

2016

# SUSTAINABILITY

EXECUTIVE SUMMARY

## 2016 Sustainability Highlights Report

To Our Fellow Stakeholders,

2016 was a big year for Spectra Energy – full of great achievement and growth. It was a transformational year too, in which we marked our 10th anniversary and prepared for next chapters and new opportunities.

We delivered the business results you've come to expect from us – responsibly, respectfully and in partnership with the communities, neighbors and customers we're privileged to serve.

We are in the midst of a transformational expansion effort, focused on meeting demand growth for reliable, affordable,



Greg Ebel, Chairman, President & CEO

cleaner-burning natural gas. And our commitment to stakeholder engagement has never been stronger. In fact, one of the most important lessons we've learned over the course of permitting, building and operating new pipelines is that people are willing to work with us when we listen to and work with them. For example, on our NEXUS Gas Transmission pipeline, we made 352 route adjustments after meeting with landowners to better understand their

property use and concerns. This type of information exchange and responsive action makes a difference in how communities interact with our company.

### A Transformational Combination

One of the most notable achievements of 2016 was the announced combination of Spectra Energy and Enbridge. The union creates what we believe will be the best, most diversified energy infrastructure company in North America, if not the world. This is an incredible opportunity for both companies and we could not be more excited about what it means going forward.

Enbridge and Spectra Energy have similar business and operational models, talented teams and common values, including shared commitments to safety, stewardship of the environment, meaningful stakeholder engagement and community investment.

As you're reading this report, we will have completed the transaction which is expected to close in the first quarter of 2017. We're therefore providing stakeholders with Spectra Energy's 2016 environmental, safety and workforce data, which you will find in the data tables and executive overview of this report. Going forward, we will work with Enbridge to integrate our sustainability performance into the 2017 Enbridge Corporate Social Responsibility report.

While we're in the midst of great change and transition, we remain committed to the communities in which we live and operate, and we will continue to contribute to the well-being of those communities.

### Positive Safety Gains

Three years ago we challenged ourselves to move beyond the plateau we had reached on safety performance – and we are exceptionally proud of the progress we've made in this most important area. Since 2013, we've achieved a nearly 55 percent reduction in our employee injury rate. Our injury severity rate has experienced a 59 percent reduction, and our focus on safe driving is yielding positive results. We continue to put safety above all else – and are unwaveringly committed to the health and safety of our employees, neighbors and communities.

The incident that occurred on our Texas Eastern system in Pennsylvania in early 2016 deepened our resolve to operate to the highest safety standards. We responded with great rigor and care: more than 800 individuals dedicated to the task of verifying and restoring the system; 430,000 contractor hours worked; more than 250 miles of pipe inspected and tested; and a system safely returned to service in time for the winter heating season. Most importantly, we continue to care for those affected by the incident, are implementing positive process changes and are broadly sharing our learnings with our industry peers.

### Environmental Performance

We continue to deliver abundant, domestic natural gas – whose benefits extend far beyond our bottom line. Natural gas is increasingly in demand as communities across North America seek to reduce greenhouse gas emissions and lessen their dependence on coal- and oil-fired power generation. Natural gas goes even further though, as an affordable alternative that lowers consumers' energy costs, revitalizes manufacturing and industrial sectors, creates jobs and helps drive economic growth.

### Transformational Human Energy

We are grateful for the human energy that allows Spectra Energy to achieve transformational financial, environmental and social results. Our employees are talented and dedicated individuals who grow and excel with each new challenge we tackle. They have contributed to and benefited from a culture that values diversity, inclusion and integrity.

We know that our success rests with the trust of our stakeholders. We hope you'll continue to share your thoughts and ideas with us as we merge with Enbridge. Please let us know how we're doing through contact information provided in the Enbridge online Corporate Social Responsibility Report.

Greg Ebel

A handwritten signature of Greg Ebel in black ink, written over a white background.

Chairman, President and Chief Executive Officer

February 2017

Sustainability at Spectra Energy means identifying issues that matter most to our stakeholders and our company, and creating a lasting impact in our communities. It also means providing natural gas and crude oil pipeline and midstream infrastructure services to help meet North America's growing energy needs in ways that are economically, environmentally and socially responsible. We have identified five focus areas in which we strive for continuous improvement: Operating Safely and Reliably, Environmental Stewardship, Our Communities, Our Employees and Our Supply Chain.

## Operating Safely and Reliably

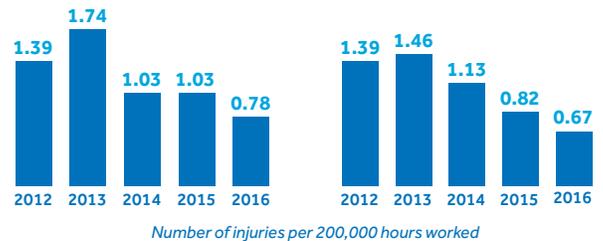
Safety will always be a core value, and no incident is acceptable. Every day, we challenge ourselves to learn and improve on our safety practices as well as evaluate our performance and the performance of those around us.

Our business is dependent on the safe and reliable operation of assets to ensure the safety of our employees, our contractors and the communities in which we live and work.

Our pipeline system has been constructed over a period of more than 100 years with hundreds of miles of new pipeline constructed, installed and maintained each year. We continually assess and upgrade our pipeline system, investing approximately \$700 million annually in pipeline integrity and system reliability. Our designs for new pipelines continue to meet or exceed applicable regulatory requirements.

**EMPLOYEE TOTAL INCIDENT FREQUENCY RATE IMPROVED 24% IN 2016**

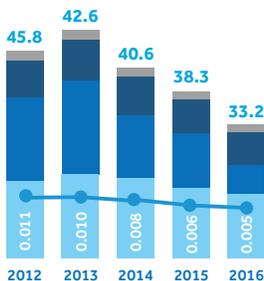
**CONTRACTOR TOTAL INCIDENT FREQUENCY RATE IMPROVED 18% IN 2016**



## Environmental Stewardship

We are committed to being responsible environmental stewards, while helping to meet North America's increasing energy needs. We seek opportunities to reduce the environmental impacts from our operations. We are also reducing air emissions and emissions intensity.

**AIR EMISSIONS OF VOCs, CO, SO<sub>x</sub>, NO<sub>x</sub>**  
Thousand Metric Tons



- Volatile Organic Compounds (VOC)
- Carbon Monoxide (CO)
- Sulphur Dioxide (SO<sub>x</sub>)
- Nitrogen Dioxide (NO<sub>x</sub>)
- Air Emissions Intensity (metric tons per billion Btu of throughput)

## 3 conservation partnerships with the Wildlife Habitat Council

2012-2016 GREENHOUSE GAS INTENSITY

DECREASED MORE THAN **30%**

2012-2016 TOTAL AIR EMISSIONS

REDUCED **28%**

RECYCLING/RECOVERING MORE THAN **50%** TOTAL WASTE GENERATED



**~99%** FRESH WATER USED IS RECYCLED TO SIMILAR OR HIGHER QUALITY

## Our Communities

We are committed to investing in the communities where our employees live and work, and this means responding to community needs through strategic giving, volunteerism, matching gifts and supporting the United Way. We also provide merit scholarships in support of university education for children of our employees.

Our standardized approach to community investments associated with our major projects helps us align our strategic giving with our corporate strategies, address stakeholder feedback and project-specific community needs, as well as benefit local communities and our company.

We recognize and respect the unique culture, history and treaty rights of Indigenous peoples, and we are committed to building mutually beneficial, sustainable relationships with these communities within our areas of operation.

We also contribute to local economic growth through the jobs we provide, the goods and services we purchase, and the taxes we pay.



*The Sabal Trail Transmission, LLC project office participated in a Habitat for Humanity event in Florida. Since the initiation of the project in 2013, the project team has participated in 69 community volunteer programs along the pipeline route.*

### Sabal Trail's Commitment to Community Investment

As part of its commitment to community investment, Sabal Trail Transmission, a 515-mile pipeline project through Alabama, Georgia and Florida, invested in 16 different schools in 2016 by establishing a \$50,000 scholarship program at each school. One example is RiverOak Technical College (RTC), where Sabal Trail, in partnership with RTC, established a scholarship program for students attending the college. The project team believes in supporting educational programs that can lead to STEM (science, technology, engineering and math) and other energy infrastructure careers or programs that will aid in growing community vitality.



## Our Employees

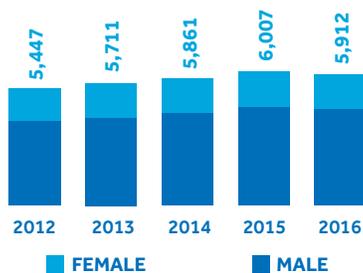
Our 5,900 employees are the foundation of our success. We are focused on keeping our people safe and healthy, engaging our workforce, and promoting diversity, inclusion and respect.

We focus on developing and training our employees, which requires ongoing and transparent discussion regarding expectations and job duties to help us align organizational talent with business goals, identifying and promoting new leaders, and ensuring long-term success.

We actively recruit men and women who have served or are currently serving in the military. Spectra Energy is proud to employ veterans and reservists.

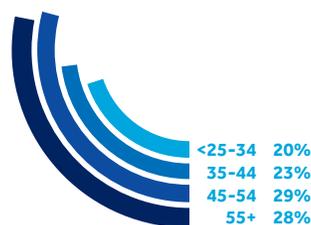
### WORKFORCE BY GENDER

Total number of employees



WOMEN AS A PERCENT OF OUR WORKFORCE IS 28%

### WORKFORCE BY AGE



\$1.7 MILLION

INVESTED IN LEADERSHIP TRAINING AND PROFESSIONAL DEVELOPMENT WITH 23% OF EMPLOYEES RECEIVING TRAINING



204 EMPLOYEE MENTORS 225 EMPLOYEE MENTEES

## Our Supply Chain

Collaborating with our supply chain is a business imperative, as the way our suppliers conduct their business reflects on us and affects our ability to meet business and sustainability objectives. It is essential that our suppliers remain fully aligned with our values to ensure the highest standards of operating excellence.

We integrate environmental, social and governance (ESG) thinking into every phase of our procurement and supply chain management (PSCM) procedures, from strategic sourcing through contract delivery. Supplier diversity is also an integral part of our procurement strategy, and we are committed to advancing the development of diverse supplier relationships.

# DATA

## Summary of 2014-2016 Health and Safety Performance Report

	2016	2016 by Business Unit			2015	2014
	Spectra Energy <sup>1</sup>	Western Canada	Union Gas	U.S. Transmission		
Hours Worked	15,122,216	2,983,490	4,437,736	7,700,990	14,213,419	13,750,682
Work Ratio (% of Employee Hours)	100%	20%	29%	51%	100%	100%
Employee DART Case Rate <sup>2</sup>	0.34	0.20	0.14	0.26	0.53	0.60
Employee Total Incident Case Rate <sup>3</sup>	0.78	0.47	1.08	0.73	1.03	1.03
Employee Vehicle Incident Case Rate <sup>4</sup>	3.06	2.92	2.85	3.20	3.27	4.02
Employee Preventable Vehicle Incident Case Rate <sup>5</sup>	2.18	1.72	2.04	2.38	1.97	2.63
Employee Fatalities	0	0	0	0	0	0
Contractor Total Incident Case Rate <sup>3</sup>	0.67	0.60	2.17	0.24	0.82	1.13
Contractor Fatalities	0	0	0	0	0	0

<sup>1</sup> Excludes jointly operated assets.

<sup>2</sup> Employee DART (Days Away / Restricted Time Case Rate) = No. of cases multiplied by 200,000 hours and divided by actual hours worked.

<sup>3</sup> Employee/Contractor TICR (Total Incident Case Rate) = No. of injuries multiplied by 200,000 hours and divided by actual hours worked.

<sup>4</sup> Employee VICR (Vehicle Incident Case Rate) = No. of vehicle accidents multiplied by 1,000,000 miles and divided by actual miles driven.

<sup>5</sup> Incident types deemed non-preventable after thorough review include: animal strikes, struck while properly stopped and struck by flying debris.

## Summary of 2014-2016 Workforce Statistics

	2016	2016 by Business Unit			2015	2014
	Spectra Energy <sup>1</sup>	Western Canada	Union Gas	U.S. Transmission		
Total Employees	5,912	1,184	2,342	2,386	6,007	5,861
Bargaining Unit Employees	1,303	459	844	0	1,385	1,370
Bargaining Unit Employee Percentages	22%	39%	36%	0%	23%	23%
Total Females	1,678	282	841	555	1,717	1,688
Females as a Percentage of Total	28%	24%	36%	23%	29%	29%
Females as a Percentage of Management	25%	23%	28%	23%	25%	25%
Total Minorities <sup>2</sup>	N/A	N/A	N/A	528	N/A	N/A
Minorities as a Percentage of Total <sup>2</sup>	N/A	N/A	N/A	22%	N/A	N/A
Minorities as a Percentage of Professional <sup>2</sup>	N/A	N/A	N/A	37%	N/A	N/A
Minorities as a Percentage of Management <sup>2</sup>	N/A	N/A	N/A	19%	N/A	N/A
Voluntary Turnover Rate	5.75%	7.35%	4.70%	4.44%	4.83%	5.2%
Total Workforce Receiving Professional Development and Leadership Training	1,371				1,180	932
Total Investment in Workforce Leadership and Professional Development Training	\$1.74 million				\$1.84 million	\$1.95 million
Total Payroll	\$874 million				\$879 million	\$918 million

<sup>1</sup> Excludes jointly operated assets.

<sup>2</sup> Ethnic diversity data is not captured in Canada due to privacy regulations.

## Summary of 2014-2016 Environmental Performance Data

	2016	2016 by Business Unit			2015	2014
	Spectra Energy <sup>1</sup>	Western Canada	Union Gas	U.S. Transmission		
<b>Greenhouse Gas (GHG) Emissions (Thousand Metric Ton CO<sub>2</sub>e)</b>						
Carbon Dioxide (CO <sub>2</sub> )	4,610	2,869	163	1,579	4,788	4,804
Carbon Dioxide (CO <sub>2</sub> ) - Vented	1,178	1,178	0	0	1,695	1,955
Carbon Dioxide (CO <sub>2</sub> ) - Mobile Sources	22	0	8.3	13	27	25
Methane (CH <sub>4</sub> )	2,046	268	454	1,324	2,091	1,981
Nitrous Oxide (N <sub>2</sub> O)	26	24	1.3	0.9	29	28
<b>Total Direct GHG Emissions<sup>2</sup></b>	<b>7,884</b>	<b>4,341</b>	<b>627</b>	<b>2,916</b>	<b>8,630</b>	<b>8,793</b>
Indirect GHG Emissions	1,119	21	2	1,223	1,352	911
<b>Total Direct and Indirect GHG Emissions</b>	<b>9,003</b>	<b>4,362</b>	<b>628</b>	<b>3,968</b>	<b>9,983</b>	<b>9,705</b>
<b>Normalized Greenhouse Gas (GHG) Emissions (thousand metric tons CO<sub>2</sub>e)/BBTU throughput)</b>						
Normalized Total GHG	1.34	4.53	0.50	0.89	1.67	1.79
Normalized Total Criteria Contaminants	0.005	0.023	0.001	0.002	0.006	0.008
<b>Energy Consumption (Thousand MWh)</b>						
Electricity Use	2,035	35	39	1,960	2,579	1,833
<b>Criteria Air Emissions (thousand tons)</b>						
NOx Emissions	14.6	7.9	0.5	6.3	16.1	16.5
SOx Emissions	9.0	8.9	0.0	0.0	12.1	14.1
Carbon Monoxide (CO)	7.3	4.3	0.2	2.8	7.7	7.5
Volatile Organic Compounds (VOC)	2.3	1.3	0.0	0.9	2.4	2.5
<b>Total Criteria Air Pollutant Emissions</b>	<b>33.2</b>	<b>22.4</b>	<b>0.7</b>	<b>10.1</b>	<b>38.3</b>	<b>40.6</b>
<b>Waste Generation (in metric tons)</b>						
Hazardous Waste	4,538	2,994	597	911	3,318	4,662
Non-hazardous Waste	30,227	24,796	587	4,387	20,256	16,854
Total Recyclables	25,739	19,384	709	5,645	27,778	26,885
<b>Spills (Frequency)</b>						
	47	39	3	5	47	41
<b>Notice of Violations (NOVs)</b>						
	21	0	11	10	15	12
<b>Fines<sup>3</sup></b>						
	\$0	\$0	\$0	\$0	\$18,750	\$4,900

<sup>1</sup>Excludes jointly operated assets.

<sup>2</sup>Direct emissions are reported on operational control basis.

<sup>3</sup>Not all NOVs have been reviewed for possible fines at time of reporting.

## Summary of 2014-2016 Material and Service Spend

	2016	2016 by Business Unit			2015	2014
	Spectra Energy <sup>1</sup>	Western Canada	Union Gas	U.S. Transmission		
<b>(IN MILLIONS)</b>						
Material and Service Spend	\$4,282	\$534	\$942	\$2,806	\$3,305	\$2,513
Diversity Spend <sup>2</sup>	\$104	\$20	\$8	\$76	\$102	\$176

<sup>1</sup>Excludes jointly operated assets.

<sup>2</sup>Only diversity spend data captured in Canada is Aboriginal spend.

## About This Report

This executive summary focuses on Spectra Energy's economic, social and environmental performance throughout 2016. This summary was completed before close of the transaction with Enbridge, Inc.

We account for our operated assets only, which exclude our non-operated joint venture, DCP Midstream, and our jointly operated Gulfstream Natural Gas System and Southeast Supply Header.

Going forward, we will work with Enbridge to integrate our sustainability performance into the 2017 Enbridge Corporate Social Responsibility Report.

