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# Indigenous Rights and Relationships in North American Energy Infrastructure

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A Discussion Paper: June 2018



# Contents

<b>Preface</b>	<b>p. 3</b>
<b>1. About Enbridge</b>	<b>p. 5</b>
<b>2. Letter to Our Readers</b>	<b>p. 6</b>
<b>3. The Case for Change</b>	<b>p. 7</b>
<b>4. Enbridge's Indigenous Peoples Policy</b>	<b>p. 10</b>
<b>5. Implementing Our Indigenous Peoples Policy</b>	<b>p. 12</b>
<b>6. Integrating Our Indigenous Peoples Policy in Key Management Systems: A Focus on Investment Review</b>	<b>p. 20</b>
<b>7. Applying Our Indigenous Peoples Policy: A Focus on Enbridge's Line 3 Replacement Program</b>	<b>p. 24</b>
<b>8. Advancing Our Approach</b>	<b>p. 29</b>
<b>9. 2017 Enbridge Performance Summary</b>	<b>p. 33</b>
<b>10. Request for Feedback</b>	<b>p. 34</b>
<b>11. Appendix</b>	<b>p. 35</b>
<b>12. List of Acronyms</b>	<b>p. 46</b>

# Preface

In this report we use the terms “Indigenous Peoples”, “Indigenous Nations”, “Tribal Nation”, “Tribes” and “Indigenous or Aboriginal communities, groups and organizations” to describe the First Nations and Métis Nations in Canada – and the Native American Tribal Nations in the U.S. – that we interact with on a regular basis. Which term is used depends on the preference of the group involved and the topic being addressed.

While the substance of this report reflects learning from our ongoing engagement with Indigenous Peoples in North America, we have not directly engaged on this report itself with Indigenous Nations and groups. For this reason we are releasing it as a “Discussion Paper” that will be supported by a process for feedback, engagement and response.

As noted in the following pages, this Discussion Paper is in follow-up to a voluntary commitment made by Enbridge at our 2017 Annual General Meeting (AGM) to provide enhanced transparency about how we are implementing our Indigenous Peoples Policy, and how Indigenous sensitivities are integrated into our internal processes for investment review. We made this commitment in response to a shareholder proposal that was presented at our 2017 AGM by the Shareholder Association for Research and Education (SHARE) and by a Council member from the Standing Rock Sioux in North Dakota.

As indicated by the map on page 6, Enbridge is North America's largest energy infrastructure company. We provide products and services that span the spectrum of the transition to a lower carbon economy and include the delivery of oil, natural gas, renewable energy and power, as well as energy efficiency programs for homes and businesses. Our businesses are diverse and their impact on Indigenous Peoples and lands varies significantly depending on the nature of the project or operation involved, and its size, scope and geography. It is important to note that the majority of our natural gas pipelines in the U.S. do not cross Indigenous lands. The content for this report is therefore derived from practices and procedures in place for engaging with Indigenous nations and groups where our activities can affect Indigenous rights and relationships. Most particularly, this involves our liquid pipeline projects and operations in Canada and the U.S., and our natural gas transmission and midstream projects and operations in Canada.

All dollars in this Discussion Paper are Canadian dollars unless otherwise noted.



Many workers on the Line 3 Replacement Program in Western Canada are graduates of Enbridge's Pipeline 101 training-to-employment program. Established in spring 2016, this program is designed to teach transferable skills that support future employment opportunities for Indigenous workers across the pipeline industry, as well as related sectors.



## 2. Letter to Our Readers



“Indigenous Peoples—empowered by constitutional rights, favorable legal decisions and modernizing regulatory processes—are transforming the way business is done in North America. At Enbridge, we believe this transformation is a very positive development.”

—Roxanna Benoit

We hear it all the time—disruption is all around us. And, while it’s true that technological advancements are rapidly changing the way we live and work, sometimes we forget that innovation is about so much more than machine learning, block chain and “AI.”

Innovation driven by Indigenous Nations and groups in North America is equally important and transformative. Indigenous communities—empowered by constitutional rights, favorable legal decisions and modernizing regulatory processes—are transforming the way business is done in North America. At Enbridge, we believe this transformation is a very positive development.

Historically, Enbridge—like other companies with linear infrastructure projects— has negotiated project-specific, limited-term capacity agreements with Indigenous Nations near where we do business. Today, we have come to more fully appreciate the value that building longer-term relationships can create for both the communities involved and our business.

My point is that this is not an entirely altruistic view. While Enbridge believes that building sustainable relationships with Indigenous Nations connects directly to each of our core values—Integrity, Safety and Respect—we also believe that it is integral to our business case. With infrastructure for delivering oil, natural gas and power that spans North America, Enbridge engages regularly with over 200 Indigenous Nations and groups in Canada and 30 federally recognized Native American Tribes in the United States. We are convinced that our continued success as North America’s premier energy infrastructure company depends on our ability to build and maintain relationships with communities near our projects and operations. Put simply, if you are in our business, success will not come to companies that do not go beyond cursory compliance with government regulation when it comes to engagement with Indigenous communities. Rather, it will come to companies that are guided by a set of strong internal values and systems that can help them navigate a rapidly changing landscape.

This Discussion Paper represents Enbridge’s voluntary response to a shareholder resolution brought forward at our 2017 Annual General Meeting. At that meeting, Enbridge committed publicly to expand reporting on the steps we are taking to: (1) implement our Indigenous Peoples Policy, and (2) integrate Indigenous rights sensitivities into our investment review processes through early identification across our different types of investments.

We welcome the opportunity to improve our reporting on these important points. As I stated at the outset, Indigenous relations are evolving in North America. This is a very positive development—one we are pleased to participate in. This report provides Enbridge with an opportunity to demonstrate transparency in our approach to matters affecting Indigenous Peoples living and working near our operations. And it also provides us with an opportunity to reach out to understand how we can do better.

With that, I hope you find this report a useful contribution to the discussion on the role that companies can play in the transformation now underway on Indigenous relations in North America. I encourage you to provide us with your feedback. With your help we will continue to strengthen our performance in this critically important area.

Sincerely,

A handwritten signature in black ink that reads "Roxanna Benoit".

Roxanna Benoit  
Vice President Responsible for Indigenous Relations

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# 3. The Case for Change

A significant evolution is occurring in North America regarding awareness of the rights and interests of Indigenous Peoples.

In Canada, shifts in the practices and policies of governments, companies and Indigenous communities themselves have been influenced by the Calls for Action in the 2015 Report of the Truth and Reconciliation Commission of Canada, and by recent Supreme Court of Canada decisions on what the duty to consult and accommodate with Indigenous Nations on major resource development projects entails. Similarly in the U.S., in the wake of high profile Indigenous opposition to specific projects, the discourse is changing in the courts, in regulatory processes, and among companies and Tribal Nations.

These developments are evolving how companies like Enbridge consult and engage with Indigenous Peoples in planning and approval processes for major energy infrastructure projects. Indigenous People in both countries have distinct rights. Governments in both countries have legal frameworks that require government consultation with Indigenous governments and groups on projects that may impact Indigenous rights. And companies like ours want to build mutually beneficial relationships.

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## Canadian Context

The Canadian Constitution recognizes and affirms the existing Aboriginal and treaty rights of Aboriginal Peoples (“Indigenous Nations”) and provides for the protection of those rights. The Government of Canada (i.e. the federal government) has a duty to consult in a meaningful manner when it considers actions that might adversely impact potential or established Indigenous rights. This includes consultation on major resource development projects.

Recent Supreme Court of Canada decisions have helped to clarify what constitutes appropriate consultation by the federal government on a “government-to-government” basis. They have also clarified under what circumstances the federal government may rely on an administrative body – such as Canada’s National Energy Board – to address its duty to consult. At the same time, however, courts and regulators in Canada have repeatedly emphasized the need for both government and Indigenous Nations to find new ways to reconcile the rights and interests of Indigenous Peoples with broader social needs.

Canadian Prime Minister Justin Trudeau has responded by pledging to renew Canada's nation-to-nation relationship with Indigenous Peoples, including developing a new legal framework for reconciliation with Canada's Indigenous Peoples. This is expected to build upon Canada's endorsement of the [UN Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#), as well as the federal government's commitment to implementing the recommendations put forward by Canada's Truth and Reconciliation Commission. Current government proposals for changes to regulatory review and environmental assessment processes in Canada aim to further solidify a more influential role for Indigenous Nations and groups in major project reviews.

While these changes are still under development, the federal government is moving to increase Indigenous participation in Enbridge's Line 3 Replacement Program – that is part of our mainline system for our liquid pipelines in North America – through the establishment of a 16-member Indigenous Advisory and Monitoring Committee (IAMC) to provide the government with advice on regulation and monitoring. This initiative is a collaboration between potentially impacted Indigenous communities, the Government of Canada and the federal regulator for pipelines (the National Energy Board). It will provide a forum for Indigenous communities to advise the government and the National Energy Board on integrating traditional knowledge and cultural values into monitoring, safety and environmental performance, as well as provide input on socio-economic aspects of our Line 3 Replacement Program. The IAMC will receive \$21.6 million in federal funding for the first five years. (For further information on this initiative please see page 25 in this Discussion Paper.)

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## United States Context

In the U.S., there is also a “government-to-government” relationship between the federal government and the Native American Tribes that it recognizes. As in Canada, this relationship requires that consultation with Native American Tribes be meaningful.

Federally recognized Native American Tribes typically occupy and exercise control over legally recognized “Tribal land,” and also have an interest in lands previously ceded to the United States government under historic Treaties which preserve their rights to hunt, fish and gather, and to access sites of historic, cultural or religious importance.

Projects that are located on Tribal land (i.e. land held in trust by the U.S. Government for the benefit of a Tribe) require the consent of the impacted Tribal Nation and the approval of the Bureau of Indian Affairs within the U.S. Department of the Interior. Projects that are located outside of Tribal lands but may impact those lands, or that are located upon or may impact lands (or waters) to which Tribes retain some rights, require consultation by Federal agencies involved with the granting of permits.

This consultation usually occurs under the provisions of the National Environmental Policy Act (NEPA) and/or the National Historic Preservation Act (NHPA). However, in the U.S., no single government agency at either the federal or state level regulates all pipelines. Accordingly, different agencies are responsible for consulting with affected Tribes to different degrees depending on the type and proposed route of the pipeline. For example, the U.S. Army Corps of Engineers may be responsible for consultation on certain water-related portions of oil pipelines potentially impacting Tribal Nations. Because the Federal Energy Regulatory Commission (FERC) has regulatory authority over natural gas pipelines, it consults with Tribes on all relevant pipeline projects.

In the U.S., as in Canada, the legal duty to consult with Tribes resides with the federal government and not with corporate entities. However, companies such as Enbridge that operate on Tribal lands, or near historical use areas, also have an interest in, and a responsibility to, engage with Indigenous communities on issues, such as pipeline safety, that could potentially affect them.

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## International Context

\*Please see Appendix for further discussion on international standards

The governments of Canada and the U.S. have both endorsed [UNDRIP](#), although neither government views this declaration as legally binding.

While every country with Indigenous populations has unique circumstances that require a unique path forward, UNDRIP creates expectations that governments will secure “free, prior and informed consent” (FPIC) from Indigenous Peoples for resource development that could impact their rights.

Although some have interpreted FPIC as a right to “veto” a project, the federal governments of both Canada and the U.S. interpret it as a call for a process of meaningful consultation with Indigenous Peoples. Enbridge applies FPIC in a manner that is consistent with how it is being interpreted by the governments of Canada and the U.S.

In the course of all of Enbridge’s projects and operations in North America, we recognize and respect the legal rights of Indigenous Peoples and the vital relationship they have with traditional lands and resources. In addition, we have been and continue to be supportive of an increased role for Indigenous communities in regulatory processes related to energy infrastructure.

Because the Indigenous communities that we interact with in both Canada and the U.S. have distinct rights, we do not consider them “stakeholders.” Enbridge therefore has separate policies, accountabilities, strategies, management systems, and resources dedicated to building and maintaining relationships with Indigenous Nations and groups. In developing and applying these policies and systems, we are guided by all applicable laws and regulations as well as by high-level international declarations such as UNDRIP. We are also guided by our own corporate values and informed by voluntary management frameworks that identify the practical steps companies can take to ensure their practices regarding Indigenous rights align with widely recognized norms and standards for responsible business. These include multi stakeholder initiatives such as the [Voluntary Principles on Security and Human Rights](#) and the [UN Global Compact](#), and frameworks for sustainable development established by groups such as the [International Council on Mining and Metals](#) and the [International Finance Corporation \(IFC\)](#).

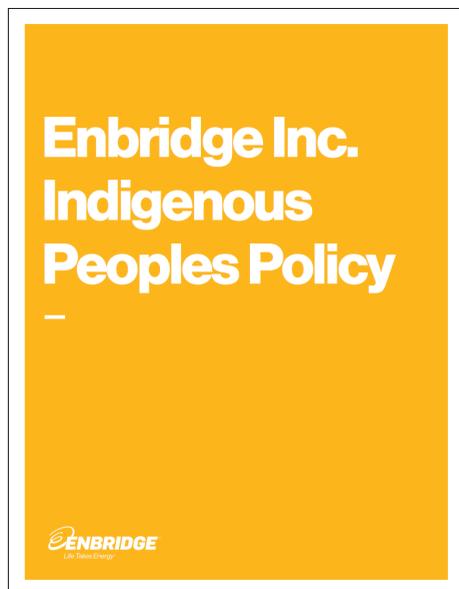
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## Business Challenges and Opportunities

Even with this additional guidance and experience, it can be difficult to navigate the changing North American landscape on Indigenous issues. Regulatory standards are shifting, and approaches by government agencies and courts can vary by region. More importantly, the expectations of Indigenous Peoples themselves are evolving, and consensus on what represents clear, consistent and dependable processes and standards is still emerging.

The challenges can be substantial—particularly when companies such as ours find themselves in the midst of significant differences of opinion between Indigenous Peoples and governments. Nevertheless we believe that increased Indigenous participation in decision making on energy infrastructure in North America represents an important opportunity for change that can benefit both Indigenous Peoples as well as the sustainability of the energy systems that all North Americans depend upon.

# 4. Enbridge's Indigenous Peoples Policy



Because Indigenous Peoples in Canada and the U.S. have distinct rights, Enbridge acknowledges that the Indigenous Peoples we interact with are more than stakeholders. For this reason, we have adopted a separate corporate policy to ensure that our activities respect their distinct rights. [Our Indigenous Peoples Policy](#) outlines the key principles that guide our engagement with Indigenous Nations and groups in areas in North America where our pipelines cross or impact their lands or rights. The purpose and intent of our Indigenous Peoples Policy is to:

- Acknowledge the history and diversity of Indigenous Peoples and recognize their distinct rights as protected by Canadian and U.S. laws;
- Commit to consultation, engagement and the creation of positive, long-lasting mutually beneficial relationships (social, cultural, economic and environmental);
- Recognize the importance of the UNDRIP and the role it plays in guiding our approach; and
- Frame all commitments as a shared responsibility involving Enbridge and its affiliates, employees and contractors.

## Enbridge Indigenous Peoples Policy

Enbridge recognizes the diversity of Indigenous Peoples who live where we work and operate. We understand that the history of Indigenous Peoples in both Canada and the United States has had destructive impacts on the social and economic wellbeing of Indigenous Peoples. Enbridge recognizes the importance of reconciliation between Indigenous communities and broader society. Positive relationships with Indigenous Peoples, based on mutual respect and focused on achieving common goals, will create constructive outcomes for both Indigenous communities and for Enbridge.

Enbridge commits to pursuing sustainable relationships with Indigenous Nations and groups in proximity to where Enbridge conducts business. To achieve this, Enbridge will govern itself by the following principles:

- We recognize the legal and constitutional rights possessed by Indigenous Peoples in Canada and in the U.S., and the importance of the relationship between Indigenous Peoples and their traditional lands and resources. We commit to working with Indigenous communities in a manner that recognizes and respects those legal and constitutional rights and the traditional lands and resources to which they apply, and we commit to ensuring that our projects and operations are carried out in an environmentally responsible manner.
- We recognize the importance of the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) within the context of existing Canadian and U.S. law and the commitments that governments in both countries have made to protecting the rights of Indigenous Peoples.

- We engage in forthright and sincere consultation with Indigenous Peoples about Enbridge's projects and operations through processes that seek to achieve early and meaningful engagement so their input can help define our projects that may occur on lands traditionally used by Indigenous Peoples.
- We commit to working with Indigenous Peoples to achieve benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development and community development.
- We foster understanding of the history and culture of Indigenous Peoples among Enbridge's employees and contractors, in order to create better relationships between Enbridge and Indigenous communities.

This commitment is a shared responsibility involving Enbridge and its affiliates, employees and contractors, and we will conduct business in a manner that reflects the above principles. Enbridge will provide ongoing leadership and resources to ensure the effective implementation of the above principles, including the development of implementation strategies and specific action plans.

Enbridge commits to periodically reviewing this policy to ensure it remains relevant and meets changing expectations.

# 5. Implementing Our Indigenous Peoples Policy

Our Implementation Framework for our Indigenous Peoples Policy continues to evolve based on practical experience, the scope and nature of our projects and operations, and the different requirements and interests of the Indigenous communities affected by our activities. As noted at the outset of this report, our approach to implementing this policy largely reflects the approach taken by our Liquids business in Canada and the U.S. for oil pipelines that cross Indigenous lands. We are currently integrating our Gas Transmission and Midstream business (obtained through our merger with Spectra Energy in 2017) in this framework to include natural gas pipelines that cross Indigenous lands. An overview of how we are implementing our Indigenous Peoples Policy is presented below.

## Implementation Framework for Enbridge's Indigenous Peoples Policy

A.	Cross-Cutting Decision Making Structures	Strategy, execution and coordination across different Business and Functional Units
B.	Integration of Indigenous Peoples Policy Requirements in Key Management Systems	Policies, processes, practices and accountabilities
C.	Community-Specific Consultation, Engagement, Agreements and Collaborations	Addressing local Indigenous involvement in: <ul style="list-style-type: none"> <li>• Project design, impact assessment, mitigation and operation</li> <li>• Training, education and capacity development</li> <li>• Procurement, contracting and employment</li> <li>• Safety, cultural and environmental protection and monitoring</li> <li>• Community development and investment</li> </ul>
D.	Performance	Measurement and evaluation
E.	New Practices and Innovation	Special projects and initiatives

### A. Cross-Cutting Decision Making Structures

Enbridge's Indigenous Peoples Policy is implemented based on a management system approach where accountabilities for identifying and addressing Indigenous-related opportunities and risks are distributed on an integrated basis across all key relevant business segments and functions.

#### Cross-Cutting Decision Making Structures

Level	What's in Place	Description
Board of Directors	Formal Board Processes for Strategy, Risk and Investment Review  CSR Committee of the Board	Our approach to Indigenous consultation and engagement is overseen by the Corporate Social Responsibility (CSR) Committee of our Board of Directors. The CSR Committee reports to our full Board. We also create opportunities for our full Board to engage directly with Indigenous leaders at strategy and planning sessions. The Executive Vice President and Vice President responsible for Indigenous Relations provide quarterly reports to the CSR Committee on Indigenous matters. The CSR Committee of our Board also oversees our public reporting on Enbridge's performance on key social, environmental and governance issues.

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### Cross-Cutting Decision Making Structures

Level	What's in Place	Description
Executive & Vice President	Enterprise-wide Indigenous Engagement Steering Committee	Our Indigenous Engagement Steering Committee sets the direction and establishes policies and strategies for Enbridge's engagement with Indigenous Nations and groups. The Committee reports to the Executive Vice Presidents of our business units and the Executive Vice President & Chief Legal Officer. It is comprised of accountable Vice Presidents and Management from relevant business units and functions in Canada and the U.S. This senior level committee ensures broad discussion on Indigenous relations is taking place across all relevant internal disciplines and it steers on-the-ground Indigenous engagement with communities linked to achievement of critical milestones and outcomes.
Vice President & Director	Project and Regionally Based Integrated Steering Committees	These are integrated steering committees of Vice Presidents, Directors and other Management at the Business Unit and Functional level responsible for the development and execution of both project-based and regionally-based engagement plans, each of which includes specific provisions regarding Indigenous consultation and engagement.
Managers and Subject Matter Experts	Multidisciplinary Teams	Strategies and outcomes established through consultation or commitments to Indigenous Nations and groups are executed and delivered upon by managers and subject matter experts from, for example, Environmental Management, Regulatory, Human Resources, Business Development, Supply Chain Management, Public Affairs & Communications, and other functional units of the company.
Employees	Indigenous Employee Resource Group	Indigenous and other interested employees at Enbridge are provided with the opportunity to participate in an Indigenous Employee Resource Group that has been in place since 2014. The purpose of this working group is to support development of an inclusive working environment through improved awareness of Indigenous cultures among all employees. It is supported by an Executive sponsor at the Vice President level.

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## B. Integration of Indigenous Peoples Policy Requirements in Key Management Systems

Enbridge's Indigenous Peoples Policy is implemented based on a management system approach where accountabilities for identifying and addressing the impacts our operations have on Indigenous communities and their rights are distributed on an integrated basis across all relevant business units and functions. Our Vice President, Public Affairs & Communications has lead accountability across the enterprise.

### Integration of Indigenous Peoples Policy Requirements in Key Management Systems

Management System	Integration Objective	Accountability
Safety and Environmental Management	Inclusion of Indigenous communities in all relevant Enbridge strategies, plans and activities on pipeline safety, operational reliability and environmental management	Chief Executive Officer Executive Leadership Team (including Executive Vice Presidents of all Business Units) Vice Presidents, Major Projects & Operations Vice President, Safety & Reliability Vice President, Public Affairs & Communications
Investment Review	Consideration of Indigenous impacts and opportunities in decision making on capital expenditures	Chief Executive Officer Executive Vice President & Chief Development Officer Executive Vice President & Chief Financial Officer Executive Vice President & Chief Legal Officer Vice President, Corporate Development & Investment Review Vice President, Public Affairs & Communications
Law and Regulatory	Compliance with all legal and regulatory requirements regarding Indigenous rights and participation in energy projects and operations	Executive Leadership Team Executive Vice President & Chief Legal Officer Vice President & General Counsel Vice President & Chief Compliance Officer (all Business Units) Vice Presidents, Major Projects & Operations Vice President, Public Affairs & Communications
Stakeholder and Indigenous Engagement	Development and execution of all plans and programs for Indigenous consultation, engagement and relationship building	Executive Vice President & Chief Legal Officer Vice Presidents, Major Projects & Operations Vice President, Public Affairs & Communications Directors, Stakeholder & Indigenous Engagement
Supply Chain Management (SCM)	Embedding expectations for Indigenous inclusion in all SCM strategies and programs, including RFP assessment criteria, direct awards and activities with contractors and suppliers	Executive Vice President, Corporate Services Vice President & Chief Supply Chain Officer Vice Presidents, Major Projects & Operations Vice President, Public Affairs & Communications

## Integration of Indigenous Peoples Policy Requirements in Key Management Systems

Management System	Integration Objective	Accountability
Human Resources	<p>Employee and contractor awareness and training on Indigenous rights, history, traditions and culture</p> <p>Long-term strategy for recruitment and retention of Indigenous employees</p>	<p>Executive Vice President, Corporate Services  Vice President &amp; Chief Human Resources Officer  Vice President, Public Affairs &amp; Communications</p>
Performance Management	Incorporation of goals and metrics related to performance on Indigenous issues in relevant corporate scorecards and personal performance objectives	<p>Executive Leadership Team  Vice President, Human Resources &amp; Chief Human Resources Officer  Vice President, Public Affairs &amp; Communications</p>
Risk Management	Inclusion and alignment of Indigenous issues in Enterprise Risk Management Framework and processes	<p>Vice President, Enterprise Risk  Vice President, Public Affairs &amp; Communications</p>
Security	Alignment of Enbridge Security Policy with widely recognized principles for the protection of human rights in the provision of security for our business operations	<p>Executive Vice President &amp; Chief Legal Officer  Chief Security Officer  Vice President, Public Affairs &amp; Communications</p>

## C. Community-Specific Consultation, Engagement, Agreements and Collaborations

Direct consultation and engagement with Indigenous Nations and groups potentially impacted by Enbridge’s liquid pipeline projects and operations is fundamental to our ability to ensure that our plans and activities address issues of importance to those communities. We therefore also take a systems-based approach to identifying Indigenous communities impacted by our liquid pipeline projects and operations, as well as their unique interests and concerns. Wherever possible, we work jointly with interested local Indigenous Nations and groups to mitigate risks and/or concerns and expand social, environmental and economic benefits. This includes re-routing and other changes to design and operation. Our experience has been, and continues to be, that community-specific agreements help establish a framework that enables the trust required to build and ultimately maintain long-term relationships.

### Community-Specific Consultation, Engagement, Agreements and Collaborations

Performance Area	Focus	Description
Consultation and Engagement on Project Planning and Development	Project Engagement Plans address requirements and opportunities specific to an individual project. Mandated activities include early consultation with Indigenous communities to secure their involvement in matters related to engineering, routing, cultural and environmental protection, construction, land management, procurement and the long-term operation.	Efforts to enhance the participation of Indigenous Peoples in risk assessment and mitigation planning create meaningful opportunities to influence project scope and design as well as ongoing strategies for safety, cultural protection and environmental stewardship.  Project engagement plans are intended to be proactive and enable two-way interaction and problem solving designed to obtain local input on Enbridge’s projects and ongoing activities, and to ensure the company both understands and acts on that input. These plans identify and prioritize issues, tailor engagement methods according to community needs, and develop mitigation measures and processes to respond to specific issues and risks.  Processes include mapping, impact assessment, objectives and target setting, and systems for information management and tracking Indigenous engagements and commitments.
Lifecycle Approach	Regional Engagement Plans address the need to maintain relationships with Indigenous communities at an operations level across the life cycle of the Enbridge’s assets. These plans also help ensure appropriate staffing (including staff and contractor training and continuity) to provide the basis for ongoing trust and mutual problem solving.	In order to take advantage of synergies between Enbridge’s different businesses (oil and gas pipelines, natural gas utilities, power and renewables), as well as geographic overlap between different Indigenous communities, these plans provide a consolidated approach at regional basis vs. an individual facility basis. They are a reflection of the company’s desire to move beyond transaction-based relationships during project development into more enduring and longer term relationships.

## Community-Specific Consultation, Engagement, Agreements and Collaborations

Performance Area	Focus	Description
Economic Inclusion	Socio-Economic Participation Plans can be designed to meet the unique social and economic needs of different Indigenous communities.	Opportunities for economic inclusion can range from provision of direct training and employment programs that build transferrable skills, to procurement of goods and services from Indigenous businesses and/or individuals that provide opportunities for contracting and business development.
Community-Specific Agreements, Collaborations	Issues addressed through community-based agreements and/or collaborations can include: <ul style="list-style-type: none"> <li>• Capacity Development</li> <li>• Safety</li> <li>• Monitoring</li> <li>• Socio-economic Opportunities</li> <li>• Cultural and Environmental Protection</li> <li>• Dispute Resolution</li> </ul>	Enbridge also enters into community-specific agreements or collaborations that provide a platform for developing ongoing relationships. These can take the form of a formal agreement or a special initiative which can be short- or long-term, and project-specific or relationship-based. They are usually co-designed to enable both the company and the community involved to jointly address a range of interests, needs and opportunities over time. Focus areas can include capacity building, joint goals for economic and procurement opportunities, enhanced engagement on safety issues (such as safety roundtables, emergency response training and field trips that support awareness and oversight), and/or initiatives related to cultural protection and environmental stewardship. They can also involve mediation and negotiation on specific issues such as easement renewals, as well as provide agreed-upon mechanisms for addressing grievances and/or dispute resolution.
Community Investment	Aligning corporate commitments to community investment with community needs and corporate priorities.	Our community investment program seeks to identify opportunities that take into account cultural norms, are participative in nature and responsive to concerns and interests expressed by Indigenous communities. These investments can be part of our consultation and engagement plans at a project or regional level. Or they can be stand-alone agreements for community investment funding that Enbridge enters into with individual Indigenous communities.

### Pathways to Stronger Relationships

“Consultation”, “engagement”, “agreements”, “collaborations.” These terms can have different meanings depending on who you talk to and the context in which they are being applied. For that reason we try to use them in this Discussion Paper in a way that is accompanied by a tangible example of the activity or process involved.

At a more general level, our experience has been that although the terms “consultation” and “engagement” can sometimes be used interchangeably, “consultation” usually refers to a legal requirement, while “engagement” is often used to describe interaction on issues of broader mutual interest, such as training and education, community development or environmental sustainability.

Similarly, “agreements” and “collaborations” are terms that can often be intertwined because they both require mutual approval. In this paper we use the term “agreement” to describe a more formal relationship that establishes mutual benefits and obligations, and we use the term “collaboration” to refer to a less formal relationship that can involve special projects, initiatives or undertakings on a shared interest that has been jointly developed and executed.

All four of these measures can interact with each other to create a pathway for the development of a working relationship between a company and Indigenous Peoples affected by business activities. Although the pathway can vary according to the specific communities and activities involved, our experience has been that outcomes from consultation and engagement can provide the basis for agreements and collaborations. It is not a given that consultation and engagement automatically leads to more formal agreements or collaborations, but in all cases it improves the dialogue and leads to a better understanding of both sides’ perspectives. The intent is that engagement, consultation, agreements and collaborations all operate in service of improving relationships.

## D. Performance

Measurement and evaluation provides the basis for performance improvement. Enbridge is adopting measures that are widely used in the energy and resource sector to track and evaluate outcomes from the Company's policies, programs and practices on Indigenous issues. They are generally a mix of quantitative and qualitative indicators. However, because the number of meetings held with Indigenous communities does not provide a measure of the quality of the relationship, this is an evolving area for us as well as other companies in our sector.

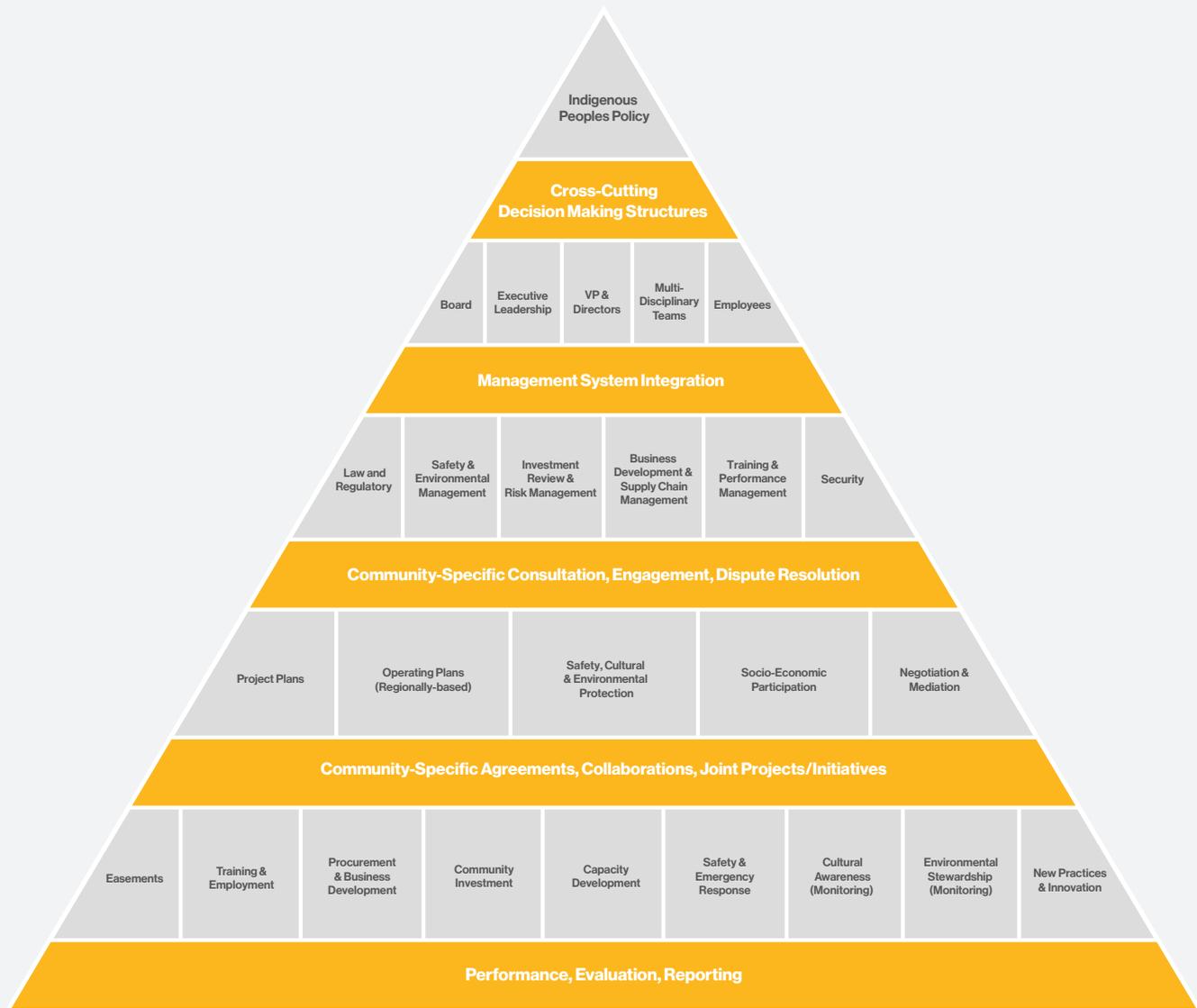
Performance		
	Key Performance Areas	Key Performance Indicators
1	Consultation and Engagement	# of interactions; # and scope of changes made as a result of input from Indigenous communities; # of agreements and/or collaborations entered into
2	Joint Activities/ Projects	Safety, cultural and environmental protection
3	Community Benefits: Training and Education	# of participants trained/ # of dollars invested
4	Community Benefits: Employment, Contracting and Business Development	# of transactions created/ # of dollars involved
5	Community Benefits: Community Investment	Investment in self-defined community development goals
6	Legal Challenges	# of legal challenges and current status
7	Documentation and Delivery	Formal commitments and agreements documented and tracked internally for delivery
8	Quality and Assurance	Key findings from management and/or 3rd party reviews to understand, assess and improve adequacy and effectiveness of outcomes
9	Development of (New) Targets and Metrics	Increased impact through improved measurement and evaluation

## E. New Practices and Innovation

Because innovation and the development of new practices are both keys to performance improvement, Enbridge pursues opportunities to work with interested Indigenous communities on new approaches. The Company is currently engaged in joint projects or initiatives with Indigenous Nations and groups residing near our projects and operations that are co-designing and testing new approaches to monitoring, water protection, employment and supply chain management across the life cycle of our assets.

New Practices and Innovation	
Priority Areas for Co-Designed Projects and/or Initiatives	
Monitoring, Water Protection, Employment, Supply Chain Management	

**FIGURE 1: OVERVIEW – Implementation Framework  
Enbridge Indigenous Peoples Policy**



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# 6. Integrating Our Indigenous Peoples Policy in Key Management Systems: A Focus on Investment Review

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## Indigenous Due Diligence in Investment Review

**Note:**

Risks to and from Indigenous rights (“Indigenous rights risks”) arise from proposed Enbridge investments in projects, assets or operations either in, or in proximity to, areas subject to the assertion of Indigenous rights to land, air and water. Consistent with Enbridge’s Indigenous Peoples Policy, an assessment of Indigenous rights risks must be conducted as an element in pre-investment due diligence. The assessment must be based on an analysis of the potential for collaboration with local Indigenous communities on shared social, economic and environmental concerns and opportunities.

As part of our investment review process, Enbridge formally evaluates risks related to environmental, social and governance matters. In a situation that would potentially involve the interests of Indigenous Nations and groups, this would include an analysis of the land in question, known Indigenous sites or interests in that land, other limitations on that land, a review of historical uses and potential challenges to other projects in that area, and an analysis of the Indigenous communities and their claim to the areas. Additionally, the assessment would also consider the broader context that exists in that jurisdiction at the time of the proposed investment, including the current regulatory, political and social contexts. If the investment opportunity involves a potential partner, the partner’s policy, actions and history on Indigenous issues would also be relevant. Finally, the assessment would comment on the ability of our management systems, practices and other processes (e.g. voluntary agreements, regulatory review) to mitigate potential risks. Outcomes from our investment review processes are used to advise our Investment Review Committee of risk levels and recommended mitigation options, and are incorporated into final recommendations made to the Enbridge Board of Directors.

In 2017 our Investment Review group undertook a *Best Practices in Capital Allocation* initiative, which updated our processes for assessing, evaluating and mitigating risks in investment review processes at Enbridge. The updated processes apply to all proposed Enbridge investments, including investments in new projects and ongoing operations as well as minority or majority investments in joint ventures or partnerships. In relation to risks to and from Indigenous rights (“Indigenous rights risks”), the following definitions, questions and considerations have been added to our due diligence processes (see process summary in Flowcharts).

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## Definition: Low Challenge to Collaborative Approach with Local Indigenous Peoples (“IP”)

The concerns of local Indigenous Peoples are likely to be addressed through the application of management systems and/or sufficient project flexibility.

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**Definition: Medium Challenge to Collaborative Approach with Local Indigenous Peoples**

The proposed investment will, or is likely to be perceived to affect local Indigenous Peoples **and** it is **likely** that legal, reputational and operational risk can be managed through a proactive approach of consultation, mitigation and mutual benefits. Some indicators of the likelihood that these risks can be managed include, among others, a history of the affected community participating in energy projects when they believe they are treated respectfully, potential adverse impacts are effectively mitigated, and they benefit from the project.

Due to changing views and expectations among some Indigenous Nations and groups, some communities that previously participated in energy infrastructure projects may no longer do so, or may demand additional safeguards from project proponents. Due to this potential unpredictability, proposed investments with these attributes are not classified as low risk.

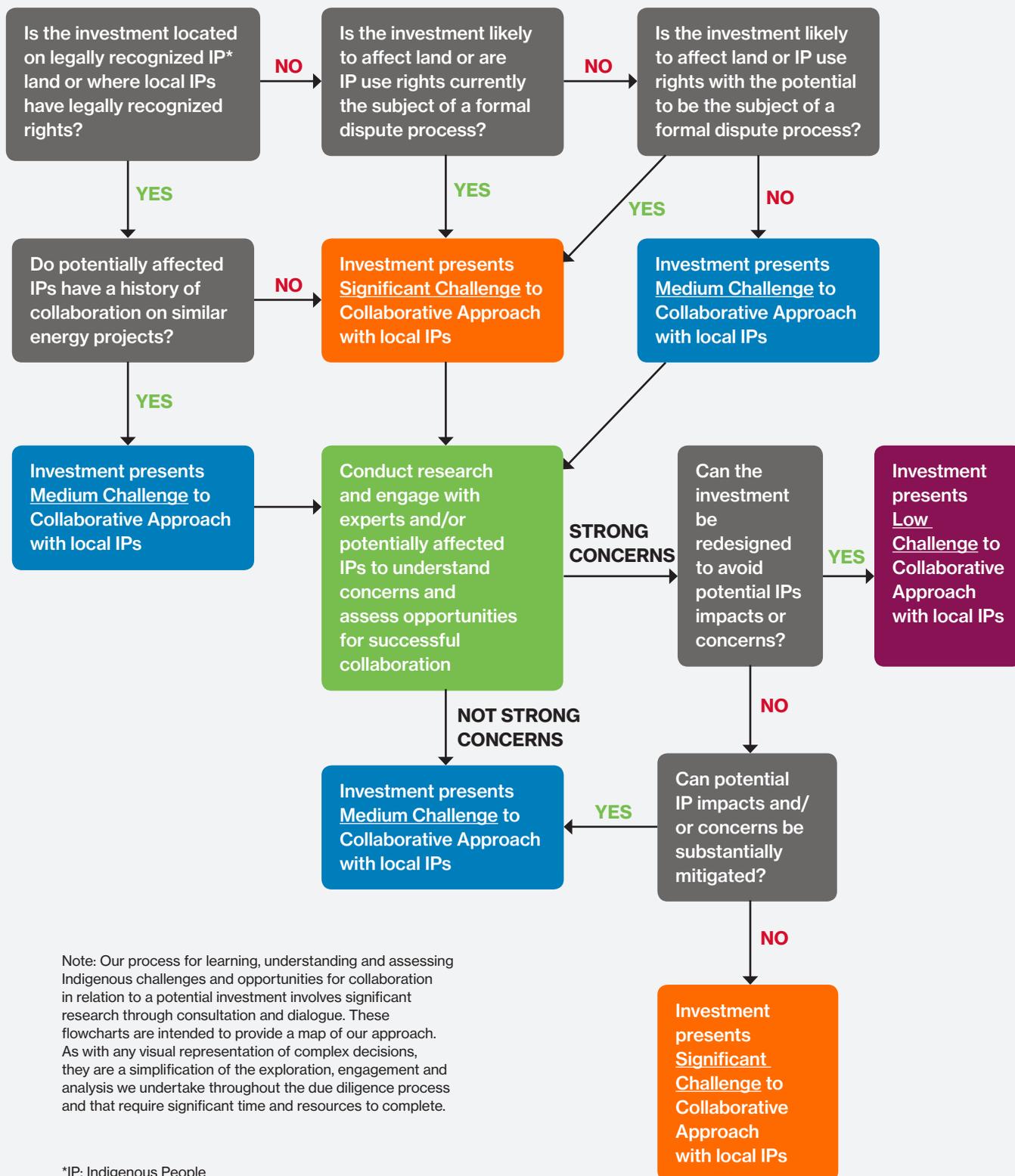
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**Definition: Significant Challenge to Collaborative Approach with Local Indigenous Peoples**

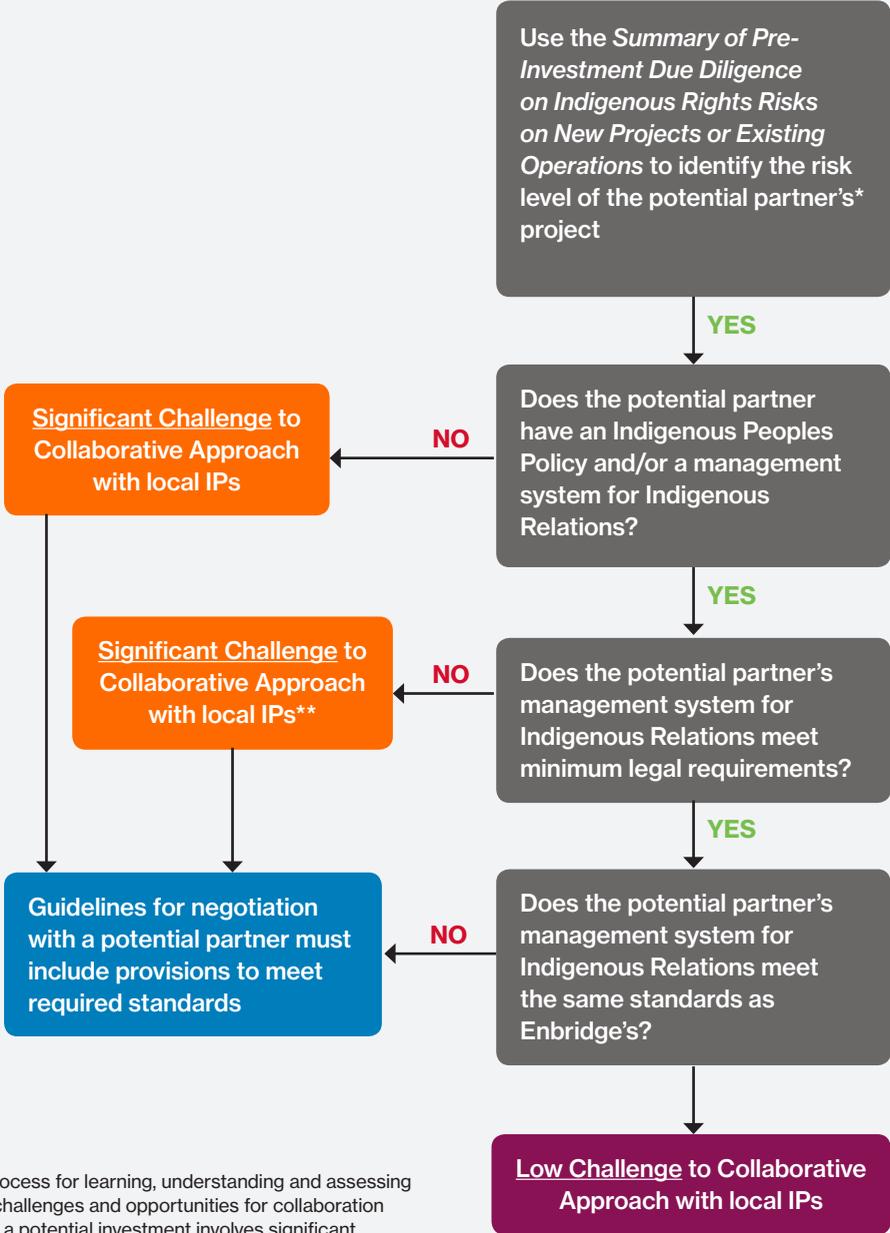
The proposed investment will, or is likely to be perceived to affect local Indigenous Peoples **and** it is **uncertain** whether legal, reputational, and operational risk can be managed—even through robust company efforts and regulatory compliance. The company will therefore need to devote significant resources to engaging with the affected Indigenous Nations and groups. To address concerns, it may be necessary to create enhanced opportunities for joint environmental and social monitoring initiatives, help affected groups obtain independent expertise, and provide mutual benefits. In some instances, this may be sufficient to address Indigenous concerns. Some groups may, however, still be opposed to energy infrastructure development, or may believe that the advancement of the proposed project or operations in question will affect their interests or otherwise compromise their legal claims to traditional cultural rights and/or positions they are currently taking on related matters with federal, state/provincial, or local governments.

## FLOWCHART A: Indigenous Rights Risks Decision Tree

### Summary of Pre-Investment Due Diligence on New Projects or Existing Operations



**FLOWCHART B: Indigenous Rights Risks Decision Tree**  
**Pre-Investment Due Diligence for Investments in Mergers/Acquisitions**



Note: Our process for learning, understanding and assessing Indigenous challenges and opportunities for collaboration in relation to a potential investment involves significant research through consultation and dialogue. These flowcharts are intended to provide a map of our approach. As with any visual representation of complex decisions, they are a simplification of the exploration, engagement and analysis we undertake throughout the due diligence process and that require significant time and resources to complete.

\*Potential Partner or Acquisition Prospect  
 \*\*IP: Indigenous People

# 7. Applying Our Indigenous Peoples Policy: A Focus on Enbridge's Line 3 Replacement Program

Enbridge's Indigenous Peoples Policy and Implementation Framework provide principles and practices that guide our efforts to respect Indigenous rights and establish good working relationships with Indigenous Peoples affected by our business activities.

But like any set of high-level principles and practices, how these concepts get applied is continuously informed by the quality of the relationships that exist on the ground on a personal and day-to-day basis. In addition, our experience from other projects that have involved controversy over Indigenous rights—such as our Northern Gateway<sup>1</sup> Project<sup>1</sup> in 2015 in Canada and our minority investment in the Dakota Access Pipeline<sup>2</sup> in 2016 in the U.S.—has also influenced our thinking and actions.

Our approach to Indigenous consultation and engagement on Enbridge's Line 3 Replacement Program in 2017–2018 provides the best real-time example of how our learning on Indigenous inclusion in energy infrastructure has evolved—and continues to evolve. Key components of that strategy are summarized here for discussion.

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## Background and Current Status

Enbridge's [Line 3 Replacement Program](#) is the largest project in our history. It will replace 1,031 miles (1,660 kilometres) of existing aging pipeline and associated facilities on both sides of the Canada-U.S. border with the newest and most advanced pipeline technology and provide improved capacity to support U.S. and Canadian demand for Canadian crude oil. The project will include the replacement of existing pipelines in the Canadian provinces of Alberta, Saskatchewan and Manitoba, and in the U.S. states of North Dakota, Wisconsin and Minnesota<sup>3</sup>.

Our Line 3 Replacement Program also involves the most comprehensive Indigenous consultation and engagement initiative in Enbridge's history.

In Canada, Enbridge engages directly with Indigenous Nations and groups both inside and outside of regulatory processes. For us, best practice means we strive to consult as early as possible in the project planning stage, before filing a proposal or application. The federal government has a legal obligation to consult directly with Indigenous Nations and groups affected by a proposed project. In addition, at the direction of the federal regulatory agency responsible for pipelines—the National Energy Board—Enbridge also consulted with over 150 different Indigenous groups as far away as 187 miles (300 kilometres) from the existing pipeline right of way across the provinces of Alberta, Saskatchewan and Manitoba. Results from these consultations informed final approval of the project by the federal government in 2016 and were reflected in conditions attached to the certificate authorizing its construction and operation. Construction commenced in 2017 and will be completed in

<sup>1</sup> For further background on Enbridge's Northern Gateway Project please see page 77 in our [2016 CSR Report](#)

<sup>2</sup> For further background on Enbridge's minority investment in the Dakota Access Pipeline please see page 77 – 78 in our [2016 CSR Report](#)

<sup>3</sup> Maps and further information on Enbridge's Line 3 Replacement Program are available on the [program's website](#)

2019. Currently, we have no legal challenges based on Indigenous rights to our Line 3 Replacement Program in Canada.

In the U.S., the federal government has a similar legal obligation, as part of regulatory review and approval processes, to consult potentially affected Tribal Nations. In addition, Enbridge has and continues to engage directly with Tribal leadership, staff and members to understand and address their concerns through changes in our plans and/or practices. Construction in Wisconsin has been completed and is substantially complete in North Dakota. Our Line 3 Replacement Program is still subject to regulatory review in Minnesota, where it has faced legal challenges on a variety of different issues. Local Tribal Nations are participating in this current review process, which will conclude in 2018.

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### **Line 3 Replacement Program: Key Components in Enbridge's Approach to Indigenous Involvement**

- 1. Early Consultation and Engagement** during project design and planning phases
- 2. Lifecycle Approach** includes engagement during operating and decommissioning phases (asset lifecycle)
- 3. Demonstrated Change and Responsiveness** adjustments to Enbridge plans and/or practices based on community input
- 4. Joint Initiatives on Safety, Cultural and Environmental Protection** to address key concerns
- 5. Socio-Economic Participation** to maximize opportunities and benefits
- 6. Investment** in community-identified priorities
- 7. Community-Specific Agreements or Initiatives** to provide a framework for an ongoing relationship
- 8. Collaboration and Dispute Resolution** can include improved access to information and/or to mediation or negotiation and/or to other joint activities

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## **Three Performance Areas for Improvement**

Within this framework, the following three performance areas were prioritized for the application of new strategies and practices aimed at improving Enbridge's relationships with Indigenous communities along our Line 3 Replacement Program corridor.

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### **1. Community-Specific Collaborations and Agreements**

#### **Improved Practices and Innovation**

We recognize that meaningful consultation with Indigenous Peoples on our oil pipelines requires an approach that enables both Enbridge and Indigenous communities to jointly address a range of interests, needs and opportunities over time. This means that in both Canada and the U.S. we engage outside of government-to-government consultation processes with Indigenous Nations and groups where our projects and operations affect their lands and interests. More specifically in the U.S., this includes engaging with Native American Tribes where our oil pipelines directly cross their Tribal lands, as well as areas outside of Tribal land but upon which local Indigenous communities have retained rights to fishing, hunting and cultural activities. It also means that in both the U.S. and Canada—where there is interest among the Indigenous communities and/or groups—we enter into voluntary agreements that can provide a basis for long-term relationship building.

### **Significant Outcomes to Date**

- We have secured 55 agreements representing a majority of Indigenous Nations and groups directly along the Line 3 Replacement Program corridor in Canada.
- We have improved communications and commitments on safety and maintenance matters with U.S. Native American Tribes with whom we have easement agreements.

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## **2. Socio-Economic Participation**

### **Improved Practices and Innovation**

In 2016, we strengthened our efforts to achieve greater economic inclusion of local Indigenous communities by establishing a centralized team, within Enbridge's broader Supply Chain Management function (SCM), dedicated to expanding opportunities for socio-economic participation by Indigenous groups. This team includes specialists in Indigenous business development who work directly with interested Indigenous communities to further identify and define socio-economic participation opportunities that meet their needs and interests. They also support compliance with Tribal requirements for employment and training related to our activities and operations on Tribal land.

These changes have led us to adopt a multi-pronged approach to responding to local community needs and interests based on opportunities for both direct contracting (through pre-qualification for Indigenous businesses that meet Enbridge requirements for safety, quality and technical capability), and through indirect sub-contracting for labour, supplies and employment.

This approach has included introducing a database on Indigenous-owned businesses and establishing robust requirements for Indigenous socio-economic participation into all RFPs for contractors. As part of the RFP process, our contractors must submit a plan for inclusion of Indigenous businesses in any non-self-performed work, which then becomes part of their contractual obligation to Enbridge. Significant weighting is in place on evaluation of contractor socio-economic plans to ensure meaningful award decisions are made and contractor plans for Indigenous socio-economic inclusion are actively managed through execution to ensure compliance. We also provide enhanced access to training-to-employment opportunities, including construction training opportunities and employment support programs.

### **Significant Outcomes to Date**

- As of Quarter 2 2018, our Line 3 Replacement Program in Canada and the U.S. has created approximately \$87 million in Indigenous economic opportunities. This includes contracting, labour, business development and training initiatives with Indigenous businesses and groups. We are currently targeting the creation of \$250 million in Indigenous economic benefits through project completion in Canada, and \$100 million (U.S. Dollars) in the U.S. This represents an ambition of achieving up to a tenfold increase in Indigenous economic participation over our most recent project of comparable size and scope.
- Together with interested Indigenous communities, we are currently piloting a labour strategy that includes a web-based labour portal in Canada that can identify and connect qualified community members with interested contractors and trade unions. This initiative creates an opportunity for interested Indigenous organizations to provide a labour brokering service to Enbridge, with the goal of increasing the number of Indigenous workers on the project while also enabling participating communities to develop a revenue stream.

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### 3. Safety, Cultural and Environmental Protection

#### Improved Practices and Innovation

As a result of input received from Indigenous Nations and groups on their concerns related to safety and the protection of cultural and environmental resources and values, we made changes to project design, planning and routing for our Line 3 Replacement Program in both Canada and the U.S. Community-based input has also led to increased Indigenous participation in archeological work, monitoring and cultural studies/surveys to inform environmental and cultural protection plans, and to increased Indigenous inclusion in emergency response planning and exercises. Indigenous Nations and groups along our rights of way want increased transparency and access to information regarding pipeline maintenance, integrity and operations, and we are responding by providing this information on a more regular basis.

#### Significant Outcomes to Date

We have developed a series of new joint initiatives, partnerships and projects in the following areas:

##### Safety

- We increased our investment in community-based capacity and resources for emergency response.
- New safety-focused initiatives also took place between Enbridge and interested Minnesota Tribal Nations and county and state emergency response officials to enhance coordination on cultural awareness and pipeline safety issues.

##### Environmental and Cultural Protection

- We provided financial support for traditional knowledge and land use studies across the Canadian right of way. At the request of interested Tribal Nations in Minnesota, we are funding a traditional cultural resources survey. The scope of this \$6-7 million survey extends beyond regulatory requirements and is being carried out through a collaboration involving a number of different Tribes. For more information see: [www.startribune.com/cultural-survey-by-tribes-for-enbridge-pipeline-could-be-largest-effort-of-its-kind/489369771/](http://www.startribune.com/cultural-survey-by-tribes-for-enbridge-pipeline-could-be-largest-effort-of-its-kind/489369771/)
- We utilized Indigenous monitors during 2017 pre-construction and construction activities in Canada, and during 2017 construction activities in the U.S., to ensure Enbridge's compliance with commitments and conditions requiring assessment and protection of Indigenous heritage resources and culturally sensitive areas.
- We provided support for enhanced community-based capacity and resources for environmental management and monitoring in Canada.
- We embarked on a joint pilot project with interested Indigenous communities in Canada that involves water quality monitoring at a river crossing for our Canadian mainline system (which includes Line 3). This joint project is also exploring a web-based platform to support greater involvement by community elders and youth in issues related to pipeline safety and water protection.
- In response to what the Canadian Government heard from Indigenous groups during consultations on our Line 3 Replacement Program, when the government announced approval of the project in November 2016 it also announced that it would:
  - Provide \$21.6 million in funding over 5 years to establish an Indigenous Advisory and Monitoring Committee (IAMC) that will work with the federal regulator (the National Energy Board) and Natural Resources Canada to oversee environmental and cultural protection throughout the lifecycle of Line 3; and
  - Support a new Economic Pathways Partnership between interested Indigenous communities and the federal government that will make it easier for Indigenous groups to access existing federal programs that enable them to participate in and benefit economically from the project. For more information please visit: [www.canada.ca/en/natural-resources-canada/news/2016/11/government-canada-announces-pipeline-plan-that-will-protect-environment-grow-economy.html](http://www.canada.ca/en/natural-resources-canada/news/2016/11/government-canada-announces-pipeline-plan-that-will-protect-environment-grow-economy.html) and [www.nrcan.gc.ca/energy/resources/19188](http://www.nrcan.gc.ca/energy/resources/19188)

- Enbridge is supportive of enhanced federal programs for monitoring and economic inclusion and we participate in them as requested. In addition, one of the regulatory conditions for approval of the project was that we, in consultation with potentially affected Indigenous groups, develop an Aboriginal Construction Monitoring Plan to enhance participation by Aboriginal groups during construction. This initiative is separate from the IAMC initiative described above. It includes: hiring of independent Indigenous monitors as part of project construction teams, public reporting of results from these monitors, and additional cultural assessments, mitigation planning and community cultural tours. To read the Aboriginal Construction Monitoring Plan for the Line 3 Replacement Program please visit: [apps.neb-one.gc.ca/REGDOCS/Item/Filing/A84731](https://apps.neb-one.gc.ca/REGDOCS/Item/Filing/A84731). Enbridge is also required to regularly file Aboriginal Consultation Reports that describe continuous consultation on the project. To read these reports please visit: [www.enbridge.com/l3monitoring](http://www.enbridge.com/l3monitoring).

## LINE 3 REPLACEMENT PROGRAM SKILLS AND TRAINING

### U.S. - Heavy Duty Equipment Operator Training

In Minnesota, Enbridge facilitated the introduction of Local 49 (Heavy Equipment Operators) with interested Tribes to start discussions on training opportunities. As a result, the union hosted a six-week training program, and eight tribal members graduated with a pre-apprentice certificate that enables access to full-time employment. Due to its success, the union will host a similar training program in the summer of 2018.

### Canada - Training to Employment

To enable Indigenous communities to gain long-term sustainable benefits from our Line 3 Replacement Program, we provide training to employment programs. Training programs for Line 3 in Canada have to date resulted in equipment and “pipeline 101” training for approximately 256 Indigenous individuals, with another 90 participants scheduled to be trained in spring 2018. These training programs focus on transferrable skills. Other areas for skills development opportunities include welding and environmental monitoring and management.

### Canada and the U.S. - Employees and Contractors

We provide Indigenous awareness training for our employees and contractors working on our Line 3 Replacement Program in support of our commitment to fostering an understanding of the history, traditions, rights and culture of Indigenous peoples among our employees and contractors. Through the training, we strive to build the capacity of our employees and contractors so that they can better communicate and engage with local Indigenous peoples, and can acquire the tools necessary to build trusted and respectful relationships.



Experienced pipeliner Leo Cardinal, who lives near Goodfish Lake, Alberta, has been working on Enbridge's Line 3 Replacement Program across the Canadian prairies, and is a 10-year veteran of various industrial and trades positions. In October 2017, he was one of about 200 Indigenous men and women working for Enbridge's contractors on the Line 3 Replacement Program.

# 8. Advancing Our Approach

Enbridge representatives visited Rosetown, and Outlook, Saskatchewan, and Provost, Alberta in advance of Line 3 Replacement Program construction.



Although our Line 3 Replacement Program is currently our largest project, Enbridge is equally focused on improving Indigenous engagement across all of our projects and operations in Canada and the U.S., including other Liquid Pipelines as well as in our Gas Transmission and Midstream business, and our Natural Gas Distribution business. Priority areas include cultural knowledge, environmental management, community investment, grievance procedures, workforce cultural awareness and education, and Indigenous employment. Some specific examples of new approaches and practices in each of these areas are provided below.

## Cultural Knowledge

### Liquid Pipelines, Ontario, Canada

Extensive consultation on cultural protection on our Line 10 Westover Segment Replacement Project in Ontario resulted in the hiring of 15 archeological monitors from local Indigenous communities, who worked collaboratively with archeologists on a significant archeological site and re-routing of the project around two archeological sites. Capacity funding was provided to support additional analysis of reports and findings as well as identifying mitigation measures.

### Gas Transmission and Midstream, Northeast U.S.

In support of natural gas projects in the east coast of the U.S., Enbridge proactively engaged four Tribes with ancestral interests along construction rights of way in New York, Connecticut, Rhode Island and Massachusetts. This close coordination involved support for training Tribal youth in the identification and documentation of religious and cultural properties of significance to Tribes, which helped foster learning and enhanced awareness among Enbridge employees and contractors on Tribal history and culture.

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## Environmental Management

### Liquid Pipelines, Northwest Territories, Canada

In early 2018, Enbridge entered into an Environmental Management Agreement (EMA) with five First Nations on the Line 21 Segment Replacement Project in Canada's Northwest Territories. The EMA establishes a structure and process for addressing their concerns about the replacement project and ongoing operations of Line 21. Among other things, it provides a framework for engagement on monitoring, information sharing and performance evaluation.

### Gas Transmission and Midstream, British Columbia

We have two full-time monitors from local Indigenous communities overseeing the impact of two natural gas projects in British Columbia on two endangered caribou herds. The monitors examine the areas around the projects for caribou tracks and other signs, and they ensure that any wildlife trails along the projects' footprints remain open and accessible for all animals to use. We are also training construction crews on how to work without disturbing a threatened Northern Mountain Caribou herd and are supporting a maternal penning project.

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## Community Investment

We partner with and support Indigenous communities near our projects and operations on their own priorities for community development. These can include educational and cultural initiatives as well as projects and volunteer activities focused on safety and other aspects of community wellbeing and sustainability. In 2017, we provided more than \$1.7 million in community investment support to Indigenous communities in Canada and the U.S. Some examples include:

- **Engineering Futures:** A partnership with Edmonton Catholic Schools' Braided Journeys Program (Alberta) that matches Indigenous high school and junior high girls to female engineering mentors at Enbridge.
- **Cushing Native American Heritage Festival:** A collaboration with the Downtown Cushing Revitalization Association (Oklahoma) in support of activities to celebrate and educate on Native heritage and beliefs.
- **Enbridge's Aboriginal Home Program:** In partnership with Habitat for Humanity, this program supports building homes for Indigenous families across Canada as part of the Jimmy and Rosalynn Carter Work Project.



Members of the Louis Bull Tribe, in central Alberta, and fellow graduates of the Iron & Earth solar skill program install solar panels on the roof of a community daycare facility in October 2017. Iron & Earth hopes to upskill 1,000 oil, gas and coal workers, as well as Indigenous community members, as solar specialists through hands-on installations.

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## Addressing Concerns and Resolving Disputes

### All Business Units

As part of our consultation and engagement processes, we respond to community concerns through direct communication and management systems that ensure any concerns identified are documented, tracked and addressed. In some cases, we enter into formal project agreements with specific communities to provide extra assurances regarding cultural and environmental protection or community participation in construction, maintenance and monitoring activities. In cases where concerns pertain to the cumulative effects of development, we provide information about the steps we have taken to minimize these effects, such as following an existing right of way. We share our environmental protection plans and incorporate appropriate mitigation measures. Where appropriate, we escalate engagement to include other subject matter experts as well as additional senior leadership within Enbridge. When these steps do not resolve the concerns, we meet with the community to discuss additional actions that we could take, including mediation and negotiation.

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## Workplace Cultural Awareness and Education

### All Business Units

Enbridge provides our employees and contractors with cultural awareness training to support our commitment to fostering an understanding of the history, traditions, rights and cultures of Indigenous Peoples. Through the training, we strive to build the capacity of our employees and contractors to better communicate and engage with local Indigenous Peoples, and to acquire the tools necessary to build trusted and respectful relationships. In 2017, over 450 employees and contractors received this training in five of our operating regions in Canada and the U.S. We will increase this number in 2018 and will develop online awareness training.

We are also committed to the goal of increasing Indigenous employment at Enbridge to ensure that our demographics are representative of the demographics of the regions in which we operate. We have a working group of Indigenous and other interested employees that support educational initiatives aimed at supporting a workplace culture that is inclusive.

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## Indigenous Education and Employment

### All Business Units

Enbridge works with Indigenous Nations and groups, local schools, governments, non profits and our contracting workforce to help provide opportunities for the development of transferrable skills. This includes initiatives that provide training in career development, safety, employment readiness and construction-specific trades to Indigenous communities located near our projects and operations. In 2017, we also supported training for an innovation project involving solar panel installation on a community daycare facility in partnership with [Iron & Earth](#).

## NORLITE PIPELINE: Indigenous Training and Employment

### Background

Enbridge asked our prime contractors on the Company's Norlite Pipeline Project in northeastern Alberta to participate in an initiative aimed at maximizing contracting opportunities for Indigenous individuals and businesses during the 2016 and 2017 construction season. The goal was to increase Indigenous economic participation in the supply of goods and services to both Enbridge and its contractors.

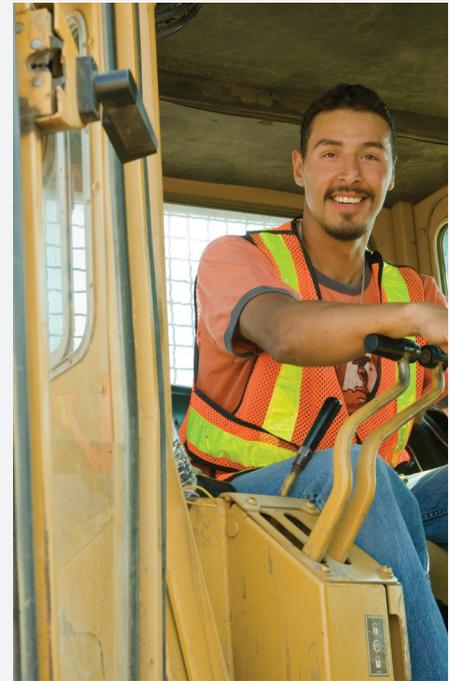
### Approach

Enbridge provided the contractors involved with a new Indigenous Business Database, developed by our Supply Chain Management team, and assisted in the development of socio-economic plans which specifically outlined all of the opportunities for Indigenous businesses to participate as subcontractors in mainline and facilities work.

### Outcomes

At project completion, the total amount spent on Indigenous businesses was close to \$80 million.

On a single pipeline spread alone, one of Enbridge's mainline contractors issued 15 distinct subcontracts to Indigenous businesses or joint ventures – a major improvement over past performance. The extent to which the Norlite contractors embraced this opportunity exceeded our expectations. They not only considered and hired Indigenous businesses from the Indigenous Business Database, but they located and added other qualified Indigenous suppliers as well. The two major prime contractors were also able to engage two Indigenous companies in high-value contracts to provide workforce camps for the project.



## SUSTAINABLE ENERGY: Gas Distribution Businesses

Many of the Indigenous communities that Enbridge's natural gas distribution utilities in Ontario engage with have a strong interest in advancing their own energy security and sustainability. We are currently working with some of these communities to identify opportunities to collaborate on locally-based projects that can reduce utility costs and GHG emissions.

One of Enbridge's gas distribution businesses in Ontario, Union Gas has been approved for grant funding from the Ontario government which will enable the expansion of its natural gas system to supply three Indigenous communities that currently rely on propane and higher-cost electricity to heat their homes. Once these communities are on residential gas supply from Union Gas, they will be eligible to access our Home Weatherization Program (HWP), which provides qualified customers with initial and final energy audits, basic water saving measures, a programmable thermostat, a carbon monoxide alarm, smoke alarm and insulation installation at no cost to the customer.

# 9. 2017 Enbridge Performance Summary

## 2017 Key Highlights

**More than \$200 million**

spent on materials and services sourced from Indigenous suppliers in Canada and the U.S.

**457 employees & contractors**

received Indigenous awareness training in 2017

**More than \$1.7 million**

invested to support educational, safety and cultural initiatives with Indigenous Communities.

**55 agreements**

through our engagement on the Line 3 Replacement Program, secured with the majority of Indigenous groups along the pipeline route in Canada.



In Canada, Enbridge has achieved Progressive Aboriginal Relations Silver-level certification from the Canadian Council for Aboriginal Business, in recognition of the systems we have in place to work with Aboriginal communities.

## Indigenous Procurement

Measurement and evaluation provides the basis for performance improvement. Enbridge is adopting quantitative and qualitative measures that are widely used in the energy and resource sector to track and evaluate outcomes from the company's policies, programs and practices with Indigenous Nations and groups.

### Dollars Spent on Materials and Services Sourced from Indigenous Businesses in Canada and the U.S. (Canadian dollars)

	2015	2016	2017
Major Projects and Liquids Pipelines (MP/LP)	>\$63 million	\$79 million	\$136.2 million
Union Gas	\$6 million	\$13 million	\$10.5 million
Gas Transportation & Midstream*	—	—	\$70.1 million

### Number of Qualified Indigenous Businesses Identified and Documented in Our Databases

	2015	2016	2017
MP/LP Canada	—	600	760
MP/LP U.S.	—	—	100
Union Gas	—	—	74

\* In British Columbia Only

# 10. Request for Feedback

Enbridge is dedicated to continuous improvement in our transparency and reporting on Indigenous and sustainability issues.

As we outline in this Discussion Paper, 2017 was an important year for us with respect to our frameworks for Indigenous inclusion and engagement. We continued to build a more systemic, comprehensive and inclusive approach. And together with interested Indigenous communities, we developed a number of new locally tailored initiatives.

Given the complex and evolving nature of Indigenous rights as they relate to energy infrastructure development in Canada and the U.S., our work in this area is ongoing, and we will continue to adjust our policies, strategies and practices in response to an environment that is highly dynamic and subject to rapid change.

This Discussion Paper is a starting point for us, and we will continue to provide enhanced reporting on Indigenous issues in our annual Sustainability reports. Throughout the rest of the year, we welcome feedback on this Discussion Paper. You can provide your comments to us online [here](#), and we will also seek opportunities to review the paper with interested parties. At the end of 2018, we will report back on the input we have received and how it will be used to further inform and enhance our practices and approach.

We hope you will share your thoughts and ideas with us.

# 11. Appendix

## Side-by-Side Comparison —Third Party Guidance on International Industry Good Practice on Oil Pipelines vs. Enbridge Practice on Oil Pipelines

Reference: 2017 Foley Hoag LLP Report “[Good Practice for Managing the Social Impacts of Oil Pipelines in the United States](#)” which considers provisions for good industry practice on Indigenous rights as identified in the following international frameworks:

- the United Nations Declaration on the Rights of Indigenous Peoples (“UNDRIP”);
- the International Finance Corporation’s (“IFC”) Performance Standards;
- the Equator Principles;
- the International Council on Mining and Minerals (“ICMM”) Ten Principles;
- the United Nations Global Compact;
- the Voluntary Principles on Security and Human Rights; and
- the emerging international norm of Free, Prior and Informed Consent (“FPIC”).

This report was produced by Foley Hoag at the request of banks providing project finance to the Dakota Access Pipeline Project to provide guidance specific to the rapidly evolving U.S. context in relation to Indigenous rights and oil pipelines. It includes a review of the U.S. legal framework on community engagement, Tribal consultation and security, and compares that framework to International Industry Good Practice (“IIGP”) on oil pipelines. Although an in-depth discussion of the important legal, historical, and cultural differences between the U.S. and Canadian approaches to relations with Indigenous Peoples is beyond the scope of this report, Foley Hoag’s recommendations reflect widely-recognized international norms for responsible corporate behavior when the rights and interests of Indigenous Peoples are potentially impacted. For this reason we believe they provide a useful high-level benchmark against which to assess our own practices at Enbridge on Indigenous consultation, engagement, and security in Canada and the U.S. The following comparison table has been developed as a starting point for discussion and analysis of opportunities for performance improvement.

### About Foley Hoag LLP

Foley Hoag LLP is a global law firm with a Corporate Social Responsibility (“CSR”) practice that helps multinational and sovereign clients adopt strategic policies to prevent and resolve conflicts. Attorneys in Foley Hoag’s CSR practice have local and global experience regarding both the legal requirements and corporate best practices related to engagement between companies and Indigenous communities, as well as extensive experience facilitating dialogue. Gare Smith, Chair of Foley Hoag’s CSR practice, has worked on human rights issues affecting Indigenous Peoples for over 35 years. His experience includes heading the U.S. delegation that helped draft the U.N. Declaration on the Rights of Indigenous Peoples. Amy Lehr, Counsel, formerly served as a legal advisor to the U.N. Special Representative on Business and Human Rights.

**A. Foley Hoag Recommendations on General Consultation and Community Engagement**

Pipeline companies need to be proactive in engaging all potentially affected stakeholders through practices like the ones listed below.

*(Please Note: It is important to understand that because Indigenous Peoples have distinct rights, they are more than stakeholders. Accordingly companies like Enbridge have distinct policies, management systems and practices for addressing Indigenous rights and building relationships with Indigenous Nations and groups. That said, in a large company some of the cross-cutting management systems developed to support stakeholder engagement can also help provide the foundation for improved performance on Indigenous engagement. See Part B in this Appendix for a discussion of how Foley Hoag's recommendations on good international practice for engagement with Indigenous Peoples compare with current Enbridge practices. Part A (below) focuses more generally on good practice for consultation with stakeholders.)*

A.1	<p><b>Ensure appropriate staffing expertise and capacity:</b> At an early stage of a project, before a company seeks a permit, it should hire staff with expertise in community engagement who can dedicate the necessary time to this activity. Companies should strive for continuity in staffing so that relationships and trust with local communities can be established.</p>	<p>Enbridge has adopted a comprehensive approach to managing the planning and execution of all of our engagement activities with local stakeholders, from the early project planning stage through completion of construction, and over the full lifecycle of our assets in Canada and the U.S. this includes the hiring and early deployment of individuals with on-the-ground experience and expertise. In addition to deploying frontline specialists proactively, the development and execution of our stakeholder engagement plans involves the participation of employees at various levels of seniority across multiple disciplines, business units and operating regions.</p>
A.2	<p><b>Conduct stakeholder mapping:</b> A company should conduct stakeholder mapping on an ongoing basis and for specific projects to better understand the social landscape in which it operates.</p>	<p>We have developed an Integrated Management System for engagement that is scalable and incorporates standardized processes, procedures, tools and templates to enhance effectiveness and provide consistency across all of our projects and operations. It mandates early and ongoing mapping for the purpose of stakeholder engagement. Depending on the nature and location of the project, early-stage mapping enables us to identify opportunities for initiating in-depth discussions on the unique interests and concerns of individual communities as they may relate to the project.</p> <p>We also use this mapping system to identify Indigenous Nations and groups that we believe we need to engage with when developing our projects. It is a tool that can continuously help inform and support the development and maintenance of long-term relationships across operating and decommissioning phases.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>A.3 <b>Create a stakeholder engagement plan:</b> The company should develop stakeholder engagement plans that differentiate between interested stakeholders and stakeholders who are directly impacted by a project. The plan should also identify and focus on stakeholders who are most impacted by the project, or who are marginalized and may require special measures for effective engagement. Ideally, such engagement should begin before stakeholders express concerns about a project or problems are encountered. Such early and transparent engagement should continue throughout the project lifecycle, and may help to minimize the kinds of stakeholder concerns that lead to problems.</p>	<p>Enbridge develops and executes both project-specific engagement plans and broader Regional Engagement Plans that support engagement by our ongoing operations on a regional basis. Each of these plans is intended to include specific programs and/or actions involving stakeholder consultation and engagement. Activities include consultation to secure the involvement of local communities in issues related to engineering, heritage and environmental protection, construction, land management, procurement and the long-term operation of the pipeline.</p> <p>Consultation and engagement plans are developed early in the project and are implemented throughout its lifecycle. They are intended to be proactive and to enable two-way interaction designed to obtain local input on Enbridge's projects and ongoing activities, and to ensure the company both understands and acts on that input. These plans identify and prioritize groups, tailor engagement methods according to community needs and develop mitigation measures and processes to respond to specific issues and concerns. Where a project requires an environmental and social impact assessment by law, we additionally use the findings of those assessments to inform our stakeholder engagement plans.</p>
<p>A.4 <b>Engage in information-sharing:</b> A company should share information proactively about projects, and try to connect personally with potentially affected stakeholders as much as possible to share accurate information about the project. Affected community members should have an opportunity to share their concerns about the project as well.</p>	<p>Enbridge's goal is to engage in information-sharing throughout the lifecycle of a project. Our stakeholder engagement plans are designed to: share information about the project, the company and the regulatory process; assist in the identification of the potential impacts of the project; obtain input; and identify appropriate measures to mitigate stakeholder issues and concerns.</p> <p>Subject matter experts from a variety of disciplines and, in many instances senior company personnel, meet with stakeholders at our public engagement events and individual meetings. We also provide an opportunity for stakeholders to express their concerns about the project through other channels. We document those concerns and address them in project plans and mitigation steps. For example, Enbridge has made adjustments to the route of a proposed pipeline at the request of a landowner or based on stakeholder concerns.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>A.5 <b>Establish a grievance mechanism:</b>  A company should establish a grievance mechanism at an early stage of a project and ensure that it is staffed and monitored so that complaints are not only received but resolved in a timely fashion. Complaints should be tracked and timelines by which issues are likely to be resolved should be regularly communicated to complainants. To be effective, grievance mechanisms need to be culturally appropriate. An effective grievance mechanism should help prevent issues from escalating. If a grievance is significant and the parties cannot reach a resolution on their own, the company should consider bringing in a third party mediator.</p>	<p>Enbridge fully recognizes that some stakeholders may have concerns about our projects and operations, and we respect their desire to voice them. We welcome and encourage constructive two-way dialogue, and take all stakeholder concerns, issues and requests seriously.</p> <p>Through our Regional Engagement Plans, we have created processes to document, track and respond to stakeholder concerns and questions or complaints in each of our operating regions. We offer stakeholders a variety of methods by which to engage with us, including toll-free telephone lines, in-person meetings and dedicated e-mail addresses. We respond to disputes and concerns through direct communication with the individuals and communities involved. Depending on the nature of the concern, relevant Enbridge subject matter experts both guide and participate in our response, with the goal of resolving differences in a timely manner. Depending on the nature of the issue involved, we are also prepared to escalate the response to include direct engagement or intervention by a senior executive with lead accountability. We track the status of disputes, concerns, issues and requests and integrate them into our project and regional engagement plans in order to ensure timely follow-up and to inform performance improvement.</p>
<p>A.6 <b>Rely upon expropriation only as a last option, and provide fair compensation:</b> Given recent pushback against the use of eminent domain for pipeline projects in the United States, companies should rely on expropriation as seldom as possible and only as a last resort. Moreover, companies should evaluate the compensation provided under law and consider whether it is adequate to improve or restore livelihoods. Companies should develop project timelines that allow for time to negotiate with landowners.</p>	<p>We make every effort to engage with private landowners along our project rights of way as early as possible. We work towards achieving mutually acceptable agreements with landowners directly affected by our projects and we consider several factors when assessing compensation for right of way agreements. These factors include, but are not limited to: fair market value of the lands, payment terms, loss of use, adverse effects, nuisance and inconvenience, and any damage to property.</p> <p>Enbridge strives to come to a mutually acceptable agreement with landowners for activities that require land access. If land rights are not acquired upon approval of the project, Enbridge will consider utilizing established regulatory processes to bring resolution to those instances where acceptable resolutions with affected landowners have not been achieved, but this is a last resort and is rarely invoked.</p> <p>As a result of our project-specific engagement plans, by late 2016, we had obtained agreements with 100 percent of the 1,087 private landowners along our Line 3 Replacement Program right of way in Canada, and the project was able to secure support from the Canadian Association of Energy and Pipeline Landowners Associations. In the U.S., Enbridge has similarly entered into agreements with all private landowners along the Line 3 Replacement Program right of way in North Dakota and Wisconsin. In Minnesota, we have reached agreement with 95 percent of private landowners along the proposed project right of way and engagement is ongoing.</p> <p>We also obtained agreements with 100 percent of the 67 private landowners along our Line 10 Westover Segment Replacement Project's right of way in Ontario, Canada.</p>

**B. Foley Hoag Recommendations on Engagement with Indigenous Peoples**

To avoid the risk of project opposition, litigation, and delays, companies should incorporate International Industry Good Practice (IIGP) to develop positive relationships and partnerships. Many of the recommendations below focus on building trust. Companies engaging with Indigenous Peoples may struggle to develop trust due to the challenging history of relations between Indigenous Peoples and U.S. government and, in some instances, with companies. To overcome this, companies need to invest in the relationship and spend adequate time on consultation. This does not always fit neatly within normal project timelines. Yet a failure to spend adequate time can also lead to significant and costly operational delays. If adopted, the following recommendations would help companies better achieve IIGP in the United States.

*(Please Note: Although the Foley Hoag recommendations below pertain to practices related to pipeline development and operation in the U.S. context, where relevant the Canadian context is also referenced in the section Enbridge practice.)*

B.1	<p><b>Develop policy guidance:</b> Companies should develop guidance that clarifies their position on Indigenous Peoples' rights. Such rights are different from those of other stakeholders under international law, particularly collective procedural rights such as consultation and Free Prior and Informed Consent (FPIC). Similarly, tribes enjoy special rights under U.S. law, including collective rights that differentiate them from other groups. Company policies should reflect this. A policy helps provide internal clarity and, if the guidance is public, sets expectations for external parties. The guidance should be based on IIGP and should identify when companies plan to consult or seek FPIC from Indigenous Peoples for:</p>	<p>Enbridge engages on a regular basis with 200 Indigenous Nations and groups in Canada and 30 federally recognized Native American Tribes in the U.S. Our <a href="#">Indigenous Peoples Policy</a> – which was updated in 2016 to include recognition of the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) – establishes the overarching goals and principles that guide our approach to Indigenous People and enhance our ability to develop relationships capable of supporting ongoing social, economic and environmental benefits. This policy is implemented through an integrated framework of management systems and accountabilities that is informed by UNDRIP – and the concept of FPIC – and aligns with regulatory frameworks and government commitments in Canada and the U.S.</p> <p>Further information about the current legal and regulatory context in the U.S. and Canada on Indigenous rights can be found on pages 7-9 in this Discussion Paper. Information on how Enbridge is implementing our Indigenous Peoples Policy can be found on page 10 of this Discussion Paper.</p>
B.1a	<ul style="list-style-type: none"> <li>• Potential impacts on tribal cultural heritage that are subject to protections in the IFC Performance Standards, whether or not consultation under National Environmental Policy Act (“NEPA”) or the National Historic Preservation Act (“NHPA”) is triggered.</li> </ul>	<p>Identification of possible impacts to the rights and interests of Indigenous Peoples occurs in the earliest phases of project planning and investment review at Enbridge.</p> <p>We engage on cultural heritage identification and protection both inside and outside of regulatory frameworks. See Section B.7 in this comparison and pages 27-28 in this Discussion Paper for more detailed information and examples.</p>
B.1b	<ul style="list-style-type: none"> <li>• Environmental impacts affecting Indian country or off-reservation rights (e.g. hunting, fishing, gathering), whether or not consultation under NEPA or the NHPA is triggered.</li> </ul>	<p>Identification and consideration of potential Indigenous impacts in early project planning is applied where proposed development requires consent, as well as lands where Indigenous Peoples have traditional use rights or sites of cultural importance and where development therefore requires consultation. For further information see page 27 in this Discussion Paper.</p> <p>Further explanation and examples are also provided in Section B.8 of this comparison.</p>
B.1c	<ul style="list-style-type: none"> <li>• Projects on unrecognized traditional lands to which tribes still have a strong and active collective attachment.</li> </ul>	<p>Internal planning processes at Enbridge mandate consideration of the impacts of potential projects and/or operations that extends beyond lands under the legal control of local Tribes and includes lands and waters subject to traditional use and/or containing sites of cultural importance.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>B.2 <b>Conduct due diligence to understand tribal interests and rights:</b> Companies should conduct due diligence to understand tribes' historical grievances, including with particular federal agencies; tribal land claims and whether tribes continue to seek rights to traditional lands; off-reservation rights (e.g. fishing, hunting, or gathering); known cultural heritage sites; and the experiences other companies have had engaging with those tribes. This should help companies define more realistic timelines; approach tribes sensitively, plan projects with consideration of tribal rights and interests, and hire appropriate personnel. Companies should prioritize engagement with particular tribes if the activities will: (1) occur on reservations; (2) potentially affect (or be thought to affect) the environment on their reservations/trust lands; (3) affect off-reservation fishing, hunting or gathering rights; (4) affect their cultural heritage; or (5) be located on their traditional, unrecognized lands to which the Tribes maintain a collective attachment. The more of these factors are present, and the more severe the potential impact, the greater the priority that should be given to that tribe.</p>	<p>We have processes in place to identify the rights and interests of Indigenous Peoples and plan our engagement around these assessments. This includes our early-stage planning and investment review processes which incorporate specific protocols (see pages 22-23 in this Discussion Paper), intended to facilitate our knowledge about Indigenous Nations and groups. These processes are then used to plan the timing and resource allocation for our engagement with specific Indigenous communities. Our engagement approach is also informed by evolving norms with respect to the rights of Indigenous Peoples.</p> <p>Enbridge is committed to meaningful and respectful dialogue with Indigenous groups and communities and to engaging with them in ways that respond to their individual needs and priorities. We strive to resolve issues and reach agreements with Indigenous communities through direct engagement. Where not able to do so, we have engaged independent mediators that are mutually agreeable to both parties to reach resolution.</p>
<p>B.3 <b>Consider appropriate timelines:</b> Company timelines and budgets should take into account the time needed to consult or seek FPIC in accordance with international standards for potentially affected Indian tribes. Consultation may lengthen the front end of a project, but also should help ensure the project is able to proceed without significant social unrest.</p>	<p>Enbridge aims to plan and develop realistic timelines that account for Indigenous interests and rights that a project might affect based on due diligence. Depending on the nature and timeline of the project, we staff accordingly and adjust our resourcing as required to ensure that a community's interests and concerns are addressed in a timely manner.</p> <p>We try to ensure that our timelines are flexible enough to allow for enhanced consultation and engagement at the front end of a project. Our experience has been that this can provide a basis for greater efficiencies in both time and resources at the back end of a regulatory process. In other words, there is a good business case for it.</p>
<p>B.4 <b>Consult early:</b> Companies should engage potentially affected Indian tribes early. Under the IFC Performance Standards, for a pipeline this engagement should occur during project planning so that there is still flexibility to adapt the project. Company guidelines should establish a well-defined stage-gated process that calls for and enables the company to consult earlier than regulations require in certain situations, thus facilitating tribal input into site selection and potential re-routing. This would enable consideration of tribal views in routing, environmental risk assessment, and mitigation plans. Ideally, companies would undertake this early engagement along with the permitting agency. Consultation should be ongoing throughout the project life cycle.</p>	<p>Enbridge engages as early as possible. In many cases, we consult prior to requirements stated by regulators in order to make early changes to project planning and design. These can include re-routing around culturally sensitive areas and/or adjusting engineering requirements, such as value placement, to address concerns.</p> <p>By adopting a more proactive, consistent approach, we seek to build a solid foundation for a productive and mutually beneficial relationships.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>B.5 <b>Ensure appropriate staffing and expertise:</b> Companies should hire staff with experience engaging with Indian tribes to conduct consultation for projects that might have impacts on tribes. Companies also sometimes hire tribal members to assist with community liaison. Companies would also benefit from consulting with Indian tribes and/or anthropologists to design and support the stakeholder engagement process, particularly if trust between the parties is low. Company representation at meetings with tribal leadership should be at a sufficiently senior level. Conducting such consultation should be written into relevant job descriptions and performance indicators. All employees and contractors engaging with tribes should receive cultural training.</p>	<p>Because Indigenous Peoples have distinct rights in both Canada and the U.S., Enbridge has special teams and resources dedicated to Indigenous consultation and engagement. Our Indigenous engagement teams are led by management personnel with extensive on-the-ground experience with Indigenous communities as well as experience in Indigenous business development and employment and training programs. We have learned that developing and retaining in-house expertise in this area is key to building and maintaining long-term relationships. We strive to ensure that employees and contractors engaging with Indigenous communities receive cultural awareness training.</p> <p>Our Indigenous engagement is further supported by a broad range of Corporate, Major Projects and Operations staff that facilitate implementation of our Indigenous Engagement Program, including a centralized team within the broader Supply Chain Management function that focuses on expanding opportunities for socio-economic participation by Indigenous groups and is staffed by Indigenous business development specialists with the skill sets required to support the achievement of our goals for Indigenous procurement.</p> <p>The intent of this integrated approach is to ensure that our employees bring the appropriate expertise, cultural awareness and experience to all of our interactions with Indigenous Peoples.</p> <p>We also ensure that our engagement includes the direct participation of senior level staff with accountability for decision making and execution. Various levels of senior management can be involved at appropriate times in discussions with a community to reinforce our commitment to and the importance of our relationship with the community involved.</p> <p>Our executive leadership, including our President &amp; CEO, engages in meetings with Indigenous communities that may be impacted by our operations, such as our Line 3 Replacement Program in Canada. See pages 14-15 in this Discussion Paper for further information on executive accountabilities for Enbridge's performance on Indigenous issues.</p>
<p>B.6 <b>Share adequate information: Share information with potentially affected tribes regarding:</b> (1) Project impacts and mitigation. This would include information that is sufficient for them to understand the potential positive and negative impacts of the project, including cumulative effects, as well as planned mitigation steps. This may entail sharing more information than is mandated by law. Information sharing fosters a two-way dialogue in which tribes have an opportunity to share potential impacts and concerns with companies and have those taken into account in project planning; (2) The consultation or FPIC process. Given the complexity of agency consultation processes in the United States, and the number of consultation processes in which tribes are asked to participate, companies can play a vital role by sharing information to clarify the project, the government's process, and the company's process to help tribes engage more effectively. Companies should prioritize information sharing with tribes if the activities will affect the environment on their reservations/trust lands, their fishing, hunting or gathering rights; are located on traditional, unrecognized lands to which the Tribe still has a strong attachment; or will affect their cultural heritage. The more these factors are present, the greater the priority that should be accorded to the tribe. Companies should share as many documents as possible to help tribes understand project risk, and should redact them when they cannot be shared in full so that tribes have adequate information.</p>	<p>Enbridge provides information on environmental impacts and mitigation approaches to all communities in the vicinity of our operations. In some instances we consult beyond the project location, such as on our Line 3 Replacement Program, which has included engagement with more than 150 Indigenous groups in Canada, some from as far as 300 kilometers or more from the project right of way. In certain circumstances we also provide capacity support to ensure that Indigenous communities can effectively participate in regulatory processes.</p> <p>Through mapping and consultation, we identify communities that have specific interests or deeper rights associated with the project area, and our consultation effort is modified to reflect the depth of their rights and potential impact on those rights and historical use. The use of cultural knowledge surveys also helps to further identify both historical and current uses of the traditional area in question.</p> <p>In cases where an Indigenous Nation or group's interests and concerns pertain to the cumulative effects of development, we provide information about the steps we have taken to minimize these effects, such as following an existing right of way. In cases where concerns and interests pertain to the environment, we share our environmental protection plans. When these steps do not resolve the concerns, we meet to discuss any concerns and additional actions that we could take to mitigate them.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>B.7 <b>Identify potential cultural heritage impacts together and develop mitigation plans:</b> If a project will potentially impact cultural heritage, companies should work with the affected Tribe's elders, cultural heritage experts, and/or archeologists to plan cultural heritage assessments, identify those sites, and develop mitigation plans. Many U.S. Tribes have their own archaeologists. If they are licensed and competent, companies should hire them. Otherwise, companies should incorporate tribal elders into archaeological and cultural surveys at an early stage before on-the-ground assessments begin.</p>	<p>Through ongoing consultation with Indigenous groups, Enbridge aims to understand how cultural and traditional interests relate to our projects and operations. In the event of any discovery of heritage or culturally sensitive sites or resources pre- or post-construction, at a minimum Enbridge will comply with all regulatory requirements and consult with the appropriate Indigenous representatives.</p> <p>We also hire Indigenous archaeologists and archaeological consultants to conduct on-the-ground surveys. In some instances monitors from Indigenous communities participate in this field work. Depending on the size and significance of an archaeological site, mitigation can involve marking sites of interest and heightened sensitivity when approaching the project area and potentially re-routing a proposed pipeline before construction can begin. For example, Enbridge secured an archaeologist at the onset of our Line 10 Westover Segment Replacement Project in Canada who participated in our consultation with three Indigenous communities to ensure that archaeological input was included in our planning. Following extensive consultation, we re-routed the project around two archaeological sites within the corridor approved by the National Energy Board. We also hired approximately 15 First Nations archaeological monitors who were present throughout the archaeological work.</p> <p>We may also provide funding for communities to conduct traditional knowledge and land use studies to identify their interests and specific areas of concern. These studies are then incorporated into project Environmental Protection Plans in a manner that protects the sensitive community intellectual and spiritual property but also provides guidance for mitigation to avoid these sites.</p> <p>When the National Energy Board in Canada approved our Line 3 Replacement Program, it also identified 89 conditions that Enbridge needed to satisfy. One of those required Enbridge to file an Aboriginal Construction Monitoring Plan 30 days prior to the start of construction. Within the plan, Enbridge committed to hiring 27 Indigenous construction monitors for the project, three per each construction "spread," and will continue to include cultural monitoring through completion of project construction. In addition, elements of the plan include: cultural awareness training for construction team members; tours for Elders and community members before, during and after construction on all nine construction spreads of the project; support for cultural ceremonies held by individual communities on the right of way; and supporting Indigenous pre-construction cultural assessment work in each spread.</p> <p>The intent of pre-construction cultural assessments is to ensure that interested Indigenous communities have had an opportunity to review cultural assessment work and to tour potentially impacted areas along the right of way and assess it through an Indigenous lens. We support on-site Elder assessments of these areas and encourage communities to involve their own independent archeologists to ensure compatibility between their assessments and those completed by Enbridge contractors. Where concerns are identified, Enbridge works to develop mitigation strategies to avoid proximity to those sites, including through narrowing the right of way through construction, using fencing or matting, and in one case relocating a valve site so it was further away from an area of cultural significance to a concerned community.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>B.8 <b>Identify potential environmental risks together and include tribal input related to mitigation:</b> Companies should provide potentially impacted tribes an opportunity to share their concerns about environmental risks and potentially integrate those concerns into EAs and other environmental assessment. Tribes might be aware of impacts on wildlife or fauna that a conventional EA might miss. Moreover, understanding tribal concerns, even if they ultimately prove unfounded, helps companies respond to those concerns and explain why those impacts would not arise. Companies should also provide an opportunity for tribes to suggest and comment on mitigation methodologies, and ensure that the tribes know whether their suggestions were incorporated and, if not, why not. Providing an opportunity for this feedback helps create a positive and respectful working relationship from the beginning, and may help avoid project opposition and protests. Companies may need to provide financial support to potentially impacted tribes so that they can hire experts to assist them and obtain scientifically accurate information about risks. When identifying which tribes might be impacted, companies should consider impacts of the project as a whole, as well as the risk of a spill, even if a spill is improbable.</p>	<p>Because we engage with individual Indigenous Nations and groups directly, we address their interests and concerns about environmental risks with the community involved.</p> <p>We prioritize the protection and conservation of environmentally sensitive areas and areas of high biodiversity in all of our project planning, construction and operations. Our Enterprise Risk Management Framework and Safety Management System Framework include the tools and techniques that our business segments use to effectively manage all of their risks, including people, property and the environment.</p> <p>Environmental assessments are completed for all of our Natural Gas and Liquid projects. The level of assessment is dependent on the activity being completed and the environmental setting. Where a project requires an environmental and social impact assessment, we provide full disclosure of the results of those assessments in the regulatory hearings and in publicly available documentation. Some of the agreements we have entered into with Indigenous communities on our Line 3 Replacement Program in Canada also include capacity funding to facilitate Indigenous review of the environmental and social impact assessment for the project. In Canada, we also engaged environmental monitors from Indigenous communities during environmental surveys conducted along the right-of-way on our Line 3 Replacement Program and our Line 10 Westover Segment Replacement Project. Results from Indigenous consultation and monitoring activities are incorporated into our ongoing plans for Environmental Protection that are subject to review by regulators.</p> <p>We engage with Indigenous individuals and groups at a local level to provide awareness around the programs we have in place to maintain the safety, fitness and reliability of our systems, and to address concerns about the potential impacts of spills to water quality or quantity. In certain cases this can include engagement and training on emergency response with interested Indigenous groups and other public agencies, as well as investment in equipment.</p>
<p>B.9 <b>Consider creating an impact-benefit agreement:</b> These documents are a potential outcome of a consultation or a consent process. They identify the potential impacts of the project on a tribe and how mitigation will occur or the tribe will be compensated for those impacts. If the goal of the engagement process was to obtain FPIC, the document would include a formal statement of that agreement. Impact-benefit agreements can include components such as employment and contracting opportunities, environmental, social, and cultural impact management, compensation or disbursements to address impacts, governance arrangements, and other commitments such as continued access to land. Of particular importance for pipeline companies, impact-benefits agreements can address (see points below):</p>	<p>Impact benefit agreements are becoming more common in the resource extraction sector when business activities can have a highly disruptive impact localized to a specific geographic area, such as a mine or a dam.</p> <p>Enbridge is drawing from this approach and adapting it to the fast-evolving linear infrastructure context across our North American operations. As explained above, in all cases we seek to minimize the impacts of construction and long-term maintenance of our pipelines through consultation and active collaboration with affected Indigenous communities. We strive for a mutually beneficial relationship by compensating those who possess rights to land for providing us with a right of way. Our engagement often also includes funding for traditional land use studies conducted by Indigenous communities because this enhances our understanding of traditional land use patterns, and improves our ability to integrate these findings into Environmental Protection Plans for our projects and operations on an ongoing basis. We also seek to create economic opportunities for Indigenous communities through direct employment and by funding capacity-building in Indigenous communities.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
	<p>The most tangible examples of our success with this approach are the 55 agreements Enbridge has secured with the majority of the Indigenous Nations and groups in Canada along the route for our Line 3 Replacement Program. Similar efforts are underway to negotiate community-based agreements along rights of way for our pipelines in the U.S.</p> <p>These types of agreements vary by community depending on local needs and interests, but can include the following activities: support for the capacity required to engage on specific projects or activities; protocols for the application of traditional knowledge and land use information that can inform mitigation of potential impacts and risks; the creation of social and economic benefits through employment, training and contracting and other supply chain management initiatives; development of joint monitoring and assessment projects and/or support for other activities related to safety and environmental and cultural protection and emergency response; and support for community development priorities.</p> <p>As of Q2 2018, our Line 3 Replacement Program in Canada and the U.S. had created a total of \$87 million in economic opportunities for Indigenous Nations and groups through contracting, labour, business development and training. We are currently targeting the creation of a total of \$250 million in Indigenous economic benefits to the end of the construction phase of this project. This represents an ambition of achieving close to a tenfold increase in Indigenous economic participation over our most recent project of comparable size and scope.</p>
<p>B.9.1</p> <ul style="list-style-type: none"> <li>• <b>A tribal role in monitoring and managing impacts:</b> Tribes play an ongoing role in monitoring cultural and environmental impacts, particularly in the context of certain projects in Canada and Australia. In many of these instances, a company places funds in escrow for the Tribe so that it can hire environmental and other experts as needed and produce its own reports or data. For some projects, the company and the Tribe have developed joint environmental and cultural oversight boards, with representation from or selected by each party. A government agency has also joined the oversight board in some cases. Enabling Tribes to play a role in monitoring can produce significant benefits. It creates trust in project-related data and mitigation approaches. It also provides an opportunity to develop and maintain a constructive relationship between the company and tribe.</li> </ul>	<p>In Canada, Enbridge was required to develop Aboriginal Construction Monitoring Plans as part of the regulatory conditions for approval for two recent projects. In addition, the federal government in Canada has established an Indigenous Advisory and Monitoring Committee (IAMC) for Enbridge's Line 3 Replacement Program. This is a government-led initiative that has created a forum for representatives of Indigenous communities to monitor and provide advice to regulators. While not a member of this group, Enbridge participates as requested, providing project information and updates and cooperating with the work of the Committee. Further information on this plan is available on page 27 in this Discussion Paper.</p>

Recommendations on International Industry Good Practice (IIGP) on Oil Pipelines	Enbridge Practice on Oil Pipelines
<p>B.9.2</p> <ul style="list-style-type: none"> <li> <b>Compensation for impacts:</b> To the extent that a project is expected to potentially adversely impact a tribe's lands; environment; fishing, hunting or gathering rights; livelihoods; or cultural heritage, companies should provide compensation. Companies should prioritize land-based compensation where feasible. Offering a tribe a revenue stream from the project is another way to build mutual interest in the project's success and to offset impacts. These practices are used in Canada<sup>1</sup> and Australia. </li> </ul>	<p>Where applicable, Enbridge enters into commercial agreements for easements with local Indigenous Nations. As linear infrastructure can traverse vast distances, our experience has been that the needs and interests of the Indigenous groups with which we engage are diverse. Hence our agreements and/or collaborations are customized based upon this diversity and to date have not included revenue sharing as is sometimes done by largescale extraction industries. As previously discussed, the community-specific agreements and collaborations that Enbridge enters into can include commitments to the creation of a wide range of social, economic and environmental benefits, as well as support for programs or activities that advance cultural awareness and protection. Examples of the types of benefits involved are discussed elsewhere in this paper but can include support for capacity building, employment, procurement, business and skills development, safety and environmental management and monitoring, community development, cultural empowerment and access to low carbon energy. We have also engaged in discussions with interested Indigenous groups on agreements that could potentially involve an equity position in a specific project or operation.</p>

**C. Foley Hoag Recommendations on Security**

The security situation facing U.S. and Canada pipeline proponents has changed significantly in recent years. Today, pipelines under construction are much more likely to be the subject of protests. Such unrest, in turn, can increase the risk of disproportionate use of force.

<p>As a result of these changes, pipeline companies need to be more proactive in their approach to security. More information on the Foley Hoag Recommendations on Security is available <a href="#">here</a>.</p>	<p>Enbridge has adopted a Security Policy that embraces the standards in the <a href="#">Voluntary Principles on Security and Human Rights</a>. We are currently developing implementation guidelines.</p>
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<sup>1</sup>In Canada, revenue sharing can occur in extractive industries and hydroelectric developments (large scale dams) and/or is done by governments.

# 12. List of Acronyms

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
EA	Environmental Assessment
FERC	Federal Energy Regulatory Commission (U.S.)
FPIC	Free, Prior and Informed Consent
IFC	International Finance Corporation
IIGP	International Industry Good Practice
NEB	National Energy Board (Canada)
NEPA	National Environmental Policy Act (U.S.)
NHPA	National Historic Preservation Act (U.S.)
SCM	Supply Chain Management
UN	United Nations
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples



## Sustainability Report

Enbridge publishes an annual Sustainability Report. Our first report for our combined company will be published in June 2018 and will be available at [enbridge.com/sustainability](http://enbridge.com/sustainability).

Enbridge is committed to reducing its impact on the environment in every way, including the production of this publication. This report was printed entirely on FSC® Certified paper containing post-consumer waste fibre and is manufactured using biogas energy.

