

Read this article online at: http://www.responsible-investor.com/home/article/oil_sands/



Oil sands campaign targets ConocoPhillips and ExxonMobil ahead of today's BP showdown

Resolutions for improved reporting lodged with two more oil majors.



by **Hugh Wheelan** | April 14th, 2010

An institutional investor campaign which is challenging oil giant BP (AGM) to improve its reporting on financial, environmental and social risks associated with oil sands investments in Canada at today's (April 15th) annual general meeting, is being extended to similar resolutions at oil majors, ConocoPhillips and ExxonMobil. The investors have already lodged a resolution at Shell's AGM on May 18th in a campaign that is gathering momentum, but seriously dividing shareholder opinion.

The giant \$140bn California State Teachers Retirement Fund (CalSTRS), has taken the position of lead filer of the resolution at ConocoPhillips' AGM on May 12th and is calling for institutional investors to back it. Jack Ehnes, chief executive officer of CalSTRS, said: "The environmental risks associated with oil sands development come with long-term financial risk for the CalSTRS portfolio. We support all resolutions requesting greater disclosure on oil sands-related risks and encourage institutional investors to vote yes in support of these proposals."

ExxonMobil's AGM is on May 26th. The investors question the long-term economic viability of oil sands development, citing the high costs of extracting and converting oil sands alongside risks to future profitability presented by rising carbon costs and oil price fluctuations. They also point to legal, regulatory and reputation risks arising from environmental damage and the impact on indigenous community livelihoods. Other investors have publicly called for their members to back BP's management at today's contentious AGM, saying the company has provided sufficient information and assurances. The UK Local Authority Pension Fund Forum (LAPFF) which represents 52 pension schemes with a combined £90bn (€100bn) in assets, issued an alert to members to oppose the shareholder resolution after its own negotiations with BP had provided "sufficient evidence" that the company's approach to tar sands development was "well-grounded". Research Recommendations and Electronic Voting (RREV), the proxy voting service used by many UK pension schemes, has also advised a vote against the BP shareholder resolution. Other investors will vote today in favour of the resolution, in one of the most publicly contested AGM votes for

some time. They include the £1.1bn (€1.2bn) Active Pension Fund of the UK's Environment Agency. APG Asset Management, the wholly-owned fund manager of the €180bn Dutch civil servants pension fund ABP, has also warned it may vote in favour if its does not receive adequate information from BP.