

Bay du Nord Project

**2023 Annual Environmental Assessment
Conditions Compliance Report**

March 2024

1 Introduction

The Bay du Nord Environmental Impact Statement was released from the environmental assessment (EA) process on April 6, 2022, with a formal decision (the EA Decision Statement) by the Minister of Environment and Climate Change Canada (ECCC). The EA Decision Statement includes over 150 conditions which Equinor Canada Ltd. ("Equinor Canada") must implement for the Bay du Nord Project.

In compliance with Condition 2.10, this document provides a report on the status of the EA conditions in the EA Decision Statement. Per Condition 2.11, the reporting period for this annual report is from January 1, 2023, to December 31, 2023.

During the reporting period, the BdN project continued project design. However, in June of 2023, Equinor made the decision to review the project in terms of reducing overall project costs. This review is ongoing, and as such, activity associated with the BdN project stopped in June of 2023. Activities offshore were not undertaken but some research activities were progressed up until June 2023. Therefore, the focus of this 2023 Annual EA Conditions Report is EA Conditions 2.1, 2.5, 2.10, 2.11, 2.12, 2.13, 2.15, 3.14 and 4.7.

Condition 2.1

The Proponent shall ensure that its actions in meeting the conditions set out in this Decision Statement during all phases of the Designated Project are considered in a careful and precautionary manner, promote sustainable development, are informed by the best information and knowledge available at the time the Proponent takes action, including community and Indigenous traditional knowledge, are based on methods and models that are recognized by standard-setting bodies, are undertaken by qualified individuals and have applied the best available economically and technically feasible technologies.

Response:

As noted above, BdN is in the early stages of project design and project activities, with the exception of continuing research, have not yet begun. For research activities undertaken in 2023, Equinor Canada, through a careful and precautionary approach, ensured that all applicable conditions were met. Delivery on the EA conditions were driven by Equinor's values – open, collaborative, courageous, and caring. These values in conjunction with Equinor's management systems provided guidance when undertaking BdN project activities.

Condition 2.5

The Proponent shall, where participation is a requirement of a condition set out in this Decision Statement, notify potential parties responsible for applicable research programs of the Proponent's interest in participating in these programs and determine, in consultation with the parties that have expressed interest in the Proponent's participation, the actions and resources needed to carry out the Proponent's participation.

Response:

Through its participation in the Environmental Studies Research Fund (ESRF) and Energy Research and Innovation Newfoundland and Labrador (ERINL), Equinor Canada identifies the research projects of interest funded by these organizations. Through these programs, resources and actions specific to Equinor Canada are identified. For Equinor Canada-led research, research needs are identified internally and are progressed either through collaboration with research partners or executed solely by Equinor Canada.

See responses to Conditions 3.14 and 4.7 regarding participation in research for 2023 reporting year.

Condition 2.10

The Proponent shall, prepare an annual report that sets out, for each reporting year:

- 2.10.1 the activities undertaken by the Proponent in the reporting year to comply with each of the conditions set out in this Decision Statement;
- 2.10.2 how the Proponent complied with condition 2.1;
- 2.10.3 for conditions set out in this Decision Statement for which consultation is a requirement, how the Proponent considered any views and information that the Proponent received during or as a result of the consultation;
- 2.10.4 the information referred to in conditions 2.6 and 2.7 for each follow-up program;
- 2.10.5 the summary of available results of the follow-up program requirements identified in conditions 3.13 and 4.6;
- 2.10.6 for any plan that is a requirement of a condition set out in this Decision Statement, any update(s) to the plan that have been made during the reporting year; and
- 2.10.7 any modified or additional mitigation measures implemented or proposed to be implemented by the Proponent, as determined pursuant to condition 2.9.

Response:

Equinor Canada, in submitting this Annual Report, meets the requirements of this condition.

Condition 2.11

The first reporting year for which the Proponent shall prepare an annual report pursuant to condition 2.10 shall start on the day the Minister of the Environment issues the Decision Statement to the Proponent pursuant to subsection 54 (1) of the Canadian Environmental Assessment Act, 2012.

Response:

This condition is closed as the report for the first reporting year was submitted in 2023.

Condition 2.12

The Proponent shall submit to the Board and the Agency the annual report referred to in condition 2.10, including a plain language executive summary in both official languages, no later than March 31 following the reporting year to which the annual report applies.

Response:

Equinor Canada, in submitting the Annual Report in both official languages, meets the requirements of this condition. Given that BdN is in the early stages of project design, in discussions with the C-NLOPB it was determined that Equinor could address this condition by submitting the entire 2023 Annual Report in both official languages rather than producing translated executive summaries.

Condition 2.13

The Proponent shall cause to be published on the Internet the reports and the executive summaries referred to in condition 2.10 and 2.12, the seabed investigation survey results referred to in condition 3.6, the communication plan referred to in condition 5.1, the decommissioning and abandonment plan referred to in

condition 5.2, the well control strategies referred to in condition 7.5, the Spill Response Plan referred to in condition 7.7, the Spill Impact Mitigation Assessment referred to in condition 7.11, the implementation schedule referred to in condition 8.1, monitoring and follow-up results for marine mammals, sea turtles, fish and fish habitat, and migratory birds referred to in conditions 3.10, 3.13 and 4.6, the descriptions of the Proponent's participation during the previous year in research and monitoring programs referred to in conditions 3.14 and 4.7, and any update(s) or revision(s) to the above documents, upon submission of these documents to the parties referenced in the respective conditions. The Proponent shall keep these documents publicly available until the end of decommissioning. The Proponent shall notify the Board and Indigenous groups of the availability of these documents within 48 hours of their publication.

Response:

Equinor Canada, in posting the 2023 Annual EA Conditions Report (Condition 2.10) in both official languages, meets the requirements of this condition respecting "The Proponent shall cause to be published on the Internet the reports and the executive summaries referred to in condition 2.10 and 2.12."

Updates on research undertaken during this reporting period are outlined below (Condition 3.14 and condition 4.7). By posting of this report on the internet, it meets the requirements to post information required under Conditions 3.14 and 4.7.

As noted above, no other activities, to which this condition applies, were undertaken during the reporting period for the 2023 annual report.

Condition 2.15

The Proponent shall notify the Agency and Indigenous groups in writing no later than 30 days after the day on which there is a change of operator for the Designated Project.

Response:

Equinor Canada remains operator for the Designated Project.

Condition 3.14

The Proponent shall participate in research programs in the Eastern Canadian offshore areas pertaining to the presence of Atlantic salmon (*Salmo salar*) and the behavior, presence, distribution, and important habitat areas of cetaceans, where available and agreed upon by the party(ies) responsible for the research programs. The Proponent shall provide Indigenous groups with updates, published annually on the internet pursuant to condition 2.13, describing how the Proponent has participated in these research programs during the previous year. The Proponent shall also provide these updates directly to the Board as part of the annual report pursuant to condition 2.10.

Response:

Equinor Canada, through its participation in the Environmental Studies Research Fund (ESRF), continues to support research on the presence of Atlantic Salmon in the offshore. ESRF funded a multi-year study on Atlantic Salmon Migration.

Atlantic Salmon Migration: Tagged salmon are detected by both project-deployed and existing arrays of seafloor moored acoustic receivers located throughout Atlantic Canada. In addition to the moored acoustic receivers the project has also used acoustic receivers carried by drifters.

The ESRF Atlantic salmon project tagged a total of 725 kelt and 4615 smolt from 44 Canadian rivers between 2021 and 2023. During the same time period, in Greenland sub adults tagging included 264 satellite tags and 122 acoustic tags.

The project has an extensive network of Indigenous communities and other collaborators across Atlantic Canada which enables it to mount salmon tagging operations efficiently in many streams and rivers in NL, NS, NB, PEI and eastern Quebec.

Indigenous partners include members of DFO's Aboriginal Aquatic Resources and Oceans Management programs (AAROM) as well as the Nunatsiavut Government. Funding is provided to each group annually to support project related activities. The Unama'ki Institute of Natural Resources (UINR) coordinates Indigenous partner training, field sampling and has created a forum for sharing sampling strategies and challenges. Indigenous knowledge is used for selecting priority rivers and capturing salmon for tagging while respecting the vulnerability of Atlantic salmon populations.

Underwater sound and marine mammal behaviour: In 2022, Equinor Canada commenced a research project to determine the feasibility of using a novel acoustic sound recording system for the collection of underwater acoustic data and information on the presence, distribution and behavior of marine mammal and vessel sound propagation. The acoustic sound recording system consisted of three acoustic recording devices - a sound source characterization mooring (SSC) and two autonomous long-term observatory (ALTO) landers. The SSC mooring is used to characterize the sounds created by exploration drilling operations. The ALTO landers are designed to capture marine mammal vocalizations over a large geographical area. The equipment was tested during ongoing exploration drilling activities in the Flemish Pass area in 2022 and continued throughout 2023. The first objective of the acoustic monitoring research project was to make calibrated measurements of the sounds produced by the Mobile Offshore Drilling Unit (MODU) West Hercules and to compare these measurements to previous sound measurements from drilling installations in the same general area using a sound source characterization (SSC) mooring. The second objective of the program was to characterize the underwater soundscape and the acoustic occurrence of marine mammals at three sites in the Flemish Pass: (1) SSC mooring located 1 km from the MODU location, (2) ALTO1 east of MODU location and (3) ALTO2 west of MODU location. While there were no active drilling programs in the area in 2023, the ALTO landers remained on-station to collect soundscape data in the area. The ALTO landers are designed to capture marine mammal vocalizations over a large geographical area. Sounds recorded on these devices were analyzed by JASCO scientists with the objective of validating the use of the monitoring technology and better understanding sound propagation of project-related activities in the Flemish Pass and the presence and behaviour of marine mammals.

Condition 4.7

The Proponent shall participate in research and monitoring programs pertaining to the effects of light attraction on migratory birds in offshore areas and mitigation measures to reduce the attraction of migratory birds to lighting, where available and agreed upon by the party(ies) responsible for the research and monitoring programs. The Proponent shall provide Indigenous groups with updates, published annually on the internet pursuant to condition 2.13, describing how the Proponent has participated in these research programs during the previous year. The Proponent shall also provide these updates directly to the Board as part of the annual report pursuant to condition 2.10. Research and monitoring programs pertaining to the effects of light on birds may include:

- 4.7.1 impacts of offshore lights on Leach's Storm-petrel (*Oceanodroma leucorhoa*) and other migratory birds;
- 4.7.2 migratory bird foraging and overwintering areas in the offshore;

- 4.7.3 migratory bird populations distributions and demographics in the offshore; and
- 4.7.4 reducing the attraction of migratory birds to lighting in offshore areas, including the effectiveness of measures related to the spectrum, type or intensity of light

Response:

Equinor Canada, through its participation in the Environmental Studies Research Fund (ESRF), continues to support research on lighting and attraction to migratory birds offshore NL. During the 2022-2023 funding year, ESRF continued the funding of three studies on seabirds – Leach's Storm Petrel Tagging Program, Storm petrel population model and Seabird Literature Reviews.

Leach's Storm Petrel Tagging Program: Work began in 2021, with tagging carried out on 5 of 6 study colonies; some aspects being delayed due to COVID and weather-related logistical challenges. Tagging continued in 2022. 2023-24 is the final data collection field season for the project. The project will now turn to completion of data analysis and reporting. Some 448 birds across all five colonies studied (from both incubation and chick rearing stages) were fitted with GPS tags during the breeding seasons. Similarly, some 279 birds had GLS tags fitted. Data analysis and reporting will be complete by September of 2024. After ESRF Management Board review and acceptance of the report it will be made available to the public on the Board's website in late 2025..

Storm Petrel Population Model: The objective is to quantify sources of mortality including that associated with offshore installations to assess that effect on the species population biology in relation to other mortality factors over the species life cycle. Work started in April 2022 with work continuing on the data collation and the construction and analysis of the complex survival module spanning data from six colonies in Atlantic Canada. Project completion is targeted for the first quarter of 2025.

Seabird Literature Review: ESRF has funded two literature reviews; one to examine the attraction of seabirds in general to anthropogenic light sources and the second to review seabird detection technologies particularly in the context of offshore installations. A final draft of the report on Seabird Attraction to Light has been received for ESRF internal review prior to acceptance and publication on the ESRF website. The review of Seabird Detection Methodologies is being prepared for technical experts review and once their comments have been addressed the final draft will be submitted for ESRF review and acceptance