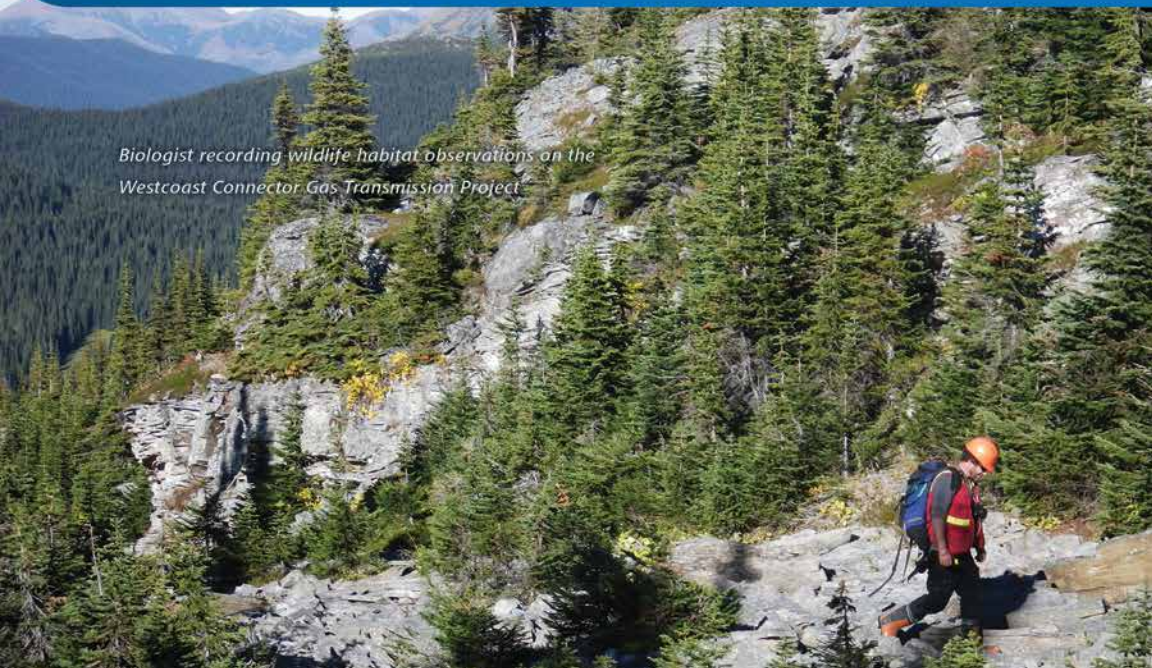


2013 Sustainability
Highlights Report



Express-Platte Pipeline Employee

A Sustainable Approach to What's Next



*Biologist recording wildlife habitat observations on the
Westcoast Connector Gas Transmission Project*

Our Charter

Vision

We are Spectra Energy, North America's premier pipeline and midstream company.

Purpose

We create superior and sustainable value for our investors, customers, employees and communities by delivering natural gas, liquids and crude oil to premium markets.

We value:

- **Stewardship** – Demonstrating a commitment to environmental responsibility and vibrant communities
- **Integrity** – Ethically and honestly doing what we say we will do
- **Respect for the Individual** – Embracing diversity and inclusion, enhanced by openness, sharing, trust, leadership, teamwork and involvement
- **Safety** – Sharing a relentless commitment to a zero work-related injury and illness culture
- **High Performance** – Accountability, achieving superior business results and stretching our capabilities
- **Win-Win Relationships** – Having relationships which focus on the creation of value for all parties
- **Initiative** – Having the courage, creativity and discipline to lead change and shape the future

We know we are successful when we are the:

- Supplier of choice for customers
- Employer of choice for individuals
- Advisor of choice on policy and regulation for governments and regulators
- Partner of choice for communities
- Investment of choice for investors



Welcome to the 2013 Sustainability Highlights Report

At Spectra Energy, sustainability is not an isolated function or a 'feel good' platitude. It is integral to our business, culture, strategy, actions, decisions, stakeholder interactions and long-term success. Every employee is expected and empowered to perform his or her job in a responsible, sustainable manner, and my primary role as chief executive is to protect and enhance the sustainability of our business.

Our company is in the midst of a tremendous growth cycle – developing and delivering infrastructure that will serve North America's energy security, environmental, economic, employment and social imperatives. We have identified \$35 billion in potential opportunities to expand our portfolio by the end of the decade. Our strategy of expanding through organic growth, expansions and acquisitions is driven by a long-term focus, and advanced by ongoing, productive relationships with stakeholders.

2013 was a year of great progress and accomplishment. We placed into service \$6 billion in capital projects, through expansion of our asset footprint and strategic acquisitions. We added the Express-Platte crude oil pipeline system to our portfolio, providing new scope and opportunities to our long-term outlook. We secured \$7 billion of new projects – further strengthening our base and positioning us to deliver strong earnings growth and competitive gains. We reconfigured Spectra Energy Partners, now a \$20 billion enterprise and one of the largest pipeline master limited partnerships in the U.S. The partnership now encompasses all of our U.S. transmission and storage assets, and our crude oil and liquids assets.

We had a strong year in 2013 for operational safety at Spectra Energy, and we continue to focus on the reliability and safety of our assets. Unfortunately, we encountered challenges in our personal safety efforts. Although we have experienced a 40 percent decrease in employee and contractor injury rates over the last ten years, those injury rates rose during 2013 over 2012, primarily due to preventable accidents like sprains, strains, slips and falls. We have launched an initiative to take a closer, more critical look at our own processes and culture, as well as those of other companies and industries with leading safety records. As we continue our relentless pursuit of a zero injury and incident culture, we will do better on this most important front.

We're also addressing other key issues. With the magnitude of expansion projects before us, we are increasingly focused on innovative, proactive approaches to engaging with stakeholders over the course of our project development. We also are stepping up our role in advocating for consistent, efficient government permitting of infrastructure projects. And, as always, we are working to recruit, retain and motivate a talented workforce and navigate the approaching retirement wave without disruption or the loss of essential skills.

I am pleased with where Spectra Energy stands today. Our financial performance is strong; we're operating safely and reliably; we're developing an engaged and talented team; and we are a trusted, responsive community partner. Our all encompassing view of sustainability makes us better, stronger and prepared for a successful future. We share that future with many stakeholders, and we look forward to continued collaboration. I encourage you to read our full sustainability report online – and to let us know what you think.

Gregory L. Ebel, Chairman, President & CEO



About Spectra Energy

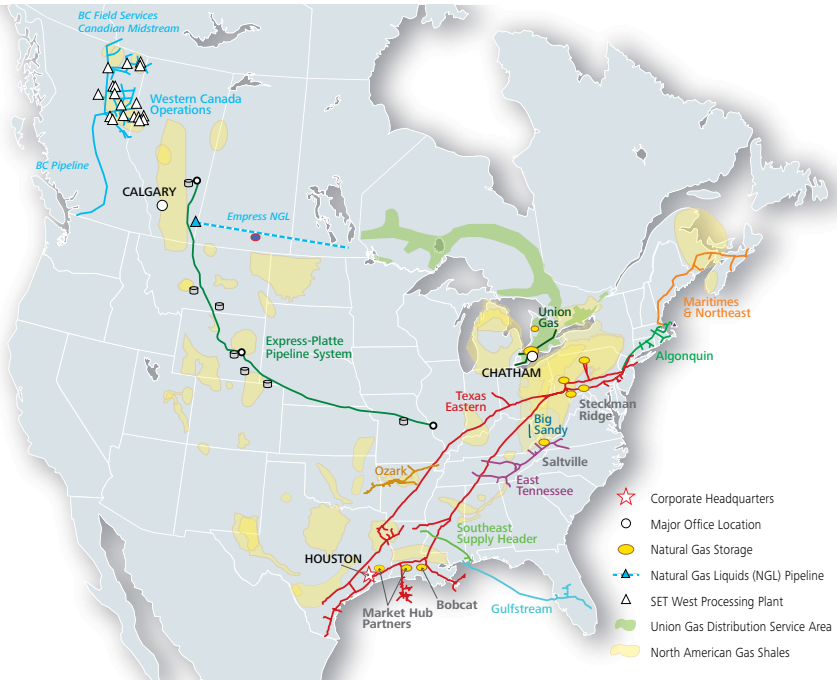
Spectra Energy is one of North America's leading pipeline and midstream companies. Based in Houston, Texas, the company's operations in the United States and Canada include

more than
22,000 miles
of natural gas,
natural gas liquids,
and crude oil pipelines

305 billion
cubic feet (Bcf)
of natural gas storage

4.8 million
barrels
of crude oil storage

as well as natural gas
gathering, processing,
and local distribution
operations.



Spectra Energy Overview – Spectra Energy is a natural gas, natural



U.S. Transmission (Spectra Energy Partners) gathering, transmission & storage

- Provides transmission, storage and gathering of natural gas through interstate pipeline systems for customers in various regions of the midwestern, northeastern and southeastern United States.
- Pipeline systems consist of approximately 14,000 miles of transmission and gathering pipelines.
- Approximately 2,000 employees.



Liquids (Spectra Energy Partners) transmission & storage

Express-Platte

- Transports crude oil from Western Canada to the United States.
- Consists of over 1,700 miles of transmission pipeline.
- System includes 44 storage tanks with a total capacity of 4.8 million barrels (MMBbls) and 38 pumping stations.
- Approximately 130 employees.

Sustainability at Spectra Energy

For Spectra Energy, sustainability means providing natural gas, natural gas liquids and crude oil infrastructure services to meet North America’s energy needs in a way that is economically, environmentally and socially responsible.

In 2013, we identified five key sustainability focus areas – *incorporating sustainability in supply chain management; environmental, social and governance (ESG) reporting; environmental resource conservation; stakeholder engagement; and community development* – that not only represent risks to be managed, but also significant opportunities.



gas liquids and crude oil pipeline and midstream company.



Union Gas distribution, transmission & storage

- Second largest natural gas utility in Canada.
- 1.4 million residential, commercial and industrial customers in more than 400 communities.
- System consists of 39,000 miles of main and service lines and 2,380 miles of transmission pipeline.
- Underground storage of approximately 160 Bcf in 23 underground facilities.
- Approximately 2,200 employees.



Western Canada Transmission & Processing gathering, processing & transmission

- One of the largest midstream natural gas businesses in Canada.
- Business is comprised of: BC Pipeline, BC Field Services, Canadian Midstream and Empress NGL operations, and Maritimes & Northeast Pipeline Canada.
- Approximately 1,300 employees.

Economic

Spectra Energy achieved strong financial results in 2013. We conduct our business with integrity, transparency and accountability and operate our assets in a safe and reliable manner.

Our Priorities

Delivering on our financial commitments and effectively executing our expansion plans: We focus on prudently managing costs, operating efficiently, and being conscientious stewards of our investors' dollars. We anticipate investing about \$35 billion in capital expansion projects by the end of the decade – growth that translates into attractive shareholder value.

Operating safely and reliably: Safety is a core value for Spectra Energy. We focus on the reliability and safety of our assets and the health, safety and well-being of our employees and contractors and the communities in which we operate.

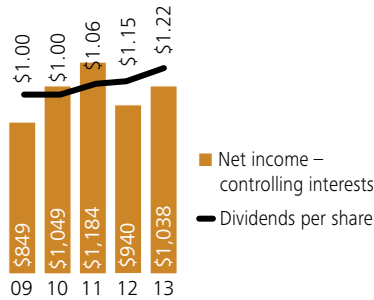
Ensuring strong corporate governance and transparency: We conduct our business with integrity, transparency and accountability. We recognize that our stakeholders want to understand how we make decisions, manage our operations and hold ourselves accountable.

Collaborating with our supply chain: Collaborating with our supply chain is a business imperative, as the performance of our suppliers and contractors reflects on us and affects our ability to meet our business and sustainability objectives.

Our Key Performance Indicators

Net Income and Dividends Per Share

\$ in millions except Dividends per Share

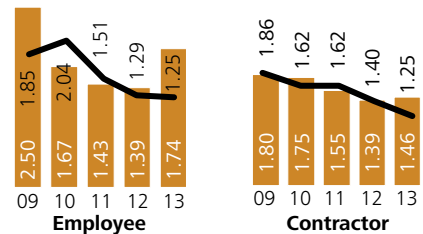


- In 2013, we spent **\$2.7 billion** on materials and services to grow our business.

Total Incident Frequency

Number of injuries per 200,000 hours worked

■ Actual — Target



2012 PEER GROUP AVG. = 1.97

- Over the past seven years, we have implemented more than **60 infrastructure projects**, representing almost **\$8 billion** of investment, through diligent consultation and collaboration with affected stakeholders.



Case Study | Our Commitment to Supplier Diversity

Supplier diversity is integral to our procurement strategy. We are committed to advancing the development of diverse supplier relationships, including women-, minority-, and Aboriginal-owned businesses across North America. We purchased \$80 million in goods and services from these local and diverse suppliers in 2013.

We identify opportunities to purchase goods and services from qualified Aboriginal businesses in new projects, on-going operations and corporate functions. During 2013, we focused on enhancing the transparency and consistency of our procurement processes and strengthening the sourcing of local and Aboriginal materials and services in our procurement efforts. We are committed to improving every step of our supply chain management – from contractor bidding, pre-qualification and selection to the monitoring of performance and tracking the fulfillment of contractor commitments.



Key Highlights

6 consecutive years on the Dow Jones Sustainability North America Index.

4 consecutive years on the Dow Jones Sustainability World Index.



Received Industry Leader and Gold Class Sustainability Awards in the Oil & Gas Storage & Transportation sector.



Named to the Ethisphere Institute's Most Ethical Companies list for the **3rd consecutive year.**

Environmental

As one of North America's leading natural gas, liquids and crude oil infrastructure companies, **Spectra Energy** considers environmental stewardship a fundamental priority.

Our Priorities

Environmental resource conservation: When evaluating pipeline routes and determining facility locations, we conduct environmental assessments and consult with stakeholders to identify and mitigate potentially sensitive areas and biodiversity issues. Water is an important part of our operations; we recognize the importance of actively managing and conserving water resources.

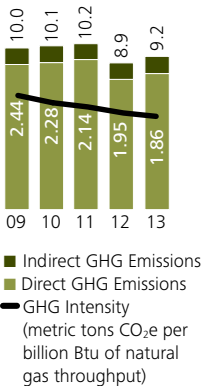
Maintaining a progressive approach to climate change and energy efficiency: We recognize stakeholders' concerns regarding the impact of Greenhouse Gas (GHG) emissions on the global climate. We are managing emissions, using energy wisely, and encouraging our customers to do the same through programs such as Demand Side Management.

Reducing environmental impacts from our operations: We are reducing air emissions, targeting a reduction in the frequency of spills, and focusing on reducing the generation of waste through recycling and waste minimization programs in our U.S. transmission business.

Our Key Performance Indicators

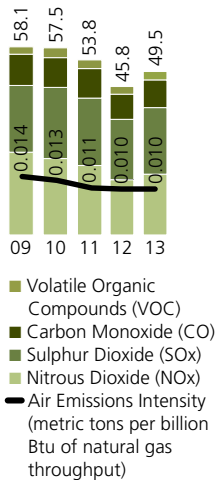
Greenhouse Gas Emissions (GHG)

Millions Metric Tons of Carbon Dioxide-equivalent (CO₂e)



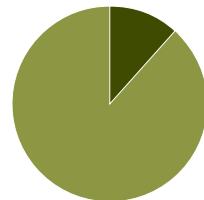
Air Emissions of VOCs, CO, SOx and NOx

Thousand Metric Tons



Fresh Water Use 2013 (Gross)

Percent



- Hydrostatic Test Water **0.1%**
- Salt Cavern Dissolution Water **9.2%**
- Process/Cooling Water **90.8%**

Approximately 13 billion gallons of freshwater were used in 2013, with an estimated 87 percent discharged and returned to its source at similar or higher quality.



Key Highlights



Spectra Energy has been on the CDP Leadership Index for **6 consecutive years** and is the **only energy company** to be recognized on the 2013 CDP S&P 500 Climate Performance Leadership Index.

Spectra Energy has reduced approximately **6.2 million metric tons** of CO₂e emissions, including methane, from 2007 to 2012 by focusing on operational efficiencies, capturing and storing carbon dioxide during gas processing, and providing Demand Side Management programs for our customers.

Since 2012 U.S. Transmission has decreased the **volume of hazardous waste by 40%**.

Case Study | *Minimizing Impacts to the Environment*

We avoid environmentally or culturally sensitive areas where practical and where alternative routes are feasible. For instance, on our **Sabal Trail** project, we have made numerous alignment deviations to minimize the potential impacts to historic lands, certain waterbodies, and threatened and endangered species.



Social

We are proud to be a member of numerous communities across North America. We build strong relationships with communities and support economic development. Spectra Energy's success is largely due to our engaged and highly skilled employees.

Our Priorities

Valuing our employees: Our 5,700 employees are the foundation of our success. Our hard, 'steel in the ground' assets are nothing without our greatest asset – the men and women who plan, develop, operate, market and maintain our infrastructure facilities and serve customers and stakeholders. We are focused on building and growing expertise in the company.

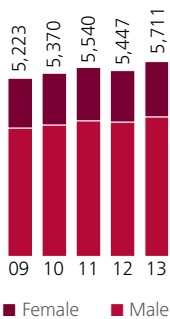
Engaging our stakeholders: We believe that our long-term success depends on engaging locally, respecting our stakeholders and working to foster a dialogue that is open, transparent and meaningful.

Supporting our communities: Strong relationships with our communities are critical to maintaining our social license to operate, cultivating the talent and skills to effectively conduct our business, and sustaining our customer base. We aim to create real, lasting and sustainable value for our communities.

Our Key Performance Indicators

- In 2013, we directly contributed **\$5.3 billion** to the economies and communities of Canada and the U.S. through our core business activities, including employment, procurement of materials and services, and tax payments to governments.

Workforce by Gender

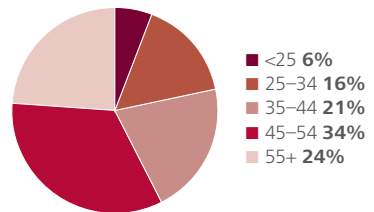


Women as a Percentage of Management



Age Demographic

percent



Spectra Energy fosters a culture that values diversity, inclusion and respect. Since 2009, our total workforce has grown by 9 percent. In 2013, 28 percent of our workforce were women.

- During the construction of the New Jersey-New York Expansion Pipeline Project, we conducted more than **350 stakeholder meetings** from 2009 through 2013 to solicit community input and to understand how we could build the pipeline with minimal disturbance to the community.

- Contributed **\$9.4 million** in 2013 to the communities where we live and work, including volunteering more than **30,000 hours**.
- Employees selected, coordinated and participated in **380 volunteer projects** in 2013.

Case Study | Westcoast Connector Gas Transmission Project: Local Economic Development

Spectra Energy is proposing a new natural gas system in British Columbia, called the Westcoast Connector Gas Transmission Project. Service is expected to commence around the end of the decade. As we develop the Westcoast Connector, we are committed to procuring locally sourced goods, and working with suppliers, services and talent throughout the region.

This natural gas system will bring quality jobs to B.C. – more than 4,000 over the course of construction and hundreds of direct and indirect jobs once complete. The proposed project also will encourage additional investment in the natural gas industry, helping to protect existing jobs, create new ones for today and tomorrow and generate spin-off opportunities for local and Aboriginal businesses. The project is relying heavily on the specialized skills and local knowledge available in the tremendous talent pool found in small B.C. communities. In 2013, Aboriginal community members devoted more than 35,000 hours to help us carry out field studies in support of the project.



Project design and routing reflects nearly three years of Aboriginal and local community engagement, as well as involvement in detailed scientific, technical and heritage research and fieldwork. Spectra Energy will continue engaging with interested and affected Aboriginal groups and local communities to determine the best possible route to move this important resource across British Columbia to new markets.

Key Highlights

7 Recognized by the Anti-Defamation League for our corporate commitment to diversity for 7 consecutive years.



Recognized by Workplace Dynamics as **one of the top 150** workplaces in the U.S.



Scan for more information on Spectra Energy's Social Performance

Data

Summary of 2011-2013 Health and Safety Performance Report

	2013	2013 by business unit			2012	2011
	Spectra Energy¹	<i>Western Canada</i>	<i>Union Gas</i>	<i>U.S. Transmission</i>		
Hours Worked	11,268,035	2,461,870	3,939,923	4,866,242	10,778,916	10,474,969
Work Ratio (% of Employee Hours)	100%	22%	35%	43%	100%	100%
Employee Lost Workday Case Rate ²	0.39	0.41	0.36	0.41	0.32	0.40
Employee Total Incident Case Rate ³	1.74	1.14	2.44	1.48	1.39	1.43
Employee Vehicle Incident Case Rate ⁴	3.68	3.14	3.64	3.91	3.61	4.08
Employee Preventable Vehicle Incident Case Rate ⁵	2.76	2.19	3.00	2.83	2.85	n/a
Employee Fatalities	0	0	0	0	0	0
Contractor Total Incident Case Rate ³	1.46	1.95	1.96	1.05	1.39	1.55
Contractor Fatalities	0	0	0	0	0	3

¹ Employee Health and Safety data excludes Express-Platte and jointly operated assets.

² Employee LWCR (Lost Workday Case Rate) = No. of Lost Workday Cases multiplied by 200,000 hours and divided by actual hours worked.

³ Employee/Contractor TICR (Total Incident Case Rate) = No. of injuries multiplied by 200,000 hours and divided by actual hours worked.

⁴ Employee VICR (Vehicle Incident Case Rate) = No. of vehicle accidents multiplied by 1,000,000 miles and divided by actual miles driven.

⁵ Incident types to be deemed non-preventable, after thorough review, include: animal strikes, struck while properly stopped, and struck by flying debris.

Summary of 2011-2013 Supply Chain Data

	2013	2013 by business unit			2012	2011
<i>(in millions)</i>	Spectra Energy¹	<i>Western Canada</i>	<i>Union Gas</i>	<i>U.S. Transmission</i>		
Material and Service Spend	\$2,726	\$1,060	\$513	\$1,153	\$2,280	\$2,610
Diversity Spend ²	\$80	\$36	\$3	\$41	\$71	\$119

¹ Excludes jointly operated assets.

² Only diversity spend data captured in Canada is Aboriginal spend.

Summary of 2011-2013 Environmental Performance Data

	2013	2013 by business unit			2012	2011
	Spectra Energy ¹	Western Canada	Union Gas	U.S. Transmission		
<i>Greenhouse Gas (GHG) Emissions (Thousand Metric Ton CO₂e)</i>						
Carbon Dioxide (CO ₂)	4,632	2,961	278	1,391	4,284	5,061
Carbon Dioxide (CO ₂) - Vented	2,045	2,045	0	0	2,235	2,356
Carbon Dioxide (CO ₂) - Mobile Sources	26	4	9	13	27	26.21
Methane (CH ₄)	1,840	358	484	998	1,870	1,773
Nitrous Oxide (N ₂ O)	28	25	2	1	26	28
Total Direct GHG Emissions ²	8,571	5,393	775	2,403	8,382	9,245
Indirect GHG Emissions	640	115	2	522	608	956
Total Direct and Indirect GHG Emissions	9,211	5,508	777	2,925	8,990	10,200
<i>Normalized Greenhouse Gas (GHG) Emissions (thousand metric tons CO₂e/ BBTU throughput)</i>						
Normalized Total GHG	1.86	7.06	0.86	0.90	1.95	2.14
Normalized Total Criteria Contaminants	0.010	0.048	0.001	0.003	0.010	0.011
<i>Energy Consumption (Thousand MWh)</i>						
Electricity Use	1,152	169	30	953	1,025	1672
<i>Criteria Air Emissions (thousand tons)</i>						
NOx Emissions	16.2	9.32	0.86	6.04	17.0	21.3
SOx Emissions	22.7	22.62	0	0.03	18.6	20.9
Carbon Monoxide (CO)	8.1	3.95	0.23	3.94	7.7	9.2
Volatile Organic Compounds (VOC)	2.5	1.37	0.17	1.00	2.4	2.4
Total Criteria Air Pollutant Emissions	49.5	37.26	1.26	11.01	45.8	53.8
<i>Waste Generation (in metric tons)</i>						
Hazardous Waste	3,645.0	3,023.0	388.7	233.0	6,959.0	7,020.8
Non-hazardous Waste	6,848.0	2,006.0	442.6	4,399.0	13,537	17,967.3
Total Recyclables	26,290.0	19,726.0	193.0	7,000.0	33,279	33,279
<i>Spills (Frequency)</i>						
	33	26	5	2	31	31
<i>Notice of Violations (NOV's)</i>						
	8	0	0	8	27	12
Fines ³	\$22,980	\$0	\$0	\$22,920	\$134,880	\$53,674

¹ All environmental data excludes Express-Platte and jointly operated assets.

² Direct emissions are reported on operational control basis.

³ Not all NOV's have been reviewed for possible fines at time of reporting.

Data

Summary of 2011-2013 Workforce Statistics

	2013	2013 by business unit			2012	2011
	Spectra Energy¹	<i>Western Canada</i>	<i>Union Gas</i>	<i>U.S. Transmission</i>		
Total Employees	5,711	1,310	2,229	2,172	5,447	5,540
Bargaining Unit Employees	1,367	526	841	0	1,356	1,408
Bargaining Unit Employee Percentages	24%	40%	38%	0%	25%	25%
Total Females	1,625	323	797	505	1,513	1,569
Females as a Percentage of Total	28%	25%	36%	23%	28%	28%
Females as a Percentage of Professional	N/A	N/A	N/A	38%	N/A	N/A
Females as a Percentage of Management	25%	21%	30%	23%	24%	25%
Total Minorities ²	N/A	N/A	N/A	431	N/A	N/A
Minorities as a Percentage of Total ²	N/A	N/A	N/A	20%	N/A	N/A
Minorities as a Percentage of Professional ²	N/A	N/A	N/A	33%	N/A	N/A
Minorities as a Percentage of Management ²	N/A	N/A	N/A	16%	N/A	N/A
Voluntary Turnover Rate ³	4.2%	5.0%	4.1%	3.9%	4.1%	3.9%
Total Workforce Receiving Leadership Training	914				828	1,828
Total Investment in Workforce Leadership Training	\$1.5 million				\$1.2 million	\$1.1 million
Total Payroll	\$872 million				\$964 million	\$881 million

¹ Excludes jointly operated assets.

² Ethnic diversity data is not captured in Canada due to privacy regulations.

³ Union Gas turnover rate includes Maritimes and Northeast Pipeline employees located in Canada.



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wind-power energy and carbon offsets for additional savings.*

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Yes. Carbon Neutral Plus

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

