Leveraging the *Roadmap to Nature Positive: Foundations for the energy system*

Examples from the energy industry:

→ *Equinor ASA*

→ Equinor, Gullfaks C platform and Hywind Tampen floating offshore wind farm

World Business Council *for Sustainable Development*

equinor

General introduction

WBCSD and its member companies have now launched the ***Roadmap to Nature Positive: Examples from the energy industry***, five cases of industry businesses that are leveraging WBCSD's Roadmap to Nature Positive: Foundations for the energy system.

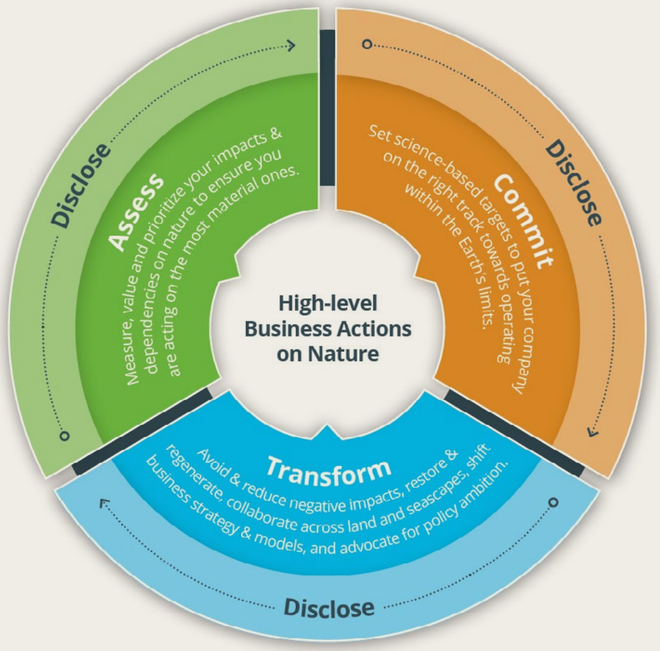
The ***Roadmap Foundations*** provides companies with a comprehensive step-by-step "how to" guide to taking credible, impactful nature action. The Roadmap follows the underlying logic of key frameworks including the **High-level Business Actions on Nature** to Assess, Commit, Transform and Disclose (ACT-D), the **Taskforce on Nature-related Financial Disclosure** (TNFD) **LEAP approach** (Locate, Evaluate, Assess, and Prepare) and the **Science Based Targets Network** (SBTN) **AR3T Action Framework**.

These **Roadmap examples** serve as **practical illustrations** that **bridge** the gap between theory and industry practice. Building upon the Roadmap Foundations, they aim to show how companies within the energy system are navigating their journey to nature action, offering valuable insights into the **particular and specific challenges** that businesses encounter on this journey.

As each organization confronts a **combination of unique and shared hurdles**, it is important to openly share these experiences to **foster collaboration** among peers and **support the development of effective solutions.**

*It is by making these learnings available, and collaborating with peers to develop solutions, that we can reach the **speed and scale needed** to achieve the shared goal of **halting and reversing nature loss by 2030.***

Figure 1: ACT-D framework, SBTN



Source: Business for Nature (2022). High-level Business Actions on Nature

Energy member: *Equinor ASA*

Sector: Oil & gas, renewables, low-carbon solutions
Value chain: Energy producer

Company strategy & approach to nature positive

Equinor ASA (Equinor) is an international energy company that believes in the long-term value creation of a low-carbon future. The company's purpose is to turn natural resources into energy for people and progress for society. With a portfolio encompassing different energy sources, Equinor aspires to become a net-zero emissions energy company by 2050 and is actively working towards this goal.

For decades, a **"zero harm" ambition** has guided Equinor's work, with the company striving to avoid or minimize adverse impacts on the ecosystems where it operates. In line with this direction, Equinor considers and manages environmental aspects through risk and impact assessments, including stakeholder engagement, baseline studies, surveys and monitoring programs. Moreover, a key element to broaden and acquire biodiversity and nature-related knowledge is to **run and partake in collaborative research projects** with research institutes and other companies.

As indicated in its **Energy transition plan** and set out in its **Biodiversity Position**, Equinor is stepping up its nature journey and **pursuing a net-positive approach, supporting the global ambition of reversing nature loss by 2030.** Starting from 2023, all new Equinor-operated projects located in protected areas or areas of high biodiversity value must develop a plan that includes additional measures aiming to demonstrate net-positive impact (NPI) on nature. For other projects and existing sites, Equinor is establishing a **Site-Specific Inventory (SSI) of key biodiversity features** and will use this to consider additional conservation measures. Other actions include voluntary exclusion zones for new projects and ambitions for increased biodiversity data sharing.

Equinor is pursuing a net-positive approach by implementing Net Positive Impact plans and Site-specific Inventories, gathering data on key biodiversity features. To broaden its biodiversity and nature-related knowledge, Equinor runs and partakes in collaborative research projects with research institutes and peers.

Energy member: Equinor ASA
continued

Rationale for the company to design and implement a nature approach

Equinor first announced its biodiversity position in 2021 as a response to the 2019 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) *Global Assessment Report*. **Equinor's approach to nature is anchored in its Energy Transition Plan** and the company believes that a **successful energy transition** can be achieved only in collaboration with workers and communities and **with respect for nature.** Other key drivers of Equinor's approach to nature are:

→ **Compliance** with EU and national requirements;

→ Response to the widespread **societal call** for nature-positive businesses;

→ Improvement in its **internal risk management** and policies;

→ Increasing **competitive advantage** stemming from a strong nature-positive performance.

Nature frameworks & guidelines the company is considering in its nature approach

The company's main framework of reference is the European Union's Corporate Sustainability Reporting Directive (CSRD). Equinor has conducted a thorough assessment of the gap between the European Sustainability Reporting Standards (ESRS) and its practices. Additionally, the company is a member of the TNFD Forum, which provides insight into how to best align with TNFD recommendations. Equinor continues to use WBCSD as an important resource to stay on top of what is happening in the nature sphere and to engage with other companies that are working on similar challenges.

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continued

Stage 1 in the Roadmap to Nature Positive – Assess

This section describes how the company assesses dependencies, impacts, risks and opportunities (DIROs).

Scope & locate – From bottom-up to a broader comprehensive approach

Equinor developed its understanding of its impacts on nature and material topics through a bottom-up approach following years of environmental monitoring and risk and impact assessments, as well as research on different environmental topics. In 2023, Equinor initiated work to explore a broader approach that relies more on global datasets to help define material sites and priority locations for nature-related efforts. Following this, the company will look into the potential benefits of aligning these approaches into a single cohesive input for materiality assessments, a framework of risks and impacts, and a baseline for furthering its nature approach.

A broader approach for a complete corporate view

The company's understanding of the business impacts, impact locations and biodiversity features most affected comes from **stakeholder engagement, baseline studies and environmental risk and impact assessments** conducted in project planning phases, combined with research, surveys and monitoring programs in its operations. The company uses this information to **understand its potential contributions to pressures on biodiversity** such as pollution, regular and uncontrolled discharges to sea or land and emissions to air, and the company's use of sea and land areas and related disturbances. Such assessments have also **helped in identifying issues that are mostly non-material** for the company, such as freshwater use.

Collaboration for better quality data

Collaborative research programs have allowed Equinor to fill its knowledge gaps and improve its assessments. Equinor believes that high-quality, granular and up-to-date data comes from collaborating and sharing. The company will therefore continue to partner with different entities to conduct research and make its own collected data available, for example, by being a member of the **Intergovernmental Oceanographic Commission of UNESCO Corporate Data Group** (IOC/UNESCO).

→ Source: Equinor

[1] Key biodiversity features as defined in the internal methodology include but are not limited to: World Database on Protected Areas (WDPA) and International Union for Conservation of Nature (IUCN) definitions of Protected Areas and Key Biodiversity Areas (KBA), including their designating features, threatened native species or other native species of particular importance overlapping the area of interest and their habitats, and ecosystems of particular importance.

Energy member: Equinor ASA
continued

Bottom-up & top-down for a complete corporate view

→ **Improving site-specific understanding:** To provide a company-wide overview of key biodiversity features[1] at operational sites and the potential negative impacts of the company's activities, Equinor **aggregated information in a Site-Specific Inventory** of key biodiversity features. This data will support the identification of material sites/priority locations and potential actions.

→ **Implementing digital solutions:** Equinor has also started working to improve its digital solutions related to storing, accessing and sharing the biodiversity data associated with its activities.

→ **Public and corporate data:** In parallel, Equinor has begun working on defining potential material sites/priority locations by using publicly available data, such as ENCORE. The company would like to explore whether combining and supplementing public datasets with more asset-specific monitoring and impact studies improves the process of identifying risks and opportunities relating to both existing and planned projects.

Key material findings

Key impacts: Equinor's main direct impacts include pollution; regular and uncontrolled discharges to sea or land and emissions to air. Use of land and sea areas may negatively impact biodiversity and ecosystems, for example through noise and impacts related to collisions with animals, potential barrier effects, and potential introduction of alien invasive species from maritime vessels. This is of particular importance if activities are in or near protected areas or areas of high biodiversity value. Equinor is also aware that it may indirectly put pressure on nature through the work of its partners and suppliers, especially where activities require large quantities of materials like metals, cement and chemicals.

Key dependencies: The company has certain dependencies on natural assets. For example, healthy oceans provide bioremediation services when offshore platforms discharge produced water containing minor fractions of oil and chemicals to sea. Access to natural resources such as wind, sun and hydrocarbons for the company's energy production can also be regarded as a dependency on nature. Equinor's main dependencies on natural assets, however, are the indirect ones resulting from the use of natural resources by suppliers and producers in its supply chain.

Key risks and opportunities: Equinor's main material risks and opportunities include transition risks concerning the development of new policies and regulations; reputational impacts related to performance; and market risks including access to acreage for development of new projects. A comprehensive nature agenda, however, also provides the company with important opportunities, including the potential competitive advantage of strong performance, as well as enhanced recruitment and retention of new talent.

Energy member: Equinor ASA
continued

Stages 2 & 3 in the Roadmap to Nature Positive – Commit & Transform

This section illustrates how the company, after identifying the material DIROs, is implementing practical and concrete actions, setting its commitments and improving its nature-related strategy.

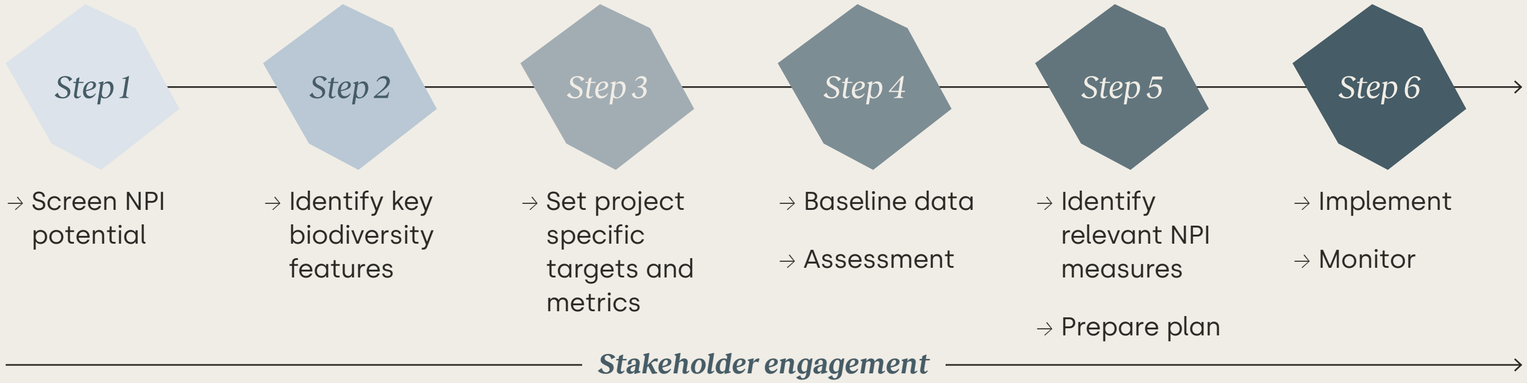
In response to the identified impacts, risks and dependencies, **Equinor's biodiversity position** outlines a series of priority actions. Importantly, the company has developed **a net-positive impact (NPI) plan methodology,** building on the **mitigation hierarchy** principles, and is currently in the process of applying it to projects in scope. The company is carrying out the NPI in steps; it will be an integral part of a project-specific impact assessment.

Step 1. The company uses global datasets such as the **World Database on Protected Areas** (WDPA) and **Key Biodiversity Areas** (KBA), and national/local datasets to screen whether a given project site physically overlaps with protected areas or areas of high biodiversity value, which triggers the requirement to develop an NPI plan according to the Equinor biodiversity position.

Steps 2 & 3. Equinor leverages the impact assessment process to identify and prioritize key biodiversity features; the company should develop project-specific targets and metrics based on this.

Step 4. It assesses the need for baseline data and identifies and prioritizes NPI measures.

Figure 2: Equinor's net-positive impact methodology



Step 5. An important step in the NPI process is identifying potential measures that can positively impact nature. Equinor recognizes that these opportunities are best identified in collaboration with others. The company, therefore, **collaborates with several research institutions to better understand how to avoid or reduce its operations' adverse impacts and increase the positive ones.** As a large offshore operator, Equinor has found that its main impacts and dependencies are connected to the marine environment. As a result, the company is partnering with several marine-oriented institutions and projects, such as **Seatrack** and the **Norwegian Institute of Marine Research**. An impactful example of such collaborations is a promising kelp forest restoration project in Hammerfest, one of the key biodiversity areas identified in proximity to one of Equinor's assets (see Focus box in the next page).

Step 6. Equinor shall develop a monitoring program as it puts the measures into action

Equinor believes that **partnerships** with external research institutions are very valuable as they **provide opportunities to leverage expertise in the areas where Equinor has identified knowledge gaps.** In return, the company can offer access to unique locations, assets or data that are of high interest to researchers. For example, Equinor is cooperating with the start-up Spoor, which aims to use artificial intelligence (AI) to determine bird collision risk at offshore wind farms using video camera feeds. Equinor is providing Spoor with training data using CCTV footage that is already available at its Hywind Tampen wind farm. In exchange, it receives valuable information about the collision risks at its asset. It is **a win-win situation,** where knowledge and technology development go hand in hand.

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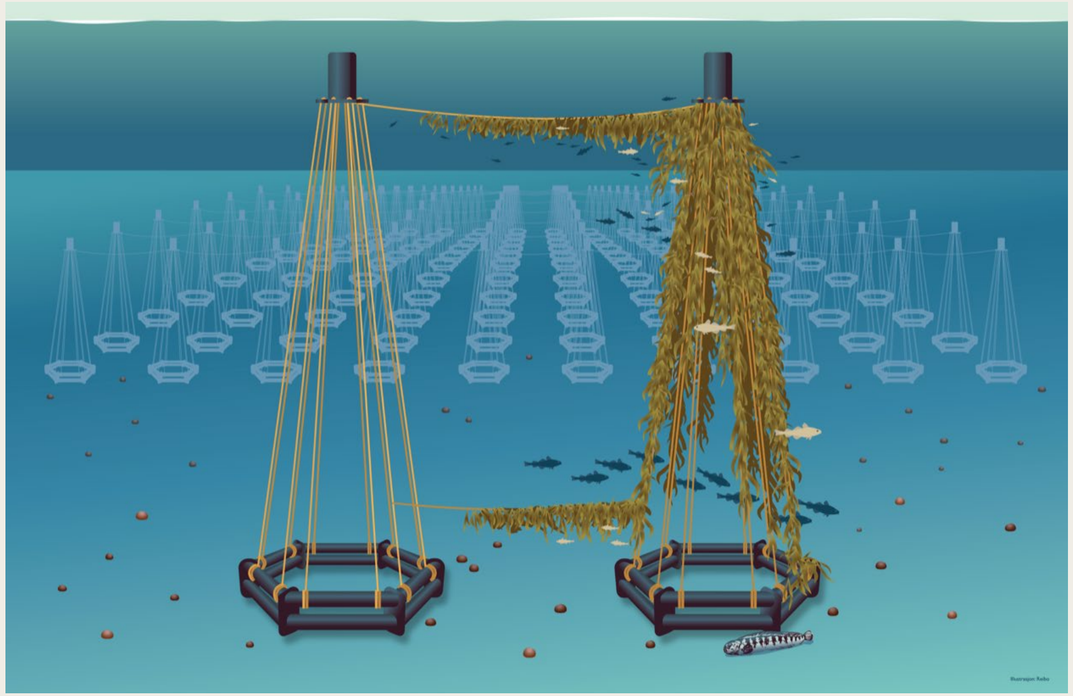
Positive impact and partnerships

Equinor has launched several research initiatives aiming to identify and mature nature-positive contributions in the areas where it operates. Using its site-specific inventory methodology, Equinor is able to identify key biodiversity areas that are close to its assets and can actively look for opportunities to contribute to nature positive in collaboration with local research institutes and authorities.

Kelp forest key biodiversity features that Equinor has identified near some of its assets are a key example of this. In the 1970s, overfishing of sea urchin predators (e.g., wolffish and cod) caused a massive sea urchin bloom in northern Norway. This resulted in overgrazing and subsequent kelp forest collapse in the region, which persists to this day. In collaboration with the Institute of Marine Research and Hammerfest Municipality, Equinor is now investigating if it can deploy a novel type of artificial reef thought to be sea urchin-resistant to help the kelp forests get back on track.

The work builds on insights gained during a research project in 2007 where Equinor financed the deployment of a different reef type in the same area. So far, it has successfully carried out a test deployment of five "kelp reefs" in Porsangerfjorden. If the results are positive, the next phase will include scaling up and demonstrating cost-efficient kelp forest restoration in the Hammerfest area. Additionally, Equinor can integrate results such as these in the design of its new or existing assets to further increase positive impact and reduce any identified negative impacts.

Figure 3: Equinor's Hammerfest articial reef concept



Energy member: Equinor ASA
continued

Stage 4 in the Roadmap to Nature Positive – Disclose

This section illustrates how the company is currently disclosing and planning to disclose, including any relevant disclosure requirements it aligns with.

Each year, Equinor prepares an integrated annual report that includes a short status check on its nature-related activities for the reporting year. The report also includes double materiality assessments. The performance-related data available through Equinor's **Sustainability Data Hub** include information about operated assets in or near protected areas/areas of high biodiversity value and data on emissions to air and discharges to sea.

Equinor is now aiming to align with **CSRD** requirements and assess how to best follow the recommendations of the **TNFD**. The company has conducted a thorough assessment of the gaps between the **ESRS** standards and its practices.

Partnerships

Equinor engages in a wide range of relevant research programs, industry partnerships and other collaborations, including: Norwegian Institute of Marine Research, WBCSD, IPIECA; IUCN, IOC-UNESCO and the United Nations Environment Programme World Conservation Monitoring Centre Proteus program (Proteus/UNEP-WCMC).

Datasets/databases & tools

Typical data and information sources for Equinor are regional/strategic impact assessments, site-specific impact assessments and monitoring, environmental risk assessments, global databases like the Integrated Biodiversity Assessment Tool (IBAT) and local/national registries. Public hearings and stakeholder consultations are also integral to the company's impact assessments and project development.

Energy member: Equinor ASA
continued

Key challenges & lessons learned

Maturing its approach, Equinor has identified some key considerations and challenges:

→ **Marine environment:** The identification of relevant measures and indicators in the dynamic marine environment is often tricky. At the moment there are no global standards for positive contributions. Equinor would like to ensure credibility in its approach and welcomes collaboration and alignment on methodologies.

→ **Value chain:** Oil and gas value chains are long and at times very complicated, with many stakeholders involved. As the expectations for companies to take a value chain perspective continue to increase, promoting transparency and full understanding of the processes will require collaboration.

→ **Viable business solutions:** Many initiatives to increase positive nature-related impacts come at additional costs, which may be an obstacle for implementation. Making viable business cases for such initiatives, including from a commercial perspective, is important.

One of the key lessons learned is the importance and value of knowledge sharing and transparency. Equinor welcomes increased openness and transparency on nature. At the same time, reporting for reporting's sake has limited value. The company believes that the focus should be on outcomes – to change behavior and take action. Internally, Equinor focuses on competence development and communication on what the specific nature implications are and what the company should do differently going forward. It believes this is important in mobilizing internal stakeholders.

Outcomes & benefits

→ **Future-proof projects and operations** that are capable of responding to increasingly demanding expectations.

→ **Stakeholder engagement and excitement,** opening up new opportunities for collaboration across industries and value chains.

→ **Increased attention at a corporate level,** streamlining future efforts to implement nature-focused initiatives.

→ Source: Equinor

Acknowledgements

Disclaimer

This document showcases a practical example of a corporate approach to nature for the energy sector. The primary intention is to offer a real-life case illustrating how an industry player is undertaking their nature journey and implementing the WBCSD Roadmap to Nature Positive: Foundations for the energy system.

The example does not prescribe a one-size-fits-all approach. Each case depicted is specific to the context of the respective company and may not be directly applicable to all situations. Given the evolving nature of sustainability practices, it is advisable to continuously review and update strategies in line with emerging industry standards, regulatory changes and evolving best practices.

Acknowledgements

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We accelerate value chain transformation across key sectors and reshape the financial system to reward sustainable leadership and action through a lower cost of capital. Through the exchange of best practices, improving performance, accessing education, forming partnerships, and shaping the policy agenda, we drive progress in businesses and sharpen the accountability of their performance.

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