



**Canadian Boreal Initiative
Boreal Forest Conservation Framework
2007 / 2008 Annual Action Plan**

Nexen Inc.

Boreal Forest Conservation Framework

In broad terms, Nexen believes there are four main areas for Nexen / CBI joint action under the Boreal Conservation Framework:

- 1) **Support conservation planning and protected areas establishment** as part of a commitment to global biodiversity protection and part of a balanced approach to energy development,
- 2) **Innovate and adopt best practices that reduce ecological footprints** in terms of wildlife habitat and water resources, and work with other stakeholders to establish public policy that supports and rewards these practices,
- 3) **Demonstrate climate change leadership** by collaborating on GHG and terrestrial offsets projects in the Boreal in both the working forest and in undeveloped forest ecosystems, and through support of policy development and research to establish a reliable carbon offset trading system and other management tools including adaptation strategies,
- 4) **Support the well-being of Aboriginal communities** by working with those communities to address socio-economic concerns arising from energy development.

The following information elaborates on how these broad areas will be addressed in our go forward business plans.

1. Conservation Planning and Ecosystem Protection:

Nexen and CBI believe that the oil and gas industry, local communities and conservationists all have an interest in achieving clarity and stability on future land use issues. It is a critical part of a balanced approach to development that land use and biodiversity commitments are made in conjunction with development approvals. In order to gain lasting protection of the Boreal ecosystems Nexen will contribute in a variety of important ways, including,

- a. Support of completion of the Protected Areas Strategies (PAS) in Nexen's regions of operations or interests (e.g. SAG-D oilsands region)
- b. Participate as a partner in PAS promotion. Promoting the finalization of land use plans in the spirit of the Boreal Framework.
- c. Engage with other stakeholders in advancing candidate areas identified under sanctioned protected area processes towards interim and final legislative protection.
- d. Share ecological / environmental information on special features in Nexen's project areas. (e.g. Long Lake & region via CEMA, WBEA, and RAMP, Ft. Nelson & region, CBM areas, etc.)

- e. Support less invasive methods for the collection of environmental data (e.g. use of scat dogs for tracking of migratory species)

2. Best Management Practices

CBI and Nexen agree that refinement and innovation of BMPs can reduce impacts and conflicts and contribute to improved operational efficiency in the short and long term. Nexen has already taken significant steps in this direction that can be both recognized and expanded in the spirit of continuous improvement.

Building on the work of Nexen and other progressive players in the energy sector, CBI is currently undertaking a BMP project that furthers the integrated sustainability vision of the Boreal Forest Conservation Framework. This discussion on BMPs is meant to provide an avenue to focus on conservation objectives and mechanisms (including offsets) linked with particular species, such as woodland caribou and/or specific regions of concern.

In addition to identifying and codifying key practices throughout the exploration and production cycle, a critical aspect of collaboration among NGOs and companies is the development and promotion of policies that recognize and reward such practices. There is a business and conservation case for frameworks and rules that provide the clarity and rigour to support the necessary investments of all parties.

In support of advancing best practices Nexen will,

- Continue to contribute to CBI BMP research through liaison with lead researchers and workshop with NGO leaders to refine mutual priorities and opportunities for action (Next steps to be defined by CBI)
- Support research, development and monitoring of selected BMP implementation (e.g. via CEPA – Sustainable Ecosystems Working Group – Tools development re: Minimum Impact Exploration, Integrated Landscape Management, Constraints Mapping; via CAPP, caribou adaptive management model, water management best practice development; PTAC Resource Access Technology Committee and Water Management Technology Committee; Wetland Conservation and Off-Sets; supporting the Alberta Biodiversity Monitoring Program; and via CBI and the Pembina Institute, support research into biodiversity offsets as a policy option in the Boreal Forest.)
- Support policy development related to support for improved practices (e.g. ILM project in SAG-D regions promoting landscape level planning to minimize new disturbance and maximize use of existing disturbed areas; Active participation in development of DFO Operational Statements for standardization of field activities which may affect fish or fish habitat.)

3. Climate Change Strategy and Boreal Conservation

Nexen has recognized the importance of addressing carbon emissions intensity and the need for innovation in development of conservation and GHG offsets for its oil sands and conventional oil and gas developments. Due to the considerable and growing footprint of energy development on Boreal ecosystems, and the impact of climate change more broadly on the Boreal Forest, CBI is interested in finding ways to support and advance Nexen's climate change response strategies.

Key opportunities for cooperation on climate change include,

- Working with stakeholders through policy development and research to establish a reliable carbon offset trading system, and / or carbon capture and storage systems as well as adaptation strategies.
- Exploring potential for GHG and terrestrial offsets projects in the Boreal in both the working forest and in undeveloped forest ecosystems
- Work collaboratively on offsets mechanisms and projects in the Boreal that optimize conservation gains and community benefits while realizing measurable benefits for Nexen

4. Support for Aboriginal Community Well-being

In many respects, the long-term legacy of energy and other industrial development in the Boreal will be measured most clearly and importantly in its contribution to the health and well-being of Aboriginal communities. Whether it is the direct impacts on traditional territories through alteration of fish and wildlife habitat, the capacity of communities to manage the effects of change on community health, or their ability to gain tangible benefits in those areas where Nexen is operating, there are a variety of ways in which Nexen can assist in promoting community well-being.

CBI has a substantial network of Aboriginal partners across the Boreal and a history of effective collaboration on innovative programs that support community sustainability. Building on Nexen's commitment to safeguard and benefit communities, CBI sees potential for collaboration in several areas, including,

- Support for community-based land use research and land planning that protects community values and supports sustainability (e.g. via the CEMA Traditional Knowledge Standing Committee, and direct engagement with First Nations)
- Support for capacity building and change management strategies for communities affected by Nexen's activities (e.g. Aboriginal policy, annual plans for Long Lake, Ft. Nelson, Ft. Assiniboine, Sask. Heavy Oil BU, & elsewhere. Examples of Long Lake training initiatives: accelerated apprenticeship; signatory to the All Parties Core Agreement which supports consultation among stakeholders in the oilsands region; signatory to RMWB Regional Trapper Compensation Model).