

Dear Stakeholders,

Spectra Energy's reach is much broader than the expanse of our infrastructure. We reach out – every day – to connect with communities, customers, employees and investors. Our goal is straightforward: to contribute positively to the economic, social and environmental vitality of our North American service area. We are encouraged by the results we're delivering. In 2012, we invested \$1.3 billion in capital expansion, delivering six projects into service. And we're pursuing more than \$25 billion in investment opportunities through the end of the decade—investment that will create jobs, economic benefit and increased energy security.

We're intently focused on the safety and well-being of our employees and communities, and we're pleased to report reductions in the frequency rate of employee and contractor injuries and vehicle incidents making progress toward our goal of zero. And with a focus on operational efficiency, we've reduced carbon dioxide and other emissions by more than

5.3 million metric tons over the 2007 to 2011 time period. Additionally, our employees committed over 33,000 volunteer hours in 2012 to improve the communities where they live and work.

I'm proud of our continuous focus on improving those results but also recognize this is an ongoing effort. We take a dynamic view of sustainability, and continually adjust our strategies and actions to reflect the evolving expectations of stakeholders, technological advances and business, policy and regulatory shifts.

We're also proud to be part of an industry that enhances the economic, environmental and social sustainability of North America.

Our industry contributes to the quality of life for all North Americans – whether it's better paying jobs that support families and communities, lower energy bills for consumers or cleaner air for future generations.

This update is part of our effort to provide our stakeholders with current information. Please visit us online at www.spectraenergy.com/sustainability to view our full sustainability report.



Gregory L. Ebel
President & CEO



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This paper is manufactured using clean, renewable wind-power energy and carbon offsets for additional savings.

Yes. Green-e Certified

No. Carbon Neutral

Yes. Forest Stewardship Council (FSC) Certified

100% Post-Consumer Waste

Yes. Green Seal Certified

Yes. Processed Chlorine Free (PCF)

Yes. Acid Free



Scan for more information
on Spectra Energy's
Sustainability Performance



Sustainability – Within Reach

2012 Sustainability Summary Report

*Safety doesn't just happen -
we prepare for it every day*

*Fort Nelson Processing Plant,
British Columbia, Canada*





6 Expansion Projects – brought into service in 2012, totaling more than \$1.3 billion in investment.



Logged more than 1 million man hours without a *single lost time injury* during construction at the Dawson Processing Plant in British Columbia.

Purchased **\$351 million** in goods and services from diverse suppliers from 2009-2012.

100% of employees and contractors completed **compliance training** in 2012.



Since 2009, our **total workforce recordable incident rate** has decreased by 37 percent. 2012 was the best annual total incident rate in the company's six-year operating history.

Employee vehicle incident frequency performance decreased by 12 percent since 2011.



ECONOMIC

Spectra Energy conducts its business with integrity, transparency and accountability.



Named to the Ethisphere Institute's Most Ethical Companies list for the **2nd consecutive year**.



5 years on the Carbon Disclosure Leadership Index

Reduced carbon dioxide and other emissions by more than 5.3 million metric tons from 2007-2011, with a focus on operational efficiencies; operating 9 carbon capture and storage facilities; and providing energy efficiency and management programs for customers.

ENVIRONMENTAL

Spectra Energy considers environmental stewardship a fundamental priority.

U.S. Transmission has continued to implement waste minimization opportunities for increased recycling and reduction of hazardous waste. This resulted in a **50 percent decrease** in the **amount of material** disposed in 2012.



Union Gas' Demand Side Management programs have helped customers reduce their consumption of natural gas by an estimated **495 million cubic meters** from 2007-2011.



Contributed **\$8.9 million** in 2012 to the communities where we live and work; volunteered more than **33,000 hours**.



Since 2011, **1,300 employees** completed the **Ambassador Program**; an initiative aimed at equipping employees with the information and messages needed to speak confidently about our company and industry.

As part of our cultural resource assessment work associated with the NJ-NY Expansion Project, **we found** with the Public Archeology Laboratory (PAL) a remarkable **5,000 year old archeological site**. PAL excavated more than 6,000 square feet, uncovering more than 24,000 artifacts.

SOCIAL

Spectra Energy fully embraces responsible stewardship, supports employee volunteerism and builds strong relationships with communities by respecting their concerns.



The **Employer of Choice** index provides an overall measure of our employees' view of our company as an engaging place to work. In our 2012 employee survey, our Employer of Choice index score was **81 percent favorable**, which is 7 points higher than benchmarked North American energy companies.



4th consecutive year on the Corporate Equality Index

Spectra Energy is committed to increasing pipeline safety awareness with communities and emergency responders. We are proud to co-chair the Department of Transportation's (DOT) Pipeline Response Working Group.

f At Spectra Energy, safety comes first in everything we do. It's our license to operate. • **Pam C. replied:** I would have to agree also. After working for Spectra then going to another company, I have learned they truly stand behind their safety program. Hope to have the opportunity to work for them again soon.

@Union Gas Our EnerSmart program has helped reduce our customers' natural gas use by the equivalent of heating over 2 million homes for a year.

@Points of Light Congratulations @ Spectra Energy for being part of the #Civic50!

Go to www.spectraenergy.com/sustainability to learn more.