17-C850-3426-A5C74D1776ADEA00.html>



This letter is also submitted on behalf of the following investment institutions:



Erik Jan Stork
Senior Sustainability Specialist
APG Asset Management



François Meloche
Extrajournal Risks Manager
Bâtirente



Doug Pearce
CEO/CIO
British Columbia Investment Management Corporation (bcIMC)

BT Pension Scheme



Helene Winch
Director
BT Pension Scheme Management



Bennett Freeman
Senior VP, Sustainability Research and Policy
Calvert Investments



Mike Flynn
Chair of the Board
Catherine Donnelly Foundation



Julie Tanner
Assistant Director of Socially Responsible Investing
Christian Brothers Investment Services, Inc.



Stephen Viederman
Chair, Finance Committee
Christopher Reynolds Foundation



Laura Snow
Treasurer
Compensation Employees' Union



Niels-Ulrik Moustén
Senior Executive VP, Chairman of the SRI Board
Danske Bank



Jean Laville
Deputy Managing Director
Ethos Foundation



Mark Regier
Director of Stewardship Investing
Everence Financial



Karina Litvack
Head of Governance and Sustainable Investment
F&C Management Ltd.



Carina Lundberg Markow
Head of Corporate Governance
Folksam



Mario Tremblay
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Janet Kim Sing
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Luan Steinhilber
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Miller/Howard Investments, Inc.



Kris Douma
Head of Responsible Investment & Active Ownership
Mn Services N.V.



Michael Kramer
Managing Partner & Director of Social Research
Natural Investments LLC



Gary Hawton
President
OceanRock Investments Inc. (Meritas Funds)



Mark Fuller
President & CEO
Ontario Pension Board



Stephen J. Griggs
President and CEO
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Julie Gorte
Senior Vice President for Sustainable Investing
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Marcel Jeucken
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PGGM Investments



Matt Crossman
Ethical Research & Corporate Engagement
Rathbone Greenbank Investments



Erik Breen
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The United Church of Canada
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Dermot Foley
Manager - ESG Analysis
Vancity Investment Management



Hans-Martin Buhlmann
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VIP (Vereinigung Institutionelle Privatanleger) eV



Walden Asset Management
Advancing sustainable business practices since 1975

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