

**BP AGM, 17 April 2008**



## **JOINT STATEMENT AND QUESTIONS ON BP'S ENTRY INTO THE CANADIAN TAR SANDS**

The following investors wish to go on record at this shareholder meeting concerning BP's entry into the Alberta tar sands:

Boston Common Asset Management  
Christian Brothers Investment Services  
the Ecumenical Council for Corporate Responsibility  
Green Century Capital Management  
MMA Praxis Mutual Funds  
Newground Investments  
Northstar Asset Management  
Pax World  
Sierra Club Funds  
Rathbone Greenbank Investments  
Trillium Asset Management

We are long-term investors in BP. From our perspective, BP has been an attractive investment in no small part because of its pursuit of environmental and social sustainability, its robust stakeholder engagement programs, and its development of solar, wind and biofuels businesses.

For this reason, we are deeply disappointed by BP's entry into the Canadian oil sands. On a comparative basis, oil sands development offers some of the worst life-cycle environmental impacts of any fossil fuel.

We are not reassured by the fact that BP's tar sands investments will rely on the method known as Steam Assisted Gravity Drainage, which is said by some to be the greener way to develop tar sands. SAGD may be less destructive than open pit mining but it has been estimated that it will cause more long-term deforestation than if the entire mineable oil sands region is completely cleared, and the ecological effects will be many times greater still.\*

We believe that this is a disturbing step backwards for BP, whose logo and tag line "Beyond Petroleum" communicate the highest aspirations.

Prior to BP's announcement in December, we had understood that our company would not pursue tar sands development due to the heavy carbon footprint of both the operations and the end-product.

We fear the implication that BP is retreating from an excellent strategic position designed to exploit the long term shift away from high-carbon fuel sources, and we question whether this may undermine our future competitiveness.

We do not wish to see the benefits of BP's leadership as a renewable energy innovator and market leader being offset by the harsh environmental impacts unleashed by tar sands development.

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We therefore ask:

- What cost of carbon was incorporated into the valuation of this decision, and what is the sensitivity of the project to a \$20 a tonne price?
- How will BP reduce or offset the greenhouse gas emissions from the Sunrise project?
- What assurances can BP provide that best practices will be applied?
- How will BP engage in public-private efforts to protect the Canadian boreal forest in the aggregate?
- What risks to reputation, cost, health and safety, and the environment does BP anticipate as resulting from its development of the Sunrise field?

We have found BP responsive to our concerns in the past and invite you to dialogue with us on these issues..

\* Pembina Institute (Canada), *Death By a Thousand Cuts: Impacts of In Situ Oil Sands Development on Alberta's Boreal Forest*, August 2006, p. viii.

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