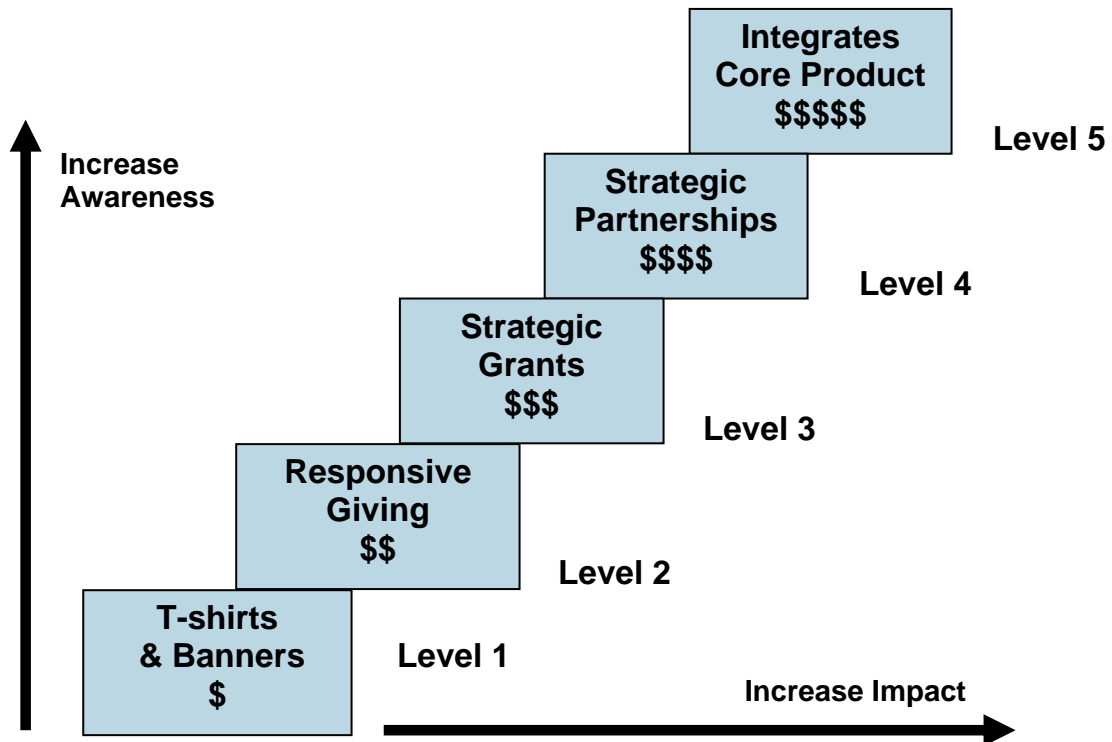




## Levels of Strategic Community Investment

- Level 1: Event Sponsorships a.k.a. “T-shirts & Banners”**
- Level 2: Responsive Giving**
- Level 3: Strategic Grants**
- Level 4: Strategic Partnerships**
- Level 5: Integrates Core Product or Service**



Encana evaluates every community investment grant using this five step tool to determine the level of strategic fit, based on our “areas of focus” as identified on our website and the descriptions listed below. This evaluation tool provides tangible and realistic numbers by which we assess our program’s effectiveness.

As grants move up the scale, so does the program’s impact, the community’s awareness, and the company’s return on investment - from basic sponsorships to fully integrated initiatives that clearly align with our core product and business objectives.

Areas of Focus: Highest Priority – Using Natural Gas

- Tier One: Environment, Education
- Tier Two: Community Enhancement, Family Wellness, Sports & Recreation

## **Level 1: Event Sponsorships a.k.a. “T-shirts & Banners”**

**Description:** Single day, event driven sponsorships, closely resembles advertising and is often shared with other sponsors. Requests are always initiated by the charity or external organization seeking funding to promote their cause. Some “level one” sponsorships will always be required, however, the dollar amount is relatively small compared to programs and initiatives, and participation by company representatives is required at all events, or we pass.

**Examples:** dinners, receptions, golf tournaments, events, races

**Benefits:** the non-profit or “cause” only, very limited company benefit

## **Level 2: Responsive Giving**

**Description:** Giving is responsive to community needs but not strategic based on company guidelines. For example, grants may be made to organizations that are not aligned with our areas of focus, but do provide some goodwill from the community especially if the initiative is heavily supported by influential business or community leaders, or has gained broad local public support. Responsive grants are typically one-time gifts that are not repeated the following year, unless the relationship moves into strategic alignment. Recipients either move up or move off the list.

**Examples:** One-time gift for broad community effort that has local support

**Benefits:** The community at large, or one specific relationship; limited company benefit

## **Level 3: Strategic Grants**

**Description:** Strategic grants are awarded for projects or programs that fall within our areas of focus, have shelf life, well-defined branding opportunities and can provide measurable return on investment (ROI). Strategic grants support initiatives that benefit both the community and the company and are the basis for forming win-win partnerships. Level three grants may include volunteer opportunities for our employees.

**Examples:** Grants made to local non-profits aligned with our key areas of focus for projects, programs or initiatives.

**Benefits:** BOTH the non-profit organization and the company; win-win

## **Level 4: Strategic Partnerships**

**Description:** Strategic partnerships evolve as key organizations work closely with company representatives to create sustainable and long term solutions that meet both the company’s goals and the organization’s mission. Strategic partnerships evolve over time and may result in “signature programs” that can be repeated in other markets. Level four grants offer significant branding opportunities, and integrated news stories that can be communicated both internally and externally.

**Examples:** Workforce Development initiatives, Signature Programs, Multi-year grants

**Benefits:** The non-profit organization, the company and the broader community

## **Level 5: Integrates Core Product or Service**

**Description:** Level five on the strategic chart creates the biggest impact on the community, provides the greatest return on investment to the company and directly incorporates the company’s core product or service. Encana’s core product is **Natural Gas**. Strategic non-profit partnerships that promote the use and benefits of natural gas receive the largest grants and greater company support from service groups and executive teams. Level five programs are viewed by competitors and admirers as contributing to best practices and leading trends in the industry while enhancing our company’s reputation as a leader.

**Examples:** Natural Gas Vehicles, Energy Efficiency initiatives using natural gas

**Benefits:** The Company, the non-profit partner, the local community and the broader industry