Stakeholder relations guide
Our guide to effective stakeholder engagement
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Introduction

Stakeholder engagement is all about relationships.

We are increasingly aware of the interconnections and complexity of environmental, social and economic issues related to our operations. These issues are of great importance to our stakeholders, and have a direct impact on our ability to operate. These issues cannot be adequately addressed and managed by a single employee or employee group alone. Each one of us is responsible for the individual relationships we build and maintain on a daily basis, but our ultimate success in stakeholder engagement as a company flows from the cumulative results of our collective, collaborative efforts.

Encana’s stakeholder relations efforts must also balance the need for engagement and transparency with legal obligations relating to confidentiality and securities regulations.

Encana is committed to successful stakeholder engagement. We hope you’ll take the time to review this brief guide and to openly discuss it with your colleagues, co-workers and others who may play a role in stakeholder engagement at Encana.
Working together
In an effort to identify, develop and advance best practices for stakeholder engagement, Encana works collaboratively with industry peers, our investment community, regulators and trade associations, including the Canadian Association of Petroleum Producers (CAPP) and America’s Natural Gas Alliance (ANGA).

We also align our practices closely to internationally recognized sustainability guidelines and indices including Global Reporting Initiative (GRI), the Dow Jones Sustainability Index and the Carbon Disclosure Project.

Defining stakeholder engagement
At Encana, stakeholder engagement is an umbrella term that covers the full range of our efforts to identify, meet, listen and respond to, understand and involve our stakeholders in our operational activities and business decisions. We believe that working together with our stakeholders sparks innovation and the ideas needed to meet new challenges and opportunities. It’s critical to long-term success – for us and for the communities where we live and work.

Defining our stakeholders
We think of stakeholders as any group or individual who can affect, or who can be affected by, our operations. They include – but are not limited to:

- shareholders
- contractors
- employees
- customers
- landowners
- surface rights groups
- synergy groups
- communities
- Aboriginal communities and governments
- private-sector partners
- competitors
- governments
- investors and financial institutions
- regulators
- non-government organizations

As employees, you have as much of a stake in our success as anyone. Our stakeholder engagement success is dependent on how effectively you are able to maintain positive, productive relationships with all our stakeholders.
Corporate responsibility at Encana

Corporate responsibility is about doing the right thing.

Creating long-term shareholder value and protecting our social license to operate are significant elements of Encana’s strategy for sustained financial success. Building and enhancing our reputation is an important part of that strategy. But what’s more important: doing the right thing.

At Encana, corporate responsibility requires a constant commitment to conducting business ethically, legally and in a manner that is fiscally, environmentally and socially responsible – every day. The principles of open engagement are clearly expressed in our Corporate Responsibility Policy, where it states that Encana is committed to engaging, listening to and working with stakeholders in a timely, respectful and meaningful way in our planning and operations.

Consistent with the principles of our Corporate Responsibility Policy, Encana believes that our operations and business units must have flexible stakeholder engagement plans; however, these plans must meet regulatory guidelines for public consultation. We strive to exceed regulatory guidelines and contribute to the ongoing development of industry best practices – contributing, along the way, to the ultimate success of our operations and projects and the achievement of our long-term corporate objectives.
Stakeholder engagement goals and objectives

Earn community acceptance of operations – Government regulators provide us with the license to operate, but it’s our community stakeholders who provide us with the social license to operate. Acting with integrity and being a good neighbour are critical to success – to Encana’s ongoing business success as well as to the success of our neighbouring communities. Through effective stakeholder engagement, that mutual benefit and dependency can be articulated, and barriers to community support can potentially be removed.

Achieve access to land and resources – Land access is a very significant factor to the success of energy producers. Land and resources allow us to do business. But land use and resource allocation must be managed responsibly. We understand this and also know that stakeholder engagement is crucial in helping Encana to better understand what “responsible” means to stakeholders and, thus, how to achieve responsible management.

Mutually beneficial relationships – Encana strives to be the energy producer of choice. We’ve heard from a number of landowners that ‘they would rather have Encana on their land than any other energy producer’. It’s important that communities situated near our operations participate in honest discussion and respectful engagement in an effort to ensure all stakeholders benefit.

Incorporate stakeholder feedback in ongoing operations – It’s not really listening if we hear, but don’t act on useful feedback. Acting on stakeholder feedback has the potential to improve operational efficiencies and improve our standing within our communities. There are many examples of where we have learned from our stakeholders. For example, feedback from our Stakeholder Engagement Survey helped develop our Courtesy Matters® program. This program addresses nuisance issues that can occur with resource development.

Inform stakeholders of performance – Part of the communication process includes letting stakeholders know how we’re performing. With guidance from staff, investors, industry associations and experts in sustainability, we ensure that the issues we address and the performance indicators we report on are relevant to our business and stakeholders. Performance information is beneficial to stakeholders and can lead to valuable feedback.

Be a trusted, reliable North American energy supplier – This reputation is gained through responsible business practices and is achieved one stakeholder and one community at a time.

Meet and exceed regulatory requirements – Doing only what is required of us is simply not how we do business. We must meet regulatory requirements, but we strive to create best practices defined not only by industry, but by the stakeholders with whom we engage.

Courtesy Matters is a registered trade-mark of Encana Corporation.
We strive to exceed regulatory guidelines and contribute to the ongoing development of industry best practices.
A team effort

Stakeholder engagement is a collaborative effort.

At the corporate level, a number of groups are directly responsible, on a day-to-day basis, for external relationships. These groups include investor relations, media relations, communications, community involvement, corporate responsibility and government relations.

From an operations perspective, our Canadian and USA Divisions’ stakeholder engagement responsibilities fall under the Vice-Presidents of Stakeholder Relations. Included in each of their portfolios is community relations, Aboriginal relations and divisional community investment. These teams are responsible for engagement with affected landowners, communities and local governments, non-governmental organizations, multi-stakeholder groups and contractors located in our key operating areas. Essentially, this group is responsible for Encana’s on-the-ground social license to operate.

Community relations and Aboriginal relations teams are embedded in the business, ensuring a collaborative approach to our operations and development plans. By embedding stakeholder engagement into the business, the number of potential solutions to address arising concerns are increased.

Nearly all of Encana’s field locations have a dedicated community relations representative who lives and works in the community, further demonstrating our commitment to the area.
Stakeholder engagement (or community relations) plans are developed by Community Relations for a business unit or on a project-by-project basis, with input from operations as well as other areas of the company including Aboriginal Relations, Regulatory, Environment, Health & Safety (EH&S) and Surface Land.

The following seven principles guide the development of every stakeholder engagement plan: risk analysis, understanding local communities, empowering employees and contractors as ambassadors, stakeholder outreach and education, modes of communication, community investment and monitoring and revising the plan. It’s important to note that every plan will be tailored to the specific needs of a given project area and/or community.
Risk analysis

We expect our Community Relations teams to stay ahead of development by being a part of the project planning and anticipating potential concerns. The first thing we do is identify key risks that could impede land access and community acceptance for a given area. This could be anything from financial factors to natural conditions to political issues. We use that information to reduce those risks. Information on a potential risk is analyzed; and then we estimate the likelihood of the risk materializing and look at our options for managing that potential risk. Those options – which may include using existing assets, contingency planning or investing in new resources – are then reviewed (and in some cases tested) and a determination is made on how best to proceed.

Understanding local communities

We want to know our stakeholders. Who is impacted by our development? How are they affected? What is their relationship to Encana? We start by identifying our stakeholders for each of our projects. Then we assess their level of awareness of Encana operations and determine how involved they are in the areas where Encana does business. This helps us develop strategies for more effective communication with stakeholders.

Empowering employees and contractors as ambassadors

Staff and contractors are our ambassadors. This is reflected in our Courtesy Matters program, which was launched in response to feedback from communities. Built on a foundation of courteous behaviour, it promotes ongoing dialogue with our stakeholders. Field staff and contractors are trained on Courtesy Matters protocol, expectations and desired outcomes. In some of our operating communities, landowners, residents and contractors have joined us in Courtesy Matters Advisory Committees to create a dialogue on important energy development issues.

Stakeholder outreach and education

Providing educational guidance and resources about Encana’s activities to affected communities – including local, state, provincial and federal stakeholders – strengthens communities and helps mitigate impacts associated with our operations. Education and community outreach initiatives are part of our Community Relations plans. These initiatives might be as simple as a pamphlet, or as involved as a series of community meetings for our stakeholders. We educate our stakeholders about our operations and provide communities with information so they can make informed decisions and judgments about our company and our operations.
Stakeholder engagement plans are developed by the Community Relations teams for a business unit or on a project-by-project basis.
Modes of communication

We use various communications tools to increase our stakeholders’ awareness and understanding of Encana and the industry. These tools include annual reports, corporate social responsibility reports, news releases, newsletters, advertisements, our website, social media, one-on-one meetings and community events. Whether it’s touching base through a computer, a phone or in person, we always do our best to ensure the lines of communication are open – and that we engage.

Community investment

A big piece of effective stakeholder engagement is informed strategic community investment. After all, contributing to the well-being of the communities affected by our operations – and those where our employees and contractors may live – is our responsibility. We commit to being involved.

We provide funding and support community initiatives that meet our set criteria in six key areas:

Environment – includes working with organizations that care for and protect the environment as well as those that provide environmental education to youth

Education – it also supports locally-based initiatives that promote advancement in sciences, trades and technology

Family and Community Wellness – support for community organizations that promote wellness, contribute to the prevention of illness or injury, and enhance health care, social and emergency services

Sport and recreation – support for programs aimed at enhancing the physical and social well-being of communities

Community enhancement – support for cultural programs and economic development initiatives

In addition, Encana supports employees’ efforts to make a difference in their communities through a matching gifts program and an employee volunteer program that provides grants to organizations where employees volunteer their time.

Monitoring and revising our plan

All stakeholder engagement plans are living documents, meaning they’re changed and adapted as the project changes and as we receive input from our stakeholders. Generally these plans are refreshed on an annual basis. To evaluate a plan, a simple Plan, Do, Check, Act (PDCA) model can be used. You start with a plan, carry out that plan, evaluate what happened and then act accordingly. Then the cycle begins again with an improved plan, a test of that plan, another assessment of what took place and further revisions. This process of constantly monitoring and making revisions is applied to all Encana operations and it ensures that we are continually improving.
Collecting feedback and measuring results

Ensuring our stakeholders know who we are and what to expect from us is crucial to our success. We work with stakeholders in a transparent, honest and respectful way by listening to their concerns and working together with them to find solutions to meet their needs. Open dialogue with stakeholders enables good decision making, helps identify and resolve issues, builds strong communities and supports shared learning before, during and after our operating activities. We employ a variety of methods to receive feedback and assess the effectiveness of our programs.
Flexible feedback

We realize that not everyone communicates the same way and it’s important to allow feedback from our stakeholders in whatever means they are most comfortable. That’s why we use technology such as online feedback forms, social networking pages, blogs and texts, as well as more traditional modes of communication such as telephone, email, community forums and face-to-face meetings. When attempting to gauge stakeholder satisfaction, ensuring everyone is comfortable enough to fully express themselves is critical.

Stakeholder engagement surveys

Comprehensive and thoughtful surveys are conducted in the communities where we operate. These surveys are designed to better understand our reputation and the impression stakeholders have of Encana, as well as identify issues that need to be addressed.

Staff surveys

Encana surveys employees and contractors, both formally and informally, to confirm that our policies and practices align with their needs and the needs of the communities where they live and work, and ensure that these practices are being honoured in our day-to-day operations and interaction with external stakeholders.

Courtesyc Matters

Community members concerned with industry issues related to traffic, gates, dust, noise and garbage are encouraged to contact us through the Courtesy Matters program, which establishes clear expectations for our employees and contractors, based on the very simple foundation of courteous behaviour.

Integrity Hotline

This confidential hotline allows concerned individuals to express concerns, raise questions or easily provide feedback about Encana’s operations via phone or email. Hotline topics vary and may address comments and/or questions about Encana’s business conduct, ethics, accounting and auditing matters, environmental concerns and occupational health and safety issues, among other subjects. Any query received through the Integrity Hotline is reviewed and investigated in a manner appropriate to the concern and level of confidentiality that is required. Our internal Investigations Committee as well as an Investigations Practice support the Integrity Hotline.

Encana Integrity Hotline
(North America) 877.445.3222
encana.alertline.com

Integrity Hotline

c/o Encana Corporation
1800, 855 – 2 Street SW
PO Box 2850
Calgary, Alberta, Canada T2P 2S5

Media monitoring

We diligently monitor the media and gather information about our operations from television reports, radio stories, newspaper clippings, online reporting and other media sources to stay informed and to further understand what our stakeholders think of our operations. We use that information to determine the best way to appropriately engage stakeholders and/or respond to emerging stakeholder issues.