

Enbridge Inc. Shareholder Resolution – Environmental and Indigenous Rights Due Diligence

WHEREAS

The construction and operation of energy infrastructure in North America requires accommodation of impacted Indigenous Peoples and rigorous standard of environmental review and practice.

In 2015 and 2016 Enbridge Inc. made a number of acquisitions and the company has stated that acquisitions may comprise a component of its growth and diversification plan to 2019.

Human rights and environmental due diligence are essential to assessing the full risk of an asset acquisition. Where such risks are not adequately considered, acquisition and investment decisions can lead to reputational damage, regulatory intervention and/or financial loss.

The United Nations Declaration on the Rights of Indigenous People (UNDRIP) sets out International standards for Indigenous Peoples' rights including the right to Free Prior Informed Consent prior to the approval of any projects affecting their traditional territory. Human rights due diligence expectations are outlined in principles 17 to 21 of the United Nations Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact, Enbridge has committed to respecting UNDRIP and the UN Guiding Principles.

On August 2 2016, Enbridge announced that its U.S. vehicle Enbridge Energy Partners had reached an agreement through which it would acquire a 27.5 per cent interest in the Dakota Access Pipeline project ("DAPL").

Prior to this agreement, in March and April of 2016, the Standing Rock Sioux, other Native American tribes, and three US federal departments, the Environmental Protection Agency, Department of the Interior and the Advisory Council on Historic Preservation wrote to the Army Corp of Engineers raising concerns about the adequacy of Tribal consultation and environmental assessment on the DAPL. The Departments' and the Tribes stated that the Army Corps' environmental assessment failed to address the impacts of the project on reservation lands, sacred sites and the drinking water supply for the tribe much of North and South Dakota.

Five days before Enbridge announced the acquisition the Standing Rock Sioux filed a lawsuit challenging approval of the DAPL on similar grounds. Eight days after it was announced conflict between DAPL security forces and Native American Peoples began.

At the time of the agreement to acquire an interest in the DAPL Enbridge should have been aware of the Indigenous rights and environmental risks of the project.

RESOLVED

That the Board of Enbridge Inc. prepare a report to shareholders, at reasonable cost and omitting proprietary information, detailing the due diligence process used by Enbridge, its affiliates and subsidiaries to identify and address social and environmental risks, including Indigenous rights risks, when reviewing potential acquisitions. Such a report will consider:

- Which committees, departments and/or managers are responsible for review, oversight and verification;
- How Indigenous rights and concerns are identified and assessed;
- How environmental and human rights risks are identified and assessed;
- Which international standards are used to guide the company's human rights and environmental due diligence procedures; and
- How this information informs and is weighted in acquisition decisions.