

# Review of industry associations and initiatives

May 2023

# Introduction

Equinor is committed to long-term value creation in support of the goals of the Paris Agreement. We aim to be a leading company in the energy transition and have set an ambition to reach net zero by 2050.

Our 2022 Energy transition plan laid out our strategy for delivering on our ambition to become a net-zero company by 2050, including emissions from production and final consumption of the energy we produce. Our ambition to reduce net group-wide operated scope 1 and 2 emissions by 50% by 2030, shows that we are focused on medium-term actions consistent with the goals of the Paris Agreement and a 1.5-degree pathway.

Rapidly reducing our own emissions is necessary, but not sufficient. To be an effective agent of change in the energy transition, we must help society decarbonise by providing our customers and end-users with energy that has lower – and eventually net-zero – emissions. To achieve this, we have to apply our experience and competence from oil and gas to new sectors of the energy system.

Equinor is applying its competitive advantage to create value in new areas of the energy system.

We have an ambition to allocate more than 50% of our gross capital expenditure to renewables and low-carbon solutions by 2030. A central element in this effort is our ambition to become a leading global player in offshore wind. We will accelerate growth in renewables to strengthen our competitive position and achieve the economies of scale necessary to improve returns. To build a competitive wind portfolio, we are applying our experience in technology, innovation and project delivery and building new competence and capacity to support the transition. We have an ambition to have a total of 12-16 GW of installed equity-based renewable capacity by 2030.

To complete our development as a broad energy company, we are building a platform for growth in low carbon solutions with a focus on hydrogen and carbon capture and storage. This is a natural next step for Equinor: a way for us to decarbonise our supplies of energy and to help industrial end-users realise their climate ambitions. Building on our strong position in industrial value chains in Europe, we are applying our technical and engineering competence to bring low-carbon products and services to the market.

Equinor is committed to being a proactive and constructive partner with governments as they put in place the necessary policy frameworks for a move to a lower carbon energy system.

Our advocacy and policy engagement is therefore conducted in line with the objectives of the Paris Agreement. Equinor promotes policies supporting the goals of the Paris Agreement and forceful actions to accelerate the energy transition. We also actively work to ensure that the policy positions and advocacy of our membership organisations is supportive of and aligned with the objectives of the Paris Agreement. To ensure transparency, we conduct and publish an annual review of industry association and membership organisations showing any areas of potential misalignment.

Industry associations are key partners for our industry and society. As an international energy company, Equinor holds membership in numerous associations that focus on good industry practices, technological developments, and sustainable operations. We participate more actively in some associations than others, but we recognise that our membership provides an important opportunity to influence the development of policy and regulations, including those related to climate. Through our memberships we seek to reinforce and support the positive role that associations should play in tackling the climate challenge, through ongoing engagement and transparent efforts. The energy industry should be clear on its expectations on policy needed to support the energy transition and achieve emission reductions at scale. We support solutions that are guided by science and focus on real climate change mitigation potential. We believe the equal treatment of technologies to be a strong basis for the development of innovative technologies with significant abatement potential and to better allow transitional technologies to support a safe, resilient and cost-efficient transition.

Our climate policy positions, and our expectations of our membership associations are available on [Equinor.com](https://www.equinor.com). We engage with a wide range of external independent benchmarking and assessment organisations, including Climate Action 100+, CDP, InfluenceMap and others, in an effort to be a proactive stakeholder in the development of effective frameworks for assessing corporate performance in the energy transition.

We are transparent about our climate policy expectations of industry associations in which we are a member. These expectations are shared annually with all associations and can also be found on our website under 'Our Climate Policies'. (See Annex 1)

## Methodology

### ASSESSMENT CRITERIA

Equinor is engaged with approximately 130 industry associations, research institutes and initiatives globally, but not all are actively involved in policy advocacy. In 2020 we conducted an in-depth review of all those associations and initiatives involved in policy advocacy to determine whether their respective climate stance aligns with Equinor's<sup>1</sup>.

The review assessed each association's position relative to the following expectations:

- Acknowledgement that human activities influence climate change
- Support of the Paris Agreement
- Support for the need to accelerate greenhouse gas emission reductions at scale
- Support for carbon pricing as a preferred policy measure

The 2020 review created a baseline for alignment against which subsequent reviews are assessed. To monitor the status of alignment between Equinor's corporate climate policies and those of our industry associations, we use information provided by InfluenceMap; a research partner to Climate Action 100+ (CA100+), which uses a methodology for tracking, assessing and scoring companies and their key industry associations on their ongoing climate change policy engagement activities.

The 2023 review of our industry associations drew on InfluenceMap's 'Detailed assessment of Equinor's corporate industry association review' (2022)<sup>2</sup>. Any industry association of which Equinor is a member that InfluenceMap identified as having a climate policy position that is 'misaligned' or 'potentially misaligned' with the Paris Agreement, was subjected to in-depth internal review. Those associations that Equinor has joined in the past 12 months was also subject to in-depth review. This review focused on the alignment of the associations' advocacy work with the Paris Agreement and related policies. Evaluation of the relevant associations was conducted by analysing publicly available documents, position papers and news articles. A summary of the results of the evaluation are presented in Table 1.

### COMMUNICATING EXPECTATIONS AND MANAGING MISALIGNMENT

Equinor's expectations of our associations is available on our website and communicated annually to all organisations of which we are a member<sup>3</sup>. Equinor regularly reviews our memberships in industry associations and initiatives on climate change-related topics and evaluates alignment for every new association we are considering entering. We are committed to maintaining transparency around areas of potential and material misalignment and following them up through action if required. If we find misalignment between our corporate climate policies and those of an industry association, we will in the first instance advocate to change the position of the organisation through engagement. If we don't succeed, we will publicly state our disagreement with the association's position. If the association repeatedly pursues policies and actions that oppose reasonable measures to advance the goals of the Paris Agreement, Equinor will notify the association that its membership is under review and will, upon further divergence in the respective positions, exit the association.

1 <https://www.equinor.com/content/dam/statoil/documents/sustainability/Equinor-Review-of-industry-associations-190439.pdf>

2 InfluenceMap "Detailed assessment of Equinor's corporate industry association review", accessible online [here](#).

3 <https://www.equinor.com/en/sustainability/our-approach.html>.

TABLE 1:

## Summary of review findings and actions

For details of the individual reviews, see the next section or click on the links below.

For the full list of associations, see Table 3.

INDUSTRY ASSOCIATION	ACTIONS
<p><b>MISALIGNED:</b></p> <ul style="list-style-type: none"> <li>▪ National Association of Manufacturers (NAM)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Decision not to renew membership</li> </ul>
<p><b>PARTIALLY MISALIGNED:</b></p> <ul style="list-style-type: none"> <li>▪ American Petroleum Institute (API)</li> <li>▪ Canadian Association of Petroleum Producers (CAPP)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Remain in the organisation while monitoring the specific areas of misalignment.</li> <li>▪ Over the course of 2022, we have seen positive improvements in these organizations' climate advocacy positions and believe Equinor's voice is a contributing factor.</li> <li>▪ For 2023, continue to engage and challenge the organisation in areas where our positions differ, advocating to align the association's position to support the Paris agreement and policies that accelerate emissions reductions at scale.</li> <li>▪ Provide an update on the status of misalignment in 2024 industry association report.</li> </ul>
<p><b>ALIGNED:</b></p> <ul style="list-style-type: none"> <li>▪ BusinessEurope</li> <li>▪ Eurogas</li> <li>▪ European Chemical Industry Council (CEFIC)</li> <li>▪ European Petroleum Refiners Association (FuelsEurope)</li> <li>▪ International Association of Oil and Gas Producers (IOGP)</li> <li>▪ Louisiana Mid-Continent Oil &amp; Gas Association (LMOGA)*</li> <li>▪ Natural Gas Supply Association (NGSA)</li> <li>▪ Offshore Energies UK (OEUK) – Former Oil and Gas UK (OGUK)</li> <li>▪ Promotion and Research Institute for Ocean Economics (RIOE)*</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to engage with these industry associations, promoting climate policies that are aligned with the Paris Agreement and strive to reach net-zero emission by 2050.</li> <li>▪ Continue to track alignment of our positions on climate-related policy and maintain transparency where we find misalignment.</li> <li>▪ Engage with InfluenceMap to discuss and attempt to resolve differing assessment of misalignment</li> </ul>

\* New association – review performed before joining membership

# Detailed assessment of alignment status

## NATIONAL ASSOCIATION OF MANUFACTURERS (NAM)

**InfluenceMap 2022 Assessment: Misaligned**

**Equinor Assessment: Decision to not renew membership in 2023**

In 2022, both InfluenceMap's Assessment and Equinor's own internal assessment found that the National Association of Manufacturers (NAM) was misaligned, primarily owing to lack of explicit support for the Paris Agreement. While NAM directionally supports advancement of technologies that are critical to address the worst effects of climate change, their decision not to endorse the Paris Agreement contributed to our approach in 2022 to remain members while continuing to engage the association on those areas where our positions differ.

However, Equinor did not observe noteworthy progress in NAM's climate policy engagement during the year – for example, NAM's opposition to the Inflation Reduction Act<sup>4</sup>. Equinor terminated its membership of NAM at the end of 2022 as a result of an annual process of assessing trade group memberships. While NAM's climate posture did not fully align with Equinor's, there were a number of other factors that led to our business decision to part ways. We were encouraged to see NAM make positive progress on a number of climate topics while we were members.

## AMERICAN PETROLEUM INSTITUTE (API)

**InfluenceMap 2022 Assessment: Misaligned**

**Equinor Assessment: Partially misaligned**

Equinor is a member of API's climate committee and we continue to hold an influential position on the API Board. Through these channels, and in conjunction with the API leadership, we have stressed the need for open and direct engagement on climate issues. In 2021, the API climate committee reviewed API's climate positions, and the API Board of Directors committed to meaningful engagement to address climate change, developing a 5-point climate action framework. This 5-point climate action framework supports the ambitions of the Paris Agreement<sup>5</sup>. Equinor has continued to work diligently with other API members to influence the API Board to support direct federal methane regulations, which they now do. The API's Environmental Partnership, of which Equinor is a member, continues to work on action-oriented solutions to reducing operational emissions from oil and gas production, through its focus on methane and volatile organic compounds. In 2022, API continued its support for federal methane regulation, welcoming proposed regulation from the US Environmental Protection Agency, saying it supported<sup>6</sup> "cost-effective direct regulation of methane from new and existing sources across the supply chain and directionally supports the EPA proposal to reduce VOC and methane emissions.<sup>6</sup>" At a time of increased focus on balancing energy security with climate priorities, API continued to focus on the role of US natural gas and LNG as a source of secure supply and one with lower emissions than the coal-dependent power mixes in key importing countries<sup>7</sup>.

Since 2021, we identified that there were areas of potential misalignment between Equinor and API such as API's stance on transport electrification. In 2022, areas of probable misalignment include API's opposition to passage of the Inflation Reduction, the landmark climate-related legislation in the US. While Equinor supported passage of the IRA on the basis of its energy and climate-related provisions, API objected to the

<sup>4</sup>[https://www.nam.org/manufacturers-remain-staunchly-opposed-to-the-inflation-reduction-act-18530/?stream=series-press-releases&utm\\_source=link&utm\\_medium=social](https://www.nam.org/manufacturers-remain-staunchly-opposed-to-the-inflation-reduction-act-18530/?stream=series-press-releases&utm_source=link&utm_medium=social)

<sup>5</sup><https://www.api.org/-/media/Files/EHS/climate-change/2021/api-climate-action-framework.pdf?la=en&hash=E6BB3FA3013B52153E10D3E66C52616E00411D20>

<sup>6</sup>[API | API Supports EPA Methane Rulemaking Effort. Suggests Improvements](#)

<sup>7</sup>[API | Study: New Lifecycle Analysis of U.S. LNG exports](#)

IRA saying that its “considerable tax increases and new government spending in the IRA amount to the wrong policies at the wrong time”<sup>8</sup>. In our review, we draw an important distinction in that API’s objection to the IRA was based on the inclusion of specific tax increases rather than any of the clean energy or climate-related provisions.

In general, we have continued to observe a positive trend regarding API’s key climate positions and policy principles including support for an economywide carbon price and engaging productively in the Environmental Protection Agency’s proposal to regulate methane. Based on our ongoing dialogue with API’s board and climate committee we expect further progress and we will continue to use our voice to advance their response on climate issues.

## CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS (CAPP)

**InfluenceMap 2022 Assessment: Misaligned**  
**Equinor Assessment: Partially misaligned**

CAPP largely supports the Paris Agreement and has outlined joint policy principles that align with the Paris Agreement’s goals. Additionally, CAPP has committed to continuing to work collaboratively with Governments to meet greenhouse gas emissions reduction goals consistent with the Paris Agreement’s ambitions.

CAPP’s advocacy and policy engagement in 2022 included statements in favour of some climate-related policies and opposed to others. In its response to federal budget, CAPP welcomed the announced tax credit for all industries to utilize Carbon Capture Utilization and Storage (CCUS) along with extending the Canadian Infrastructure Bank’s mandate to support investment into hydrogen, nuclear and carbon capture is an important step to achieve national reductions. The organisation said that the energy sector was “keen to lead by making investments in CCUS and other emissions-reducing technologies”.

In a pre-budget submission to the Commons finance committee released in October, CAPP said it supported the Government of Canada’s desire to create a path for meeting its international climate change objectives. However, in an October 2022 letter to the Ministers for Environment and Natural Resources, CAPP registered its opposition to the Federal government proposals to cap and cut oil and gas sector greenhouse gas emissions, saying that they were “unlikely to reduce global emissions” and that “emissions reductions in Canada may result from production limitations if not well designed”. The basis of CAPP’s objections included the potential duplication of an emissions cap with existing carbon pricing mechanisms; the need for a cap and trade system to be applied economy wide to ensure efficient emissions abatement; and the lack of clarity around how such a mechanism would be applied to new entrants<sup>9</sup>. CAPP’s assessment of the two options proposed for the emissions cap include several of the points raised by Equinor in its own submission to the proposed cap. Equinor’s submission affirmed that the company “support the Government of Canada’s continued efforts to design a cap on emissions that complements the integrity of the economy-wide price system and aligns to the design principles outlined in our submission” but highlighted similar challenges with compatibility with existing carbon pricing systems and lack of price certainty and the lack of clarity for new entrants.

In December 2022, CAPP provided another submission on proposed regulatory framework for reducing methane emissions by 2030. It acknowledged that ambitious methane reduction targets will be critical to enabling Canada to reach its GHG reduction targets and expressed confidence that those targets could be met through partnership. However, it pointed out several objections suggested some proposed changes to the framework including pushing back on the proposed ban on flaring without exception (on the grounds of safety) and requirements for measurement at all sites, irrespective of number of wells, on the grounds that other non-measurement techniques for methane emissions can be more efficient and effective<sup>10</sup>.

<sup>8</sup>[Joint-Trades-Letter-Pelosi-McCarthy-IRA-081122.pdf \(api.org\)](#)

<sup>9</sup>[Emission-Cap-Letter-Sept-29-2022.pdf \(capp.ca\)](#)

<sup>10</sup>[20221212-CAPP-Submission-RE\\_-Methane-Framework.pdf](#)

## NATURAL GAS SUPPLY ASSOCIATION (NGSA)

**InfluenceMap 2022 Assessment: Misaligned**  
**Equinor Assessment: Aligned**

Contrary to InfluenceMap's conclusions, NGSA supports the Paris Agreement's ambition of achieving economy-wide net zero GHG emission by 2050<sup>11</sup>. Additionally, NGSA advocates for a carbon price to replace alternate measures, ensuring it does not distort or compromise competitive energy markets<sup>12</sup>. NGSA also advocates for the long-term role of natural gas in the future energy mix, partnering renewable energy<sup>13</sup>.

NGSA supports an economywide net zero GHG emissions by 2050 but advocates for continued investment in natural gas infrastructure. While IM suggests there is a simple, binary test that can be applied - support or opposition to any/all new gas infrastructure - that is not a consensus position. The IEA reports that some new gas infrastructure projects can prevent combustion of higher polluting fuels, deliver services that cannot be cost-effectively provided by low-carbon alternatives such as peak winter heating or high-temperature heat for industry and expand a future-ready gas pipeline network that can be used for decarbonized gases<sup>14</sup>. NGSA's position on carbon pricing and CCUS investments would have the effect that only the most necessary new infrastructure gets built.

While NGSA did petition the Department of Energy to reconsider appliance efficiency standards in 2021, the reason is that DOE was considering creating a rule that would have removed natural gas furnaces and water heaters from the market. The cost to retrofit millions of U.S. apartments and homes would have had a disproportionate impact on low income families who would have needed to undergo costly home modifications to allow for external venting required by condensing units, in addition to higher cost appliances.

## BUSINESSEUROPE

**InfluenceMap 2022 Assessment: Misaligned**  
**Equinor Assessment: Aligned**

We have continued to see BusinessEurope's climate-related advocacy and policy positions evolve positively over the last year. BusinessEurope has continued to support the Paris Agreement and its goals, once again describing itself as "fully committed"<sup>15</sup>, and is committed to the transition to a climate-neutral economy by mid-century. This statement builds on the support of a "robust regulatory framework" for industry to tackle climate challenges<sup>16</sup>.

BusinessEurope continues to work toward addressing climate change by supporting the Paris Agreement and regulatory frameworks such as the European Union (EU) Green Deal, the EU Emissions Trading System (ETS) and the EU's decarbonisation of transport. In its COP27 Position Paper, BusinessEurope asked for the rest of the world to follow the EU emissions reduction ambitions, saying that "all G20 countries must now agree to similarly ambitious 2030 targets and, more importantly, also implement and enforce the legislation needed to achieve them".

Examples of BusinessEurope's sector-specific advocacy in favour of fast decarbonisation include its calls for more charging infrastructure to be able to achieve the EU's targets of electric vehicles and CO2 emissions reductions; and calls for reform of the EU Emissions Trading System. In its position on the ETS, the organisation emphasises the need for sustainability and competitiveness to be considered holistically and warns about carbon leakage risk. Additionally, BusinessEurope maintains that the Carbon Border Adjustment Mechanism (CBAM) needs to be compatible with WTO rules and maintain 'a fraction of free allowances to enable all exporters to compete on a level playing field'.

<sup>11</sup><https://www.ngsa.org/issues/environment-and-climate/>

<sup>12</sup><https://www.ngsa.org/issues/environment-and-climate/>

<sup>13</sup><https://www.ngsa.org/issues/environment-and-climate/>

<sup>14</sup><https://www.iea.org/reports/the-role-of-gas-in-todays-energy-transitions>

<sup>15</sup>[https://www.businessseurope.eu/sites/buseur/files/media/position\\_papers/2021-11-26\\_paris\\_declaration\\_-\\_final.pdf](https://www.businessseurope.eu/sites/buseur/files/media/position_papers/2021-11-26_paris_declaration_-_final.pdf)

<sup>16</sup><https://www.businessseurope.eu/publications/renewable-energy-directive-red-ii-and-energy-efficiency-directive-eed-businesseurope>

## FUELSEUROPE

**InfluenceMap 2022 Assessment: Misaligned**

**Equinor Assessment: Aligned**

FuelsEurope continues to support the Paris Agreement, the EU's objective of climate neutrality by 2050 and 2030 climate targets. In review of FuelsEurope's stance on the EU ETS Reforms, Equinor did not find that the association was in favor of weakening the reforms, rather FuelsEurope's position is that the approach to ETS and CBAM reform take into account economics of the situation as well. As stated in a position paper "To be clear, we support the objectives of the European Green Deal and our companies are taking concrete actions across several technological pathways to deliver deep emission reductions and climate neutrality by 2050." "Our businesses have to plan investments to deliver our energy transition, not only within the Single Market, but also within the global context where Europe's climate ambition and carbon pricing is much stronger than other regions, whose industry we have to compete with." FuelsEurope also continues to support the Energy Taxation Directive (ETD) as seen in a Joint Letter where they state, "The signatories of this letter welcome the initiative of the European Commission for the long overdue recast of the Energy Taxation Directive (ETD)." and acknowledge that favourable tax incentives are needed to achieve the European Union's ambitious climate targets. Lastly, FuelsEurope continues to take a technological neutral stance to the decarbonization of transport and "believe that a more inclusive approach to policies for low-carbon fuels is needed." Stating "Low-carbon liquid fuels can complement the EU's efforts on electrification of cars by providing a parallel decarbonization pathway for the existing and the future ICE based fleet."

## THE INTERNATIONAL ASSOCIATION OF OIL & GAS PRODUCERS (IOGP)

**InfluenceMap 2022 Assessment: Misaligned**

**Equinor Assessment: Aligned**

The IOGP supports the goals of the Paris Agreement and the EU's ambition to reach climate neutrality by 2050 and has worked with its members and governments to make strides in progressing in both aims. The IOGP continues to be an important advocate for carbon capture use and storage, as a key tool to reduce emissions that cannot be tackled through electrification or energy efficiency in order to reach climate neutrality by 2050 and they have called for a European ambition on CO2 storage injection capacity availability, supported by an enabling policy framework to advance this technology. The IOGP has taken a technology neutral approach, as Equinor has, to transition to net zero. The IOGP recently sent a letter to the President of the European Union calling "for an open, inclusive and pragmatic approach that will enable the scaling-up of all decarbonisation options needed to achieve carbon neutrality by 2050, including natural, renewable and decarbonised gases and CCUS technologies". Equinor will continue to work with the IOGP to continue to make progress towards meeting climate neutrality by 2050.

IOGP has also taken structural measures and created an Energy Transition Directorate to systematically seek to contribute to advancing the energy transition and global GHG emission reductions. Through our membership in different IOGP committees, such as the European CCUS Subcommittee, and in the European Board, Equinor actively works on strengthening IOGP's stand on climate policy. IOGP is also engaged on increasing the transparency of industry operations; since 2001 it has collected and published on an annual basis environmental data from its participating member companies.



## EUROPEAN CHEMICAL INDUSTRY COUNCIL (CEFIC)

**InfluenceMap 2022 Assessment: Potentially Misaligned**

**Equinor Assessment: Aligned**

The European Chemical Industry Council continues to support the Paris Climate Agreement and the European Union's Fit for 55 package. Before the EU agreed on its 2030 emissions reduction target of 55%, CEFIC indicated that a 2040 indicative target for industry would be more relevant, arguing that disruptive technologies would only be deployed at industrial scale during the next decade at the earliest. Working toward the goal of becoming climate neutral by 2050, CEFIC worked with the European Union in order to develop a dedicated Transition Pathway for the chemical industry, which was released in early 2023. CEFIC has also "commissioned a project developed as a transition modelling tool, iC2050, to bring a concrete contribution to the EU's climate objectives and further investigate possible transition pathways for the European chemical sector." The hope is that the IC2050 will add the 'How' to the climate discussion and aid in identifying possible solutions to mitigate the chemical industries impact on the climate.

The association openly backs the EU ETS as a key carbon pricing instrument to achieve emission reductions at the lowest cost to society<sup>17</sup>. However, as a representative organisation for a carbon-intensive sector, it has raised concerns over the risk of carbon leakage for the chemical industry if the level of free allocation is reduced faster than what industry can cope with. To compensate, CEFIC supports performance-driven free allocation and indirect financial compensation and defends that all revenues generated by the EU ETS should return to the economy to invest in breakthrough technologies and support emission reductions. In multiple public statements, CEFIC supports solutions that contribute to a circular economy and stresses the role that the chemical industry can play in delivering innovative solutions and technologies to reach the EU's climate goals. The association has asked the European Commission in multiple occasions to jointly develop a roadmap for a sectorial strategy for the chemicals industry, showing the willingness to contribute to the overall EU objectives and to collaborate to find cost-effective solutions to decarbonise the chemicals industry.

Through our membership, we will continue advocating for carbon pricing as the most proven and cost-effective way to tackle climate change.

## EUROGAS

**InfluenceMap 2022 Assessment: Potentially Misaligned**

**Equinor Assessment: Aligned**

Eurogas' high-level messaging is supportive of the EU's 2050 climate neutrality ambition and of the Paris Agreement<sup>18</sup>. It also supports the EU's 55% emissions reduction target by 2030<sup>19</sup>.

Eurogas continues to support "a strengthened EU Emissions Trading System and the extension of carbon pricing through a well-designed, market-based system to sectors not currently covered." Eurogas, in cooperation with four other associations, published a Proposal for a Regulation on the Methane emissions reduction in the energy sector which gathered their technical recommendations for developing successful regulation of methane emissions. Additionally, Eurogas was one of 14 organizations apart of a joint letter calling for the recognition of Carbon Capture and Utilization (CCU) as strategic net zero technologies in the EU Net Zero Industry Act in order to help achieve the EU climate ambitions.

<sup>17</sup><https://cefic.org/policy-matters/climate-change-and-energy/eu-carbon-market-and-ets-link-tbc/>

<sup>18</sup>[https://eurogas.org/website/wp-content/uploads/2018/03/Eurogas\\_Press\\_Release\\_-\\_The\\_global\\_climate\\_agreement\\_reached\\_in\\_Paris\\_is\\_a\\_major\\_step\\_in\\_the\\_right\\_direction.pdf](https://eurogas.org/website/wp-content/uploads/2018/03/Eurogas_Press_Release_-_The_global_climate_agreement_reached_in_Paris_is_a_major_step_in_the_right_direction.pdf)

<sup>19</sup><https://eurogas.org/website/wp-content/uploads/2020/11/Eurogas-position-2030-Climate-Targets-Plan.pdf>

The association consistently argues that switching from coal and oil to gas in power, industry, transport, and heating can deliver significant and fast emissions reductions in many parts of the EU, and that it can contribute to balancing intermittent renewable energy production. Eurogas has advocated for an ambitious decarbonisation of the EU gas system that is supported by an enabling regulatory framework that covers all viable decarbonisation technologies (based on a full life-cycle analysis), including renewable and low-carbon gases, carbon capture storage and utilisation, biomethane, methane pyrolysis, carbon dioxide removal technologies, hydrogen storage, etc. Before the publication of the Fit for 55 Package, the organisation even called for a binding target of at least 11% of renewable gas in terms of energy content of gas consumed, to foster the large-scale development of renewable gas. Eurogas supports a strengthened EU Emissions Trading System and its extension to sectors not currently covered<sup>20</sup>. Eurogas is a committed advocate of developing a well-designed regulatory framework<sup>21</sup> that can help address methane emissions in the energy sector<sup>22</sup>. The association is a signatory of the Methane Guiding Principles and was an active participant to the development of the OGMP 2.0 reporting framework. We therefore conclude that Eurogas' direction of travel has been positively evolving over the last year and adapting to new regulations, ambitions and technologies.

## OFFSHORE ENERGIES UK (OEUK) – FORMER OIL AND GAS UK (OGUK)

**InfluenceMap 2022 Assessment: Potentially Misaligned**

**Equinor Assessment: Aligned**

Offshore Energies UK (OEUK) is one of the leading industry representative bodies for our businesses in the UK and continues to support the UK net zero target by 2050 as well as the Paris Agreement. In order to meet these targets, the OEUK and its members continue to work towards the aims of Roadmap 2035 which strives to reduce emissions, improve operations' sustainability, and deliver low-carbon solutions at scale. Additionally, OEUK continues to progress on The North Sea Transition Deal which will "unlock up to £16bn of investment, secure up to 40,000 energy jobs, reduce emissions by up to 60mn metric tons/year and springboard exciting low carbon solutions" by 2030. The OEUK is also implementing "the Methane Action Plan, a blueprint for helping the industry reduce methane emissions by 50% and phase out routine flaring and venting by 2030." OEUK's position on climate policy is in line with our position and we will continue to collaborate to meet future targets.

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<sup>20</sup><https://eurogas.org/website/wp-content/uploads/2021/06/210612-DEF-Eurogas-position-paper-carbon-pricing.pdf>

<sup>21</sup>[https://eurogas.org/media\\_centre/the-eus-methane-strategy-what-does-it-mean-for-gas/](https://eurogas.org/media_centre/the-eus-methane-strategy-what-does-it-mean-for-gas/)

<sup>22</sup>[https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12581-Climate-change-new-rules-to-prevent-methane-leakage-in-the-energy-sector/details/F1465047\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12581-Climate-change-new-rules-to-prevent-methane-leakage-in-the-energy-sector/details/F1465047_en)

# Examples of Equinor's policy engagement in 2022

## CASE STUDY 1:

### EU COMMISSION PROPOSAL FOR A REGULATION ON METHANE EMISSIONS REDUCTION IN THE ENERGY SECTOR

#### Focus of the proposal

In 2022 the EU Commission proposed regulation aimed at reducing methane emissions associated with fossil energy production and consumption in the EU through (i) the introduction of a Monitoring, Reporting and Verification standard (MRV), to improve the quality and increase comparability of global methane emission data; (ii) the introduction of mandatory Leak Detection and Repair (LDAR) campaigns, to ensure fast remediation of unintentional leaks; and (iii) introduce incentives to reduce methane emissions of imported fossil fuels into the Union.

#### Equinor's approach

As an industry leader on methane emissions intensity (Equinor's average methane intensity for operated assets is 0.02%, which is around 1/10 of the OGCI industry average), Equinor has been very supportive of the objectives of the methane legislation and has been actively sharing its expertise and best practices with EU policy makers. Equinor actively engaged with policymakers to improve the efficiency, maximize emissions reduction potential and avoid unintended consequences. For example, the proposal for operators to conduct weekly inspections of flare stacks – including Audio, Visual and Olfactory (AVO) inspections – could increase CO<sub>2</sub> emissions from Norwegian operations by up to 500% and methane emissions by up to 25%. This is because personnel can only climb up the flare stacks to carry those inspections when the production is shut down and emptied for gas, and this is done by means of flaring (i.e burning off the flammable gases to be able to empty the facility and ensure safe and efficient handling of the facility in accordance with relevant safety requirements). As an alternative, Equinor has advocated that operators should be able to conduct continuous monitoring to collect the necessary observations of the flare stack.

#### Description of engagement with policy makers

Equinor has actively engaged with policy makers from the European Commission, European Parliament and from Member States, both directly and through industry associations. We have organized workshops for Brussels-based energy attachés and we have remained available throughout the process to share technical knowledge and best practices.

## CASE STUDY 2:

### U.S. INFLATION REDUCTION ACT

#### Focus of the proposal

The Inflation Reduction Act (IRA) was hailed as perhaps the most significant law enacted by any country in 2022 to address climate change. Models suggest the IRA will directly cause a reduction in United States greenhouse gas emissions by an additional 6-11% by 2030. Included is nearly \$400 billion USD in funding for clean energy through tax incentives, grants, and loan guarantees. Sectors impacted by the IRA are not limited to the energy, but expand economywide and include manufacturing, transportation electrification and support for lower carbon fuels, and agriculture. The IRA is projected to make significant progress toward the United States' NDC under the Paris Agreement, and specific IRA provisions related to environmental justice align with the Paris Agreement's commitment to reach climate targets in a way that also addresses societal injustice that could be caused or exacerbated by the energy transition.

### **Equinor's approach**

While Equinor had already been a leader in investing in clean energy solutions, the IRA contained several incentives that Equinor projected would lead to additional capital investments in the U.S. Specifically, Equinor supported: bolstering the credits for carbon capture and sequestration, which is a key technology to advance clean hydrogen and further reduce power sector emissions; new leasing opportunities for offshore wind; a new hydrogen production tax credit; extension of tax credits for myriad renewable energy resources; and fees on certain methane emissions.

### **Description of engagement with policy makers**

During the IRA deliberation, Equinor engaged directly with members of the U.S. Senate and House of Representatives and their staff. Equinor also advocated for key provisions towards relevant executive agencies. Equinor also advocated for support of strong climate provisions through trade associations, issue coalitions, and influential think-tanks leading the preliminary modeling and analysis. After the IRA was enacted, Equinor's engagement continued toward administrative agencies tasked with IRA implementation to support the workability of the new law.

## **CASE STUDY 3: ELECTRIFICATION OF THE NORWEGIAN CONTINENTAL SHELF AND THE NORWEGIAN CLIMATE GOALS FOR 2030**

### **Focus of the proposal**

Norway has set a national ambition to reduce emissions by 55% by 2030 relative to 1990 levels. As outlined in Norway's Climate Action Plan, petroleum industry emissions account for around one quarter of the total. These emissions are largely from gas turbines that either generate electricity or are used to operate pumps and compressors on oil and gas platforms<sup>23</sup>. The proposed Climate Change Act and the Petroleum Act are important policy instruments for translating the national ambition into action.

### **Equinor's approach**

To respond to the need for the rapid and substantial near-term emissions reductions, Equinor's ambition is to reduce operated scope 1 and 2 GHG emissions by net 50% by 2030 relative to 2015. We aim for 90% of these reductions to be met by absolute reductions. A major lever for enabling this absolute emissions abatement is electrification of offshore installations on the Norwegian Continental Shelf. Equinor has maintained a dialogue with policy makers throughout 2022 to ensure that the possibility of using power from shore to electrify oil and gas installations on and offshore remains available. We have collaborated with the industry association Offshore Norge and their work together with the labour unions in Konkraft, to maintain a coordinated, fact-based approach to reducing emissions on the NCS.

### **Description of engagement with policy makers**

Equinor's engagement has taken the form of meetings with politicians on national, regional, and local levels as well as input to party congresses and contributions to industry association reports on the climate effect of electrification of the NCS.

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<sup>23</sup>[Meld St. 13 \(2020–2021\) \(regjeringen.no\)](https://www.regjeringen.no)

TABLE 2:

## Payment to industry associations and other organisations

<p><b>\$1m to \$3.5m</b></p>	<ul style="list-style-type: none"> <li>▪ Offshore Norway Norwegian Oil and Gas (NOROG)</li> <li>▪ Confederation of Norwegian Enterprise (NHO)</li> <li>▪ American Petroleum Institute (API)</li> </ul>
<p><b>\$500k to \$1m</b></p>	<ul style="list-style-type: none"> <li>▪ Oil and Gas Climate Initiative (OGCI)</li> </ul>
<p><b>\$100k to \$500k</b></p>	<ul style="list-style-type: none"> <li>▪ Natural Gas Supply Association (NGSA)</li> <li>▪ Norsk Industri</li> <li>▪ European Petroleum Refiners Association (FuelsEurope)</li> <li>▪ Brazilian Institute of Petroleum, Gas and Biofuels (IBP)</li> <li>▪ International Association of Oil and Gas Producers (IOGP)</li> <li>▪ Global Gas Flaring Reduction Partnership (GGFR)</li> <li>▪ World BusiRENs Council for Sustainable Development (WBCSD)</li> <li>▪ American Clean Power Association (ACP)</li> <li>▪ American Clean Power - CA</li> <li>▪ International Association of Oil and Gas Producers (IOGP)</li> <li>▪ WindEurope</li> <li>▪ Eurogas</li> <li>▪ National Offshore Industries Association (NOIA)</li> </ul>
<p><b>Up to \$100k</b></p>	<ul style="list-style-type: none"> <li>▪ 105+ Other associations</li> </ul>

TABLE 3:

## List of all associations (both involved and not involved in policy advocacy)

Offshore Norway (previously Norwegian Oil and Gas (NOROG))	World LPG Association
Confederation of Norwegian Enterprise (NHO)	Ohio Oil and Gas Association (OOGA)
American Petroleum Institute (API)	UN Global Compact
Oil and Gas Climate Initiative (OGCI)	Business Europe ASG
Natural Gas Supply Association (NGSA)	Global Wind Energy Council (GWEC)
Norsk Industri	Energy UK
European Petroleum Refiners Association (FuelsEurope)	Bundesverband der Windparkbetreiber Offshore (BWO)
Brazilian Institute of Petroleum, Gas and Biofuels (IBP)	Centre for Climate and Energy Solutions (C2ES)
International Association of Oil and Gas Producers (IOGP)	Bundesverband der energie und wasserwirtschaft (BDEW)
Global Gas Flaring Reduction Partnership (GGFR)	Zero Emissions Platform (ZEP)
World BusiRENs Council for Sustainable Development (WBCSD)	Oil Producers Trade Section (OPTS) of the Lagos Chamber of Commerce and Industry (LCCI)
American Clean Power Association (ACP)	Hydrogen UK (previously Hydrogen Task Force)
American Clean Power - CA	Uprigaz
International Association of Oil and Gas Producers (IOGP)	Conseil de Cooperation Economique
WindEurope	Hydrogen Europe
Eurogas	Clingendael International Energy Program
National Offshore Industries Association (NOIA)	Netherlands Wind Energy Association NWEA
IPIECA	Offshore Wind California
Norwegian Energy Partners (NORWEP)	Carbon Capture & Storage Association (CCSA)
OWIC	The Norwegian Hydrogen Forum / Norsk hydrogenforum
Global CCS Institute (GCCSI)	Norwegian-British Chamber Of Commerce
Oil & Gas UK	European Chemical Industry Council (CEFIC)
European Policy Centre	Brazilian Association of wind power (ABEEolica)
Canadian Association of Petroleum Producers (CAPP)	UN Global Compact Norway
Hydrogen Council	International Gas Union (IGU)
Irish Offshore Operators' Association (IOOA)	International Emission Trading Association (IETA)
Confederation of British Industry (CBI)	Energy Coast (NOF)
RenewableUK	Brazilian Council for Sustainable Development (CEBDS)
Energy Institute	Federation of Belgian Electricity and Gas Companies (FEBEG)
Offshore Operators Committee	Dansk Energy Solutions membership/Energy Solutions Network
Energie Nederland	Cedigaz
Oxford Institute for Energy Studies	

Brazilian Center of International Affairs (CEBRI)  
 Louisiana Mid-Continent Oil & Gas Association (LMOGA)  
 Norwegian Wind Energy Association (NORWEA) (merged into Fornybar Norge)  
 Konfederacja Lewiatan  
 European Federation of Energy Traders (EFET)  
 H2Cluster  
 Scottish Renewables  
 Aberdeen Chamber of Commerce  
 Polish Wind Energy Association (PWEA)  
 Friends of Europe  
 Brazilian Association of photovoltaic solar energy (ABSOLAR)  
 All Party Parliamentary Groups (APPGs) - Hydrogen  
 European Energy Forum  
 BusiRENs Network for Offshore Wind  
 EFET Deutschland - Verband Deutscher Energiehändler e.V.  
 Zukunft GAS e.V.  
 Scandinavian-Polish Chamber of Commerce  
 WindDenmark (merged into Green Power Denmark)  
 New England Clean Energy Connect (NECEC)  
 Whitehall Industry Group (WIG)  
 São Paulo industries federation (FIESP )  
 Associated Industries of Massachusetts (AIM)  
 UN Global Compact in Poland  
 Norwegian Chamber of Commerce in France  
 Japan Wind Power Association (JWPA)  
 Forum für Zukunftsenergien e.V  
 Westminster Energy Forum  
 Nordic Chamber of Commerce Vietnam  
 Rio de Janeiro industries federation (FIRJAN)  
 Tanzania Private Sector Foundation (TPSF)  
 France Energie Eolienne (FEE)

Norway Brazil Chamber of Commerce (NBCC)  
 American Chamber of Commerce (AmCham Azerbaijan)  
 Clean Fuel Ammonia Association (CFAA)  
 Oil and Gas Association Tanzania (OGAT)  
 APPA ( Spanish Renewable Association)  
 Svensk Vindenergy  
 Environmental BusiRENs Council (EBC)  
 Energy NL (formerly Newfoundland Oil and Gas Industries Association (NOIA))  
 CEO Rountable Tanzania (CEOrt)  
 Azerbaijan Society of Petroleum Geologists (ASPG)  
 Spanish Wind Energy Association (AEE)  
 Atlantic Provinces Economic Council (APEC)  
 Connecticut Power and Energy Society (CPES)  
 European BusiRENs Council in Japan  
 Norwegian German Chamber of Commerce  
 All Party Parliamentary Groups (APPGs) - Energy Studies (PGES)  
 New England Women in Energy and the Environment (NEWIEE)  
 Promotion and Research Institute for Ocean Economics (RIOE)  
 Nigerian Employers Consultative Association  
 St. John's Board of Trade  
 Nigerian Gas Association  
 Norwegian Chamber of Commerce in Japan  
 Association of Tanzania Employers (ATE)  
 Angola Association of Exploration and Production Companies (ACEPA)  
 Caspian Environmental Protection Initiative (CEPI)  
 Stiftung Offshore Wind  
 Carbon Pricing Leadership Coalition (CPLC)  
 Methane Guiding Principles  
 Oil and Gas Methane Partnership (CCAC OGMP)

Following our 2020 review of all industry associations<sup>24</sup>, all industry associations above involved in policy advocacy are considered as 'aligned' unless stated otherwise in this report. We will continue to monitor the activity of each association and if we identify change in a negative direction, we will conduct a more thorough review.

<sup>24</sup><https://www.equinor.com/content/dam/statoil/documents/sustainability/Equinor-Review-of-industry-associations-190439.pdf>

## APPENDIX 1:

# Equinor's expectations to industry associations on climate policy



## Equinor's expectations to industry associations on climate policy

Climate change is one of the biggest challenges of our time and addressing it requires a clear call for action. Achieving the goals of the Paris Agreement and net zero by 2050 requires significant efforts from across society. Countries, governments, companies and consumers need to act both individually and collectively to deliver the transformation needed. Equinor promotes policies supporting the goals of the Paris Agreement and forceful actions to accelerate the energy transition. Our advocacy and policy engagement is conducted in line with the objectives of the Paris Agreement. We actively work to ensure that the policy positions and advocacy of our membership organisations is supportive of and aligned with the objectives Paris Agreement.

Industry associations are valuable partners for our industry and society as a whole. As a global energy company, Equinor holds memberships in numerous associations promoting good industry practices, technological developments and sustainable operations. In some associations we participate more actively than in others. Nevertheless, the aim is to share and learn to create benefits for society, the economy and the industry. Membership associations also represent an important arena for debate on policy issues. In order to achieve the goals in the Paris Agreement, the energy industry should be clear on its expectations on policy needed to support the energy transition and achieve emission reductions at scale.

We use our voice to support the goals of the Paris Agreement and net zero by 2050 policies. This should be one of these:

- Target the most significant greenhouse gas sources.
- Be predictable, transparent and internationally aligned to trigger investments and innovation.
- Phase out subsidies on fossil fuels that exacerbate climate change and undermine the effects of other policy measures, such as carbon pricing and efforts to achieve sustainable development.
- Promote research and development through public measures that stimulate investments in energy efficiency, renewable energy, carbon capture utilisation and sequestration, hydrogen and other low carbon solutions.
- Adopt carbon pricing that can deliver material and cost-efficient greenhouse gas emission reductions and a scale-up of investment in sustainable natural carbon sinks.

In our engagement with industry associations we are guided by our Code of Conduct for ethical business practice. We have zero tolerance for corruption in any form, including bribery, facilitation payments and trading in influence. Equinor does not make any political financial contributions.



