

Enbridge Tier 2 Diverse Spend Program and Diverse Subcontractor Reporting Requirements

January 2022

1. Introduction to the Tier 2 Diverse Spend Program

As a large publicly-traded organization, Enbridge publishes reports on Environmental, Social and Governance (“ESG”) matters. In order to assist Enbridge in reporting on these ESG matters, Enbridge now requires all of its Suppliers to: (i) set a target to spend a certain percentage of the money billed to Enbridge on Diverse Subcontractors; and (ii) provide Enbridge with reports on their spend on Diverse Subcontractors as set out below. Definitions for capitalized terms are set out in Attachment A – Definitions, below.

A “Diverse Subcontractor” is a Subcontractor that is at least 51% Owned and Controlled by a diverse person or group with U.S. or Canadian citizenship and is certified by a nationally or regionally recognized third party as one or more of the classifications set out in Attachment B – Definition of Diversity Classifications, below.

2. Calculating the “Tier 2” Spend

“Tier 2” spend means money paid directly or indirectly by the Supplier to a Diverse Subcontractor (a “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 Diverse Subcontractors. For example, if a Supplier for a construction project uses a Diverse 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 Diverse Subcontractors in its business, generally. For example, “overhead” items such as paper, computing expenses, or office maintenance incurred by Supplier.

3. Target Diverse Subcontractor Spend

Supplier shall seek out and provide opportunities to Diverse Subcontractors. The specific target percentage of monies billed by Supplier to Enbridge (including the cost of Subcontractors) for Diverse 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:

- (a) 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 Diverse Subcontractors, including the Subcontractor name, diversity classification, and certificate of such Diverse Contractors; and
- (b) Report all spend with Diverse 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 <https://www.unifiedtier2.com>.

5. How to Access UniTier

Supplier shall email Supplierdiversity@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 Diverse 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 supplierdiversity@enbridge.com for assistance.

6. UniTier Training

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

- 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 Diverse 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. For example, in the case of a corporation, a Diverse Subcontractor would be one that satisfies all of the following three criteria: (i) a majority of its shareholders are Diverse persons; (ii) the chief executive officer is a Diverse person; and (iii) a majority of its board of directors are Diverse Persons;

“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;

“Diverse Subcontractor” has the meaning assigned to it in Section 1;

“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;

“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 3.

Attachment B

Definition Of Diversity Classifications

1. **Minority** means United States or Canadian citizens who are Asian-Indian, Asian-Pacific, Black, Hispanic, visible minorities*, aboriginal people or Native American. (**Visible minorities” means persons other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour. In practice, the Government of Canada includes the following groups: Blacks, Chinese, Filipinos, Japanese, Koreans, Latin Americans, Pacific Islanders, South Asians, and West Asians/Arabs.)
2. **WBE** means a women-owned business enterprise;
3. **VET** means a veteran-owned business;
4. **SDVET** means a service-disabled veteran-owned business;
5. **LGBT** means a lesbian, gay, bisexual or transgender- owned business;
6. **DISABLED** means a disabled-owned business;
7. **SDB** means a small disadvantaged business;
8. **HUBZONE** means a HUBZone business;
9. **SMALL** means a small business;
10. **ABILITYONE** means an Ability One Program business;
11. **ANC** means an Alaskan native corporation;
12. **HBCU** means a historically black colleges and universities;
13. **DBE** means a disadvantaged business enterprise;
14. **EDWOSB** means an economically disadvantaged woman-owned small business;
15. **WOSB** means a women owned small business;
16. **8A** means an 8(a) Business Development Program; or
17. **ACDBE** means an Airport Concessionaire Disadvantaged Business Enterprise.

Attachment C

Training Materials

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