

# Enbridge Tier 2 Spend Program and Subcontractor Reporting Requirements

**1. Introduction to the Tier 2 Spend Program** Enbridge's success is built on a respectful and inclusive workplace, and we work with Suppliers (organizations that provide materials, goods, and/or services to Enbridge including contractors, vendors and consultants) who share our core values (Safety, Integrity, Respect, Inclusion, and High Performance) and contribute to our success.

Creating and sustaining an inclusive supply chain aligns directly with the company's Environmental, Social, and Governance (ESG) goals while strengthening the vitality of our business and the communities where we live and work. Our suppliers and contractors often represent Enbridge and drive our business and ESG performance. Therefore, it is vital that they align with our values and goals.

Our Tier 2 Spend Program reinforces our commitment to an innovative and inclusive procurement process. To support us with achieving our ESG goals, we require our prime (Tier1) suppliers to promote an inclusive approach to procurement through seeking opportunities to work with qualified certified inclusive suppliers as subcontractors for Enbridge-related work. Additionally, suppliers are expected to report such spending on a quarterly basis by:

- Setting a target to spend a certain percentage of the money billed to Enbridge on Inclusive Subcontractors; and
- Providing Enbridge with reports on their spend on Inclusive Subcontractors as set out below.

## 2. Calculating the "Tier 2" Spend

"Tier 2" spend means money paid directly or indirectly by the Supplier to an Inclusive Subcontractor ("Tier 2 Supplier") and consists of Direct Spend and Indirect Spend:

a) **"Direct Spend"** means payments directly attributable by a Supplier for Subcontracting specific goods or services to Inclusive Subcontractors. For example, if a Supplier for a construction project uses an Inclusive Subcontractor for painting worth \$10,000 for that project, then Supplier should report \$10,000 as "Tier 2 Supplier" spend.

b) **"Indirect Spend"** means payments that cannot be directly tied by a Supplier to a Subcontractor for specific goods or services provided to Enbridge, but still engages Inclusive Subcontractors

in its business, generally. For example, "overhead" items such as paper, computing expenses, or office maintenance incurred by Supplier.

## 3. Target Inclusive Subcontractor Spend

Supplier shall seek out and provide opportunities to Inclusive Subcontractors. The specific target percentage of monies billed by Supplier to Enbridge (including the cost of Subcontractors) for Inclusive Subcontractors will be 10% unless Enbridge and the Supplier agree otherwise in the specific underlying Agreement (Work Release or Purchase Order). So long as Supplier provides goods or services to Enbridge, Supplier shall:

- Submit an action or subcontracting plan (that meets any standard of care in Supplier's contract with Enbridge) that sets forth the portion of the subcontracts to be performed by Inclusive Subcontractors, including the Subcontractor name, classification, and certificate of such Membership; and
- Report all spend with Inclusive Subcontractors on a quarterly basis as set out herein.

## 4. UniTier

The Supplier shall report its Direct Spend and Indirect Spend via the UniTier online platform. For more information, visit [unifiedtier2.com](https://unifiedtier2.com).

## 5. How to Access UniTier

Supplier shall email [SCMSustainability@enbridge.com](mailto:SCMSustainability@enbridge.com) with the Supplier's name, point(s) of contact name(s), email(s), and phone number(s). Once access is granted by Enbridge, the Supplier will receive an email with information on setting up the Supplier's access to the system. The email will come from "supplier.io" and will be a legitimate email on behalf of Enbridge. The Supplier shall follow the instructions in the email to set up the Supplier's credentials, which will be needed to submit the Inclusive Subcontractor spend report. If the Contactor reports to multiple customers on UniTier, the Supplier will only need one set of credentials. If the Supplier report on behalf of multiple affiliated companies, multiple credentials may be required; in such case, please email us at [SCMSustainability@enbridge.com](mailto:SCMSustainability@enbridge.com) for assistance.

## **6. UniTier Training**

The Supplier shall complete the following training materials attached hereto as Attachment B:

- a) Enbridge UniTier Training Webinar;
- b) Unitier\_user\_guide\_suppliers.pdf; and
- c) UniTier 2 Training Recording.

## **7. Reporting Frequency**

So long as Supplier provides goods or services to Enbridge, the Supplier shall report on its Inclusive Subcontractor spend for such quarter no later than the last Business Day of the first month following the end of such quarter (e.g., the last Business Day in January, April, July, or October).

# Attachment A

## Definitions

“**Controlled**” means the power to direct the management or policies of such entity, whether through the ownership of voting securities, control of the board of directors, by contract, or otherwise.

“**Owned**” means ultimate ownership by natural persons, looking through entities to natural persons, and in the case of a trust, the beneficiaries of such trust.

“**Person**” means any natural person, sole proprietorship, corporation, partnership (general or limited, including master limited), limited liability company, trust, joint venture, joint stock company, unincorporated association, unincorporated syndicate, unincorporated organization, or other entity or association, and, where the context requires, any of the foregoing in its capacity as trustee, executor, administrator or other legal representative.

“**Subcontractor**” means a Person that provides goods or services to Supplier in support of Supplier’s obligations to provide goods or services to Enbridge.

“**Supplier**” means a Person that provides goods or services to Enbridge.

“**Tier 2 Supplier**” has the meaning assigned to it in Section 2.

# Attachment B

## Training Materials

[Tier II Reporting Requirements - UNITIER \(unifiedtier2.com\)](https://unifiedtier2.com)