

Enbridge: Climate Policy Engagement Overview

An investor briefing on Enbridge's climate policy engagement in advance of its 2023 Annual General Meeting (AGM)

Executive Summary

- On 3rd May 2023, Enbridge investors will vote on a shareholder resolution requesting that the company “produce a report, at reasonable cost and omitting proprietary information, examining whether Enbridge’s pattern of lobbying and political donations in the U.S. is creating unnecessary business risk and is consistent with its net zero goal”. This briefing provides an overview of Enbridge’s direct and indirect climate-related policy engagement and shows that, despite Enbridge stating top-line support for limiting warming to 1.5°C, the company has not aligned its policy engagement activities with this goal¹.
- InfluenceMap’s analysis suggests that Enbridge's direct climate policy engagement is misaligned with science-based pathways for achieving the goals of the Paris Agreement to limit warming to 1.5°C, which entails net-zero greenhouse gas (GHG) emissions globally by 2050. The company continues to actively *promote* new investments in fossil gas, and has *opposed* GHG emissions regulations. A summary of the company’s direct climate policy engagement is on [page 4](#). InfluenceMap's online profile of Enbridge can be found [here](#).
- Enbridge is a member of industry associations displaying highly strategic and negative engagement with climate legislation and regulation in Canada and the US, including the *American Gas Association*, *American Petroleum Institute*, and *Canadian Chamber of Commerce*. All these associations have also advocated extensively in 2021-22 for a continued role for fossil fuels in the energy mix, contrary to IPCC 1.5°C-aligned decarbonization pathways. Enbridge is also a member of the *American Clean Power Association (formerly AWEA)*, which undertakes more positive advocacy aligned with the goals of the Paris Agreement. A detailed overview of these industry associations’ climate policy engagement can be found on [page 5](#).
- Enbridge published a review of its industry association memberships on climate change in June 2021. InfluenceMap’s analysis shows that the quality of Enbridge’s review falls considerably short of standards put forward by investors as part of the 2022 *Global Standard on Responsible Climate Lobbying*. Enbridge has not updated its review since 2021. InfluenceMap’s detailed assessment of Enbridge’s review process can be found on InfluenceMap's CA100+ Investor Hub [here](#), and in [Appendix A](#).

¹ Further analysis on Enbridge’s climate policy engagement can be found in InfluenceMap’s February 2023 ‘*The Canadian Oil and Gas Industry and Climate Policy*’ report.

Background: Shareholder resolution on climate policy engagement

Engagement with companies over their climate policy engagement is now firmly on the investor agenda on climate change. It is an integral part of the *Climate Action 100+* (CA100+) investor-engagement process, which now has over 700 investor signatories with a total of \$68 trillion in assets under management.

As a research partner to CA100+, InfluenceMap maintains a global system for tracking, assessing and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks. This system currently covers around 450 companies along with 250 of their key industry associations.

InfluenceMap refers to the UN's *Guide for Responsible Corporate Engagement in Climate Policy* as a guide for what constitutes engagement. This can include advertising, social media, public relations, sponsoring research, direct contact with regulators and elected officials, funding of campaigns and political parties, and participation in policy advisory committees.

This briefing provides an overview of Enbridge's direct and indirect climate policy engagement, as well as an assessment of the company's climate policy engagement review process, in advance of the shareholder resolution at its 2023 Annual General Meeting (AGM), summarized in Table 1 below. This resolution will be voted on at Enbridge's AGM on 3rd May 2023.

Table 1: Key information for shareholder resolution at Enbridge's 2023 AGM

Resolution: Report on extent to which lobbying and political donations are consistent with net-zero goal			
Lead Filer:	Investors 4 Paris Compliance	AGM Date:	3 rd May 2023
Proposal Summary: The full resolution text is available here .	<p><i>Shareholders request that the Board produce a report, at reasonable cost and omitting proprietary information, examining whether Enbridge's pattern of lobbying and political donations in the U.S. is creating unnecessary business risk and is consistent with its net zero goal. The report should disclose evaluation criteria and external stakeholders consulted, if any.</i></p>		

Summary of Enbridge’s climate policy engagement

InfluenceMap’s methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company’s climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of Enbridge, including access to the underlying data which forms this assessment, can be found [here](#). The analysis of Enbridge’s industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of Enbridge

Enbridge		
Performance Band	D	Performance Band (A+ to F) is a full measure of a company’s climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	48%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	46%	Relationship Score (0 to 100) expresses how supportive or obstructive the company’s industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment with the Paris Agreement.
Engagement Intensity	27%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of direct climate policy engagement

InfluenceMap's analysis of Enbridge's direct climate policy engagement is based on 188 independent data points, 128 of which have been logged since 2020. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in our [methodology](#).

Enbridge appears to communicate high-level support for climate policy action while at the same time emphasizing conditions to this support that appear to weaken and/or exclude a range of policy levers that governments might consider in responding to climate change. For example:

- Enbridge's June 2021 comments to the US government on the proposal to include the social cost of greenhouse gases in infrastructure approval processes *argued* that "long-term, global positive effects of GHG-emitting activities" should be considered in the cost-benefit analyses that inform policy frameworks.
- The company's responses to CDP's 2022 Climate Change Information Request *supported* the Canadian federal government's efforts to address climate change, while insisting that policies for emissions reduction should be "cost-effective".

Enbridge appears to actively promote a sustained role for fossil fuels in the energy mix in Canada and globally, contrary to IPCC pathways on oil and gas to limit global warming to 1.5°C. For example:

- Enbridge disclosed in the Quebec Lobbying Registry in February 2022 that the company had *approached* the Quebec Government to put in place an action to "convince" the US federal government and Michigan state government to "abandon its intention to end" the Line 5 oil and gas pipeline project. In June 2022, Canada's National Observer reported that Enbridge had *advocated* the former Michigan governor Rick Snyder regarding the decision on the Line 5 pipeline.
- The company's comments to the Toronto City Council in February 2021 *opposed* the phase out of fossil gas-fired electricity generation in Ontario, stating that the proposal does not offer "realistic" solutions.
- This advocacy appears inconsistent with the *IPCC's 2022 Mitigation of Climate Change report*, which states that in pathways that limit warming to 1.5°C with no or limited overshoot, the global use of oil and gas in 2050 is projected to decline by 60% and 45% respectively compared to 2019. Enbridge's position on oil and gas also appears to be inconsistent with IPCC's less ambitious mitigation pathways, including scenarios for 1.5°C warming by 2100 with overshoot (50% reduction in oil and 45% reduction in gas) and 2°C warming (30% reduction in oil and 15% reduction in gas), all compared to 2019 levels.

Enbridge appears to engage on US and Canadian climate regulations with mixed positions. For example:

- While Enbridge's 2022 CDP disclosure lists support for a *carbon tax* in Canada, it appeared to emphasize that any carbon pricing program should be “economically efficient” and “cost-effective”. It is unclear what such conditions would mean in relation to a specific carbon pricing policy.
- In November 2021, Natural Gas Intelligence reported that Enbridge *opposed* the US Federal Energy Regulatory Commission’s (FERC) proposal for regulating GHG emission from fossil gas plants.

Summary of indirect climate policy engagement via industry associations

InfluenceMap's platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This gives an assessment of each association's engagement against Paris-aligned benchmarks. This section details InfluenceMap’s analysis of Enbridge’s key industry associations and governance processes.

- Enbridge published its only review of alignment with industry associations on climate change in June 2021. InfluenceMap *analysis* shows that the quality of Enbridge’s review process falls considerably short of standards put forward by institutional investors as part of the 2022 *Global Standard on Responsible Climate Lobbying*, scoring 14/100 under InfluenceMap’s methodology. Enbridge has not disclosed detailed policy positions and engagement activities of its industry associations, or how individual alignment assessments have been made. As a result, Enbridge has failed to accurately identify and take action on key industry associations engaging counter to the Paris Agreement goals. A detailed assessment of Enbridge’s industry association review can be found [here](#) and in Appendix A.
- InfluenceMap analysis indicates that Enbridge likely holds 3 memberships to industry associations with misaligned climate policy engagement (ranked as a D or below by InfluenceMap's system). These include the *American Gas Association*, *American Petroleum Institute* and *Canadian Chamber of Commerce*. Enbridge is also a member of the *American Clean Power Association (formerly AWEA)* which undertakes more positive advocacy aligned with the goals of the Paris Agreement.
- Detailed profiles for all Enbridge’s industry associations can be explored via the links in the following table or the "Details of Relationship Score" tab on Enbridge’s *company profile*. Table 3 below gives an overview of three key industry associations with examples of recent strategic climate policy engagement. A summary of Enbridge’s industry associations tracked by InfluenceMap can be found in Appendix B.

Table 3: Evidence of recent climate policy engagement by Enbridge’s key industry associations

Industry Association	Performance Band	Examples of recent engagement
<p><i>American Petroleum Institute</i></p>	<p>F</p>	<ul style="list-style-type: none"> • <i>Advocated</i> for a new five-year outer continental shelf offshore leasing program for oil and gas development in the US (<i>Comments to Bureau of Ocean Energy Management, October 2022</i>) • <i>Opposed</i> the climate provisions in the US Inflation Reduction Act (<i>Joint Trades Letter to Congressional leaders on the Inflation Reduction Act, August 2022</i>) • <i>Opposed</i> electrification of transport and stricter vehicle emissions regulation (<i>Letter to Connecticut Joint Committee on Environment, March 2022</i>) • <i>Opposed</i> methane regulations for the oil and gas sector (<i>Comments to US Environmental Protection Agency, February 2022</i>)
<p><i>American Gas Association</i></p>	<p>E-</p>	<ul style="list-style-type: none"> • <i>Opposed</i> the US Department of Energy’s energy efficiency proposal, which raises the ambition of energy conservation standards for gas and propane furnaces (<i>Comments to Department of Energy, October 2022</i>) • <i>Opposed</i> US Federal Energy Regulatory Commission’s (FERC) proposed gas pipeline policy update, which would require that climate impacts of gas infrastructure projects be considered before being approved (<i>Comments to FERC, May 2022</i>) • <i>Advocated</i> to weaken or eliminate the methane fee in the US Build Back Better Act (<i>E&E News, October 2021</i>) • <i>Opposed</i> methane regulations for the oil and gas sector and advocated for the exclusion of small well from the proposed rule (<i>Comments to US Environmental Protection Agency, January 2022</i>)
<p><i>Canadian Chamber of Commerce</i></p>	<p>D</p>	<ul style="list-style-type: none"> • <i>Opposed</i> Canada’s federal oil and gas emissions cap (<i>Comments to Environment and Climate Change Canada, September 2022</i>) • <i>Advocated</i> for Enbridge’s Line 5 pipeline by submitting an amicus curiae brief; opposed the shutdown order for the project (<i>Amicus brief submitted to District Court for the Western District of Michigan, Southern Division, March 2022</i>) • Appeared to <i>advocate</i> for the expansion of fossil gas production in Canada (<i>CCC President, Perrin Beatty, Twitter, June 2022</i>)

Appendix A: Detailed assessment of Enbridge’s corporate climate policy engagement review

This document outlines a detailed breakdown of InfluenceMap’s assessment of the company’s corporate disclosure on industry association lobbying, using the traffic-light assessment framework summarized below. Further details on the assessment methodology is available in the Appendix, and on our website [here](#).

Key	Explanation
■	Has broadly met investor expectations in this area.
■	Has made some progress on investor expectations in this area, but with significant deficiencies.
■	Has fallen short of investor expectations in this area.

A summary of Enbridge’s disclosures on industry associations is shown below. Enbridge has undertaken one review of its industry associations to date. The Review Score represents InfluenceMap’s overall assessment of the quality of the company’s industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
June 2021	14 / 100

This assessment focuses solely on Enbridge’s disclosure on industry associations and climate lobbying, which can be [found here](#). This assessment does not include an analysis of the company’s direct lobbying activities, which can be found on InfluenceMap’s online profile of Enbridge [here](#).

Applying the traffic-light framework outlined above, the table below summarizes the company’s performance under the seven indicators which form InfluenceMap’s assessment. A more detailed breakdown, along with examples of best practice evidenced by other companies to date, can be found on the following page.

Disclosure & Transparency	Policy Alignment Process
Corporate climate positions	Identify & Assess
Industry group climate positions	Monitor & Review
Alignment assessment method	Act
Framework for misalignment	

Enbridge’s Company Scorecard

The tables below highlight, for each indicator, the criteria for companies to meet investor expectations, Enbridge’s assessment, and examples of better practice by companies to date.

While InfluenceMap did not find an example of best practice across the entire industry association review process, some companies have demonstrated better practice under specific metrics under the 'Disclosure & Transparency' and 'Policy Alignment Process' assessments.

Disclosure & Transparency

Corporate climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and clearly referenced breakdown of its own climate policy positions and influencing activities beyond ‘top-line’ climate statements. This includes descriptions of the company’s positions and policy engagement activities on specific items of regulation and legislation which are material to the company’s operations, business sector, and/or the region(s) in which it operates.

<p>Enbridge</p>	<p>Enbridge has not disclosed a detailed breakdown of its own climate policy positions and influencing activities on specific items of regulation and legislation. The company’s disclosure is limited to operational commitments and broad policy positions, such as support for the Paris Agreement and the need for “efficient and effective public policies designed to reduce emissions”.</p>
<p>Best Practice</p>	<p><i>Shell</i> has disclosed case studies of its direct climate policy engagement in the EU and US. These case studies include Shell's positions on, and engagement with, specific items of EU and US regulation and legislation. The 2022 review also includes clear references to additional resources on Shell's corporate website, including advocacy updates on specific government policy consultations and links to public submissions via the EU Transparency Register and the US Lobbying Disclosure Act.</p>

Industry association climate policy positions and influencing activities

To meet investor expectations under this indicator: The company has to disclose a detailed and accurate account of the climate policy positions and influencing activities of each industry association actively engaged on climate change policy, including descriptions of positions and policy engagement activities on specific items of regulation and legislation beyond ‘top-line’ statements.

<p>Enbridge</p>	<p>Enbridge has not disclosed its industry associations’ position on, or engagement with, specific items of regulation and legislation. The company has disclosed the industry associations’ activities in broad terms without reference to specific climate-related policies. For example, Enbridge states that the American Petroleum Institute endorses carbon pricing policy without reference to specific policies.</p>
<p>Best Practice</p>	<p>No companies have met investor expectations in this area, although <i>BASF</i> and <i>Shell</i> exhibit current leading practice. Both companies have disclosed a detailed account of all key industry associations’ climate policy positions, and a summary of their influencing activities. However, they appear to overlook detailed negative lobbying by a number of industry associations identified by InfluenceMap's database.</p>

Alignment assessment method

To meet investor expectations under this indicator: The company has to: (1) disclose a clear and detailed framework for assessing alignment with its industry associations across all relevant areas of policy engagement; (2) consistently apply this framework across *all* industry associations; and (3) provide a clear and detailed explanation behind each evaluation.

<p>Enbridge</p>	<p>Enbridge has not disclosed a clear and detailed framework for assessing alignment with its industry associations. The company states that it has compared the associations’ climate positions against its own to determine whether sufficient alignment exists to justify continued support. However, it does not disclose its own climate policy positions, nor what will constitute a finding of alignment or misalignment. Enbridge also does not provide a clear explanation of how each evaluation has been made, and does not clearly state whether some industry associations are aligned or not.</p>
<p>Best Practice</p>	<p>BASF has disclosed a clear explanation of its alignment assessment method along with a clear and detailed explanation of how it has been applied to each industry association. The company also provided specific alignment indicators for EU climate policy such as the EU ETS to assess the alignment of key European industry associations.</p>

Framework for addressing misalignment

To meet investor expectations under this indicator: The company must disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.

<p>Enbridge</p>	<p>Enbridge has not disclosed a framework to address potential cases of misalignment. The company only states that its priority is to work to influence industry associations from within.</p>
<p>Best Practice</p>	<p>BHP has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.</p>

Policy Alignment Process

Identify & Assess	
<p>To meet investor expectations under this indicator: The company has to identify all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s <i>database</i> on corporate lobbying.</p>	
Enbridge	<p>Enbridge does not appear to identify any cases of misalignment, although the disclosure lacks clarity. The company has a short section called ‘Engagement and Alignment’ for each industry association, but does not disclose an alignment assessment for all industry associations. InfluenceMap analysis indicates that the company likely has two memberships to industry associations misaligned with the Paris Agreement (American Petroleum Institute, American Gas Association) and one membership to industry associations potentially misaligned with the Paris Agreement (Canadian Chamber of Commerce).</p>
Best Practice	<p><i>Enel</i> is the only company to meet investor expectations in this area, identifying all cases of misalignment with its industry associations and the Paris Agreement in line with InfluenceMap’s database, although the company does not disclose additional details of why they are not fully aligned. InfluenceMap analysis indicates that most companies have missed key cases of misalignment with industry associations lobbying counter to the goals of the Paris Agreement.</p>

Monitor & Review	
<p>To meet investor expectations under this indicator: The company has to publish a review of industry associations on an annual basis, commit to do so at least once a year, or commit to disclose regular updates on its review and alignment process. Updates should accurately report on relevant material and on-going lobbying activities of potentially misaligned industry associations, as well as the company’s alignment and engagement with the industry association concerning these activities.</p>	
Enbridge	<p>Enbridge has committed to actively monitor its industry association memberships, participation and alignment, and provide material updates to stakeholders in its annual sustainability report.</p>
Best Practice	<p><i>Shell</i> publishes detailed assessments of its industry association memberships at two-year intervals, with detailed updates on misaligned industry associations each year. Shell has published two full reviews of its industry associations (2019, 2021) and two review updates (2020, 2022). The review updates include actions taken within each industry association, key changes to the associations’ climate positions, and detailed next steps. Shell has committed to publish its next update in 2023.</p>

Act	
<p>To meet investor expectations under this indicator: The company has to show evidence of action to address all cases of misalignment with its industry associations and the Paris Agreement, in line with InfluenceMap's <i>database</i> on corporate lobbying. The investor expectations outlined by <i>PRI</i>, <i>IIGCC</i> and <i>Ceres</i> include several steps companies can take to address misalignment. Steps should include terminating memberships or taking specific action to reform the detailed and material lobbying activities undertaken by misaligned organizations.</p>	
Enbridge	<p>Enbridge has shown limited evidence of action to address misalignments. The company has disclosed only broad actions it will take within industry associations, for example to shape and advance policy agendas or share industry perspectives. The company does not appear to have addressed key cases of material and potential misalignment with the Paris Agreement identified by InfluenceMap's database (see Identify & Assess).</p>
Best Practice	<p>No companies have met investor expectations in this area by showing evidence of action to address all cases of misalignment identified by InfluenceMap's database, although some companies have made more progress. <i>Total</i> announced in January 2021 that it had decided not to renew its membership to the American Petroleum Institute due to divergences on climate positions. <i>BHP</i> suspended its membership to Queensland Resources Council in 2020 following its 'Vote Greens Last' advertising campaign and outlined detailed actions to be taken at four "partly aligned" industry associations. <i>Chevron</i> has not left any industry associations but has disclosed its engagement on specific climate change policy issues with seven industry associations, including details of the results of this engagement. Similarly, <i>General Motors</i> has disclosed that it has not financially contributed to advocacy campaigns against the Build Back Better Act by the Business Roundtable and US Chamber, and has publicly advocated a supportive position to ensure its stance is differentiated from them.</p>

Appendix B: Enbridge’s industry association memberships

The table below provides a ranking of Enbridge’s key industry associations by Performance Band, i.e. a measure of direct climate policy engagement (see page 3 for more information on InfluenceMap’s metrics).

Detailed profiles for all Enbridge’s industry associations can be explored via the links in the table.

Industry Association	HQ Country	Performance Band	Engagement Intensity
<i>American Clean Power Association (formerly AWEA)</i>	United States	A	51%
<i>Hydrogen Council</i>	Global	C+	10%
<i>Canadian Chamber of Commerce</i>	Canada	D	26%
<i>American Gas Association</i>	United States	E-	29%
<i>American Petroleum Institute (API)</i>	United States	F	51%