

# we care:

OUR SUSTAINABILITY REPORT

# 2015

more than just an idea,  
it is how we work.

At Enerplus, we are proud of what we do, how we do it and where we are headed in our sustainability journey. We care about keeping our people safe, developing our resources responsibly, respecting the environment and building positive relationships in the communities where we live and work.

Our story began in 1986 when we formed Canada's first oil and natural gas royalty trust, which converted into a corporation on January 1, 2011. Over time, we have advanced our business and technical capabilities. We have bought, sold and developed billions of dollars of assets, focusing on three distinct core areas in the United States and Canada which make up nearly 90% of our corporate production.

Our Sustainability Report summarizes our business, responsibility, people and performance in 2015. This report was prepared in accordance with the core indicators of the Global Reporting Initiative (GRI) G4 Guidelines and G4 Oil and Gas Sector Supplement (2013).





# our business:

Our Board of Directors and Executive Team believe good corporate governance practices are essential to our operations. They are accountable for ensuring we deliver on our sustainability goals and that our business activities are executed safely and responsibly.

## ECONOMIC PERFORMANCE

Maintaining a strong, successful company creates value for our shareholders. We monitor and assess the risks related to our operations and our business, including reputation, governance, regulatory and environmental matters such as climate change. Our contractors must meet rigorous criteria for health and safety, insurance, legal matters and be financially stable in order to work for us.

Despite facing a challenging commodity price environment, 2015 was a strong year for Enerplus. We achieved excellent operational results and delivered production growth

along with meaningful cost reductions. We continued to improve our portfolio focus and retained our financial flexibility during a protracted period of low commodity prices.

In 2015, we challenged our employees to work together to find efficiencies in our business. We called this the *\$75 Million Challenge*. Our employees took this challenge to heart, stepped up with lots of ideas and exceeded the goal. This challenge has resulted in a new way of doing things that is now ingrained in our culture and day-to-day behaviour.

## REGULATORY COMPLIANCE

Operating in a sustainable and responsible manner is core to how we conduct our business, along with ensuring the safety of our workforce and communities.

We take regulatory compliance very seriously and set annual targets to improve our performance. In 2015, we had the fewest incidents of non-compliance in our history and met our corporate targets. Of the 148 inspections conducted by government regulators across our field operations, 126 were deemed satisfactory.

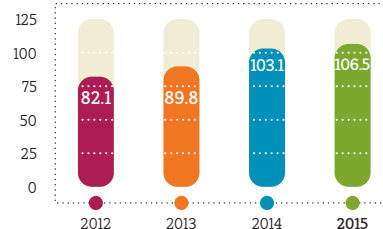
We have a robust internal audit and inspection program to evaluate our regulatory compliance and to identify opportunities for improvement. In 2015, we conducted 5,784 inspections of our facilities and infrastructure.



## did you know?

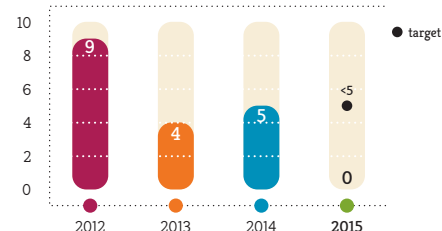
We produce enough energy to heat and power over 1.9 million households a year

### ANNUAL PRODUCTION (MBOE/D)

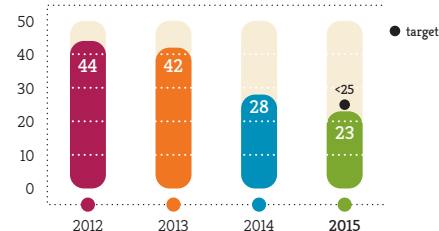


Production grew by 3% in 2015, despite a 39% reduction in capital spending.

### HIGH RISK NON-COMPLIANCE



### LOW RISK NON-COMPLIANCE



We had the fewest incidents of non-compliance in our history, which is reflective of the hard work and training of our field operators.

# our responsibility:

We care about reducing our impact to air, water and land. Our environmental management system ensures that our activities comply with our policies and procedures, applicable regulations and industry best practice.

## AIR EMISSIONS

We continually look for ways to reduce our air emissions and improve our energy efficiency.

In 2015, we focused on increasing the number of inspections in our fugitive emissions management program, reducing the amount of gas that we flared to atmosphere and improving our operational efficiency. This

focus resulted in a 25% reduction in our flaring emissions and a 19% reduction of our total greenhouse gas (GHG) emissions.

We are in the process of developing our GHG Management Strategy and maintaining our focus on reducing methane emissions.

## WATER

Water is a necessary resource in oil and natural gas development. When we design and operate our facilities, we continually look for ways to reduce our water use and preserve water quality.

Access to adequate water supply is important for all of our operational phases including exploration, development and operations.

Our Water Security Management Plan helps us understand water issues around our operations and identifies risks and opportunities for alternatives to freshwater use. Our Water Source Decision Tool ensures that we evaluate all water source options before considering the use of freshwater.

## ENVIRONMENTAL FOOTPRINT

We work to minimize our environmental impact to the lands that we develop and operate.

Early in our planning process, we conduct pre-disturbance assessments to identify and avoid sensitive environmental features and critical habitat for threatened or endangered species. With this information, we then design our operations so that impacts to local flora, fauna and habitats are minimized.

At the end of our operations, we decommission the site and work to re-establish the land to pre-disturbance conditions. This is called

the reclamation phase which can take seven to ten years to complete. In 2015, we had 345 active reclamation projects and submitted 32 reclamation certificate applications to regulators.

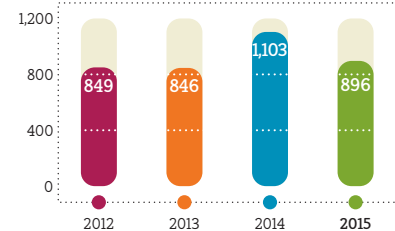
We also tested a new waterjet cutting technology to minimize the environmental impact that occurs when abandoning a well. This new technology will also reduce the time required to reclaim a site.



## did you know?

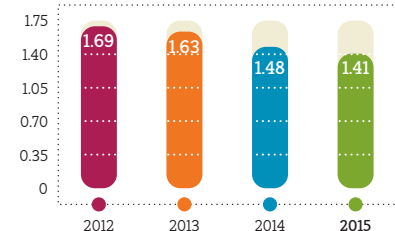
The hydraulic fracturing technique first began more than 60 years ago

### DIRECT & INDIRECT EMISSIONS (000s CO<sub>2</sub>e)



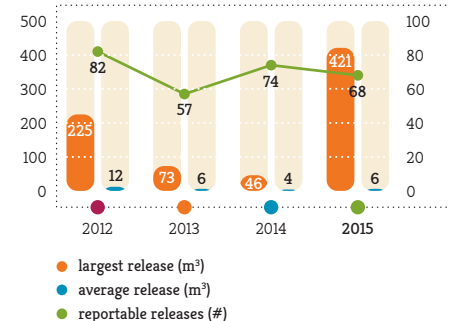
We decreased our total emissions by 19%.

### FRESHWATER USE (million m<sup>3</sup>/yr)



Freshwater consumption was reduced by 5%.

### ENVIRONMENTAL RELEASES



The number of reportable releases decreased, however our average release volume increased, making it an area we will continue to focus on.



# our people:

Ensuring the safety of our workforce and communities, along with operating in a sustainable and responsible manner, is core to how we conduct our business. This mindset and our HEART values combine to form the foundation of our culture.

## SAFETY

We care about everyone getting home safely at the end of each day. This includes our employees, contractors, neighbours and business partners. Our Owning Zero journey promotes and supports a culture in which everyone shares ownership and has a responsibility for safety both at work and at home.

In 2015, we continued our focus on improving our safety performance and strengthening our safety culture. We saw improvements in our key safety targets of fewer injuries to workers

and fewer motor vehicle incidents. We reduced the number of recordable injuries and lost-time injuries by 31% and 67%, respectively. Our lost-time injury frequency improved from 0.49 in 2014 to 0.21 in 2015. We also successfully completed our Enform Certificate of Recognition external maintenance audit and continued to enhance our behaviour-based safety mindset.

## EMPLOYEE ENGAGEMENT

Our people are critical to our success. Our results-focused work environment underlines the importance of both how and what employees deliver. We encourage same-day conversations and real-time feedback which helps achieve strong business performance and higher employee engagement.

Because we know that the quality of our people leaders directly influences our performance and employee engagement, we developed a *Leader Fuel Up* program in 2015. This series focused on increasing leaders' effectiveness in guiding and empowering and creating engaging work environments.

## STAKEHOLDER ENGAGEMENT

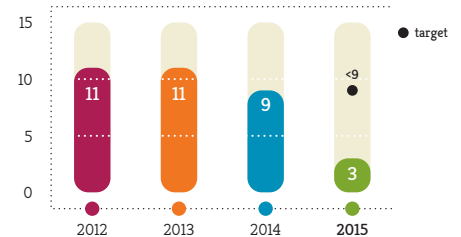
Active engagement with stakeholders has resulted in productive and positive relationships. Each year, we establish who our stakeholders are and the impact our operations might have on them. This information guides us to the most appropriate level of engagement and ensures the correct

feedback mechanisms are in place. We strive to continue strengthening our relationships with them through our annual stakeholder engagement programs, such as *Adopt-a-Well* and *Project Webfoot*.

## did you know?

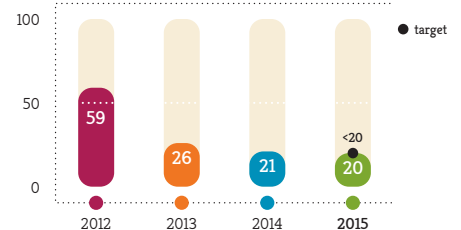
Enerplus hosted over 9,000 people at 10 community events in 2015

### LOST-TIME INJURIES\*



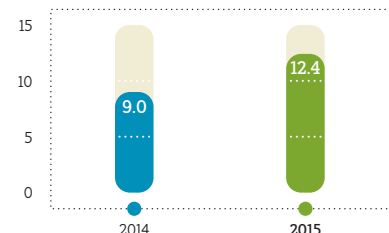
\* A lost-time injury is recorded when a worker cannot return to work the day after an injury takes place.

### MOTOR VEHICLE INCIDENTS



Lowest number of lost-time injuries and motor vehicle incidents in the last four years.

### SAFETY TRAINING (000 hours)



Our employees received on average 3.5 days of safety-focused training in 2015.

I am pleased to share our 2015 Sustainability Report. While 2015 was a challenging year for our industry, our performance results demonstrate our continued commitment to grow a successful and sustainable oil and gas company. Our strong safety performance in 2015 reflects our continued focus on evolving our safety culture at Enerplus. This is something of which I am extremely proud.

Going forward, we will continue to focus on safely delivering strong operational results, prudently managing our financial position and continuing to meet our safety and social responsibility objectives, while looking for innovative solutions to maintain and achieve additional capital and operational efficiencies. I believe that while the current commodity price environment presents challenges, it is also an opportunity for us to differentiate our business from others and create significant future value for our shareholders over the long-term.

Ian C. Dundas  
President & CEO



## OUR STORIES

“The Adopt-a-Well program that was initiated by Enerplus at the Mandaree school expands the horizon for students to see what opportunities are available beyond the boundaries of their community, and provides a motivation to strive for something that may have never been realized otherwise. Enerplus should be commended for their investment in the education of the students at the Mandaree school.”

Paige Baker PhD and Jason Baker P.E.



“Enerplus has played and continues to play a key role in raising awareness within government and industry about the hazards of exposure to hydrocarbon gases and vapors and how to reduce or eliminate this potentially lethal hazard. Several NIOSH partners, including Enerplus, are stepping up to the plate to take leadership within industry to improve the safety and health of the oil and gas workforce and it is making a difference.”

The National Institute for Occupational Safety and Health (NIOSH)



“Enerplus is a good corporate neighbour. I have enjoyed a positive long-term relationship with Enerplus and during that time, Enerplus has operated as a socially responsible and transparent energy company.”

Lorne Veitch PAg, Saskatchewan Agriculture and Food – Regional Manager (South)



“In the spirit of collaboration during a very challenging year for industry, Enerplus and PTAC worked together on a methane emissions reduction project targeting glycol dehydrator pumps and shared the results with peers within the Technology for Emissions Reduction and Eco-Efficiency (TEREE) Committee.”

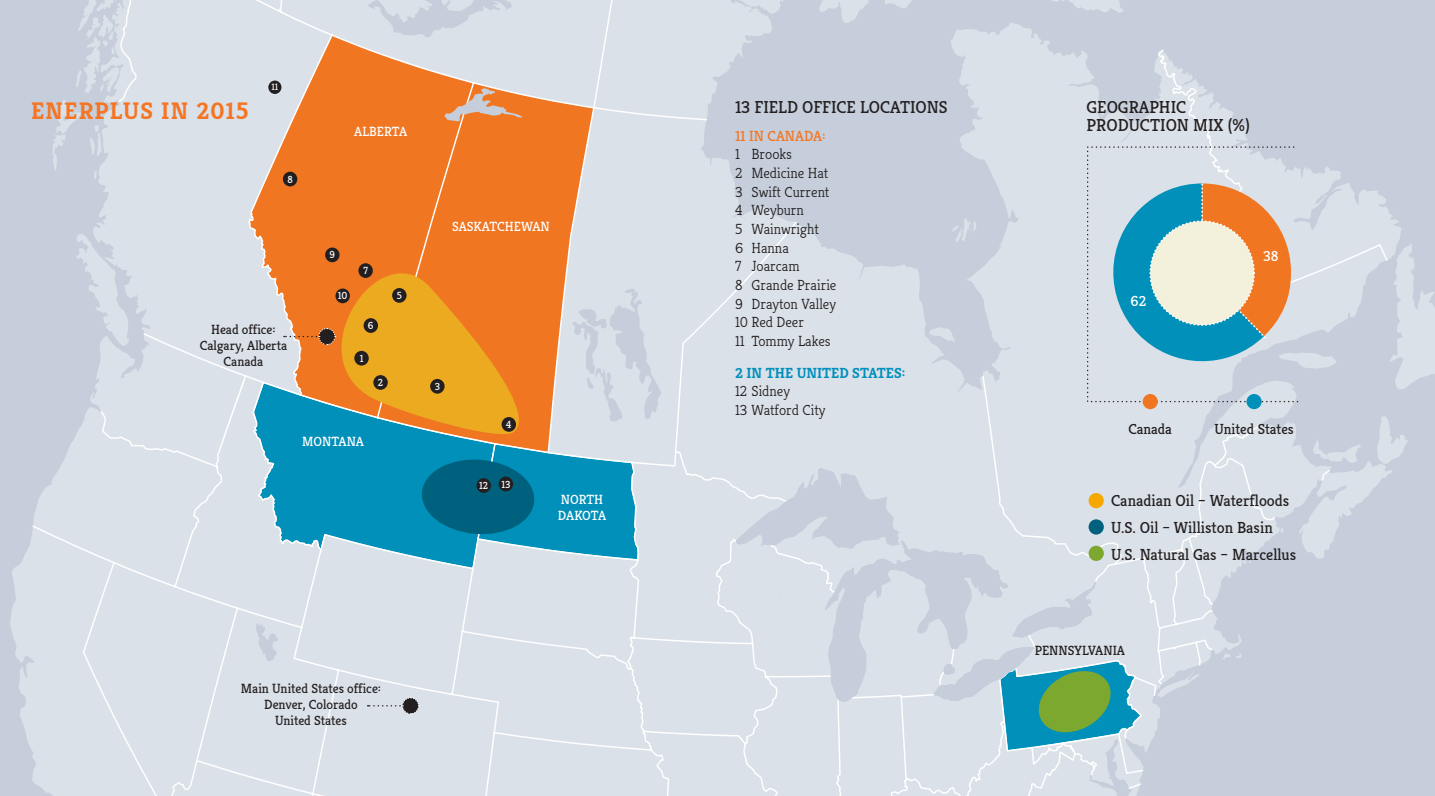
Petroleum Technology Alliance of Canada (PTAC)



“VelocityEHS enjoys a collaborative and purposeful partnership with Enerplus. They are innovative, forward-thinkers in their industry and deeply committed to seamlessly integrating EHS and sustainability into every aspect of their business. It is an absolute pleasure to work with Enerplus and be a part of their EHS journey.”

VelocityEHS

## ENERPLUS IN 2015



**106,524** BOE/D  
Average production

**\$1.0B**  
Oil and gas sales,  
net of royalties and hedging

**\$219M**  
Royalties and production taxes

**\$834M**  
Capital and operating spending

**\$2.2B**  
Enterprise value

**406** MMBOE  
Total proved and probable reserves

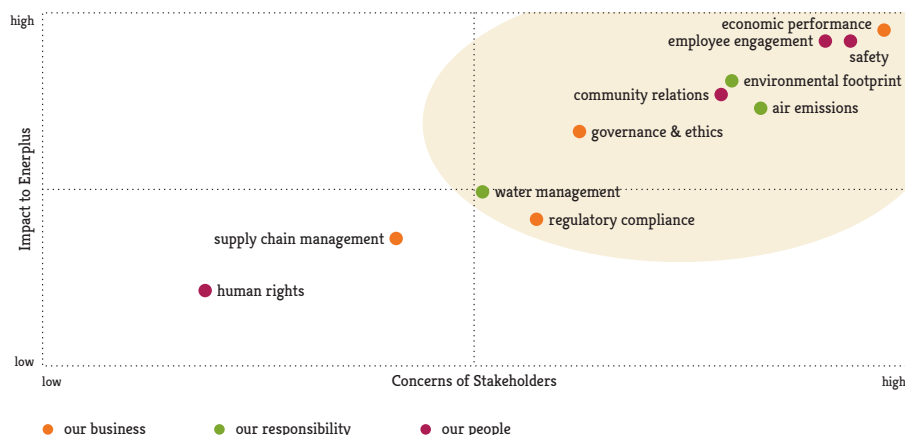
**\$130M**  
Employee salaries and benefits

**588**  
Employees (including full-time  
benefit and payroll consultants)

## MATERIALITY

The content of this report was determined through a 2015/16 materiality analysis to identify the areas of greatest interest to our stakeholders and of greatest relevance to our operations and business. We conducted a formal materiality survey, reviewed other sustainability and corporate social responsibility reports, considered disclosure guidance for the oil and gas sector and obtained feedback from investor sustainability rating firms. Click here for more detailed information on our approach to materiality.

### ENERPLUS MATERIALITY MATRIX



To obtain more information on Sustainability at Enerplus, visit [www.enerplus.com](http://www.enerplus.com) or call Kym Fawcett at (403) 298-2200.

The information in our Sustainability Report is based on our operated properties and is reported in Canadian dollars.

**TMX NYSE** Our shares are traded on the Toronto and New York Stock Exchanges under the symbol "ERF."

### Disclaimer

Enerplus has taken care to ensure the information in this report is accurate. However, this report includes aspirational goals and targets, which will differ from actual results, and are for informational purposes only. Enerplus disclaims any liability whatsoever for errors or omissions. Further, some information in this report may have been disclosed previously in other Enerplus public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein. Please see our website for additional information on forward-looking statements, which we incorporate herein by reference.

With this report, we hope to increase your knowledge of Enerplus and our operations. This document does not provide investment advice, and readers are responsible for making their own financial decisions.

**enerPLUS**  
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G4-5, G4-6, G4-8, G4-9, G4-18-23, G4-31