

Enbridge 2009 Corporate Social Responsibility Report

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About Enbridge

Headquartered in Calgary, Alberta, Canada, Enbridge is a North American leader in energy delivery. The company transports natural gas and crude oil, which are used to heat homes, power transportation systems and provide fuel and feedstock for industries. It also operates the world's longest oil and liquids pipeline system and is actively involved in natural gas transmission, gas distribution, renewable and alternative energy, and international energy projects.

Enbridge's vision is to be North America's leading energy delivery company and its key objective is to generate superior shareholder value. It employs approximately 6,000 people, primarily in Canada and the U.S.

Investment opportunities in Enbridge include: Enbridge Inc. ("ENB"), shares of which trade on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE); Enbridge Income Fund ("ENF.UN"), units of which trade on the TSX; Enbridge Energy Partners, L.P. ("EEP"), units of which trade on the NYSE; and Enbridge Energy Management, L.L.C. ("EEQ"), shares of which trade on the NYSE. For more information on Enbridge, please visit www.enbridge.com.

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About the Enbridge 2009 Corporate Social Responsibility Report

Enbridge's 2009 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines, which serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. Abbreviations such as EC1, EN3 and PR6 refer to GRI Performance Indicators, which Enbridge addresses in this report. For more information on the GRI, please visit www.globalreporting.org.

Q&A with Patrick D. Daniel

Enbridge's President & CEO reflects on the company's 60-year corporate social responsibility legacy and shares what it is doing now to meet its CSR commitments.

You've said that Enbridge has one of the most sustainable stories in the world of business. What do you mean?

We're marking Enbridge's 60th anniversary in 2009 — and we celebrated Enbridge Gas Distribution's 160th anniversary in 2008 — so those are two great sustainability stories right there!

Another is that our economic performance has been consistently strong throughout that time. We've traded publicly for 55 years and provided an average annual return to shareholders of over 13 per cent. That's more than three per cent ahead of all the major indices in North America.

We intend to be around a whole lot longer and our investor proposition of “safety, income and growth” is designed to ensure that. Everything we do at Enbridge is built on a foundation of financial discipline, engineering robustness, customer focus, employee development, value creation and environmental sustainability. This way, we can stay on top of every opportunity to grow and expand our business, and continue to meet our prime corporate responsibility: delivering energy to a North American populace that cannot survive, much less thrive, without it.

Why do you think energy delivery is Enbridge's prime corporate responsibility?

Because energy is essential for humanity. It powers every aspect of our society. Oil and gas have given a tremendous boost to our standard of living, general health and longevity. Energy heats and powers our homes, hospitals and businesses. Energy moves people, goods and information. It brings food to our supermarkets. It takes our kids to school and gets us to work and home again.

As a leading pipeline provider to Canada's oil sands, how does Enbridge respond to critics of oil sands development?

I ask them to consider the facts: 97 per cent of Canada's proven oil reserves are in the oil sands; and Canada's oil reserves represent not only the second largest on the planet after Saudi Arabia, but the world's largest source of *secure* and *reliable* energy. And as everyone knows, the world needs secure and reliable sources of energy. At least 15 million barrels per day of new crude supply must be added by 2015 to serve a global population that is expected to increase by one billion people. Try as we might, we will not be able to meet that need with renewable energy alone.

Canada is a country with strong democratic institutions, stringent environmental regulations, market-based trade rules and open investment policies. Where else in the world could we have more confidence that a resource like the oil sands would be developed appropriately and sustainably with due regard for the environment, human rights and the other myriad concerns associated with such a large undertaking?

I also point out to them that oil sands developers have made and continue to make great progress in reducing the carbon intensity of their product. And Enbridge itself is leading a group of 38 organizations that are piloting a major carbon sequestration project that will involve storing the carbon dioxide produced by large emitters in saline aquifers that are deep below the earth's surface.

So our industry is very engaged in addressing the GHG emissions issue, just as consumers, who are responsible for the majority of GHG emissions, need to be.

What is Enbridge doing to reduce its own GHG emissions?

Several years ago, when many were still arguing about the science of global warming, we set a target of reducing Enbridge's Canadian direct GHG emission to 20 per cent below 1990 levels by 2010. By 2008, we were already 23 per cent below our 1990 levels.

We have also launched an aggressive and diverse program to invest in alternative and emerging energy technologies, as well as in programs that enable our gas distribution customers to use energy more efficiently.

The initiatives in which we have invested so far include wind power, fuel cells, waste heat recovery technologies and carbon dioxide storage. In the near future they could also include solar power and geothermal energy. All of these could represent meaningful opportunities for Enbridge's long-term growth. They could also provide ways for North America's energy industry to reduce its GHG emissions and environmental footprint.

And, speaking of environmental footprint, we have recently set a new and ambitious goal for Enbridge: to move the entire company toward an overall neutral environmental footprint by 2015. We believe strongly that all corporations should stabilize, and then reduce, their footprints.

What does a "neutral environmental footprint" mean in the Enbridge context?

Our commitment to being environmentally neutral means that, as we expand our operations, we will not allow our footprint to grow. In a nutshell, we intend to achieve this goal by conserving the equivalent amount of natural wilderness that we permanently impact; by planting a tree for every tree that we must remove to maintain the integrity of our pipelines; and, by generating a kilowatt hour of renewable power for every kilowatt hour that we consume.

Why is Enbridge committed to investing in the communities it touches?

It's all about sustainability. We believe that to be a good corporate citizen, we have a responsibility to give back to the communities that contribute to our business success. Investing in these communities helps sustain them as vibrant and healthy places to live and work — which, in turn, sustains us as a healthy company.

In which areas do you think it's important to invest?

We think it's important to invest in four key areas: the environment, education, culture & community, and health & safety. I'll share with you just a few recent examples of those investments.

In partnership with the Assembly of First Nations, we launched the Enbridge *School Plus Program* in Aboriginal schools along our Canadian rights-of-way. This program will encourage First Nations youth in Canada to access higher education and better jobs in the future.

The Enbridge *Safe Community Program* supports investment in first response emergency services in Enbridge communities in Canada and the U.S. We initiated this program's predecessor — the 9-11 Fund — in 2002 to honour the people whose lives were affected by the September 11, 2001 attacks on the World Trade Center.

And our Enbridge *Natural Legacy Program* aims to preserve natural habitats for future generations in partnership with conservation groups like the Nature Conservancy, Ducks Unlimited and Trout Unlimited. As part of this program, and to celebrate Enbridge's 60th anniversary, we will be planning 60,000 trees in communities across North America.

What else is Enbridge doing to promote sustainability?

In 2009 we launched a new not-for-profit foundation called *energy4everyone*. The foundation's objective is to deliver affordable, reliable and sustainable energy to areas in the world that do not have it.

The foundation's proposition is compelling. Over two billion people in the world struggle to meet their basic needs due to lack of access to affordable and adequate energy services. This lack of access to reliable energy — for light, heat and transportation — is one of the single largest obstacles preventing people from attaining a higher quality of life and making it more difficult for them to access and treat water, grow food, get an education, acquire productive employment and even survive.

To people without energy, access to it can make a dramatic difference to both the quality and the lengths of their lives.

Taking these concerns into consideration, *energy4everyone* will work with organizations that are already delivering safe, reliable and cost-effective energy solutions, to find ways

to broaden their outreach. Some of this work will involve partnering with energy industry companies that can provide additional knowledge, technology and resources.

In that way, *energy4everyone* will help empower people and communities around the world to improve their own lives.

There's a huge amount of passion and engagement amongst Enbridge employees for this initiative, and I believe that speaks to the quality of our 6,000 employees, who are also 100 per cent behind our sustainability initiatives. More information on *energy4everyone* can be found at www.energy4everyone.com.

What do you personally do to promote sustainability?

I think that each of us is responsible for minimizing our own environmental footprint. So, in addition to the guidance that I provide as Enbridge's President & CEO — guidance that is aimed at making our company as environmentally responsible as possible — I try to practice what I preach in my personal life.

Many of the things I do are small, but they add up. I've driven a Prius for the last five years, but walk whenever I can. I'm an avid recycler. I built a cabin that has a solar power system. I think about what I buy and what the implications of my purchases are.

I care about the environment. Fly fishing — particularly in the beautiful rivers of Alberta and British Columbia — is my passion and I can only do that in clean, healthy rivers. I want to share that passion with my grandson and will do everything I can to ensure that those rivers remain clean.

I have often thought of starting up a renewable energy company with my son, so I am always thinking of new ways to generate power.

Any final thoughts?

I find it gratifying that, after 60 years, we're still writing new chapters in Enbridge's sustainability story — a story that I believe will be unfolding for decades to come.

AWARDS AND RECOGNITION

Enbridge received the following CSR-related awards and recognition in 2008 and early 2009. Criteria such as financial health; environmental performance; workplace health, safety and fairness; community relations; and public disclosure were considered.

- Alberta's Top Employers, 2008, 2009
- Canada's Top 100 Employers, 2008, 2009
- City of Toronto Environmental Award of Excellence (Green Toronto Awards), Energy Conservation Award, 2009, for Enbridge Gas Distribution's contributions toward developing renewable energy sources to improve air quality
- Conference Board of Canada Carbon Disclosure Leadership Index, 2008
- Corporate Knights Best 50 Corporate Citizens in Canada, 2008, 2009
- Dow Jones Sustainability Index (North America), 2008, 2009
- EnerQuality Corporation Award of Excellence, Industry Partner of the Year, 2008, for Enbridge Gas Distribution's contributions toward sustainable and energy efficient home building
- Forbes.com Most Trustworthy Companies, 2009, for Enbridge Energy Partners' accounting and governance practices
- *Fortune* magazine's Most Admired Companies, 2008 and 2009, for Enbridge Energy Partners' excellent reputation
- Fortune 500 America's Largest Corporations, 2009 (Enbridge Energy Partners)
- Gold Champion Level Reporter (Canadian Standards Association's GHG Registry), 2008, 2009
- Governance Metrics International, highest rating for corporate governance standards, 2008
- Houston Chronicle 100, 2008, for Enbridge Energy Partners' approach to running the business
- Human Resources Institute of Alberta, Alberta's Top Employers, 2008 and 2009
- Indian and Northern Affairs Canada, Aboriginal Relations – Best Practice Award of Distinction, 2008, for outstanding achievement in Aboriginal relations, including economic development, employment and training, and Aboriginal community support
- Jantzi Research's A- rating for CSR Management (reported in *Maclean's* magazine), 2008
- Pollution Probe's Annual Clean Air Commute, 2008
- *Toronto Star*, "Greenest Companies in Canada," 2009, for the emphasis that Enbridge Gas Distribution is placing on energy conservation and alternatives such as solar, thermal, wind and fuel cell technologies.

STRATEGY AND PROFILE

Organizational Profile

Enbridge Inc. is a leader in energy transportation and distribution in North America. As a transporter of energy, Enbridge operates the world's longest crude oil and liquids transportation system, delivering approximately 2.2 million barrels per day of crude oil to customers in Canada and the U.S. Midwest.

As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company and provides distribution services in Ontario, Quebec, New Brunswick and New York state. Enbridge is also involved in international operations and has a growing interest in natural gas transmission and midstream businesses.

Enbridge employs approximately 6,000 people, primarily in Canada and the U.S.

Operations and Assets

Enbridge's activities are carried out through five business segments:

- **Liquids Pipelines**, which includes the operation and construction of the Enbridge crude oil mainline system and feeder pipelines that transport crude oil and other liquid hydrocarbons. Liquids Pipelines also includes Enbridge's Major Projects business unit.
- **Gas Pipelines**, which consists of the company's interests in natural gas pipelines including Alliance Pipeline US, Vector Pipeline and Enbridge Offshore Pipelines.
- **Sponsored Investments**, which includes investments in Enbridge Income Fund (EIF or the Fund) and Enbridge Energy Partners (EEP), both managed by Enbridge
- **Gas Distribution and Services**, which consists of gas utility operations which serve residential, commercial, industrial and transportation customers, primarily in central and eastern Ontario, the most significant being Enbridge Gas Distribution (EGD). It also includes natural gas distribution activities in Quebec, New Brunswick and New York State, the company's investment in Aux Sable, a natural gas fractionation and extraction business, and Enbridge's commodity marketing businesses.
- **International**, which includes Enbridge's energy-delivery investment outside of North America.

Report Parameters

Report Profile

Enbridge's 2009 CSR Report predominantly focuses on data collected and events that took place in 2008, although some significant events that took place in early 2009 are also covered. Enbridge prepares a CSR Report each year and published its previous CSR Report, which focused primarily on 2007 data, in 2008.

This report covers only information on the assets that Enbridge operates. The word "Enbridge," refers to the entire company, its subsidiaries and affiliates. Where possible, the data and statistics refer collectively to all of the facilities that Enbridge operates. However, when we report on a specific company or business segment – for example, Enbridge Inc., Enbridge Energy Partners, Liquids Pipelines, Gas Pipelines (Gas Transportation) or Enbridge Gas Distribution – it is noted in the text.

Dollar figures refer to Canadian dollars unless otherwise indicated.

Enbridge's 2009 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines. These guidelines are intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. They were designed for use by organizations of any size, sector or location and take into account the practical considerations faced by organizations ranging from small enterprises to those with extensive and geographically dispersed operations. The guidelines contain general and sector-specific content that has been agreed on by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

To ensure that Enbridge has provided a **balanced and reasonable presentation** of its CSR performance, when determining the content for this report, the company followed the GRI's "Reporting Guidance for Defining Content," which can be summed up in the following steps:

1. Identify the relevant topics.
2. Determine the materiality of each topic by taking into account the external and internal factors suggested by the GRI.
3. Prioritize the topics based on these factors and on an analysis of stakeholders.

In addition to its "Reporting Guidance for Defining Content," the G3 Sustainability Reporting Guidelines include "Reporting Principles for Defining Content." These principles are: materiality, stakeholder inclusiveness, sustainability context and completeness.

To determine the **materiality** of the information that Enbridge included in its 2009 CSR Report, the company took into account the following factors:

- The sustainability interests and topics raised by Enbridge's stakeholders
- The main concerns and future challenges facing the energy sector
- Relevant laws, regulations, international agreements and voluntary agreements of significance to Enbridge and its stakeholders
- Recognized impacts, risks and opportunities that affect sustainability
- Enbridge's values, policies, strategies, management systems, goals and targets
- Enbridge's stakeholders' interests and expectations
- Significant risks facing Enbridge
- The critical factors that enable Enbridge's success
- Enbridge's core competencies and the manner in which they could contribute to sustainable development

To ensure that the information Enbridge included in its 2009 CSR Report met **stakeholder inclusiveness** guidelines, the company applied the following tests (suggested by the GRI):

- Enbridge can describe the stakeholders to whom it considers itself accountable.
- The report content draws upon the outcomes of stakeholder engagement processes used by Enbridge in its ongoing activities and as required by the legal and institutional framework in which the company operates
- The report content draws upon the outcomes of any stakeholder engagement processes undertaken specifically for the report
- The stakeholder engagement processes that inform decisions about the report are consistent with the scope and boundary of the report

Enbridge's content passed these tests in part because the company engaged the input of key employees through the CSR Expert Reporting Groups that it formed in early 2009 and through the CSR Employee Advisory Council that it formed in 2007.

The mandate of the CSR Expert Reporting Groups is to serve as the main providers of information for Enbridge's CSR Reports and to ensure the accuracy of the information provided. The groups are also responsible for discussing issues associated with the information gathering process and for resolving these issues.

The mandate of the CSR Employee Advisory Council is to provide oversight and advice on CSR policies, practices and strategies.

Enbridge's content also passed the stakeholder pertinence tests because the company contracted with Canadian Business for Social Responsibility (CBSR) in 2008 to lead it through a stakeholder mapping exercise to help it identify its key stakeholders. CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that counsels its members on how to improve CSR performance.

Through the stakeholder mapping exercise, Enbridge determined that its stakeholders include:

- Associations and civil society groups
- Employees, contractors, unions, Board of Directors
- CSR rating organizations such as the Dow Jones Sustainability Index and Jantzi Research
- Customers (of Enbridge's pipeline and gas distribution businesses)
- Environmental Non-Governmental Organizations
- Governments and government regulatory bodies in Canada, the U.S. and Colombia
- Landowners
- Media
- Right-of-way communities, including Aboriginal and Native American communities
- Shareholders (retail and institutional investors)

To determine the **sustainability context** of the information Enbridge included in its 2009 CSR Report, it applied the tests suggested by the GRI:

- Enbridge presents its understanding of sustainable development and draws on objective and available information as well as on measures of sustainable development for the topics covered in the report
- Enbridge presents its performance with reference to broader sustainable development conditions and goals, as reflected in recognized sectoral, local, regional and/or global publications
- Enbridge presents its performance in a manner that attempts to communicate the magnitude of its impact and contribution in appropriate geographical contexts
- Enbridge's report describes how sustainability topics relate to long-term organizational strategy, risks and opportunities, including supply-chain topics

To determine the **completeness** of the information Enbridge included in its 2009 CSR Report, it applied the tests suggested by the GRI:

- The report was developed taking into account the entire chain of entities upstream and downstream and covers and prioritizes all information that should reasonably be considered material on the basis of the principles of materiality, sustainability context and stakeholder inclusiveness
- The report includes all entities that meet the criteria of being subject to control or significant influence of Enbridge unless otherwise declared
- The information in the report includes all significant actions or events in the reporting period and reasonable estimates of significant future impacts of past events when those impacts are reasonably foreseeable and may become unavoidable or irreversible
- The report does not omit relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental and social impacts

Enbridge’s CSR Report covers the activities of each of its five business segments (Liquids Pipelines, Gas Pipelines, Sponsored Investments, Gas Distribution and Services, and International), but focuses on the assets that the company operates.


GRI Content Index.

The following table identifies the location of the GRI Standard Disclosures on Enbridge’s website, www.enbridge.com.

Standard Disclosure	Web version (web page)
Strategy and Analysis (1.1 – 1.2)	Strategy & Profile
Organizational Profile (2.1 – 2.10)	Organizational Profile
Report Parameters (3.1 – 3.13)	Report Parameters
Governance, Commitments and Engagement (4.1 – 4.17)	Governance, Commitments and Engagement
Disclosure of Management Approach, per category	Strategy & Profile, Economic Performance, Environmental Performance, Social Performance
Core Performance Indicators	Strategy & Profile, Economic Performance, Environmental Performance, Social Performance

In preparing its 2009 CSR Report, Enbridge has addressed all of the GRI G3 Performance Indicators. Enbridge has also included a “Management Approach” for each GRI Indicator Category and has responded to each core G3 Indicator with due regard to the G3 “Materiality Principle.” As a result of having met these requirements, and as per the Report Application Levels grid shown below, Enbridge has self-declared this report to be at the “A” application level. For more information on the GRI application levels, please visit www.globalreporting.org/GRIReports/ApplicationLevels/.

Report Application Levels

		2008 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report Externally Assured				Report Externally Assured
Optional	GRI Checked			Report Externally Assured				Report Externally Assured

Assurance

While Enbridge does not currently engage external auditors to audit its CSR Report, the report's summary tables do undergo a thorough internal review and auditing process and are signed off by the Senior Director, Audit Services and by Enbridge's Corporate Disclosure Committee. In addition, the economic information and some of the environmental information in Enbridge's CSR Report are reviewed by external auditors.

Governance, Commitments and Engagement

Governance (Enbridge Inc.)

Enbridge employs a variety of policies, programs and practices to manage corporate governance.

Enbridge Inc. shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). Both exchanges have corporate governance guidelines or rules that apply to entities listed on their respective exchanges. Canadian securities regulators and the U.S. Securities and Exchange Commission have enacted or propose to enact additional corporate governance requirements.

Enbridge complies with all corporate governance rules now applicable to it and intends to comply with any new or additional corporate governance standards that will apply to it in the future.

Board of Directors

Enbridge's Board of Directors functions independently of management and is accountable to its shareholders. The Board of Directors comprises 11 Directors, nine of whom are independent and one of whom also serves as Enbridge's President & CEO.

The Enbridge Board of Directors has plenary power from shareholders to manage, or supervise the management of, Enbridge's business and affairs. The Board is responsible for Enbridge's overall stewardship and, in discharging that responsibility, reviews, approves and provides guidance on the strategic plan and reviews the progress of strategic planning as it occurs. The Board also oversees the identification of the principal risks facing Enbridge each year. It monitors Enbridge's risk management programs and the implementation of succession planning, and seeks assurance that internal control systems and management information systems are in place and operating effectively. The Board approves all significant decisions, supports implementation and reviews the results.

Board Committees

Enbridge's Board has four standing committees:

Audit, Finance & Risk Committee – The principal function of this committee is to review Enbridge's quarterly and annual financial statements and recommend their approval or otherwise to the Board. Committee members, who are required to possess financial knowledge and experience, are also responsible for recommending the appointment of Enbridge's external auditor and for compensating, retaining and overseeing the external

auditor. The external auditors report directly to the committee. The committee also supervises internal audit functions and monitors disclosure in the financial statements, communicates directly with both internal and external auditors, has overview responsibility for management reporting on internal controls, and meets with external auditors and internal auditors independently of management to discuss, among other things, their qualifications, independence and objectivity. The committee also recommends the approval of news releases of financial results, reviews all financial information and financial statements, reviews the Management Discussion & Analysis section of Enbridge's quarterly and annual financial reports and reviews the Annual Information Form.

The Audit, Finance & Risk Committee, together with the Board, also oversees an annual review of the principal risks to Enbridge, monitors Enbridge's risk management program and reviews risks in conjunction with internal and external auditors.

U.S. securities regulators also impose requirements on the functions of Enbridge's audit committee and Enbridge must comply with NYSE requirements for listed companies.

Corporate Social Responsibility Committee – The CSR Committee monitors and oversees recommendations with respect to human rights, stakeholder relations, community investment, and the environment, health and safety policies, practices and procedures of Enbridge and its subsidiaries. Included in its environment, health and safety mandate is the responsibility to: monitor and oversee recommendations regarding risk management guidelines; monitor practices and procedures followed in the conduct of operations to prevent injury to corporate and third party persons and property, as well as to minimize any adverse impact; monitor and oversee policies, practices and procedures related to documentation of regulatory approvals, compliance and incidents; monitor and oversee emergency response planning and procedures; review status and assessment reports regarding compliance and applicable legal and regulatory standards; review the communication methods used for applicable practices and procedures; and oversee establishment of the applicable duties and responsibilities of corporate directors and officers. The committee oversees an environmental risk management system, monitors its operation, and conducts regular site visits and orientation sessions to personally acquaint members of the committee and the Board with Enbridge's operating staff and facilities.

Governance Committee – The Governance Committee is mandated to be responsible for, and to make recommendations to, the Board concerning Enbridge's overall governance. Included in its mandate is the responsibility to define and review the mandates for the various Board committees, recommend the nomination of directors to Board committees, develop Enbridge's approach to governance issues, set corporate governance guidelines for the Board and assume responsibility for Enbridge's response to those guidelines.

The Governance Committee also has a process to monitor the quality of, and recommend changes to, the relationship between and among the Board, its committees and management, including the assessment of the performance of the Board as a whole and its committees, assessment of the Chair of the Board, as well as reviewing the contributions of individual directors.

One of the Governance Committee's objectives is to nominate a balanced mix of Board members with the experience and expertise needed to provide value to Enbridge and its shareholders in respect of the company's business and strategic plans. The Governance Committee sets guidelines that include criteria to add directors who possess relevant and/or senior executive expertise or other qualifications, including an intent to achieve an appropriate mix of gender and minority representation on the Board.

The Governance Committee is also mandated to review and recommend to the Board the adequacy and form of remuneration of directors, and to ensure that the Board functions independently of management.

Human Resources & Compensation Committee – The Human Resources & Compensation Committee is responsible for reviewing and advising the Board on systems and effectiveness relating to employment, succession planning and remuneration of employees and officers.

The committee monitors the performance of senior management, oversees intellectual capital risk to ensure that management programs deal with succession planning and employee retention, and reports to the Board on organizational structure and succession planning matters. The committee reviews and monitors executive development programs, defines the Chief Executive Officer's responsibilities, and approves the Chief Executive Officer's objectives on an annual basis.

Executive and Director Compensation

Enbridge has a pay-for performance philosophy and compensation programs for senior management, including the executive team, are aligned with corporate and shareholder interests.

To attract and retain top talent, target total compensation is set around the median of the competitive market and a significant portion of total direct compensation is dependent on actual performance measured against short- and long-term performance goals, as approved by the Board.

Short-term incentive compensation for senior management is based on company, business segment (for leaders with responsibility for operations) and individual performance. Company performance is measured by return on equity, as this metric reflects the overall success in bringing new investments into service and managing existing investments to generate earnings in the best interest of Enbridge and its shareholders.

Business segment performance measures encompass a variety of metrics, including safety and system integrity, where applicable. In addition, workplace health and safety and environmental performance are among the key performance indicators that the Human Resources and Compensation Committee of the Board reviews each year. Longer-term

incentives include performance-based components that create a strong linkage to earnings growth and share price appreciation.

Enbridge compensates its directors (other than the CEO) in accordance with its Directors' Compensation Plan. The main objectives of that plan are to attract and retain the services of the most qualified individuals, to compensate directors in a manner that is commensurate with the risks and responsibilities assumed in Board and Board Committee membership, and to be competitive with other comparable public issuers. A further objective is to align the interests of the directors with the company's shareholders.

The Directors' Compensation Plan is not designed to pay for performance. Directors receive retainers for their services in order to ensure unbiased decision-making. While directors may elect to receive the annual retainer in the form of cash, Enbridge shares or Deferred Share Units (DSUs), a portion of the retainer must be taken in the form of DSUs. The DSUs serve to align the directors' interests with those of shareholders as the monetary benefit parallels the benefits received by the shareholders and cannot be accessed until directors resign from the Board.

For more information on corporate governance practices at Enbridge Inc., please visit <http://www.enbridge.com/investor/corporategovernance>. For information on governance practices associated with Enbridge Income Fund, please visit www.enbridgeincomefund.com; with Enbridge Energy Partners, please visit www.enbridgepartners.com/eep/; and with Enbridge Energy Management, please visit www.enbridgemanagement.com/eeq/.

Commitments to External Initiatives

United Nations Principle 15, the “Precautionary Approach.”

With the goal of establishing a new and equitable global partnership through the creation of new levels of cooperation among states, societies and people, and recognizing the integral and interdependent nature of the Earth, the United Nations adopted 27 principles at its Conference on Environment and Development in Rio de Janeiro in June 1992.

Among these was Principle 15, the “Precautionary Approach,” which states that:

In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

While Enbridge has not formally adopted the precautionary approach, the company has informally done so by developing renewable and alternative energy solutions – in the form of wind power and hybrid fuel cells – and by finding ways it can cost-effectively capture carbon dioxide before it is emitted into the atmosphere – such as through the carbon sequestration project that it are leading, known as the Alberta Saline Aquifer Project (ASAP).

Externally developed economic, environmental and social charters, principles, or other initiatives to which Enbridge subscribes or endorses.

Enbridge recognizes the increasing public demand for corporations to be accountable and transparent in all of their business activities and to be seen as proactively dealing with the issues of the day. With that in mind, and in keeping with Enbridge’s commitment to transparency and CSR, in 2002, the company adopted the [Voluntary Principles on Security and Human Rights](#), which deals with responsible corporate action in conflict zones and was relevant to its business involvement in the OCENSA pipeline in Colombia (Enbridge sold its interests in OCENSA in March 2009). Enbridge incorporated these principles into its [Statement on Business Conduct](#).

In addition, in 2003, Enbridge became a signatory to the United Nations Global Compact and committed to following its principles. The compact is an initiative that brings companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour and the environment. Enbridge has committed to support and advance the Global Compact’s principles and to make them part of its strategy, culture and daily operations.

Memberships in associations and advocacy organizations in which Enbridge has positions in governance bodies, participates in projects or committees, provides substantive funding, or views membership as strategic.

Enbridge maintains membership or associate status in a number of associations and advocacy organizations, including:

- Alberta Chamber of Commerce
- Alberta Emerald Foundation
- American Association of Oil Pipelines
- American Gas Association
- American Petroleum Institute
- Association for Financial Professionals
- Atlantic Centre for Energy
- Canadian Association of Petroleum Producers
- Canadian Business for Social Responsibility
- Canadian Chamber of Commerce
- Canadian Defense and Foreign Affairs Institute
- Canadian District Energy Association

- Canadian Energy Efficiency Alliance
- Canadian Energy Pipeline Association
- Canadian Gas Association
- Canadian Petroleum Tax Society
- Canadian Standards Association
- Canadian Wind Energy Association
- Circle for Aboriginal Relations
- Conference Board of Canada
- Energy Council of Canada
- Interstate Natural Gas Association of America
- International Pipeline Conference Foundation
- London Benchmarking Group Canada
- National Association of Corrosion Engineers
- National Petroleum Council
- Northeast Gas Association
- Ontario Energy Association
- Petroleum Technology Alliance Canada
- Pipeline Research Council International
- Smart Commute Initiative (Toronto)
- Texas Pipeline Association

Stakeholder Engagement

To ensure that a variety of stakeholder views were incorporated into this report, Enbridge engaged the input of key employees (many of whom have direct access to various stakeholders) through the CSR Expert Reporting Groups that Enbridge formed in early 2009 and through the CSR Employee Advisory Council that it formed in 2007.

The mandate of the CSR Expert Reporting Groups is to serve as the main providers of information for Enbridge's CSR reports and to ensure the accuracy of the information provided. The groups are also responsible for discussing issues associated with the information gathering process and for resolving these issues.

The mandate of the CSR Employee Advisory Council is to provide oversight and advice on CSR policies, practices and strategies.

In 2008, Enbridge also contracted with Canadian Business for Social Responsibility (CBSR) to lead the company through an exercise to help it identify its key stakeholders and to consult with them about Enbridge's CSR performance. CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that counsels its members on how to improve CSR performance. Through this exercise, Enbridge determined that its stakeholders included:

- Associations and civil society groups
- Employees, contractors, unions, Board of Directors
- CSR rating organizations such as the Dow Jones Sustainability Index and Jantzi Research

- Customers (of Enbridge’s pipeline and gas distribution businesses)
- Environmental non-governmental organizations
- Governments and government regulatory bodies in Canada, the U.S. and Colombia
- Landowners
- Media
- Right-of-way communities, including Aboriginal and Native American communities
- Shareholders (retail and institutional investors)

As part of the exercise, CBSR interviewed representatives from the following stakeholder groups regarding their perceptions of Enbridge’s 2007 CSR Report and of the company’s CSR activities in general:

- Enbridge Board of Directors (CSR Committee)
- Saskatchewan Association of Pipeline Landowners Inc. (SAPL)
- Upstream customers (Nexen)
- National Energy Board
- London Benchmarking Group (LBG) Canada
- University of St. Michael’s College
- Conference Board of Canada
- Pembina Institute

Enbridge’s business segments identify and select stakeholders with whom to engage by (a) defining the scope of a project and what impact it could have on other parties that have a direct correlation with the project’s geographical vicinity/scope and (b) determining which regulatory bodies have jurisdiction over any proposed projects and what are the regulatory requirements for notification.

When identifying stakeholders with whom to engage in a given project, Enbridge aims to meet or exceed regulatory requirements regarding public consultation. The company also aims to be open and transparent in its communication to stakeholders.

Enbridge engages stakeholders proactively and on an ongoing basis.

The company engages certain stakeholders (e.g. landowners, Aboriginal communities) early in the project planning process to ensure specific concerns are addressed so that the company can effectively address and resolve issues and adjust plans wherever necessary. These same stakeholders are often formally engaged later on during the regulatory review process.

Communication with stakeholders continues throughout the project cycle (regulatory review to construction to operation) in order to inform stakeholders and identify opportunities and issues.

Enbridge engages key stakeholders along its existing rights-of-way in both Canada and the U.S. through its Public Awareness Program. In all of its stakeholder engagement efforts, the company utilizes a full range of communication channels, including:

- Direct-mail brochures and letters

- Websites, with specific pages for projects, pipeline public awareness and safety, pipeline integrity, community investment and more
- Toll-free telephone information lines
- Advertising
- News releases and media briefings
- Exhibits
- Videos
- Public meetings/open houses and face-to-face meetings with public officials
- Tours
- Community sponsorships and support from Enbridge employees for community events
- Emergency responder exercises
- Outreach programs to excavators

Through its stakeholder engagement activities, Enbridge addresses a broad range of topics and responds to a variety of questions and concerns, including:

- Construction timelines
- Impact of construction on communities
- Economic opportunities and benefits and compensation
- Environmental impacts of construction and environmental protection measures
- Potential impacts of a project on Aboriginal rights
- Emergency response and safety procedures
- Post-construction pipeline integrity maintenance and right-of-way restoration and maintenance

In the U.S., Enbridge is involved in the federal Pipeline and Hazardous Materials Safety Administration's Pipelines and Informed Planning Alliance program, which is a multi-stakeholder consensus effort to develop best practices for development near pipelines and for assuring that those who host pipelines on their property understand how those pipelines are operated and what pipeline companies do to protect their near neighbors.

Overall Management Approach to CSR

Enbridge defines CSR as: conducting business in a socially responsible and ethical way; protecting the environment and the health and safety of people; supporting human rights; and engaging, respecting and supporting the communities and cultures close to the company's operations.

Enbridge has adopted a [CSR Policy](#) that covers business ethics and transparency; environment, health and safety; stakeholder relations; employee relations; human rights; and community investment. This policy applies to activities undertaken by, or on behalf

of, Enbridge and its subsidiaries and affiliates, whose operations it manages, anywhere in the world.

In addition to ensuring that all matters of CSR are aligned with Enbridge's [CSR Policy](#), the company ensures they are aligned with its stakeholders' best interests and with its [Statement on Business Conduct](#). Enbridge's Statement on Business Conduct emphasizes the company's commitment to specific standards of conduct expected of its directors, officers, employees, consultants and contractors in all countries in which Enbridge conducts business.

As well, a variety of other policies and related documents provide direction for specific activities that pertain to CSR. They are:

- [Environment, Health and Safety Policy](#)
- [Aboriginal and Native American Policy](#)
- [Climate Change Policy](#)
- [Voluntary Principles on Security and Human Rights](#)
- [Corporate Values Statement](#)
- Community Investment Program Criteria and Guidelines

The following three sections of this report focus on Enbridge's Economic, Environmental and Social Performance. The Social section is further divided into Labour Practices and Decent Work, Human Rights, Society and Product Responsibility. Each of the main three sections includes a scorecard and information pertaining to the Performance Indicators prescribed by the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines.

ECONOMIC PERFORMANCE

CSR Highlights – Piping in the Benefits

Enbridge has a low-risk business model that delivers steady income and long-term growth. The company expects to grow annual earnings per share by an average of 10 per cent over the next four years and is confident that it will deliver 20 per cent growth in 2009 alone. It intends to pay out 60 to 70 per cent of adjusted earnings as dividends and, after 13 consecutive years of increasing its dividend, has raised its quarterly dividend again in 2009 by 12 per cent.

A strong balance sheet, solid cash flow, strong credit ratings and ample credit facilities mean that Enbridge can fund its current growth projects and take advantage of new opportunities. And it can choose the most advantageous time to consider debt or equity markets.

But Enbridge's economic commitments extend far beyond its responsibility to provide solid value to shareholders. Its commitment extends to each of the communities it touches.

Enbridge's commitment extends from Wisconsin and Manitoba, where residents are benefiting from the jobs and economic spinoffs being created by the Southern Access and Alberta Clipper pipeline projects, to Ontario, Quebec, New Brunswick and New York State, where Enbridge Gas Distribution employs several thousand employees and invests significantly in its communities.

Enbridge's commitment also extends from the Northwest Territories, where the economic benefits of its pipelines continues to be enjoyed, to British Columbia, where its planned Northern Gateway Project is expected to bring a wealth of opportunities to a broad range of people.

Enbridge's strength is in large part due to the strength of the communities in which it operates. And its communities' strength is in large part due to Enbridge's strength. That's a relationship worth investing in.

GOALS AND PERFORMANCE

Economic Scorecard – 2009

Objective	2007 Result	2008 Result	Challenges
Realize above industry-average annual adjusted earnings per share growth. ¹ 2009 target – \$2.18 to \$2.32 ²	\$1.79, up 2.9 per cent from 2006.	\$1.88, up 5 per cent from 2007.	Enbridge combines a low-risk profile with excellent growth opportunities. However, Enbridge’s business activities are subject to various risks. For details about Enbridge’s risk management practices and principal risks, please see the Risk Management section of Enbridge Inc.’s 2008 Annual Report.
Deliver superior annual dividend growth (payout ratio of 60 to 70% of adjusted operating earnings). ³ 2009 target – \$1.48 per common share. ²	\$1.23 per common share.	\$1.32 per common share.	
Deliver strong total shareholder return. ⁴	Approximately 3% ⁵	Approximately 2% ⁶	

- Adjusted earnings represents earnings applicable to common shareholders adjusted for non-recurring or non-operating factors primarily including non-operating gains and losses, the impact of weather, regulatory disallowances and impacts of tax rate changes. Adjusted earnings is not a measure that has a standardized meaning prescribed by Canadian generally accepted accounting principles (GAPP) and is not considered a GAPP measure; therefore, this measure may not be comparable with similar measures presented by other issuers. Management believes the presentation of adjusted earnings provides useful information to investors and shareholders as it provides increased predictive value and performance trends.
- Enbridge provided 2009 guidance on December 3, 2008.
- Enbridge’s Board of Directors approved this target in November 2005.
- Represents total cash dividends declared plus common share price appreciation.
- Total shareholder return in 2007 was 3.1% due to Enbridge’s investments in growth projects. Total shareholder return has averaged 13% over the past 10 years and more than 13% over the past 54 years.
- Total shareholder return in 2008 was 2.0 per cent, reflecting the continued contribution of Enbridge’s liquids pipelines growth projects against a period of broad market decline. This value was among the top 10 on the TSX 60 index of Canada’s largest companies.

Corporate Strategy

Enbridge is an energy delivery company that transports natural gas and crude oil, which are used for many purposes, including to heat homes, power transportation systems and provide fuel and feedstock for industries. The company's vision is to be North America's leading energy delivery company and its key objective is to generate superior shareholder value. The company will deliver superior shareholder value through an investment proposition consisting of:

- industry leading earnings per share growth rate
- a low risk commercial business model
- a balanced combination of near-term dividend income and capital appreciation

Enbridge's 2008 Strategic Plan consisted of four key strategic priorities to generate superior shareholder value and position the company for the energy environment of the future.

1. Expand Existing Core Businesses

Developing and operating energy delivery infrastructure assets remains the company's core competency and strength. To capitalize on its asset position, Enbridge will pursue opportunities in both its liquids and natural gas delivery businesses. The company will aggressively focus on the expansion and extension of its liquids pipeline and terminaling businesses. The company will also seek to capture additional growth opportunities associated with its gas businesses to maintain as much diversification as is prudent.

2. Focus on Operations

Effective day-to-day management of operations is integral to Enbridge's broader strategy. Achieving the company's long-term objectives depends on its ability to consistently deliver safe, cost-effective and high quality service to customers and meet the broader expectations of communities it serves. Operational excellence will ensure that the company is able to deliver consistent and predictable operating and financial performance while rapidly growing its asset and earnings base. Enbridge will continue its focus on operational excellence, including cost efficiency, safety and customer service.

3. Mitigating and Managing Execution Risk

Executing Enbridge's unprecedented capital program demands effective strategies for mitigating and managing project development risk. Key priorities include enhanced project management systems and processes, proactive human resource planning and an increased focus on social investment, to both facilitate project development and meet the expectations of the company's stakeholders.

4. Developing New Platforms for Longer-term Growth

In the longer term, developing new business platforms will be important to maintaining growth and diversification within the company. New platforms currently being pursued include renewable energy (wind and solar), CO₂ transportation and sequestration and

investment in smaller start-up entities to enable the development of new technologies that complement the company's core operations.

For more details, please refer to Enbridge Inc.'s 2008 Annual Report, which is available on www.enbridge.com; Enbridge Energy Partners' 2008 Annual Review, which is available at www.enbridgepartners.com/eep/; and Enbridge Income Fund's 2008 Annual Report, which is available at www.enbridgeincomefund.com.

POLICY

Enbridge has a range of policies and statements in which it addresses the economic aspects of its business:

- [Corporate Values Statement](#)
- [Statement on Business Conduct](#)
- [CSR Policy](#)
- [Aboriginal and Native American Policy](#)
- [Whistleblower Policy](#)

For more information about these, please visit the CSR section of Enbridge's website, www.enbridge.com/corporate.

FINANCIAL UPDATE

Enbridge had another financially strong year in 2008. Adjusted earnings were \$677.3 million, or \$1.88 per common share, for the year ended December 31, 2008, compared with \$636.5 million, or \$1.79 per common share, for the year ended December 31, 2007. Earnings applicable to common shareholders rose 89 per cent to \$1,320.8 million or \$3.67 per common share, compared with \$700.2 million or \$1.97 per common share in 2007.

Significant operating factors that increased adjusted earnings in 2008 included:

- New facilities within Liquids Pipelines as well as AEDC (allowance for equity funds used during construction) on Southern Lights Pipeline and, within Enbridge System, on both Southern Access Mainline Expansion and Alberta Clipper Project
- Increased Aux Sable adjusted earnings due to strong fractionation margins that enabled the company to recognize earnings from the upside sharing mechanism
- Higher incentive income and increased earnings at Enbridge Energy Partners primarily due to higher gas and crude oil delivery volumes, tariff surcharges for recent expansions and a greater ownership interest
- Improved earnings in Energy Services resulting from market conditions that enabled higher margins to be captured on storage and transportation contracts as well as increased transportation and storage volumes

Significant operating factors that decreased adjusted earnings in 2008 included:

- Decreased earnings from International as a result of the sale of CLH in Spain in the second quarter of 2008
- Lost revenue from Enbridge Offshore Pipelines as a result of hurricanes Gustav and Ike

Disruption to functioning of capital markets

The global credit crisis disrupted the debt and equity capital markets in the fall of 2008, adversely impacting capital availability and pricing. These markets have improved and the company has selectively accessed the markets in 2009 and anticipates continued access, given its expected future growth and related funding requirements. It is possible that future market events or conditions may pose further challenges. The company's strong, predictable, internally generated cash flows, common share issuances under the company's Dividend Reinvestment and Share Purchase Plan, and access to adequate committed credit facilities from diversified sources assist in mitigating these challenges. The Company is committed to maintaining its investment grade credit rating which is also expected to support continued access to capital markets and debt refinancing at reasonable terms.

Volatility in commodity prices

As an energy transportation company, Enbridge has limited direct exposure to commodity price changes and the company employs comprehensive risk management practices to mitigate residual commercial exposures. Most significantly, the company's assets and operations are largely secured by high quality shipper volume commitments. Similarly, growth projects under construction are commercially secured with limited volume sensitivity and are, therefore, not expected to be significantly impacted by commodity price changes. Low commodity prices in the early part of 2009 have resulted in delays or cancellation of some crude oil and natural gas development and expansion projects. Should this trend continue long term, opportunities for future growth projects may be adversely affected.

Medium-term prospects

Enbridge's medium-term financial prospects are robust. Enbridge expects to grow annual earnings per share by an average of 10 per cent throughout its current planning horizon through 2013 as the company continues to bring its commercially secured crude oil pipeline projects into service. Enbridge remains confident of delivering 20-per-cent-plus growth in 2009 alone.

OPPORTUNITIES

Enbridge's strong balance sheet, solid cash flow, strong credit ratings and adequate credit facilities mean it can fund its current growth projects and take advantage of new opportunities.

The fact that Enbridge's existing infrastructure is located in strategic geographical locations (north, south, east and west) puts the company in an unparalleled position to expand and extend its energy delivery networks to reach new markets for its customers throughout North America and the world.

Liquids Pipelines

Enbridge is Canada's largest transporter of crude oil. The company exports 69 per cent of Western Canadian oil, which represents 11 per cent of the U.S.'s daily crude oil imports. Enbridge is also the preeminent pipeline provider to Canada's oil sands – the largest resource play in the world. With an estimated 178 billion barrels of conventional and oil sands reserves, Canada ranks second only to Saudi Arabia in global oil reserves.

Enbridge is currently engaged in the largest capital program in the company's 60-year history – investing \$12 billion to expand its North American pipeline and terminal network primarily to support broadening access of oil sands production to U.S. refining markets.

Enbridge has “shovels in the ground” on its remaining commercially secured projects that are scheduled to come into service over the course of 2009 and 2010, including mainline expansion projects Alberta Clipper, Line 4 Extension and Southern Access Mainline Expansion; and, the Southern Lights diluent pipeline and the Hardisty Terminal Project.

By 2011, Enbridge will have substantially increased the size of its Liquids Pipelines business, further diversifying the markets the company serves and playing an even more significant role in energy delivery in North America.

Enbridge's current Liquids Pipelines growth projects are expected to help the company achieve average annual earnings per share growth of 10 per cent plus over the next four years through 2013.

Throughout 2008, Enbridge remained on schedule and on budget with the construction of its \$12 billion of crude oil pipeline projects to serve growth in oil volumes.

- **Mainline Capacity Development**

The Chicago refining market is expected to remain a major export destination for western Canadian crude. Enbridge is working with shippers and refiners to further expand this market – and markets beyond both in Canada and the U.S. – through its Southern Access Mainline Expansion and the Alberta Clipper Project.

Enbridge completed the first phase of its Southern Access Mainline expansion project in the first half of 2008 and the second phase in the first quarter of 2009. Southern Access adds a total of 400,000 bpd incremental capacity to the mainline system.

Enbridge began construction work on Alberta Clipper in August 2008 and it remains on schedule to go into service by mid-2010. The project will have an initial capacity of 450,000 bpd and is expandable to 800,000 bpd.

The Line 4 Extension Project, a debottlenecking project undertaken to expand capacity, was placed into service in April 2009.

- **Regional Oilsands Development**

In 2008, Enbridge completed construction of, and put into service, the 350,000 barrels-per-day (bpd) Waupisoo Pipeline, which links oil sands producers to their upgraders and refineries in Edmonton. The project was completed one month ahead of schedule and on budget, in an environment of tight labour markets and escalating costs.

In June 2009, Enbridge announced an agreement with Imperial Oil Resources Ventures Limited and ExxonMobil Canada Properties to provide for the transportation of blended bitumen from the Kearl oil sands project in northern Alberta to the Edmonton area. The first phase of the new pipeline system, which is called the Woodland Pipeline project, is a 140-kilometre pipeline from Kearl Lake to Enbridge's Cheecham Terminal.

In November 2007, Enbridge was selected by Fort Hills Energy L.P. (FHELP) as its pipeline and terminaling services provider for the initial phase of the Fort Hills project and all subsequent expansions. In late 2008, FHELP announced that its final investment decision for the mining portion of the project was being deferred until costs could be reduced and commodity prices and financial markets strengthened. It also announced that the Fort Hills upgrader was put on hold and that a decision to proceed with the upgrader would be made at a later date. Accordingly, the scope of the Fort Hills Pipeline System is being reevaluated by FHELP and the planned in-service date for the project has been deferred beyond the original planned date of mid-2011.

- **Feeder System Expansions**

Expanding the reach and capacity of feeder pipeline systems will continue to be a priority.

A particular focus will be the development of opportunities to expand gathering and feeder systems in Saskatchewan and North Dakota to address significant growth in oil production in the Bakken Formation, which spans parts of Saskatchewan, North Dakota and Montana. The Energy Information Administration in the U.S. estimates that the Bakken shale has up to 503 billion barrels of resources in place (proven, probable and possible). Enbridge's two sponsored investments – Enbridge Income Fund and Enbridge Energy Partners – are expanding their pipeline systems in this region in response to increasing Bakken production.

In Saskatchewan, Enbridge Income Fund completed an expansion of its Westspur System in 2008, increasing capacity by 34 per cent to 255,000 bpd. It also announced plans for a \$120-million, 129,000-bpd expansion of its Weyburn, Westspur and Saskatchewan pipeline systems to be completed in 2010.

To serve North Dakota and Montana, Enbridge Energy Partners added 30,000 bpd of crude oil delivery capacity to its North Dakota System in 2007, bringing total capacity to 110,000 bpd and is now proceeding with a further \$0.1 billion, 51,000-bpd expansion to be in service by early 2010.

- **New Market Access**

Enbridge's successful initiative to provide access for Canadian crude oil to the Cushing, Oklahoma, market through the acquisition and reversal of the Spearhead Pipeline has provided validation of the value to industry of having different markets from which to source crude oil.

In addition to the planned construction of the Southern Access Extension, which is expected to provide access to the Patoka, Illinois, hub, Enbridge will continue to evaluate new opportunities to provide broader market access for Canadian bitumen and synthetic crudes. Key opportunities being evaluated include: Eastern PADD II access into the Michigan and Ohio markets; access to U.S. Gulf Coast refining centres through a combination of smaller incremental opportunities and large volume solutions; PADD I access into the East Coast market near Philadelphia; and the Northern Gateway pipeline to the Pacific Coast.

Construction on the Spearhead Pipeline Expansion began in September 2008 and was completed in March 2009. This expansion increased system capacity from Flanagan, Illinois, to Cushing, Oklahoma, by 68,300 bpd to 193,300 bpd.

The development of Enbridge's Northern Gateway pipeline from Edmonton to Kitimat, B.C., continues. Enbridge has secured funding from Western Canada oil sands producers and Pacific Rim refiners to seek regulatory approval of the project. The company expects to file the regulatory application with the National Energy Board in 2009. Subject to continued commercial support, regulatory and other approvals, the company estimates that the earliest Northern Gateway could be in service is approximately 2015.

- **Diluent Supply and Refined Products**

Construction of Enbridge's Southern Lights diluent pipeline began in late summer 2008 and is scheduled to be in service in 2010. The new light sour crude oil export pipeline from Cromer, Manitoba to Clearbrook, Minnesota, and modifications to existing Line 2 were completed and placed into service in the first quarter of 2009. Construction of the second U.S. segment of the new diluent pipeline between Delavan, Wisconsin, and Streator, Illinois, was also completed during the first quarter of 2009.

- **Terminaling and Storage Infrastructure**

In addition to regulated storage facilities, Enbridge owns and operates contracted storage adjacent to its pipeline systems.

In 2009, Enbridge completed the expansion of its crude oil terminal at Hardisty, adding tankage capacity of 7.5 million barrels and making it one of the largest crude oil terminals in North America.

Liquids Pipelines continues to advance downstream terminaling projects at Flanagan, Patoka and Cushing. Enbridge will also pursue regulated storage initiatives in Canada and the U.S.

Gas Pipelines

Enbridge's natural gas pipelines are well positioned to take advantage of growth in the key strategic gas producing and consuming regions of North America.

- **Enbridge Inc.**

In May 2009, Enbridge concluded a successful non-binding Open Season for the LaCrosse Pipeline. The proposed interstate natural gas pipeline would transport 1.0 to 1.8 billion cubic feet per day from Carthage, Texas, to Washington Parish in Southeastern Louisiana. Enbridge is moving forward with further development of plans for this interstate natural gas pipeline project that could interconnect with as many as 12 pipelines, depending on shipper interest. The proposed project is expected to be completed in early 2012.

- **Enbridge Energy Partners**

Enbridge Energy Partners is a large natural gas gatherer and processor in the Anadarko Basin, Barnett Shale and Bossier Sands of Texas, which are three of the top four areas for natural gas development in the U.S. Enbridge Energy Partners transports approximately 15 per cent of Texas natural gas production.

In 2008, Enbridge Inc. increased its ownership stake in Enbridge Energy Partners to 27 per cent from approximately 15 per cent.

Enbridge Energy Partners expects to see strong growth in demand for processing and gathering pipelines to serve Texas onshore natural gas production.

- **Enbridge Offshore Pipelines**

Through Enbridge Offshore Pipelines, Enbridge today transports approximately 40 per cent of all current deepwater natural gas production in the Gulf of Mexico, a prolific

natural gas region. Enbridge Offshore Pipelines has interests in 11 transmission and gathering pipelines in five major pipeline corridors in Louisiana and Mississippi offshore waters.

Enbridge Offshore Pipelines is growing its natural gas gathering, processing and transmission infrastructure in the Gulf of Mexico.

In July 2009, Enbridge Inc. announced it had entered into Letters of Intent (LOI) with Chevron Corp. that could result in a US\$500-million expansion of Enbridge's central Gulf of Mexico offshore pipeline system. This expansion, which could also include a US\$250-million oil pipeline expansion, will enhance Enbridge's existing offshore pipeline business and establish a strategic base for future growth opportunities in the ultra-deep Gulf of Mexico.

- **Alliance and Vector**

Enbridge has major stakes in the Alliance and Vector natural gas pipeline systems. The Alliance System transports natural gas from the Western Canada Sedimentary Basin to the U.S. Midwest. Connecting with the Alliance System at Chicago, the Vector Pipeline provides natural gas supplies for local distribution and end-user customers in Illinois, Indiana, Michigan and Ontario.

The Alliance System is well positioned for opportunities arising from the development of natural gas in northeast British Columbia, the U.S. Rocky Mountain region, Alaska and Canada's Arctic.

Alliance Canada has the strategic positioning, flexibility and agility to take full advantage of the excellent development opportunities in northeastern British Columbia, where the Montney and Horn River formations combined have an estimated 50 to 75 trillion cubic feet of natural gas reserves.

Alliance US is jointly proposing a natural gas pipeline connecting the U.S. Rocky Mountain Region to the Chicago market hub. The proposed Rockies Alliance Pipeline is being developed in response to rapidly increasing supply from the U.S. Rockies region. Pending commercial support, the pipeline is expected to be in service in 2013.

The Vector Pipeline is undertaking a 0.1 billion cubic feet per day expansion in 2009 with potential further expansion in 2010 to 2011.

Gas Distribution and Services

Enbridge Gas Distribution (EGD) is Canada's largest natural gas distribution utility and one of the fastest growing in North America. EGD and its affiliates serve approximately 1.9 million customers in central and eastern Ontario, southwestern Quebec and parts of northern New York State.

In 2008, EGD added over 41,000 new customers and marked its 160th anniversary of operations. It expects to add 35,000 customers in 2009 and have about two million customers by 2011.

Enbridge is optimizing the performance of EGD through incentive regulation (IR), which went into effect in 2008. IR reduces regulatory costs. It also provides shareholder incentives for improved efficiency and revenue growth, more flexibility for utility

management and shared cost savings with customers. The customer share of savings achieved in 2008 was \$5.8 million.

EGD is also positioning itself for opportunities such as new infrastructure for gas-fired power generation in Ontario and growth in Enbridge's unregulated businesses, including natural gas storage. In 2009, it is conducting an open season for approximately 2.5 bcf of new storage capacity.

Renewable and Alternative Energy

Enbridge is encouraging the use of renewable and alternative green energy by investing in wind power and new energy technologies such as fuel cells. Enbridge is also positioning itself for the future by participating in the emerging technology of carbon dioxide (CO₂) capture, pipelining and sequestration..

In 2008:

- Enbridge completed construction of its Ontario Wind Power project – the second largest wind farm in Canada. Enbridge owns 100 per cent of this project. The 115-turbine wind farm located in Bruce County, Ontario, on the eastern shore of Lake Huron is contributing 190 megawatts of emissions-free energy to Ontario's grid – enough electricity to supply about 63,000 Ontario homes and reduce GHG emissions equivalent to taking about 30,000 vehicles off the road.
- Enbridge officially launched the world's first hybrid fuel cell power plant that is designed for gas utility pressure reduction stations. The plant harvests pipeline energy that would otherwise be wasted and the fuel cell operates without burning any fuel to produce about 2.2 megawatts of environmentally preferred, near zero-emissions electricity – enough to serve about 1,700 Ontario homes. Enbridge has exclusive North American distribution rights for the hybrid fuel cell technology. Enbridge plans to replicate the plant throughout its distribution network in Ontario and market the hybrid fuel cell to other natural gas pipeline companies in North America.
- NRGreen, in which Enbridge Income Fund has a 50 per cent interest, brought into service three new waste heat electricity generating stations, bringing the total number of facilities to four. The facilities at Kerrobert, Loreburn, Estlin and Alameda, Saskatchewan, have the combined capacity to generate approximately 20 megawatts of GHG-free electricity using exhaust heat from Alliance Pipeline compressor stations. The electricity is sold to SaskPower through 10-year power purchase agreements.

Enbridge is involved in several initiatives in Canada that are investigating the feasibility of the long-term commercial sequestration of carbon dioxide (CO₂) in deep saline aquifers.

CO₂ capture, pipelining and sequestration (CCS) developments are widely considered to be one of the most immediate, feasible and meaningful ways to reduce GHG emissions on a large scale and address the challenges posed by climate change.

Enbridge is leading a consortium of 38 organizations in the Alberta Saline Aquifer Project (ASAP) and is one of five participants in the Saskatchewan Aquistore project, which is managed by the Petroleum Technology Research Centre.

These initiatives will play a major role in advancing industry and government's knowledge of CO₂ capture and sequestration.

In June 2009, the Government of Alberta announced that the EPCOR[†]/Enbridge proposal for an integrated gasification combined-cycle (IGCC) carbon capture power generation facility at Genesee, Alberta, was one of three projects selected for the negotiation of letters of intent under the province's \$2-billion program for large-scale CCS projects. The Genesee IGCC CCS project would be North America's first project combining an IGCC commercial-scale near-zero-emission thermal power plant with carbon capture, compression and storage. It has the potential to capture more than 3,300 tonnes per day or 1.2 million tonnes of carbon dioxide emissions a year. Enbridge would be responsible for transporting captured CO₂ from the Genesee site for use in enhanced oil recovery or permanent storage in deep saline aquifers, and ASAP would be responsible for saline aquifer sequestration.

For more information about ASAP, please visit www.albertaasap.com.

[†]Headquartered in Edmonton, Alberta, EPCOR's wholly owned subsidiaries build, own and operate power plants, electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the U.S.

Risks

Enbridge's business activities are subject to a variety of risks, including execution, financing, market price, credit and operating risks. The company has formal risk management policies and systems designed to mitigate these risks.

Enbridge requires management teams in each business segment to review and regularly report on the risks they face and the controls they have in place to manage them.

Enbridge Inc.'s Board and its Audit, Finance and Risk Committee oversee the annual corporate risks review and monitor Enbridge's risk management program, in consultation with internal and external auditors.

Other Board committees also oversee the implementation and monitoring of risk management systems related to their respective areas of oversight. Results of this process and comprehensive environment, health and safety reports from Enbridge's business segments are presented each year to the Board's CSR Committee.

The current economic conditions have not caused the company to change any risk management practices. The existing philosophy and framework was designed to be applied consistently in all market conditions. The company continues to closely measure and monitor risks using best practice methodologies and manage exposures within the risk constraints of approved policies.

The risks that pertain most directly to CSR include:

Operating Risks

- **Environmental, health and safety risk**

All of Enbridge's operations, facilities and petroleum product shipments are subject to extensive national, regional and local environmental, health and safety laws and regulations governing, among other things, discharges to air, land and water, the handling and storage of petroleum compounds and hazardous materials, waste disposal, the protection of employee health, safety and the environment, and the investigation and remediation of contamination.

Any of the company's facilities, in any of its business segments, could experience incidents, malfunctions or other unplanned events that could result in spills, leaks or releases in excess of permitted levels and result in personal injury, fines, penalties or other sanctions and property damage. The company could also incur liability in the future for environmental contamination associated with past and present activities and properties. The facilities and pipelines must maintain a number of environmental and other permits from various governmental authorities in order to operate and these facilities are subject to inspection from time to time. Failure to maintain compliance with these requirements could result in operational interruptions, fines or penalties, or the need to install potentially costly pollution control technology.

Compliance with current and future environmental laws and regulations, which are likely to become more stringent over time, including those governing GHG emissions, may impose additional capital costs and financial expenditures and affect the demand for the company's services, which could adversely affect operating results and profitability. Restrictions on other resources, such as water or electricity, may affect the company's upstream customers' ability to produce. The company could be targeted, along with the oil sands industry, by environmental groups attempting to draw attention to GHG emissions.

Enbridge is committed to protecting the health and safety of employees, contractors and the general public, and to sound environmental stewardship. The company believes that prevention of incidents and injuries, and protection of the environment, benefits everyone and delivers increased value to shareholders, customers and employees. Enbridge has health and safety and environmental management systems and has established policies, programs and practices for conducting safe and environmentally sound operations. Regular reviews and audits are conducted to assess compliance with legislation and company policy.

- **Pipeline operating risk**

Pipeline leaks are an inherent risk of operations. Other operating risks include: the breakdown or failure of equipment, information systems or processes; the performance of equipment at levels below those originally intended (whether due to misuse, unexpected degradation or design, construction or manufacturing defects); failure to maintain adequate supplies of spare parts; operator error; labour disputes; disputes with interconnected facilities and carriers; and catastrophic events such as natural disasters, fires, explosions, fractures, acts of terrorists and saboteurs, and other similar events, many of which are beyond the control of the pipeline systems. The occurrence or continuance of any of these events could increase the cost of operating the company's pipelines or reduce revenues, thereby impacting earnings.

Enbridge has an extensive program to manage system integrity, which includes the development and use of in-line inspection tools. Maintenance, excavation and repair programs are directed to the areas of greatest benefit and pipe is replaced or repaired as required. The company also maintains comprehensive insurance coverage for significant pipeline leaks and has a comprehensive security program designed to reduce security-related risks.

- **Regulation**

Many of the Enbridge's pipeline operations are regulated and are subject to regulatory risk. The nature and degree of regulation and legislation affecting energy companies in Canada and the U.S. has changed significantly in past years and there is no assurance that further substantial changes will not occur. These changes may adversely affect toll structures or other aspects of pipeline operations or the operations of shippers.

- **Special Interest Groups**

Enbridge is exposed to the risk of higher costs, delays or even project cancellations due to increasing pressure on government and regulators by aboriginal groups, landowners and other special interest groups. Recent Supreme Court decisions have increased the ability of special interest groups to make claims and oppose projects in regulatory and legal forums. The company works proactively with special interest groups to identify and develop an appropriate response to concerns regarding its projects. The company's CSR program also reports on the company's responsiveness to environmental and community issues.

- **Aboriginal Relations**

Canadian judicial decisions have recognized that Aboriginal rights and treaty rights may exist in proximity to the company's operations and future project developments. The courts have also confirmed that the Crown has a duty to consult, and that it may have a duty to accommodate, Aboriginal peoples when its decisions or actions adversely affect Aboriginal rights and interests or treaty rights. When the outcomes of consultations result in disagreements over whether or not Aboriginal rights and interests are adversely affected, there is potential for delays in regulatory approval processes, which may affect project schedules and economics.

Given this environment and the breadth of relationships across the company's geographic span, Enbridge has recently reviewed and updated its Indigenous Peoples Policy, which has been renamed the [Aboriginal and Native American Policy](#). The new policy promotes the achievement of participative and mutually beneficial relationships with Aboriginal and Native American groups affected by the company's projects and operations. Specifically, the policy sets out principles governing the company's relationships with Aboriginal and Native American peoples and makes commitments to work with Aboriginal peoples and Native Americans so they may realize sustainable benefits from Enbridge's projects and operations. Notwithstanding the company's efforts to this end, the issues are complex and the impact of Aboriginal relations on Enbridge's operations and development initiatives is uncertain.

- **Workforce Development**

A lack of qualified and properly trained technical, professional and operational staff and leaders would increase the risk that the company will not be able to implement its corporate strategy. This risk may be compounded by the increasing rates of retirement due to workforce demographics, turnover due to competition in certain markets and growing demand for staff to support business growth. The company continues to monitor company-wide workforce planning and is focused on recruiting efforts while enhancing employee engagement. The company offers competitive compensation programs, training, leadership development and succession planning. Further, the supply of human capital is balanced between hiring full-time employees and expanding the contractor workforce, particularly in the Major Projects' department.

Execution risk

Enbridge's ability to successfully execute the development of its organic growth projects may be influenced by capital constraints, third-party opposition, delays in government approvals, cost escalations, construction delays and shortages (collectively Execution Risk). The company's significant growth plans may strain its resources and may be subject to high cost pressures in the North American energy sector. Early stage project risks include right-of-way procurement, special interest group opposition, Crown consultation, environmental and regulatory permitting. Cost escalations may impact project economics. Construction delays due to slow delivery of materials, contractor non-performance, weather conditions and shortages may impact project development. Labour shortages, inexperience and productivity issues may also affect the successful completion of the projects.

The company has a clearly defined management and governance structure for all major projects. Capital constraints and cost escalation risks are mitigated through structuring of commercial agreements. The company's emphasis on corporate social responsibility promotes generally positive relationships with landowners, aboriginal groups and governments. Cost tracking and centralized purchasing is used on all major projects. Strategic relationships have been developed with suppliers and contractors.

Compensation programs, communications and the working environment are aligned to attract, develop and retain qualified personnel. In early 2008, the company made changes in its senior management team structure that further emphasize successful project execution.

Economic Performance Indicators

Economic Performance

EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Direct and Indirect Economic Impacts (Enbridge Inc.)

	2008	2007	2006
Revenues	16,131.3 million	\$11,919.4 million	\$10,644.5 million
Expenses¹	14,762.6 million	\$10,770.1 million	\$9,496.2 million
Total compensation²	\$691.0 million	\$594.8 million	\$517.2 million
Donations and other community investments³	\$8.5 million	\$8.3 million	\$5.2 million
Retained earnings	\$3,383.4 million	\$2,537.3 million	\$2,322.7 million
Payments to capital providers⁴	\$606.8 million	\$607.3 million	\$563.3 million
Payments to governments⁵	\$269.3 million	\$339.1 million	\$205.0 million

1. Includes: commodity costs; operating and administrative; and depreciation and amortization.

2. Includes amounts for annual payroll, annual incentive rewards, employee benefits, employee training and development, and employee relocations. At December 31, 2008, Enbridge had 6,062 employees.

3. Includes investments in charitable and not-for-profit organizations.

4. Includes total interest payments on debt during the year net of capitalized interest.

5. Includes property taxes, business taxes, provincial capital taxes and income taxes paid.

For information pertaining to Enbridge Income Fund, please visit www.enbridgeincomefund.com; to Enbridge Energy Partners, please visit www.enbridgepartners.com/eep/; and to Enbridge Energy Management, please visit www.enbridgemanagement.com/eeq/.

EC2 – Financial implications and other risks and opportunities for the organization’s activities due to climate change.

Climate change challenges Enbridge with the following financial and business risks:

1. Increased regulatory burden resulting from governments’ response to climate change and the imperative to reduce GHG emissions

The GHG-related regulations under which the company will have to operate in the future will most likely conform in a broad sense to the final U.S. regulations currently being developed under the Waxman-Markey Bill, which is now referred to as the American Clean Energy and Security Act of 2009. This Act will be subject to change as it works its way through the U.S. Senate.

Regulatory risks to the company include the issue of local gas distribution companies being required to take responsibility for their customers’ emissions from the use of natural gas.

Under the proposed cap-and-trade system, the company likely will also be managing both the free allocation and purchase of credits on behalf of customers, a function that companies such as Enbridge Gas Distribution have not traditionally been required to do.

Enbridge could also be exposed to increased power costs associated with its operations, if regulatory constraints associated with climate change are imposed on power utilities. The company anticipates that there will be no competitive disadvantage to Enbridge if regulatory costs are uniform internationally (i.e., if they impact Enbridge’s competitors to the same degree).

Costs are difficult to quantify at this time because related policies in North America and elsewhere are in a state of flux.

2. The long-term drive toward a more carbon constrained future and less reliance on fossil fuels

Over the longer term, as society transforms to a less carbon intensive energy system, both oil and natural gas, as fossil fuels, will become less desirable as energy sources and more expensive due to increased regulation.

Although availability of renewable and alternative energy is growing, oil and natural gas will continue to be a preeminent energy source in the near- and mid-term. This will provide a continuing need for the current Enbridge services.

Increased investment in renewable and alternative energy will provide opportunities for Enbridge in the longer term and contribute to offsetting the risks associated with a carbon-constrained future.

3. The impacts of increased severe weather events on Enbridge’s infrastructure system

Recent hurricanes along the Texas Gulf coast tested the integrity of Enbridge facilities. However, Enbridge systems are part of a broadly based logistics network that connects producers to consumers, where all parties are motivated to restore energy supply as a first priority, thus limiting impacts.

4. Investor risk

Enbridge is experiencing growing interest in its business among investor analysts who can influence investor confidence, and is constructively responding to their inquiries. With respect to social and ethical investor analysts, Enbridge believes that the company's ability to respond in a timely and transparent manner to requests for information regarding its climate change commitment enhances its corporate reputation. Enbridge's climate change policy is clear on establishing reduction targets for the enterprise, as well as its continued support for publicly reporting on its progress in this area.

5. Technology developments

To mitigate risk and capitalize on emerging technologies, Enbridge, through an internal dedicated department, tracks developments and identifies and screens appropriate new technologies. Technologies of interest are generally associated with new and improved energy delivery and efficiency, as well as renewable and alternative low-impact energy generation.

Significant investments have been made with respect to wind power, solar power and fuel cells. Evaluations concerning ground source heat and carbon capture and storage are ongoing.

Opportunities arising from climate change

Enbridge believes that the company is in a good position to take full advantage of many of the opportunities related to the climate change issue, including the following:

- With an increased focus on Demand Side Management activities and conservation, the company's recognized expertise in this area will provide a good platform for growth and for offering fee-for-service services to current customers and others.
- There will be increased opportunities for select "green" energy delivery services in the realm of district energy, which will change the way customers will receive energy in the future. Services along these lines may be offered to third parties.
- As Enbridge's customers become more aware and educated about their carbon exposure issues, the company will be in a strong position to be able to help them manage their emissions, thus creating a stronger link with them for further collaborative activities.
- Enbridge is involved in four wind power projects in Canada. Together, these projects have a combined capacity of more than 260 megawatts, which is enough electricity to meet the power requirements of about 100,000 homes. Enbridge expects future wind opportunities to come through expanding its existing operations, as well as developing new greenfield projects near Enbridge operations throughout North America, particularly where operating synergies can be applied.
- Enbridge is currently exploring the potential for solar power projects in Ontario and evaluating opportunities for taking an equity position in new solar power technologies.

- In 2008, Enbridge officially launched the world's first hybrid fuel cell power plant that is designed for gas utility pressure reduction stations. The plant harvests pipeline energy that would otherwise be wasted and the fuel cell operates without burning any fuel to produce about 2.2 megawatts of environmentally preferred, near zero-emissions electricity—enough to serve about 1,700 Ontario homes. Enbridge has exclusive North American distribution rights for the hybrid fuel cell technology. Enbridge plans to replicate the plant throughout its distribution network in Ontario and market the hybrid fuel cell to other natural gas pipeline companies in North America.
- Enbridge is leading a consortium of 38 organizations in the Alberta Saline Aquifer Project (ASAP) and is one of five participants in the Saskatchewan Aquistore project, which is managed by the Petroleum Technology Research Centre. These initiatives will play a major role in advancing industry and government's knowledge of CO₂ capture and sequestration.

EC3 – Coverage of the organization's defined benefit plan obligations.

Enbridge maintains pension plans, which provide defined benefit and/or defined contribution pension benefits and other post-employment benefits other than pensions to eligible retirees.

Pension costs and obligations for the defined benefit pension plans are determined using the projected benefit method. This method involves complex actuarial calculations using several assumptions including discount rates, expected rates of return on plan assets, health-care cost trend rates, projected salary increases, retirement age, mortality and termination rates. These assumptions are determined by Enbridge management and are reviewed annually by the company's actuaries. Actual results that differ from assumptions are amortized over future periods and, therefore, could materially affect the expense recognized and the recorded obligation in future periods.

The decline in the capital markets has reduced the current market value of the plan assets; however, the discount rate has increased resulting in a lower expected benefit obligation substantially offsetting the decline in the plan assets. The company remains able to pay the current benefit obligations using cash from operations.

Please see Note 25 to Enbridge's Consolidated Financial Statements for the year ended December 31, 2008, which appears in the 2008 Annual Report, for disclosure of the difference between the actual and the expected results for the past two years. Pension expense is recorded within all of the company's business segments (and partial segments) with the exception of Enbridge Gas Distribution, which recorded pension expense in 2008 on a cash basis in accordance with rate regulated accounting.

Assuming no discretionary funding is made into the pension plans, funding in 2009 will be approximately \$48 million, which is not considered significant to the company.

EC4 – Significant financial assistance received from government.

Enbridge receives no significant financial assistance from governments.

Market Presence

EC5 – Range of ratios of standard entry-level wages compared with local minimum wages at significant locations of operation.

Enbridge's standard entry-level wages vary by type of role, but typically range as follows:

Alberta – \$16 - \$26.50 per hour

Ontario – \$21- \$26.50 per hour

Texas – US\$13.50 - US\$26.50 per hour

Minimum wages at these locations are as follows:

Alberta – \$8.40 per hour

Ontario – \$8.75 per hour

Texas – US\$6.55 per hour

EC6 – Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.

Enbridge's [CSR Policy](#) states that “Enbridge will strive to provide employment and economic opportunities in the communities where we operate.”

While Enbridge does not have a formal policy regarding buying from locally-based suppliers and it does not formally track its locally-based expenditures, the company can say that, in practice, it meets the majority of its needs through local suppliers.

The company has a clearly defined management and governance structure for all major projects and in that regard strategic relationships have been developed with suppliers and contractors.

Furthermore, Enbridge's [Aboriginal and Native American Policy](#) commits the company to forging mutually beneficial relationships with Aboriginal and Native American peoples in proximity to its projects and operations. Enbridge commits to working with Aboriginal and Native American peoples to achieve sustainable benefits for them resulting from Enbridge's projects and operations. This includes: offering sole-sourced contracting opportunities to qualified Aboriginal and Native American suppliers and contractors where appropriate; and encouraging joint venture opportunities between Aboriginal/Native American businesses and non-Aboriginal/Native American businesses when it builds capacity and supports mutual business interests.

EC7 – Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

Overall, Enbridge does not have a formal policy regarding hiring locally, but in practice most of the people that the company hires are, in fact, hired locally.

Through its [Aboriginal and Native American Policy](#), Enbridge commits the company to implementing measures to enable Aboriginals and Native Americans to become part of

its permanent workforce at a level that is representative of regional demographics and encompasses a wide spectrum of career levels.

Direct and Indirect Economic Impacts

EC8 – Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

EC9 – Understanding and describing significant indirect economic impacts, including the extent of impacts.

- **How Enbridge Directly and Indirectly Benefits Stakeholders**

Enbridge adds value to the economy by reliably and economically delivering energy to the regions the company serves.

Pipeline construction is one way that Enbridge generates positive direct and indirect economic benefits for stakeholders.

For example, an economic effects analysis published in 2007¹ regarding Enbridge's Alberta Clipper mainline expansion project showed that the potential residual impact on employment and the economy associated with the project is substantial and includes:

- local businesses and residents who benefit from the project through employment opportunities
- revenue generation for municipal, provincial and federal governments

According to the analysis, the Alberta Clipper project is estimated to result in increased Canadian output valued at \$2,171.7 million and increased Canadian GDP of \$812.2 million. Construction of the project is estimated to result in an increase in Canadian employment of 11,827 person-years and increased labour income of \$553.2 million. All four estimated amounts include direct effects plus indirect effects, the latter being the ripple effects as firms purchase additional inputs from other firms.

¹ The study was undertaken by Decision Economic Consulting Group and included in Enbridge Liquids Pipelines Inc.'s April 2007 application to the National Energy Board respecting the Alberta Clipper Expansion Project (Volume II, Section 6 – Effects Assessment, pages 29-31), which is available on the NEB's website at www.neb-one.gc.ca.

Further, this economic activity is estimated to generate increased tax revenues of \$142.4 million for the Government of Canada, \$13.6 million for the Government of Ontario, \$15.7 million for the Government of Manitoba, \$64.7 million for the Government of Saskatchewan and \$23.8 million for the Government of Alberta. A further \$6.3 million in annual municipal property taxes will also be generated in Manitoba, Saskatchewan and Alberta.

Enbridge's pipeline construction projects offer significant economic benefits to surrounding communities. For example, it is estimated that in the U.S. in 2009 the construction of the Alberta Clipper and Southern Lights projects there will create more than 3,000 temporary construction-related jobs. The workers hired for these jobs earn family-supporting wages and benefits and are expected to make purchases estimated to total more than \$60 million at lodging facilities, restaurants, gasoline service stations, laundry facilities, convenience stores and other retail establishments, all of which provides an economic boost to communities along the pipeline right-of-way.

Furthermore, Enbridge works extensively with many local vendors, consultants and contractors on all areas of project planning – from environmental inspectors to car dealers for fleet vehicles.

Additional economic benefits that Enbridge contributes are summarized in the following tables:

Direct Economic Value Generated and Distributed (Enbridge Inc.)			
	2008	2007	2006
Revenues	16,131.3 million	\$11,919.4 million	\$10,644.5 million
Expenses¹	14,762.6 million	\$10,770.1 million	\$9,496.2 million
Employee compensation²	\$691.0 million	\$595 million	\$517.2 million
Donations and other community investments³	\$8.5 million	\$8.3 million	\$5.2 million
Retained earnings	\$3,383.4 million	\$2,537.3 million	\$2,322.7 million
Payments to capital providers⁴	\$606.8 million	\$607.3 million	\$563.3 million
Payments to governments⁵	\$269.3 million	\$339.1 million	\$205.0 million

1. Includes: commodity costs; operating and administrative; and depreciation and amortization.

2. Includes annual payroll and annual incentive rewards. At December 31, 2008, Enbridge had 6,062 employees.

3. Includes investments in charitable and not-for-profit organizations.

4. Includes total interest payments on debt during the year net of capitalized interest.

5. Includes property taxes, business taxes, provincial capital taxes and income taxes paid.

Distribution of Economic Value Added – 2008 (Enbridge Inc.)	
Income taxes paid to governments	\$161 million
Interest payments to lenders	\$607 million
Dividend payments to shareholders¹	\$489 million

¹ Includes cash dividends and dividends reinvested through the Common Share Dividend Reinvestment Plan (DRIP).

energy4everyone

In 2009, Enbridge founded *energy4everyone*, a not-for-profit foundation whose mission is to find ways to deliver and deploy affordable, reliable and sustainable energy services and technologies to communities in need in both the developing world and remote and rural communities in the developed world.

Initially, *energy4everyone* will work with organizations that are already delivering safe, reliable and cost-effective energy solutions to the developing world. Eventually, the foundation will broaden its outreach by partnering with other energy industry companies that can provide additional knowledge, technology and resources.

- **SHAREHOLDER-FOCUSED**

Enbridge Inc. shareholders realize returns through a combination of capital appreciation and dividends. In 2008, Enbridge paid \$489 million to Enbridge Inc. shareholders and, in 2007, paid them \$452 million.¹ For information on shareholder/unitholder returns for Enbridge Income Fund, please visit www.enbridgeincomefund.com; for Enbridge Energy Partners, please visit www.enbridgepartners.com/eep/; and for Enbridge Energy Management, please visit www.enbridgemanagement.com/eeq/.

¹ Includes cash dividends and dividends reinvested through the Common Share Dividend Reinvestment Plan (DRIP).

- **EMPLOYEE-FOCUSED**

Enbridge's business operations provide jobs and contracting opportunities in many communities in Canada and the U.S., and internationally. Headquartered in Calgary, Enbridge has major offices in Edmonton, Toronto and Houston and numerous field offices in its areas of operations. Enbridge has approximately 6,000 employees. In 2008, Enbridge's annual payroll was over \$468 million. In early 2009, the company paid out an additional \$88.2 million through its annual incentive program to reward employee performance in 2008.

- **CUSTOMER-FOCUSED**

Every day through its energy transportation and distribution systems in Canada and the U.S., Enbridge provides millions of people with hydrocarbon products that are essential to quality of life. These products provide fuel for transportation, heat for our homes, and the resources to manufacture plastics and a wide range of consumer products.

Enbridge also works with its gas distribution customers to increase the efficient use of valuable energy resources. Enbridge Gas Distribution's (EGD) demand-side management

(DSM) programs help customers conserve gas, saving them money and enabling them to contribute to environmental goals. Since 1995, EGD has helped customers reduce their natural gas consumption by 4.4 billion cubic metres through participation in its DSM programs (the equivalent of enough gas to supply approximately 1.4 million homes for one year) and net energy savings to customers of about \$1.5 billion. Through these DSM activities, EGD has helped its customers avoid just over eight million tonnes of carbon dioxide emissions. Measures like these move Enbridge closer to realizing its emission reduction targets, despite the pressures of significant growth in its customer base.

- **NATIONALLY-FOCUSED**

In addition to meeting society's need for secure supplies of energy through Enbridge's core business of transporting natural gas and petroleum products, the company's activities benefit North Americans in other ways. For example, Enbridge pays income and property taxes to local, state, provincial and federal governments in Canada and the U.S., which use the funds to operate public services and infrastructure. In 2008, Enbridge paid \$161 million in income taxes and \$108 million in property taxes in the two countries.

- **COMMUNITY-FOCUSED**

At the local level, Enbridge's operations affect economies through job creation, the purchase of goods and services, and the taxes the company pays to governments. Enbridge also invests in community programs and charitable organizations. In 2008, it invested \$8.5 million in charitable and non-profit organizations in Canada and the U.S.

- **INVESTOR INDICES**

A number of investor indices provide business rankings based on information about organizations' social, ethical and environmental policies and practices. These indices are based on the concept that a company's commitment to CSR will sustain and grow long-term shareholder value. Enbridge is included in the following indices:

- Ethibel Sustainability Indices (ESI) – Pioneer & Excellence
- Jantzi Social Index (JSI)
- Dow Jones Sustainability Index (North America)

ENVIRONMENTAL PERFORMANCE

CSR Highlights – Treading Lightly

The job of protecting and preserving our environment belongs to each of us. We must all do our part to ensure that we tread as lightly as possible on this earth – by decreasing the amount of fossil fuels we consume; by reusing, recycling and reducing the materials we use; and by treating our air, water and land with care.

As a company whose main function is to deliver fossil fuels to customers, Enbridge finds itself in an interesting position. On the one hand, the company takes great pride in meeting its primary mission of safely and reliably delivering energy to people. This service has immeasurably improved the lives of North Americans for 60 years and has enabled a quality of life that none of us could have attained without it. Enbridge looks forward to continuing to provide this service for many years to come.

On the other hand, Enbridge recognizes that its relationship with fossil fuels comes with great responsibility. The company must find ways to reduce its own use of these fuels. And it must lead the way in not only helping others use them responsibly, but in finding alternative and renewable energy sources that are less harmful to the environment.

It's a responsibility that Enbridge takes seriously. It will involve ongoing consultation, collaboration, research, trial and error. The good news is that progress is being made.

Enbridge invests heavily in renewable and alternative energy technologies through its four wind farms, through its hybrid fuel cell system at the Enbridge Gas Distribution (EGD) headquarters in Toronto, and through waste heat recovery technologies, which recover exhaust heat from compressor stations and convert it into green electricity.

The company is also leading a consortium of 38 organizations in a project to sequester carbon dioxide in Alberta's deep underground saline aquifers.

EGD is investing in numerous initiatives to help its customers reduce their own energy consumption and, throughout North America, Enbridge is investing in programs to raise awareness of the steps that individuals can take to protect our planet.

And, Enbridge has formally committed to stabilizing its own environmental footprint as it continues to grow.

GOALS AND PERFORMANCE

Environmental Scorecard – 2009

Objective	2007 Result	2008 Result	Challenges
Reduce Canadian absolute direct GHG emissions to 20% below 1990 levels by 2010.	26% reduction from 1990 levels.	23% reduction from 1990 levels. (the year-over-year percentage decrease is due to increased throughput.)	Operational growth. Diversity of operations
Develop enterprise-wide carbon data and GHG management strategies.	Improved GHG data auditing.	Began developing enterprise-wide carbon data management strategy.	Operational differences between jurisdictions. Company-wide growth.
Help customers use energy wisely through demand-side management programs.	Saved approx. 70.3 million cubic metres of natural gas (equivalent of heating 23,000 homes for one year).	Saved approx. 75 million cubic metres of natural gas (equivalent of heating 24,000 homes for one year).	Enbridge can encourage customer efficiency but cannot enforce it.
Invest in renewable and alternative energy technologies.	Began constructing Ontario Wind Power project. Partially commissioned fuel cell pilot plant.	Completed 190 MW Ontario Wind Power project. Completed 2.2 MW fuel cell pilot plant. Exploring potential for solar power projects in Ontario.	Identifying opportunities and applying technologies. Competitive rates of return for green energy projects.
Lead climate change solutions.	Announced leadership of the Alberta Saline Aquifer Project (ASAP) to sequester CO ₂ .	Completed ASAP Phase 1. Began ASAP Phase 2. Supported Aquistore carbon capture and storage project.	Uncertainty surrounding proposed GHG regulations and legislation. High costs associated with implementing climate change technologies.
Zero releases. Minimize environmental impacts should releases occur.	65 reportable spills, leaks and releases Vast majority were small, causing no lasting environmental damage. Most occurred at Enbridge pumping stations. Four were significant.	93 reportable spills, leaks and releases Vast majority were small, causing no lasting environmental damage. Most occurred at Enbridge pumping stations. Six were significant.	

<p>Ensure no net increase to Enbridge's environmental footprint as a result of new projects in operation between 2009 and 2015.¹</p>	<p>N/A</p>	<p>Identified the requirements needed to meet the objective.</p>	<p>Identification of comparable areas for conservation.</p> <p>Development of appropriate partnerships for tree planting.</p> <p>The need to increase investments in demand-side management programs that help customers use energy wisely.</p> <p>The need to increase investments in renewable and alternative energy technologies.</p>
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1. Enbridge President & CEO Patrick D. Daniel announced this objective, called Toward a Neutral Footprint, on May 6, 2009 at Enbridge's Annual General Meeting in Toronto, Ontario.

ENVIRONMENTAL PERFORMANCE

Environmental Performance Indicators

Materials

EN1 – Materials used by weight or volume.

EN2 – Percentage of materials used that are recycled input materials.

Pipe

Because it is used to make Enbridge's pipelines, steel, by weight and volume, is by far the most significant material that the company uses. About 92 per cent of the pipe that Enbridge's primary supplier, Evraz Inc. NA (formerly Ipsco), manufactures for the company is made from recycled steel. Since 2006, Enbridge has committed to purchasing approximately 4,500 kilometres of pipe from Evraz for Enbridge projects in Canada and the U.S. This amount equates to an estimated 818,000 tonnes of recycled steel.

Enbridge Gas Distribution used approximately 1,952 tonnes of steel pipe and 1,134 tonnes of polyethylene pipe in 2008. The recycled content of its steel pipe varies, but in some cases can be up to 100 per cent recycled material. Regarding polyethylene pipe, 53 per cent of total pipe (above NPS 2 in size) purchased includes up to 30 per cent recycled material.

Gas Pipelines (Gas Transportation) in the U.S. purchased 141,562 tonnes of pipe from 2006 to 2008. The recycled content in the pipe was not recorded.

Paper

In 2008, Enbridge offices in Calgary, encompassing Enbridge Inc., Liquids Pipelines and the Major Projects business unit, used approximately 35 tonnes of photocopying paper, none of which had recycled content. Enbridge's Edmonton office recycled 28.8 tonnes of paper in 2008.

In 2008, Enbridge Gas Distribution (EGD) used approximately 63.75 tonnes of office paper, none of which had recycled content. However, in 2009, EGD switched from using printing paper with no recycled content to using paper with 30 per cent post-consumer fibres. By doing so, EGD will save²:

- 60 tonnes (606 tons) of wood used to make the paper (equivalent to 459 trees)
- 18,287 kilograms (40,317 pounds) CO₂ equivalent of GHG emitted during paper manufacturing (equivalent of taking four cars off the road for a year)

² Estimated using the Environmental Defense Fund Paper Calculator

- 760,753 litres (167,347 gallons) of wastewater generated during paper manufacturing
- 9,748 kilograms (21,490 pounds) of solid waste generated during paper manufacturing (equivalent of five garbage trucks full)

Figures are not available for Gas Pipelines (Gas Transportation).

Energy

EN3 – Direct energy consumption by primary energy source.

EN4 – Indirect energy consumption by primary source.

ENBRIDGE'S IMPACTS

Enbridge's Liquids Pipeline systems in Canada and the U.S. primarily use electrical pumps, while the company's natural gas gathering and transmission systems mainly use natural gas as fuel for the compressors that move the gas along the pipeline. In Alberta, about nine per cent of Enbridge's pipeline electricity requirement is supplied by the Magrath wind power project, of which Enbridge Income Fund owns 33.3 per cent. Enbridge's gas distribution systems in Ontario, Quebec, New Brunswick and New York state are powered by electricity and natural gas. And the company uses diesel fuel and natural gas to drive pumps in remote locations along the Enbridge Norman Wells Pipeline system in the Northwest Territories.

Direct energy consumption

The table below summarizes direct energy consumption associated with Liquids Pipelines (Canada) activities.

Liquid Pipelines (Canada)

		2005	2006	2007	2008
Natural gas	(GJ)	93,000	89,478	100,337	103,205
Propane	(GJ)	2,824	2,102	2,104	2,198
Diesel - stationary	(GJ)	32,315	30,850	28,089	20,098
Diesel - road	(GJ)	125	57	130	111
Gasoline	(GJ)	30,901	30,480	33,212	34,484
NGV	(GJ)	0	0	0	0
Aviation - gasoline	(GJ)	0	5,864	0	2,752
Aviation - jet fuel	(GJ)	20,944	12,324	22,588	22,394
TOTAL	(GJ)	180,108	171,155	186,461	185,243

At Enbridge Gas Distribution (EGD), direct energy consumption in 2008 resulted from:

- the combustion of natural gas to heat its offices and buildings; and
- the combustion of natural gas to heat the gas on EGD's own system at gate and regulator stations located across the pipeline system.

The remaining consumption results from the use of transportation energy fuel use in EGD's fleet and equipment. The energy consumed by the various areas across the company is given in Table 1 below.

Enbridge Gas Distribution

		2005	2006	2007	2008
Buildings and Operations					
Natural gas combustion	(GJ)	663,619	476,367	580,305	482,951
Fleet and Equipment					
Diesel- road	(GJ)	29,714	32,875	37,070	40,225
Gasoline - vehicles	(GJ)	82,083	73,907	73,035	72,135
NGV - natural gas vehicles	(GJ)	46,146	55,010	49,981	48,971
TOTAL		821,562	638,159	740,391	644,282

Also in 2008:

- Enbridge Inc. used 10.5 GJ of natural gas for space-heating; and
- Enbridge's Gas Pipelines (Gas Transportation) business used 647,442 GJ of electricity, plus 660,000 gallons of methanol (3 million litres or 38,967 GJ) and 1,152,647 gallons of gasoline (5,239,887 l or 151,873 GJ).

Indirect energy consumption

The table below summarizes indirect energy consumption associated with Liquids Pipelines (Canada) activities.

Liquid Pipelines (Canada)

		2005	2006	2007	2008
Electricity	(GJ)	5,480,044	6,706,518	6,843,397	6,846,673

Enbridge Gas Distribution uses electricity generated by electrical utilities in its facilities in Ontario. The table below shows the energy consumed by Enbridge Gas Distribution.

Enbridge Gas Distribution

		2005	2006	2007	2008
Buildings and Operations					
Electricity	(GJ)	76,831	68,413	69,931	69,394

Also in 2008:

- Enbridge Inc. consumed 5 MWh of electricity;

- Gas Pipelines (Gas Transportation) consumed 1,152,647 gallons of vehicle fuel, as well as 660,000 gallons of methanol to power compressors; AND
- Major Projects consumed 16,220 GJ for space-heating (6,380 MWH or 22,968 GJ).

EN5 – Energy saved due to conservation and efficiency improvements.

Enbridge strive to reduce energy use through efficiency improvements and conservation efforts.

Liquids Pipelines

As products in Enbridge’s pipelines and power contracts change, the company continually reviews natural flow rates for its liquids pipelines. The flow rates are designed to optimize pipeline operating pressures to match equipment and the types of products transported. By applying these rates to the pipeline, Enbridge works to optimize the operating performance of the system, lowering power costs and reducing maintenance. In addition, Enbridge introduced additives in the pipeline to reduce friction of liquids products and optimize flow.

A significant portion of indirect emissions from operations are due to the electricity used at pump stations on the liquids pipelines system. There are both operating-cost and GHG-emission-reduction benefits when more energy efficient designs and equipment are installed. Typically this occurs when capacity is added to the system. However, it is difficult to baseline and isolate these savings from other factors such as changing pipeline hydraulics, and therefore this report does not track reductions associated with these capacity increases.

Energy savings are quantified through the industry’s incentive tolling agreement. Each year, the operating performance of Enbridge’s mainline system is evaluated against a baseline using detailed hydraulic modeling of the system’s equipment and the operating parameters for that particular year. This assessment is performed by an independent consultant. Since the agreement was put in place in 2000, Enbridge has consistently delivered electricity savings by optimizing the operation of its pipeline system. In 2008, these improvements in operating efficiencies delivered an estimated 44,900 tonne CO₂e (tCO₂e) reduction, achieving 394,100 tCO₂e in total savings to date.

Liquids Pipelines Inc. System – Incentive Tolling Electricity Savings

		2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	(GWh)	53.4	97.2	103.4	98.4	78.6	46.14	38.5	43.6	86.9
Total	(t CO ₂ e)	34,732	64,540	65,217	62,723	50,249	26,792	21,915	23,044	44,898
Cumulative savings under incentive tolling	(t CO ₂ e)	34,732	99,272	164,489	227,212	277,461	304,253	326,168	349,212	394,110

Enbridge Gas Distribution

Enbridge Gas Distribution has undertaken a number of efficiency and optimization actions to reduce its direct energy requirements to operate the system. Between 2007 and

2008, which is the latest data that Enbridge has, the company reduced direct energy use in its buildings, operations and fleet by 96,109 GJ.

Gas Pipelines (Gas Transportation)

Enbridge's Gas Pipelines business, which had no formulated conservation and efficiency programs in 2008, is implementing programs in 2009.

EN6 – Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

Enbridge believes in doing its part to contribute to a sustainable future. That's why Enbridge invests in renewable and alternative energy sources that complement its core operations and provide environmental benefits – such as avoiding GHG emissions that affect global climate change.

Wind Power

Enbridge is involved in four wind power projects in Canada. The company owns three of these through its sponsored investment, Enbridge Income Fund. Enbridge Inc. owns the fourth in Ontario. Together, these projects have a combined capacity of more than 260 megawatts, which is enough electricity to meet the power requirements of about 100,000 homes.

Wind-generated electricity is the fastest-growing sector of electricity generation in North America, as substantial technological advances and government incentives have enabled wind power projects to become economically attractive investments.

SunBridge and Magrath wind power

In a partnership with Suncor Energy, Enbridge Income Fund owns 50 per cent of the Enbridge-operated 11 megawatts SunBridge wind power project near Gull Lake, Saskatchewan.

Enbridge Income Fund, Suncor Energy and ACCIONA Energy are equal partners in the 30-megawatt Magrath wind power project, located southwest of Lethbridge, Alberta. Enbridge has contracted under a 20-year agreement to purchase one-third of the project's output to supply power to its Alberta pipeline system. A long-term contract of this type reduces the risks associated with the wind project and provides Enbridge's pipelines with a source of electricity at a stable price.

The Chin Chute wind power project

In 2006, Enbridge, in partnership with Suncor Energy and ACCIONA, opened the 30-megawatt Chin Chute wind power plant, located west of Taber in southern Alberta. Enbridge Income Fund owns a one-third interest in the \$60-million project. Chin Chute is operated by Acciona Wind Energy Canada Inc., a subsidiary of Spain's ACCIONA group.

Like the Magrath project, Chin Chute consists of 20 1.5-megawatt wind turbines that use advanced wind power technology to combine high electrical output, low noise levels and a small footprint on the land.

Chin Chute is producing enough zero-emission electricity to power 14,000 Alberta homes and displace the equivalent of 88,000 tonnes of carbon dioxide per year – equal to taking about 13,000 vehicles off the road. With the Chin Chute project, Enbridge Income Fund's share of electrical capacity from its three wind power plants is 25.6 megawatts.

The Ontario Wind Power project

In 2008, Enbridge completed construction of its Ontario Wind Power project – the second largest wind farm in Canada. Enbridge owns 100 per cent of the project.

The 115-turbine wind farm located in Bruce County, Ontario, on the eastern shore of Lake Huron is contributing 190 megawatts of emissions-free energy to Ontario's grid – enough electricity to supply about 63,000 Ontario homes and reduce GHG emissions equivalent to taking about 30,000 vehicles off the road.

Fuel Cells

Enbridge is now piloting its 2.2-megawatt hybrid fuel cell – a low-carbon, green technology that is distributed, has a small footprint and a low impact on the environment and provides enough electricity for approximately 1,700 homes.

Built on approximately 22 parking spaces at Enbridge Gas Distribution's Toronto headquarters, the pilot plant currently sits within 10 meters of a public sidewalk and no part of the structure is over five metres tall. The only noise is the passing traffic, and the fuel cell operates without burning fuel so the typical air pollutants associated with burning a fossil or renewable fuel are eliminated. This offers a significant public health benefit for electricity generated inside of an urban setting.

Enbridge has worked closely with its development partner FuelCell Energy Inc. of Danbury, Connecticut. The project also benefited from the involvement of Natural Resources Canada and the Ontario Ministry of Research and Innovation.

FuelCell Energy's Direct FuelCell is already the most efficient distributed generation technology for power plants of 10 megawatts or less in size. Enbridge wanted to make it even better. To achieve this, the company integrated the fuel cell with an energy recovery device called a turbo-expander. This recovers energy from Enbridge Gas Distribution's (EGD) natural gas pressure reduction process. Using the turbo-expander, energy that is normally wasted is converted into useful electricity as part of EGD's day-to-day business of delivering natural gas. By integrating the fuel cell and turbo-expander, Enbridge has more than doubled the amount of low-carbon electricity that is generated. Over 60 per cent of the input energy is converted into electricity and the heat from the fuel cell can still be used in the pressure reduction process to make this combined heat and power process over 80 per cent efficient, and without smog-forming emissions.

Today, the hybrid fuel cell technology is competitive with alternative energy such as wind and biomass if the electricity is valued with the same policy and tax support. As policy makers recognize the environmental benefits offered by the hybrid fuel cell, Enbridge has plans to replicate the technology throughout its pipeline network. In the near-term, the company has the potential to harvest between 40 to 60 megawatts of electricity from its pipeline systems. This is enough to meet the needs of approximately 30,000 homes.

The fuel cell achieves near-zero smog emissions by operating without combustion and is so efficient that less GHG gas emissions are generated when compared to combustion-based power plants. The power plant's only other byproduct is water vapour.

Already, the environmental benefits of fuel cells are recognized and gaining acceptance in California, the U.S. Northeast, Asia and Europe. At the same time, turbo-expanders are already safely producing green electricity in Italy, Germany, Switzerland and the United Kingdom. EGD's combining of these two technologies represents a global first. They are also a tremendous example of how new technologies can increase the already significant environmental benefits linked to the use of natural gas.

EN7 – Initiatives to reduce indirect energy consumption and reductions achieved.

Enbridge Gas Distribution (EGD) has been proactive in reducing its indirect energy consumption by reducing its electricity requirements to run its offices across the system.

These actions have resulted in reducing our electrical consumption by 40 per cent in the past decade.

These actions include:

- producing all building power requirements from the standby generator, thus reducing EGD's grid power requirements;
- improving controls to optimize the use of gas/hydro;
- installing kitchen exhaust heat recovery/ventilation hood;
- installing the Direct FuelCell®-Energy Recovery Generation (DFC®-ERG) Power Plant and turbo expander to generate 2.2. MW green power for export to the grid;
- reusing the generator waste heat in the adjoining turbo-expander system;
- setting back all lighting/HVAC/workstation power;
- reducing the power requirement for the data centre;
- changing the meter shop operation to use hot water coils from electric reheats; and
- installing VM (virtual machine) servers requiring less power than previously.

Leading by example, EGD plans to do a retrofit of its main building and is aiming to achieve the LEED Platinum Standard.

Please see 'EN5' for additional information about other company initiatives.

Water

EN8 – Total water withdrawal by source.

EN9 – Water sources significantly affected by withdrawal of water.

EN10 – Percentage and total volume of water recycled and reused.

Enbridge's operations use only a small amount of water, as the company does not use it to transport liquid hydrocarbons or natural gas.

During new pipeline construction, Enbridge tries to avoid crossing waterways and wetlands, and uses a variety of measures to reduce its impact on them if the company must cross them. Any disturbances Enbridge does cause are temporary because it fully restores these areas to their previous states.

Water withdrawal by Enbridge's Gas Pipelines (Gas Transportation) business is insignificant and, therefore, is not tracked.

Surface water

Liquids Pipelines has established standards and procedures for managing water runoff from its facilities and during pipeline construction. The company has many controls in place and implements others as required by the project or relevant regulatory body. The controls used include berms and containment areas to prevent offsite contamination at facilities, as well as inspection and controlled discharge procedures.

Liquids Pipelines occasionally acquires and discharges water to hydrostatically test the integrity of new or existing pipelines and tanks. Since existing pipeline sections have transported liquid petroleum or natural gas, the company analyzes and treats this test water, as needed, before returning it to the environment. Water returned to source meets discharge criteria established by local regulatory bodies.

Liquids Pipelines also carries out an active program to monitor its potential impacts on groundwater from existing facilities in Canada and the U.S.

Enbridge Gas Distribution uses a minimal amount of water from municipal sources to conduct hydrostatic testing of newly installed pipelines. In 2008, no water sources were affected by withdrawal of water for this purpose. Water used for hydrostatic testing cannot be recycled or reused prior to disposal. Although Enbridge Gas Distribution did not track the amount of water it used in 2008, it will report usage for 2009 in the 2010 CSR Report.

Groundwater

In 2008, Liquids Pipelines continued its system-wide groundwater monitoring program. This program provides regular monitoring of Enbridge facilities to proactively identify potential impacts to groundwater, allowing the company to identify potential issues and maintain compliance with regulatory requirements. In 2008, the company expanded its network by adding groundwater monitoring networks at its Herschel Station (Saskatchewan), Nanticoke Terminal (Ontario) and Millgrove Junction (Ontario) facilities.

In 2008, Enbridge also commissioned a groundwater remediation system at its Metiskow (Saskatchewan) station. This system is required to treat groundwater contamination identified at the site. It involves groundwater recovery, treatment and reinjection systems that are designed to contain and treat groundwater contamination.

Enbridge also installed a groundwater recovery and treatment system at the site of the February 2008 leak near Exeland, Wisconsin. This system is successfully recovering groundwater from the site and preventing migration to a local creek.

Biodiversity

EN11 – Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

EN12 – Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

EN13 – Habitats protected or restored.

EN14 – Strategies, current actions and future plans for managing impacts on biodiversity.

EN15 – Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Enbridge views biodiversity conservation as an important part of responsible environmental management and routinely incorporate ways to avoid and conserve wildlife habitat into its project planning and maintenance activities.

Enbridge always conducts detailed environmental impact assessments for its new pipeline projects, not only to comply with regulations, but also to meet its own standards, which often exceed regulatory requirements. These assessments include reviewing potential routing alternatives to avoid, minimize, or mitigate its impact on sensitive areas.

After consulting with natural resource management agencies, Enbridge may, for example, determine that minor alignment changes to a pipeline could eliminate or greatly reduce short- and long-term construction impacts. For past projects, measures such as this have enabled Enbridge to protect old-growth pines and avoid disturbing sensitive wetlands and endangered species habitats.

Enbridge also evaluates water-crossings on a case-by-case basis to minimize impacts to rivers and streams. The company incorporates environmental construction procedures into all sizes of projects and provides related training or guidelines to employees and contractors.

Mapping pipelines for species at risk

In Canada, Enbridge's Liquids Pipelines business is regulated under the Species at Risk Act (SARA), which aims to protect wildlife species and conserve biological diversity. Enbridge first mapped its Canadian mainline system in 2004, using digital mapping technology, to identify areas along parts of its right-of-way where there may be species at risk. The company then consolidated this information into a database tool that enables safety and environment staff to identify sensitive wildlife habitat at specific locations before Enbridge undertakes smaller projects or pipeline maintenance digs.

In the U.S., a number of Enbridge's mainline segments have digital data regarding threatened or endangered species that are protected under the Endangered Species Act. As well, when Enbridge undertakes major construction or maintenance activities, it incorporates appropriate avoidance measures or restrictions. In preparation for an expansion, Enbridge also surveys the area and take appropriate measures to limit impact.

Managing vegetation

Vegetation management activities at Enbridge's facilities and on its pipeline rights-of-way focus on using the most environmentally-appropriate and economical ways of keeping its rights-of-way clear for inspection. Enbridge's vegetation management plans and procedures stipulate that the visible results and perceived impacts of vegetation management activities on adjacent landowners and the general public must be considered when those activities are being planned and implemented.

Protecting soils and waterways

Enbridge is committed to protecting the environmental integrity of soils and waterways in and around its operations, and the company has led the development of best practices in preserving agricultural land. As part of this work, Enbridge is implementing practices that limit the long-term impact on cultivated lands when developing projects.

Protecting sensitive habitats

Enbridge conducts exhaustive analysis of various routing alternatives to determine whether these alternatives would avoid or minimize impacts to natural resources, reduce or eliminate engineering and constructability concerns, and avoid or minimize conflicts with existing or proposed residential and agricultural lands. The alternative analysis focuses on minimizing the length of the pipeline to the extent practicable, while also minimizing the environmental impacts to specific resources. At times, a pipeline route will traverse distinct natural communities. Therefore, Enbridge conducts surveys of the entire project route to identify sensitive natural and cultural resources such as wetlands, water bodies and plant/animal populations. Enbridge utilizes the survey results to identify areas requiring alternative construction techniques, timing restrictions to minimize impacts during breeding or spawning seasons for certain sensitive species, or route variations to minimize or avoid impacts to sensitive plant species. Certain features cannot be avoided and as such stringent conditions from regulators are applied and specific mitigation is set out and approved by various regulatory agencies. Some examples in 2008 are:

- **Southern Access Pipeline US:** Enbridge carried out a three-part approach to meet its mitigation requirements for Stage 1 of Southern Access. This approach involved efforts to: avoid and minimize impacts during construction; the use of mitigation bank sites; and development of individual compensation sites. Minimization included narrowing temporary workspace to 70 feet in emergent and scrub-shrub wetlands and to 50 feet in forested wetlands (except for limited areas where variances were granted). This reduced temporary construction impacts in wetlands by 25 per cent (from the permitted 1,266 acres to an actual total of 949 acres). Mitigation was required for these temporary impacts and was accomplished by securing wetland "credits" from two Wisconsin wetland mitigation banks and by the development of a new wetland mitigation site. In addition, Enbridge replanted selected forested wetland types along the right-of-way that were temporarily affected by construction in order to enhance their recovery quality.
- **Alberta Clipper Pipeline Project US:** The existing Enbridge pipeline corridor in Wisconsin traverses an area commonly referred to as the Pokegama-Carnegie

Wetland Complex. Portions of this area were designated a State Natural Area by the Wisconsin Department of Natural Resources (WDNR) in 2006, because interspersed throughout the complex are multiple populations of rare plants.

Furthermore, on June 1, 2008, the State of Wisconsin nominated the larger area – the “St. Louis River Freshwater Estuary” – for designation as a Natural Estuarine Research Reserve through the National Oceanic and Atmospheric Administration. Given the unique and sensitive nature of this area, together with extensive surveys and in consultation with the WDNR, Enbridge agreed to install portions of the Alberta Clipper and Southern Lights Diluent pipelines along this existing corridor by horizontal directional drilling techniques in an effort to minimize impacts.

- **Alberta Clipper, Southern Lights and Line 4 Extension projects in Canada:** In combination, these three pipeline projects largely parallel Enbridge’s existing corridor in Canada from Edmonton through southern Saskatchewan and continuing southeast to the border, near Cromer, Manitoba. Construction of the pipelines resulted in temporary disturbance to a variety of wetlands in each of these provinces. Enbridge implemented a variety of mitigation measures to minimize the temporary impacts and to promote the recovery of the wetlands following construction such as: isolating the work area with the use of aquadams; and salvaging the upper surface soil material prior to trenching and replacing this material after backfilling to promote the reestablishment of vegetation recovery. In addition, Enbridge has committed to conduct a two-year post-construction monitoring program of the Class 3 and higher wetlands affected by these projects and to make corrective changes as needed to ensure full restoration of the wetlands to their pre-construction function. Where a reduction in wetland health is still observed two years after construction, Enbridge has committed to compensate for this impact through the construction or improvement of other wetlands on a 1:1 area ratio.

Although Enbridge Gas Distribution has not reclaimed any lands through either conservation offsets or partnerships, it did contribute to the restoration of Wexford Woodlot in the City of Toronto following construction activities related to the Portlands Energy Centre (North End), which occurred adjacent to the woodlot itself. This construction resulted in the loss of the fringe area between the hydro right-of-way and the woodlot itself. Funds contributed by Enbridge Gas Distribution were used to purchase replacement shrubs and trees.

In the U.S., Enbridge Gas Pipelines (Gas Transportation) has 10,564.6 miles (16,998 kilometres) of pipeline (excluding offshore), 39.5 miles (63.5 kilometres) of pipeline in lakes/navigable waterways, and 2,126.4 miles (3,421.4 kilometres) of pipeline within high bio-diverse land areas. It undertakes all activities in such a way as to ensure that it minimizes impacts and complies with regulations.

Emissions, Effluents and Waste

GHG Emissions

EN16 – Total direct and indirect GHG emissions by weight.

EN17 – Other relevant indirect GHG emissions by weight.

Note regarding the tables below:

The term “direct” emissions refers to emissions (fugitive, combustion, vented) that result from activities on company-owned facilities and from company-owned vehicles and are also sometimes referred to as Scope 1 emissions.

The term “indirect” emissions refer to emissions from purchased electricity where the emissions occur at facilities owned by a third party and are sometimes referred to as Scope 2 emissions.

Liquids Pipelines

The tables below summarize total direct (Scope 1) and indirect (Scope 2) GHG emissions associated with Enbridge’s Liquids Pipelines operations in Canada. The emissions are measured by tonnes of carbon dioxide equivalent (t CO₂e).

SCOPE 1		2005	2006	2007	2008
Enbridge Pipelines Inc.	(t CO ₂ e)	4,299	4,008	4,236	4,598
Enbridge Pipelines (Saskatchewan) Inc.	(t CO ₂ e)	1,104	1,188	1,332	1,317
Enbridge Pipelines (Athabasca) Inc.	(t CO ₂ e)	224	197	237	246
Enbridge Pipelines (NW) Inc.	(t CO ₂ e)	5,427	5,139	5,578	5,048
Enbridge Midcoast Canada Operating Corp.	(t CO ₂ e)	59	30	33	39
Total	(t CO ₂ e)	11,113	10,563	11,417	11,247

SCOPE 2		2005	2006	2007	2008
Enbridge Pipelines Inc.	(t CO ₂ e)	799,548	968,400	924,306	857,298
Enbridge Pipelines (Saskatchewan) Inc.	(t CO ₂ e)	35,291	41,649	40,916	44,837
Enbridge Pipelines (Athabasca) Inc.	(t CO ₂ e)	32,406	42,578	38,165	93,103
Enbridge Pipelines (NW) Inc.	(t CO ₂ e)	228	246	219	222
Enbridge Midcoast Canada Operating Corp.	(t CO ₂ e)	452	496	370	297
Total	(t CO ₂ e)	867,926	1,053,370	1,003,975	995,757

Liquids Pipelines does not track in a comprehensive manner GHG emissions arising from its U.S.-based system. However, a process is being put in place in 2009 to track U.S.-based emissions. Enbridge expects to have these available for the 2010 CSR Report.

Enbridge Gas Distribution

Enbridge Gas Distribution also operates three smaller gas distribution companies in New Brunswick (Enbridge Gas New Brunswick), Quebec (Gazifère) and upper New York state (St. Lawrence Gas). Each of these companies' emissions is about 1 per cent of those of Enbridge Gas Distribution and are, therefore, not currently considered significant. However, Enbridge continues to track these emissions by tonnes of carbon dioxide equivalent (t CO₂e).

ENBRIDGE GAS DISTRIBUTION

SCOPE 1 – Direct Emissions		2005	2006	2007	2008
Enbridge Gas Distribution	(t CO ₂ e)	307,721	290,770	304,435	305,855
Enbridge Gas New Brunswick	(t CO ₂ e)	3,478	3,361	4,258	4,804
Gazifère	(t CO ₂ e)	3,691	3,568	3,732	3,920
St Lawrence Gas	(t CO ₂ e)	2,976	2,999	3,105	3,175
Total	(t CO ₂ e)	317,866	300,698	315,530	317,754

SCOPE 2 – Indirect Emissions		2005	2006	2007	2008
EGDI	(tCO ₂ e)	4,179	3,160	3,925	3,875
Enbridge Gas New Brunswick	(tCO ₂ e)	365	313	472	514
Gazifère	(tCO ₂ e)	1	1	1	1
St Lawrence Gas	(tCO ₂ e)	118	118	119	111
Total	(tCO ₂ e)	4,664	3,592	4,517	4,502

Gas Pipelines (Gas Transportation)

Gas Pipelines will implement in 2010 a comprehensive measurement system to track CO₂e emissions. Estimated emissions for 2008 are:

Scope 1 – Direct – 2,445,000 tonnes of carbon dioxide equivalent (t CO₂e)

Scope 2 – Indirect – 168,000 tCO₂e

EN18 – Initiatives to reduce GHG emissions and reductions achieved.

Reducing Direct Emissions

Enbridge continues to develop a more comprehensive Carbon Management Strategy that will include further actions to reduce its own direct emissions. As the majority of the company's Canadian direct emissions emanate from its Gas Distribution and Services and Gas Pipelines (Gas Transportation) business segments, the company will focus on finding ways to reduce those emissions.

Enbridge will set targets for reducing direct emissions from its assets once it has completed a full emissions inventory and has developed its overall Carbon Management Strategy.

Enbridge Gas Distribution initiatives

The operational actions that Enbridge Gas Distribution has taken to reduce GHG emissions are summarized in the table below with its current estimate of what those reductions achieved. EGD’s GHG emissions are classified into either combustion or fugitive emissions in this section.

Action to reduce fugitive emissions from Enbridge Gas Distribution operations	Description	Result/reductions
Pipe replacement program		
	1) Replacement of the old cast iron pipeline system about 60 km/yr	Up until 2008, these actions have resulted in a reduction in emissions of 127,659 t CO ₂ e
	2) Replacement of unprotected steel mains	
	3) Replacement of copper services	
Pneumatic and odorant equipment upgrades	Replacement of old equipment at gate stations with "no bleed" equipment that does not release natural gas or odourant into the atmosphere as part of their normal operating practices.	Reduction of 16,852 t CO ₂ e until the end of 2008.
Installation of high-performance compressor seals	This work involves replacing the packing systems on the compressors at Tecumseh Gas Storage in Sarnia with new systems around the cylinders.	Reduction of 1,272 t CO ₂ e until the end of 2008.
Total from all fugitive operations		145,783 t CO₂e
Action to reduce combustion emissions from Enbridge Gas Distribution operations		
Line heater energy efficiency – replacement of old boilers with high efficient boilers.	This work involves the replacement of old equipment with higher-efficiency equipment, as well as the redesign of the stations.	Total estimated reduction: 7,009 t CO ₂ e since the 2000 baseline year.

Gas Pipelines (Gas Transportation) – STAR Program

Enbridge is committed to minimizing its environmental impacts by partnering in voluntary programs that promote GHG emission reductions, spill prevention and pipeline

integrity. Lowering air emissions and reducing loss of product is better for the environment, good for customers and good for the company's bottom line.

Enbridge's Gas Pipelines (Gas Transportation) business is an active participant in the EPA's Natural Gas STAR Program, which was introduced to encourage U.S. companies that produce, process, transmit and distribute natural gas to implement cost-effective technologies and practices that reduce emissions of methane.

Since the STAR program's inception in 1993, 140 partner companies have eliminated 19.2 billion cubic metres (677 billion cubic feet) of methane emissions. In 2007, partner companies reported methane emission reductions equivalent to removing more than 6.8 million cars from the road for one year or planting more than 8.5 million acres of trees. The partner companies are estimated to have saved over US\$648 million by keeping more gas in their systems for sale in the market. Enbridge's Gas Pipelines (Gas Transportation) business segment has been a STAR program partner since late 2003, when it enrolled its Gathering and Processing area into the program.

In 2008, Enbridge's STAR program activities helped the company avoid the loss of an estimated 20.3 million cubic metres (716 million cubic feet) of methane or about 288,458 tonnes of carbon dioxide equivalents. Most of these reductions resulted from the company's use of aerial infrared imaging to identify pipeline methane leaks. In 2008, Enbridge conducted 15 pipeline surveys and discovered and repaired 28 leaks.

Carbon Dioxide Sequestration

Enbridge is leading a consortium of 38 organizations in the Alberta Saline Aquifer Project (ASAP) and is one of five participants in the Saskatchewan Aquistore project, which is managed by the Petroleum Technology Research Centre.

These initiatives will play a major role in advancing industry and government's knowledge of CO₂ capture and sequestration.

In June 2009, the Government of Alberta announced that the EPCOR[†]/Enbridge proposal for an integrated gasification combined-cycle (IGCC) carbon capture power generation facility at Genesee, Alberta, is one of three projects selected for the negotiation of letters of intent under the province's \$2-billion program for large-scale CCS projects. The Genesee IGCC CCS project would be North America's first project combining an IGCC commercial-scale near-zero-emission thermal power plant with carbon capture, compression and storage. It has the potential to capture more than 3,300 tonnes per day or 1.2 million tonnes of carbon dioxide emissions a year. Enbridge would be responsible for transporting captured CO₂ from the Genesee site for use in enhanced oil recovery or permanent storage in deep saline aquifers, and ASAP would be responsible for saline aquifer sequestration.

Ozone depleting substances

EN19 – Emissions of ozone-depleting substances by weight.

While Enbridge continues to use halocarbon-containing equipment (in some vehicles, drinking water fountains, refrigeration and air conditioning systems), as well as Halon-containing equipment (fire extinguishers) at some facilities, the company no longer has

any infrastructure containing a significant quantity of ozone depleting substances. Enbridge had no reportable releases in 2008.

Liquids Pipelines finalized and implemented in 2006 an Ozone-depleting Substances Environmental Management Plan for its Canadian operations. The plan includes phase-out of Halon-containing fire extinguishing equipment and a commitment to find alternatives to minimize Enbridge's use of other ozone-depleting substances. Enbridge reviews the plan every three years and update it as necessary to reflect changes in the applicable legislation.

Enbridge Gas Distribution does not have ozone-depleting substances in its fire suppressant equipment and reported zero emissions of ozone-depleting substances in 2008.

Emissions

ENBRIDGE'S IMPACTS

EN20 – NO, SO and other significant air emissions.

Enbridge's Impacts

The major air emissions released by Enbridge facilities include methane, carbon monoxide, nitrogen oxides (NO_x) and volatile organic compounds (VOCs). Other contaminants released, but in much smaller quantities, include sulphur dioxide (SO₂), hydrogen sulphide and particulate matter.

Enbridge works to keep air emissions from its operations below regulated limits. In some cases, it has exceeded regulatory requirements and has installed environmentally friendly technologies in its facilities that reduce air contaminant emissions.

The largest source of emissions from Enbridge's Liquids Pipelines operations is from tank storage. A rigorous maintenance program includes regular inspections of emission control devices and repair or replacement of them to ensure they meet regulatory criteria.

Reporting Criteria Air Contaminants

Criteria air contaminants are a group of common air pollutants released from sources, including incineration, industrial production, fuel combustion and transportation vehicles. Enbridge has established programs that define its roles, responsibilities and timelines for reporting its criteria air contaminant emissions to various government agencies in Canada and the U.S.

In Canada, Liquids Pipelines and Enbridge Gas Distribution track and report annual criteria air contaminant emissions under the National Pollutant Release Inventory. The air contaminants covered under the regulation include NO_x, SO₂, VOCs, carbon monoxide and particulate matter.

Liquids Pipelines

With the completion of the first phase of Enbridge Liquids Pipeline' contract tankage project in Hardisty, Alberta, in 2009, Enbridge has established an ambient air monitoring network to monitor the air quality in the area. The stations collect and monitor the air quality both continuously and on the National Air Pollution Surveillance schedule. In

addition to the air monitoring stations at Hardisty, Enbridge conducts semi-annual head space air sampling on each storage tank to ensure emission control devices are functioning.

Enbridge is also a member of the Strathcona Industrial Association (SIA), which owns and operates an air monitoring network in the City of Edmonton and Strathcona County. The stations continuously monitor the air quality around Enbridge’s Edmonton Terminal.

In the U.S., Enbridge tracks and reports to the Environmental Protection Agency’s Toxic Release Inventory and to state regulators on VOC emissions for Liquids Pipelines terminals.

In 2008, Enbridge and the Wisconsin Department of Natural Resources (WDNR) identified a number of conditions that were not in compliance with air permit requirements at the company’s terminal in Superior, Wisconsin. These included roof rim seals on Tanks 3 and 4, diesel engine stack dimension requirements and tank inspection frequencies. As a result of these findings, WDNR required the completion of an inventory of emission points on all tanks to verify compliance with the permit requirements. This inventory was completed in the first quarter of 2009 and it identified several additional areas of minor non-compliance such as missing gaskets and emission control devices at various emission points. Subsequent to the identification of these items, Enbridge put in place plans to address the deficiencies and has brought the facility back into full compliance with all regulatory requirements.

Enbridge Gas Distribution

Enbridge Gas Distribution reports annual criteria air contaminant emissions under the National Pollutant Release Inventory (NPRI) in Canada. The air contaminants covered under the regulation include NO_x, SO₂, VOCs, carbon monoxide and particulate matter. In 2008, Enbridge Gas Distribution exceeded the reporting threshold for three locations and voluntarily reported the criteria air contaminants for a fourth location. All four locations are natural gas compressor stations. Emissions are calculated using emission factors or site/equipment specific data.

Enbridge Gas Distribution

Location	CO (tonnes)	NO₂ (tonnes)	VOCs (tonnes)
Tecumseh	35.28	62.31	11.82
Sombra	7.92	8.67	-
Seckerton Battery	61.59	91.80	-
Chatham D	34.25	51.05	-

Gas Pipelines (Gas Transportation)

Enbridge's Gas Pipelines business segment is continually looking for opportunities to upgrade its gas facilities and pipelines in ways that contribute to operating, environmental and safety goals. One example is acid gas injection, which uses advanced technology to compress acid gas, primarily hydrogen sulphide and carbon dioxide, and inject the gases into suitable underground reservoirs, thereby avoiding emissions to the atmosphere.

Enbridge's first acid gas injection plant, which opened in 2004 in Wayne County, Mississippi, cut sulphur dioxide emissions by about 539 tonnes in 2008 compared with a traditional treating plant. The facility also injected 7,300 tonnes of carbon dioxide that would have otherwise been released to the atmosphere. Enbridge opened its second acid gas injection well near the Aker Treating Plant in 2006. In 2008, the facility injected 27,000 tonnes of carbon dioxide and avoided 209 tonnes of sulphur dioxide that would have resulted from a traditional gas treating facility.

Based on 72 of Enbridge's largest facilities, the following emissions were reported under the EPA's toxic release inventory:

	CO	NO_x	VOCs	SO₂
Tonnes	2,965	4,131	1,208	1,329

Effluents

EN21 – Total water discharge by quality and destination.

Enbridge occasionally acquires and discharges water to hydrostatically test the integrity of new or existing pipelines and tanks. Since existing pipeline sections have transported liquid petroleum or natural gas, the company analyzes and treats this test water, as needed, before returning it to the environment. Water returned to source meets discharge criteria established by local regulatory. Please see the 'Water' section (EN8) in this report for more information.

Waste

EN22 – Total weight of waste by type and disposal method.

Enbridge's Impacts

Enbridge's operations produce mostly non-hazardous wastes consisting of paper, scrap metals, package materials and construction-related materials. Typically, Enbridge's operations generate only limited amounts of hazardous wastes. Overall, Enbridge makes every effort to reduce its waste volumes, regardless of hazard classification, through measurement and management programs at its various facilities.

Enbridge's Performance

Enbridge minimizes the amount of waste from its operations, wherever possible, by reducing the amount of waste the company generates or by finding beneficial ways to reuse waste by-products.

One of Enbridge's priorities is to promote consistent waste management practices across the company's businesses.

The development of waste management tracking and training programs helps employees not only meet regulations, but more effectively recover waste.

Waste management and minimization in the U.S.

Liquids Pipelines' operations in the U.S. completed plans for the management of waste across all operating areas. These plans provide users readily available, searchable, site-specific guidance to help ensure sound waste management handling and disposal.

Waste management and minimization in Canada

In 2008, Liquids Pipelines operations in Canada initiated a major revision of the Enbridge Waste Management Plan. The process is scheduled to be completed in the third quarter of 2009. The Waste Management Plan is a single-source reference to assist operating personnel in determining the best practices for handling all types of waste generated at Enbridge facilities.

Tracking, managing and minimizing waste at Enbridge Gas Distribution

In 2008, Enbridge Gas Distribution (EGD) generated 2,512 tonnes of non-hazardous waste from its facilities. Of this total, 475 tonnes, or approximately 43 per cent of the total weight, were diverted from landfill through recycling initiatives. In addition, 1,400 tonnes of solidified drilling mud from EGD's construction operations were disposed as non-hazardous waste.

EGD reports liquid and solid hazardous waste materials to the Ontario Ministry of the Environment's Hazardous Waste Information Network. Hazardous waste is generated through operation of our facilities as well as through our field operations.

In 2008, EGD reported 335,430 litres of liquid hazardous waste, compared with 590,349 litres reported in 2007. The decrease in 2008 was due to lower amounts of liquid waste (including dewatering activities and disposal of liquid drilling mud) generated during construction projects (approximately 130,000 litres in 2008 versus approximately 382,000 litres in 2007). EGD also reported 7.8 tonnes of solid hazardous waste in 2008, compared with 21 tonnes reported in 2007. The decrease in 2008 was due to lower amounts of equipment containing mercury (VPT chart recorders) and pipe with pipe wrap containing PCBs. The main source of the solid hazardous waste in 2008 was the disposal of equipment containing mercury (VPT chart recorders), empty aerosol cans, batteries for recycling, paint filters from the meter shop paint booth, and disposal of filters from oil and gas storage operations.

Also in 2008, EGD improved its collection of hazardous materials for recycling instead of sending them to landfills. This included expanding to all its locations the collection of batteries for recycling and the collection of empty aerosol cans for recycling.

Spills and releases

EN23 – Total number and volume of significant spills.

EN24 – Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.

EN25 – Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff.

Enbridge’s goal is to prevent all spills, leaks and releases from the company’s energy transportation and distribution systems. The company carries out release prevention and detection preventive maintenance programs as part of its comprehensive integrity management of pipelines and facilities. Its communication programs also keep property owners and neighbours along rights-of-way informed about the Enbridge system.

When a spill, leak or release does occur, Enbridge routinely conducts a root-cause incident investigation and reviews the effectiveness of its response to the incident. The company shares the lessons it learns through these investigations and reviews these within Enbridge, with industry and with local responders.

Enbridge’s Impacts

Technically, a reportable spill, leak or release is one that is large or significant enough that the company is required to formally notify a regulatory agency. However, as part of Enbridge’s efforts to continually improve our operations, the company records and address even small releases that are not required to be reported.

When a spill, leak or release does occur, Enbridge carries out emergency response procedures to immediately shut down its system, notify government responders, contain the substance and manage potential environmental or safety impacts. Enbridge also works closely with landowners, regulatory agencies and other concerned parties to develop remediation and monitoring plans, collect as much of the substance as possible and verify that residual contaminants are appropriately managed.

Enbridge’s Performance

Liquids Pipelines

In 2008, Liquids Pipelines recorded 80 reportable liquid spills, leaks or releases totaling approximately 2,682 barrels from its transmission pipelines in Canada and the U.S. (Canada: 67 spills totaling 1,720 barrels; U.S.: 13 spills totaling 962 barrels).

Enbridge’s goal is always zero spills, leaks or releases or, barring that, to minimize any potential environmental impacts should a release occur. That is why, in addition to rigorous system-wide integrity programs and processes, Enbridge has implemented focused programs including the Small Piping Integrity Program and spill containment enhancements. However, despite Enbridge’s best efforts, in 2008, the company experienced the following notable releases:

Note: For all of the following incidents, released oil was recovered and contaminated soil disposed of at appropriately permitted facilities.

Near Cromer, Manitoba

On January 23, 2008, approximately 629 barrels of crude oil were released when a flange gasket on a Line 4 pump unit at Cromer Terminal failed.

Near Weyburn, Saskatchewan

On February 23, 2008, approximately 157 barrels of crude oil were released at the Weyburn Truck Terminal facility when a drainage line from a receiving trap to an underground sump tank was mistakenly left open causing the sump tank to overflow onto the facility property.

Near Fort McMurray, Alberta

On March 29, 2008, approximately 252 barrels of crude oil were released when a drain line on a meter manifold at Athabasca Terminal failed.

Near Eldorado, Kansas

On April 6, 2008, approximately 550 barrels of crude oil were released from a small corrosion hole in the floor of a storage tank at Enbridge's Eldorado Terminal.

Near Griffith, Indiana

On April 15, 2008, approximately 260 barrels of crude oil were released when a thermal relief line on Tank 79 at Griffith Terminal was broken by a swing stage during tank painting operations.

Near Edmonton, Alberta

On July 6, 2008, approximately 252 barrels of crude oil were released from Tank 25 at Edmonton Terminal when a nitrogen purge from a third-party feeder pipeline following a delivery caused oil to flow onto the roof.

In 2009, Liquids Pipelines has experienced two notable leaks to date:

Near Cheecham, Alberta

On January 3, 2009, a leak occurred at Enbridge Athabasca's Cheecham Terminal where approximately 5,749 barrels of oil was released when a three-quarter-inch nipple connected to a vent valve failed on a vertical expansion loop. The leak resulted in oil spraying vertically from the connection, covering a considerable area of the terminal and associated facilities with oil. Most free product was contained on-site, but an oil mist was also blown off-site, contaminating an area of approximately 450 meters by 1,500 meters downwind of the facility. Enbridge implemented response and recovery efforts on discovery of the leak, with accessible free product and contaminated snow and soil being collected and appropriately disposed. To ensure no adverse effect to the local wildlife, Enbridge erected wildlife deterrents and instigated a rigorous monitoring program. Clean up of the site has been ongoing throughout 2009. Enbridge has worked closely with Alberta's Energy Resources Conservation Board and Alberta Environment and local stakeholders to mitigate the impacts from this leak and expects that active site remediation will be substantially completed by the end of 2009.

Near Kisbey, Saskatchewan

On February 9, 2009, approximately 704 barrels of oil was released from the Liquids Pipelines Saskatchewan system into a field in southeastern Saskatchewan. Within one

month of the release, Enbridge had repaired the line as well as excavated and disposed of all of the contaminated soil. The excavation was backfilled in the winter months and reclamation of the surface soils was conducted in the summer of 2009.

Enbridge Gas Distribution

Enbridge Gas Distribution had no significant releases in 2008.

Gas Pipelines (Gas Transportation)

Gas Pipelines had nine agency reportable release in 2008 (eight in its pipelines division and one in its trucking division). An agency reportable release is one that is greater than 100 barrels.

Reportable spills, leaks and releases (company-wide)¹	
2008	93
2007	65
2006	67
2005	73
2004	69

¹ A reportable spill, leak or release is one that is large or significant enough that Enbridge is required to formally notify a regulatory agency.

Monitoring and remediating past actions

Throughout Enbridge’s Canadian and U.S. Liquids Pipeline systems, Enbridge conducts programs to assess historic leak sites. Some of these sites have been in existence for more than 50 years and, in many instances, the contamination has resulted from practices that were the standard of the day but are no longer acceptable. Enbridge assesses historic release locations systematically and takes further actions where warranted.

Some examples include:

- In Canada, Enbridge continued to work on delineating, monitoring and/or remediating 10 historic leak sites. In 2008, the company developed a risk-based approach and assessing all historic leak sites against scientific criteria. This new approach will ensure that Enbridge reassesses contaminated sites in a priority fashion.
- In the U.S., Liquids Pipelines is assessing historic leaks on all of its systems. In 2007, it evaluated three sites within its Mid-Continent Liquids System and Spearhead Pipeline, with regulatory closure being granted on one of the sites. In 2008, it will be taking further steps. Within the Lakehead System, Enbridge will be performing a site evaluation of the final remaining significant historic leak site. Within the Mid-Continent Liquids System and Spearhead Pipeline, the company will be performing site visits, additional investigation and remediation if

warranted at selected locations on both systems. In 2009, Enbridge will establish a historic leak assessment program for the North Dakota System.

- Enbridge's Gas Pipelines (Gas Transportation) business segment's plant in Springtown, Texas, treats and processes gas and its plant in Harmony, Mississippi, which is no longer in operation, previously treated and processed gas. Past operations at the plants, before Enbridge ownership, released hydrocarbons, which have been detected in local groundwater. In November 2008, Enbridge experienced a spill of hydrocarbons at its Alliance Sales Meter, located in Alliance, Louisiana, that has subsequently been detected in the soil and local groundwater. Enbridge is currently working with those states' agencies to aggressively remediate soil and groundwater contamination. While ongoing monitoring indicates that the company's efforts are having a positive effect, it will continue to monitor this progress under the supervision of the states and will take any necessary actions should the situation change.

Products and Services

EN26 – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

EN27 – Percentage of products sold and their packaging materials that are reclaimed by category. Note: Not relevant to Enbridge

Pipeline and System Integrity

For Enbridge's liquids transportation business, pipelines have been proven to be the safest and most efficient way to transport petroleum products. Enbridge's ongoing monitoring and maintenance programs contribute to that safe operation.

Enbridge endeavours to be a leader in pipeline and system integrity by:

- implementing rigorous preventive maintenance programs;
- pursuing and supporting technology research;
- participating in industry forums to share and exchange knowledge;
- contributing to the development of national pipeline safety standards and industry-recommended practices;
- providing technical advisory and training services to pipeline operators around the world; and
- supporting state and provincial excavation one-call efforts to reduce the risk of third-party damage to pipelines.

By undertaking these initiatives, Enbridge identifies, shares and uses best practices in its operations and contributes to public confidence in its systems.

ENBRIDGE'S PERFORMANCE

Broadening System Integrity in Liquids Pipelines

In 2004, Enbridge added system integrity measures such as leak-reduction teams and small-piping-integrity initiatives to the already mature pipeline integrity program. These

initiatives have contributed to the improvements that Enbridge has achieved so far and the company continues to strive for improved performance.

YEAR	FACILITY LEAKS
2008	52*
2007	50*
2006	42
2005	51
2004	54

*Includes leaks in Enbridge’s gathering systems.

As Enbridge continues its efforts to reduce and eliminate leaks, the company is expanding its initiatives to focus on valves, pumps and other sources of potential leaks – including the facilities that are related to its pipelines. In addition, Enbridge has linked its leak-reduction targets and operations performance goals to its corporate and individual performance and compensation. Further, Enbridge has increased its focus on prevention of right-of-way and off-property leaks due to their potential to have a higher impact on the public and the environment.

Enbridge’s goals for advancing pipeline and system integrity are based on technological advances, as well as on understanding the science of how to find, mitigate and prevent leaks or ruptures on its pipeline systems. To accomplish these goals, Enbridge is actively involved with industry research and standards organizations such as the Pipeline Research Council International, the Canadian Standards Association, the National Association of Corrosion Engineers and the American Petroleum Institute. The company actively participates in industry forums and workshops aimed at communicating and sharing information on how to manage pipeline systems integrity. For example, in 2008, Enbridge presented technical and research papers, participated on industry panels and participated as Technical Chairs and Session Leaders at the International Pipeline Conference.

To aid industry and to advance pipeline safety, Enbridge is also actively involved in supporting and conducting research that will improve the company’s understanding of pipeline hazards and of methods to prevent, monitor and repair potential defects on the pipeline system. In 2008, Enbridge continued to provide financial support for, or initiated research into, advanced understanding of internal corrosion and mitigation techniques for large-diameter transmission pipelines. Enbridge also began developing specialized crack inspection equipment and proposals for advanced pipeline-cleaning tools.

Identifying high-consequence areas

In 2008, Enbridge continued its work to identify high-consequence areas for its Liquids Pipelines’ Canadian mainline system. Enbridge’s 2008 risk assessment included high- and medium-populated areas, drinking-water intakes, environmentally sensitive areas and

commercially navigable waterways. Enbridge used its knowledge of these high-consequence areas to identify additional risk prevention and mitigation measures that the company can implement to provide extra protection.

In the U.S., Enbridge identified high-consequence areas along its natural gas and petroleum pipelines, as part of an extensive Integrity Management Program.

Upgrading containment features

Since 2002 in Canada and 2004 in the U.S., Enbridge has been upgrading its containment features at facilities to minimize the potential for off-property releases. This work continued in 2008 and is expected to carry forward through at least 2009.

Carrying out pipeline integrity “digs”

Enbridge’s ongoing program of maintenance “digs” involves excavating sections of pipeline to inspect and repair pipe to maintain high levels of system integrity. In 2008, the company completed 61 in-line inspections and completed over 785 digs along its mainline Liquids Pipelines system in Canada and the U.S.

Enbridge conducts all maintenance digs to the highest environmental standards. Before beginning work, it completes screening tests to identify environmental issues and measures needed to minimize its impacts to land, vegetation and wildlife. Enbridge conducts similar environmental reviews for other small engineering and operation and maintenance projects. It also trains inspectors and contractors on safety and environmental best management practices, and provides specifications for these projects.

Integrity management at Enbridge Gas Distribution (EGD)

The 2008 edition of the Integrity Management Program manual included a program to meet the requirements of CSA Z662, Oil and Gas Pipeline Systems, Annex M, which requires an Integrity Management Program to assess and manage the condition of all of the piping and components in the system that operate at stress levels less than 30 per cent of the specified minimum yield strength (SMYS) of the material. This requirement came into effect on 30 April 2008.

The direct assessment of mains that operate at or above 30 per cent SMYS, known as Integrity Mains, is by in-line inspection (ILI) of the pipelines. ILI is a key part of EGD’s Integrity Management Program, which provides a proactive means to ensure a safe and reliable distribution system. No mains operating at or above 30 per cent SMYS were in-line inspected in 2008.

Demand-side Management

Enbridge is committed to helping customers use energy wisely. Enbridge Gas Distribution (EGD) has more than 40 demand-side management (DSM) programs covering all market sectors that encourage customers to adopt energy-saving equipment and reduce consumption of natural gas.

EGD does this by:

- Conducting energy audits of commercial and industrial customers’ operations to identify opportunities to improve energy efficiency

- Providing financial rebates and incentives to all types of customers – from homeowners to large industrial customers – to encourage them to adopt energy-saving equipment and practices
- Working with industry and trade associations in various sectors – such as chemicals, construction, automotive, food and beverage, and pulp and paper – to promote DSM programs and contribute to industry standards and best practices
- Partnering with governments, suppliers and equipment manufacturers to invest in new energy-efficient technologies that benefit ratepayers and enhance the competitiveness of EGD’s business
- Participating in consumer and community events to promote and ensure that program opportunities are well publicized and accessible to all consumers, including low-income earners
- Ensuring that all of its incentives and rebate offers are available on its website for fast and easy review and downloading

The table below shows how many tonnes of carbon dioxide equivalent (CO₂e) have been prevented through Enbridge’s demand-side management programs.

Natural gas savings through Enbridge’s demand-side management programs (cumulative, million cubic metres)		Metric tonnes CO₂e prevented
2008*	812 (budget)	1.53
2007	710	1.34
2006	623	1.17
2005	533	1.01
2004	456	0.86
2003	385	0.73

*Providing energy savings and environmental benefits

In 2008 alone, EGD’s DSM programs saved about 75 million cubic metres of natural gas, which is enough to supply approximately 24,000 homes with natural gas for a year.

Since 1995, EGD’s DSM programs have delivered about 4.4 billion cubic metres of natural gas savings (the equivalent of enough gas to supply approximately 1.4 million homes for one year) and net energy savings to customers of about \$1.5 billion. Through

these DSM activities, EGD has helped its customers avoid just over eight million tonnes of carbon dioxide emissions.

Contributing to policy on DSM

As a recognized DSM leader in the natural gas industry, EGD is frequently invited to provide advice on DSM initiatives. In 2006, it participated in an Ontario Energy Board Natural Gas DSM Generic Issues Proceeding, the results of which proved to be positive. Through this proceeding, EGD was able to help establish a new framework for natural gas DSM in Ontario. As a result, EGD is now operating its DSM Programs under the stability of a multi-year plan (original plan was from 2007 to 2009 and further extended to 2010). This timeframe is enabling EGD to build and expand the DSM programs it is currently offering.

The framework includes a DSM incentive that provides shareholders with a share of the benefits from every cubic metre of gas saved. The DSM results have positive impacts, not only for the customers participating in the DSM programs, but also for broader conservation efforts in the province of Ontario.

Compliance

EN28 – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

Enbridge manages compliance with laws and regulations through system controls and regular reviews that include training and awareness, adopting best practices, inspections and third-party audits. The company considers any regulatory notification or penalty to be important and expects its employees and contractors to fully comply with all regulatory, legislative and permit requirements. Regulatory notifications are formal written notices by regulators that Enbridge may not be adhering to legal, regulatory or permit requirements. Examples include formal warnings, enforcement actions, summonses and charges, Notices of Violation (NOVs), and stop and control orders. In the event that Enbridge's performance falls short of this expectation, as it did during this reporting period, the company carries out rigorous reviews and institute corrective actions, as it did for each non-compliance issue noted below.

In 2008, Enbridge received 12 regulatory notifications from government agencies for environmental issues.

The 2008 notifications were:

One NOV from a Canadian regulator: This NOV was issued by the Alberta Energy Resources Conservation Board on Enbridge's Waupisoo Pipeline Project. It was a low-risk item that pertained to an absence of proper signage and fencing at a temporary sump site that contained drilling mud. Signage was updated to include licensee number and location, and fencing was placed in locations where it had been previously missing. The drilling mud was eventually removed from the temporary sump and transported to a licensed disposal facility. There were no fines associated with this NOV.

Ten NOVs from U.S. regulators, four of which were:

- Two NOVs from the Wisconsin Department of Natural Resources relating to non-compliance with air emissions permit conditions at Enbridge's Superior, Wisconsin Terminal
- One NOV from the U.S. Environmental Protection Agency to Enbridge North Dakota relating to the need for a Spill Prevention, Control and Countermeasures (SPCC) Plan for Enbridge's Minot station
- One NOV from the Michigan Department of Environmental Quality resulting from unpermitted activities below the ordinary high-water mark during an integrity dig excavation

Enbridge promptly responded to address the concerns associated with each of the above notifications. Enbridge is not expecting any fines or significant sanctions as a result of the above.

Gas Pipelines (Gas Transportation) in the U.S. received six NOVs in 2008 with a total fine amount of \$56,214. The most significant fines were related to:

- a 270-barrel spill of crude oil (\$42,000)
- an air emissions exceedence (\$10,364)

In 2007, Enbridge Energy Partners received three NOVs from the Wisconsin Department of Natural Resources (DNR) for enforcement consideration by the Wisconsin Department of Justice. The NOVs pertained to environmental infractions that Enbridge allegedly committed while constructing its Southern Access pipeline in 2007. The infractions included insufficient erosion control during a time of record rainfall and runoff, self-reported observations and a number of other corrective actions that DNR's independent environmental monitors recommended. Enbridge addressed the infractions shortly after they took place, as well as during the project remediation phase, so as to avoid any lasting impact on the environment beyond permit parameters. On January 2, 2009, the representative for the Wisconsin Department of Natural Resources (DNR) announced a settlement with Enbridge Energy Partners. The settlement includes a \$730,000 fine plus \$370,000 in statutory assessments for allegedly deviating from environmental permit requirements on Stage 1 of Enbridge's Southern Access (and co-constructed Southern Lights) pipeline project.

Enbridge Gas Distribution

Enbridge Gas Distribution had no fines for non-compliance with environmental regulations in 2008, but it did receive a notice from the City of Toronto regarding an infraction of the Toronto Municipal Code (sewer bylaw), pertaining to a spill of directional drilling fluid into a creek. Enbridge Gas Distribution provided the information requested in the notice and no further action was taken.

Regulatory Notifications and Fines

	2008	2007*	2006	2005	2004
Regulatory Notifications	12	14	10	10	28
Regulatory Fines Incurred (US\$)	\$56,214	\$4,050	\$3,580	\$101,114	\$207,278

* A settlement for three NOVs from the Wisconsin Department of Natural Resources was reached in January 2009 that included a \$730,000 fine and a \$370,000 statutory assessment.

Transport

EN29 – Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations and transporting members of the workforce.

Enbridge Gas Distribution (EGD) has the largest natural gas vehicle fleet in Canada, with over 600 of its 812 vehicles running on low-emission fuel. By converting these vehicles to natural gas, EGD has reduced carbon dioxide fleet emissions by an estimated 700 tonnes annually.

In June 2008, EGD’s commercial fleet earned the first E3 Fleet Gold Rating from the Fraser Basin Council for excellence in environmentally-friendly fleet management. Launched in 2006, [E3 Fleet](#) is an innovative Canada-wide program that assists public and private sector fleet vehicles in meeting green standards for performance. EGD is the first commercial fleet in Canada to receive a gold rating.

In addition to using low-emission fuel, EGD is taking further actions to reduce vehicle emissions. This includes replacing older trucks with newer ones that meet stricter emissions standards. EGD has also reduced the fleet size by standardizing vehicle designs and building versatility into its fleet. For jobs where three trucks would have been previously required, each with its own capabilities, EGD has built three different job functions into one truck.

EGD also operates eight natural gas vanpools for its employees living in the Greater Toronto Area who commute to work at its Victoria Park offices in Toronto. Each vanpool has a complement of eight passengers and a driver and in total the program saves about 300 tonnes of CO₂ annually. Employees benefit by reducing their vehicle fuel and maintenance costs, lowering stress, having preferred parking at the EGD office and having pride in knowing that they are doing their part for the environment and to relieve traffic congestion.

Total environmental protection expenditures

EN30 – Total environmental protection expenditures and investments by type.

Enbridge spends millions of dollars annually on environmental protection initiatives. Enbridge will be standardizing measurement of these expenditures and investments across the company, and will provide an accurate listing of them in future CSR reports.

SOCIAL PERFORMANCE

CSR Highlights – It’s All About People

People, of course, are the basis of everything. They are what companies are made up of and are the reason companies exist in the first place. They determine a company’s failure or success.

Enbridge believes that success is rooted in treating people well. That is why it continues to look for new ways to enhance its employees’ and stakeholders’ quality of life, and why it invests so heavily in initiatives to help it do so.

These initiatives range from programs geared toward ensuring that Enbridge’s operations are as safe as possible to programs designed to engage, inspire, attract and retain employees. These initiatives also extend to Enbridge’s policies on human rights to its policies on how it conducts business – policies that underpin Enbridge’s commitments to building trust, delivering mutual advantage and demonstrating respect for human dignity and rights in all relationships.

Enbridge’s commitments are reflected in its partnership with the Alberta Cancer Foundation and the Alberta/NWT division of the Canadian Cancer Society to establish a research chair in psychosocial oncology. They are reflected in Enbridge’s support of the mentorship program at the University of Calgary’s Haskayne School of Business and of the Enbridge Alberta Theatre Projects playRITES Festival of New Canadian Plays. And they are evident in the funding the company contributed to the Rise Again 2009: Red Cross Manitoba Flood Relief Concert in aid of flood victims in Manitoba.

Enbridge’s commitments are also demonstrated through its partnerships with the Jan and Dan Duncan Neurological Research Institute at Texas Children’s Hospital. They are the basis for the help that Enbridge and its employees provided to communities in Louisiana and Texas that were devastated by hurricanes and floods, and for the *Winter Warmth Program* that Enbridge Gas Distribution initiated in Ontario with the United Way to help people in financial difficulty keep their homes warm.

And Enbridge’s commitments are at the heart of its newly created *School Plus Program*, geared to inspiring young Aboriginal students in Canada who are most at risk of dropping out to reconsider.

GOALS AND PERFORMANCE

Social Scorecard - 2009

Objective	2007 Result	2008 Result	Challenges
Strive for zero accidents, injuries or incidents.	One incident in 2007 claimed the lives of two Enbridge employees. ¹	One incident in 2008 claimed the life of one Enbridge employee. ²	Maintaining the best possible health and safety practises in a time of significant growth.
Attract the best talent. Develop, engage and retain workforce. Improve turnover rate.	Implemented initiatives related to talent management, workforce planning, performance management, total compensation, positive work environment, employee communications, employee involvement and engagement, labour relations and collective bargaining. Voluntary employee turnover as a percentage of total workforce population - 4.5%.	Refined and strengthened the initiatives begun in 2007. Voluntary employee turnover as a percentage of total workforce population - 4.3%.	Need to carefully manage hiring as part of efforts to control costs for customers.
Transparent, proactive and frequent stakeholder communications. Opportunities for stakeholders to benefit from relationships with Enbridge.	Undertook an unprecedented number of construction projects in North America. Met with thousands of community, landowner, Aboriginal and Native American stakeholders from British Columbia to Texas.	Continued to engage with thousands of stakeholders. Established a community advisory process for the Enbridge Northern Gateway Project. Implemented a new Aboriginal and Native American Policy to encourage partnerships, educational and training program sponsorships, employment opportunities and other capacity-building efforts.	Meeting stakeholders' diverse needs and expectations.
Invest in building sustainable communities.	Invested \$8.3 million in more than 350 charitable, non-profit and community organizations, and an additional \$2.7 ³ million through internal and external donations of time, in-kind contributions and management costs.	Invested \$8.5 million in more than 350 charitable, non-profit and community organizations, and an additional \$2.3 million through internal and external donations of time, in-kind contributions and management costs.	Ensuring the greatest returns on investment. Ensuring that investments truly help communities be sustainable. Highly diverse communities and needs.

1. David Mussatti Jr. and Steve Arnovich died in November 2007 in an incident that occurred during scheduled maintenance just southeast of Enbridge's terminal in Clearbrook, Minnesota.
2. Henri St. Pierre died in March 2008 in an electrical incident at Enbridge's Kerrobert, Saskatchewan, station.
3. In 2007, Enbridge's "additional" contributions included over \$1.6 million in cash that was leveraged from external resources and over \$1 million through employee time, in-kind contributions and coverage of project management costs. However, only the additional \$1.6 million was reported in Enbridge's *2008 CSR Report*.

SOCIAL PERFORMANCE : LABOUR PRACTICES AND DECENT WORK

Goals and Performance

In 2007, the Enbridge Human Resources (HR) Council, which is the executive HR leadership team consisting of senior HR professionals who represent all business segments, defined a long-term strategic plan to address Enbridge's business needs. And in 2008, the HR Council refined and strengthened these initiatives.

Key initiatives related to the plan are:

Talent management and workforce planning – By the end of 2008, Enbridge's workforce comprised approximately 6,000 regular employees (full time and part time) in Canada and the U.S, as well as temporary and contract employees who support seasonal and project work associated with specific projects.

Enbridge's leaders actively manage the attraction, retention and transition of the company's workforce. Their work focuses on talent management practices in employee engagement, leadership and workforce development, succession management, mentorship and knowledge transfer.

Enbridge is committed to advancing its culture of leadership and employee development at all levels in the organization. Succession management is a significant focus as the company seeks to attract, develop, engage, retain and promote leaders of today and tomorrow.

Through 2009, Enbridge will continue to enhance its leadership and employee development programs with a focus on expanding its mentorship, project management and leadership programs.

In addition to offering a broad array of in-house leadership and employee development programs, Enbridge offers a Tuition Reimbursement Program. This program provides financial support to employees who advance their education through external learning programs in support of their careers. Enbridge also offers a company-wide scholarship program to help employees' children access post-secondary education.

Performance management – Performance management at Enbridge is central to the company's ability to meet its business objectives and manage and sustain a high-performance workforce. Leaders help employees contribute to Enbridge's business success by developing performance objectives that are aligned with the company's

strategic business goals. They provide regular performance feedback to employees to guide their performance, work planning and ongoing development in each performance year.

Effective performance management ensures strong performance, provides an opportunity for leaders to recognize and reward performance, and gives leaders the information they need to support employees' ongoing development with a view to advancement. Performance management also supports Enbridge's success during periods of growth and change, and in the face of losing an increasing number of experienced employees to retirement. A huge part of performance management is Enbridge's commitment to effective people management practices, including employee recognition, identification of high-potential and succession candidates, and enhanced employee development planning.

Total compensation – Enbridge has a full array of compensation and benefit programs designed to attract and retain talent. In addition to base salary, most regular non-union employees participate in an annual incentive plan, which rewards performance relative to predefined targets established at company, business segment and individual levels. Mid-term and long-term incentive plans are also extended to management level roles.

On the benefits side, Enbridge's offer a comprehensive selection of life, health and dental coverage, along with defined-benefit and defined-contribution pension plan options. The company reviews these programs regularly to maintain its competitive position and to ensure it is meeting employees' needs.

Enbridge's total compensation programs continue to evolve to meet business needs. Beyond delivering a competitive level of total compensation, the programs' design and flexibility will be critical in helping the company respond to changing workforce demographics.

Positive work environment – Enbridge is committed to developing and maintaining a diverse and inclusive work environment, and promotes a healthy and positive work environment. Company policies affirm its strong commitment to treating all employees with dignity and respect. Enbridge also subscribes to the principles of a fair and equitable work environment.

Enbridge's work environment promotes a diversity of roles and enriched job experience through project work, secondment opportunities, cross-business segment mobility and participation on cross-functional teams. Enbridge also supports employees who are interested in actively contributing to the communities in which they live and work, through a variety of volunteer opportunities and through the company's annual United Way campaign.

The value of mentoring and being mentored contributes to a positive work environment. Mentorship programs, both internal and external, offer an additional opportunity for Enbridge to support employee experiences in their role and workplace.

Enbridge regularly recognizes its employees' achievements through a range of formal activities and programs. These activities and programs include service awards, monetary gifts, recognition through internal communications channels and creating opportunities for challenging assignments.

Employee communications – Enbridge continues to enhance and define its employee communications practices to ensure that employees are informed of business information, change and career opportunities, using the most appropriate communications tools and the active support of supervisors to communicate with their teams.

Effective communications ensure that employees are informed about Enbridge and are engaged in their work here, particularly during these times of enormous growth.

Enbridge's leaders seek to foster an environment committed to open and frank communication. The company offers a dedicated channel for employees to communicate their feedback to their leaders through the annual Employee Perspectives survey.

The Employee Perspectives Survey is an important component of Enbridge's commitment to its people. Every year, Enbridge employees are invited to provide their feedback on a wide variety of topics, such as benefits, work life balance, work processes, social responsibility and more. The results are then used to generate insights and are incorporated in the development of business and people-focused strategies.

Participation in the 2008 Employee Perspectives Survey was high: 85 per cent of employees in all business segments responded. Administered by the third-party consulting firm Hewitt Associates, Enbridge's 2008 employee engagement score exceeded the North American average and exceeded several benchmarks, including the averages for all Alberta employees, the Canadian oil and gas industry and the North American energy industry.

Key findings from the survey were that Enbridge employees think that:

- Enbridge's organizational reputation and people-focused policies are among its key strengths
- Challenging and enjoyable work keeps them engaged
- Enbridge should continue to focus on improving performance management and other performance-related drivers such as career opportunities and recognition

Enbridge is proud of its results and is committed to building sustainable, people-focused strategies that respond to employee needs.

Enbridge continues to use a number of one-way and two-way communications vehicles to regularly exchange information with employees. Among these are:

- elink, the Enbridge Intranet, which was significantly improved in 2007 and 2008 in response to employee feedback

- *Link*, Enbridge's quarterly employee magazine, which was revamped in 2007 and 2008
- Regular electronic bulletins for various business segments

In addition, Enbridge holds annual employee meetings across the organization to ensure that employees receive the latest information about the company's plans for strategic growth, CSR strategies and plans, and its investments in talent and people. These meetings provide an opportunity for employees to meet with Patrick Daniel, Enbridge's President & Chief Executive Officer, local senior leadership and guests to discuss challenges and opportunities, and to raise questions about the company's workplace, business and employee programs.

Employee involvement and engagement – Enbridge's annual Employee Perspectives Survey is a dedicated channel for employees to provide confidential feedback to their leaders.

Using the feedback, Enbridge's leaders gain insights that they apply to their management practices and which Enbridge integrates into various programs. As well, on an ongoing basis, leaders monitor their personal communications practices in support of enhancing the company's employee engagement and meeting the objectives of its People Strategy.

Labour relations and collective bargaining – Enbridge believes that healthy and cooperative labour relations – built on trust, respect and integrity – contribute to its business goals and objectives. The company continues to maintain and foster a cooperative approach to the union/management relationship through joint committees with various unions and industrial councils. These committees meet regularly to resolve outstanding matters, as well as to advise on and discuss issues of mutual concern. For more information, please see section LA4, below.

Policy

The Enbridge People Strategy

Based on Enbridge's belief that people are and will forever be the basis of the company's success, Enbridge has adopted a People Strategy to proactively and deliberately manage the employment relationship through a set of enterprise-wide principles.

The People Strategy represents the articulation of the guiding principles that are the foundation of policy, program, practices and due diligence within Enbridge and is consistent with the Enbridge governance structure.

These principles are applied across the enterprise while empowering business segment discretion in implementation.

The Enbridge People Strategy was adopted by the Corporate Leadership Team in July 2005 and was integrated into the 2005 Enbridge Strategic Plan.

The strategy incorporates the following elements:

Employee accountability – Enbridge employees have the responsibility and authority to guide and operate the business.

Workforce planning and talent management – Enbridge actively invests in its people through workforce planning, talent management leadership development, succession planning and performance management.

Total compensation – Enbridge is committed to providing competitive total compensation that will directly contribute to its ability to attract and retain employees.

Employee communication – Enbridge is committed to a culture of continuous open and frank communication.

Work environment – Enbridge is committed to a positive and challenging work environment that facilitates employee performance, employee engagement and a culture of innovation.

Organizational Responsibility

Bonnie Dupont, Group Vice President, Corporate Resources, is responsible for Human Resources, the Corporate Secretarial function, Public & Government Affairs, Information

Technology and CSR. She is supported by Jody Balko, Vice-President, Human Resources & Administration, who is responsible for developing and implementing Human Resources strategies and practices.

As well, Enbridge's Human Resources (HR) Council, which is the executive HR leadership team and which consists of senior HR professionals who represent all business segments, is an enterprise-wide governance and working council through which Enbridge governs and advances its commitment to effective human resource policy and programs throughout the company.

Training and Awareness

In keeping with the People Strategy, Enbridge Human Resources and Enbridge's leadership refined and strengthened a number of initiatives that were begun in 2008 to advance and reinforce the company's focus on people and relationships.

Among these are:

- The enhanced orientation programs and the workforce transition programs
- Leadership and employee development programs
- Internal and external mentorship programs
- The Woman@Enbridge community and the delivery of programs in each business segment
- "Onboarding" programs and practices for new employees
- The Enbridge Intranet to support employee communications
- Recruitment and career development programs
- Employee benefit programs
- Individual development planning

Monitoring and Follow-up

Enbridge conducts an employee survey each year (the Employee Perspectives Survey) and follows up on suggested actions wherever possible.

Additional Contextual Information

Enbridge believes that people are the basis of the company's success and the foundation of its vision of being North America's leading energy deliverer.

Employment – Enbridge recognizes that engaging a highly skilled workforce will be critical to the company as it moves toward achieving its business goals. And Enbridge is

pleased to report that the results of the company's annual Employee Perspectives Survey indicate that employee engagement levels are high: Enbridge's 2008 employee engagement score exceeded the North American average, along with several benchmarks, including the averages for all Alberta employees, the Canadian oil and gas industry and the North American energy industry.

Diversity and Equal Opportunity – Enbridge has a diverse workforce that is represented by multiple generations and minority group members. With increasing frequency, women are taking leadership roles. As at December 31, 2008, 27 per cent of supervisory roles were occupied by women and 15 per cent were in senior management roles (director level and above).

In 2005, Enbridge initiated a program called Women@Enbridge to support women's career advancement and professional development. The program focuses on leadership development, mentorship and peer coaching, and has the ultimate goal of contributing to business value and to the company's success. It was rolled out throughout the company in 2007, is well subscribed by employees and continues to be a success.

Labour Practices and Decent Work Performance Indicators

Employment

LA1 – Total workforce by employment type, employment contract and region.

As at December 31, 2008, Enbridge employed 6,062 permanent employees. This total can be divided by business segment as follows:

Liquids Pipelines (Canada & U.S.)	1,824
Major Projects (Canada & U.S.)	421
Gas Pipelines (Gas Transportation), including International	1,466
Gas Distribution and Services*	1,927
Corporate	221
Enterprise	6,062

*includes Enbridge Gas Distribution, Enbridge Gas New Brunswick, Gazifere and St. Lawrence Gas.

The approximate breakdown of the total by gender was 69 per cent male and 31 per cent female. The average age was 43.6 years.

A large majority (99 per cent) of Enbridge's permanent workforce is full time.

As at December 31, 2008, Enbridge employed 160 temporary employees. Contractor information is unavailable for year end 2008. However, Enbridge has begun to track contractors in its PeopleSoft system and will be in a position to report in 2010.

LA2 – Total number and rate of employee turnover by age group, gender and region.

For the year ending December 31, 2008, voluntary employee turnover as a percentage of total workforce population was 4.3 per cent. The average length of service was 10.2 years.

Enbridge does not publish employee turnover by age group, gender or region.

LA3 – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

In Canada, regular part-time employees receive the same benefits as full-time employees as long as they work three days or more per week. If they work between 14 and 24 hours per week the benefits are the same except that the credits they receive to purchase health and dental coverage are reduced – although they are eligible to purchase full coverage.

Temporary employees have reduced coverage and are only eligible for one-time life insurance, 50 per cent coverage for health and dental, business travel accident insurance and 50 per cent provincial health care coverage (where applicable).

In the U.S., employees who work 30 hours or more per week receive the same benefits as full-time employees. Part-time employees are eligible to participate in the cash balance pension plan, the 401(k) plan and receive business travel accident insurance.

Labour/Management Relations

LA4 – Percentage of employees covered by collective bargaining agreements.

In 2008, there was no material change to the number of employees covered by a collective agreement compared with 2007 (the total number of employees covered in 2008 was 1,109). However, because Enbridge hired a large number of non-union employees the company’s percentage of union employees dropped to 19.5 per cent.

Business Segment/Unit	Bargaining Unit	Geographical Area	Number of Employees
Enbridge Gas Distribution	Local 975, Communications, Energy and Paperworkers Union of Canada (CEP)	Ontario (Franchise Area)	800
Enbridge Gas Storage	Joint Industrial Council	Sarnia, Ontario	20
Liquids Pipelines – Canada	Joint Industrial Councils (4)	Northwest Territories, Alberta, Saskatchewan, Ontario, Quebec	145
Liquids Pipelines – U.S.: Chicago and Superior Regions	Local 2003, United Steel Workers of America (USW)	Minnesota, Wisconsin, Michigan, Illinois, Indiana	110
Liquids Pipelines – U.S.: Cushing Region	United Steel Workers of America (USW)	Kansas, Oklahoma, Missouri	14
St. Lawrence Gas	International Brotherhood of Electrical Workers (IBEW)	Massena, New York	20
Total Employees			1,109

LA5 – Minimum notice period(s) regarding operational changes, including whether they are specified in collective agreements.

The Enbridge Gas Distribution/Local 975 CEP collective agreement contains a sixty-day minimum notice period. Enbridge's other collective bargaining agreements do not contain any minimum notice periods.

Occupational Health and Safety

LA6 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

Enbridge's entire workforce is represented in formal joint management-worker health and safety committees. While the structure of these committees varies between business segments, a common element is the participation of both employees and management representatives.

As well, a number of Environment, Health & Safety Committees function at all levels within Enbridge's Liquids Pipelines business. These committees promote the exchange of EH&S information and enable management to implement EH&S policies and programs.

LA7 – Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.

Enbridge's health and safety performance for 2004 to 2008 is outlined in the spreadsheets in the Summary Tables (available on www.enbridge.com/csr2009). The spreadsheets incorporate data for the following business segments and units: Liquids Pipelines, Gas Pipelines (the Enbridge operated portion of the Vector natural gas pipeline), Enbridge Gas Distribution (EGD), Gas Pipelines (Gas Transportation) and Major Projects.

Summary of Performance Indicators — Enbridge

HEALTH & SAFETY	2008	2007	2006	2005	2004
PERSONAL INJURIES^{1, 2}					
Number of employee hours worked	10,282,112	9,523,090	8,669,047	8,366,717	7,893,637
Number of employee days away injuries	21	17	13	21	15
Employee days away injury frequency (days away injuries per 200,000 hours worked)	0.41	0.36	0.30	0.50	0.38
Number of employee days away	315	466	481	641	562
Employee days away injury severity (days away per 200,000 hours worked)	6.13	9.79	11.10	15.32	14.24
Number of employee recordable injuries	93	67	70	86	79
Employee recordable injury frequency (recordable injuries per 200,000 hours worked)	1.81	1.41	1.61	2.06	2.00
Number of contractor hours worked	16,667,821	9,213,324	1,782,571	803,313	240,543
Number of contractor days away injuries	21	31	1	1	2
Contractor days away injury frequency (days away injuries per 200,000 hours worked)	0.25	0.67	0.11	0.25	1.66
Number of contractor recordable injuries	194	128	36	13	6
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked)	2.33	2.78	4.04	3.24	4.99
MOTOR VEHICLE INCIDENTS³					
Number of kilometres driven	69,041,650	67,802,731	59,599,685	57,840,180	57,918,145
Number of motor vehicle incidents	165	174	136	150	167
Motor vehicle incident frequency (incidents per 1,000,000 kilometres driven)	2.39	2.57	2.28	2.59	2.88

Notes

1. Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.
2. Includes days away and medical aid injuries, and fatalities.
3. Includes both Preventable MVIs (P-MVI) and Non-preventable MVIs (NP-MVI).

Summary of Performance Indicators — Liquids Pipelines

HEALTH & SAFETY	2008	2007	2006	2005	2004
PERSONAL INJURIES¹					
Number of employee hours worked	3,493,938	3,244,312	2,738,861	2,404,127	2,307,818
Number of employee days away injuries	4	2	3	3	6
Employee days away injury frequency (days away injuries per 200,000 hours worked) ²	0.23	0.12	0.22	0.25	0.52
Number of employee days away	17	28	39	16	94
Employee days away injury severity (days away per 200,000 hours worked)	0.97	1.73	2.85	1.33	8.15
Number of employee recordable injuries	15	9	15	12	19
Employee recordable injury frequency (recordable injuries per 200,000 hours worked) ^{3, 4}	0.86	0.55	1.10	1.00	1.65
Number of contractor hours worked	1,544,646	8,981,184	1,782,571	803,182	236,815
Number of contractor days away injuries	5	31	1	1	2
Contractor days away injury frequency (days away injuries per 200,000 hours worked) ⁵	0.65	0.69	0.11	0.25	1.69
Number of contractor recordable injuries	26	123	36	13	6
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked) ^{3, 5}	3.37	2.74	4.04	3.24	5.07
ABSENTEEISM⁶					
Number of employees	1,714	1,792	1,503	1,299	1,219
Number of days absent	5,810	4,745	3,866	3,821	3,465
Absenteeism (number of days absent/employee)	3.39	2.65	2.57	2.94	2.84
MOTOR VEHICLE INCIDENTS					
Number of kilometres driven	19,066,971	18,127,207	16,906,162	16,192,775	15,815,136
Number of motor vehicle incidents	43	51	37	42	59
Motor vehicle incident frequency (incidents per 1,000,000 kilometres driven) ⁷	2.26	2.81	2.19	2.59	3.73

Notes

1. Personal injury classifications are based on OSHA Recordkeeping Guidelines for Occupational Injuries and Illnesses.
2. Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.
3. Includes days away and medical aid injuries, and fatalities.
4. Employee recordable injury frequency for 2007 include 2 fatalities; employee recordable injury frequency for 2008 includes 1 fatality.
5. Contractor days away and recordable injury frequency rates for 2003-2005 include engineering project contractors only. Contractor days away and recordable injury frequency rates for 2006 include a full year of engineering project contractors data and six months of operations contractors data. Operations began tracking contractor number of hours worked effective July 1, 2006.
6. Includes Liquids and Gas Pipelines data.
7. Motor vehicle incident frequency rates do not include incidents that occurred at office locations in Edmonton, Alberta and Duluth, Minnesota/Superior, Wisconsin, because mileage is not tracked for these locations.

Summary of Performance Indicators — Gas Pipelines

HEALTH & SAFETY	2008	2007	2006	2005	2004
PERSONAL INJURIES¹					
Number of employee hours worked	20,165	17,071	11,617	11,426	11,455
Number of employee days away injuries	0	0	0	0	0
Employee days away injury frequency (days away injuries per 200,000 hours worked) ²	0	0	0	0	0
Number of employee days away	0	0	0	0	0
Employee days away injury severity (days away per 200,000 hours worked)	0	0	0	0	0
Number of employee recordable injuries	0	0	0	1	1
Employee recordable injury frequency (recordable injuries per 200,000 hours worked) ³	0	0	0	17.50	17.46
Number of contractor hours worked	0	232,140	0	131	3,728
Number of contractor days away injuries	0	0	0	0	0
Contractor days away injury frequency (days away injuries per 200,000 hours worked) ⁴	0	0	0	0	0
Number of contractor recordable injuries	0	5	0	0	0
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked) ^{3, 4}	0	4.31	0	0	0
MOTOR VEHICLE INCIDENTS					
Number of kilometres driven	328,748	304,002	238,239	227,291	228,353
Number of motor vehicle incidents	1	1	0	0	0
Motor vehicle incident frequency (incidents per 1,000,000 kilometres driven)	3.04	3.29	0	0	0

Notes

1. Personal injury classifications are based on OSHA Recordkeeping Guidelines for Occupational Injuries and Illnesses.
2. Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.
3. Includes days away and medical aid injuries.
4. Contractor days away and recordable injury frequency rates for 2004-2005 include engineering project contractors only. Contractor days away and recordable injury frequency rates for 2006 include a full year of engineering project contractor data and six months of operations contractor data; operations began tracking number of hours worked for contractors effective July 1, 2006

Summary of Performance Indicators — Enbridge Gas Distribution¹

HEALTH & SAFETY	2008	2007	2006	2005	2004
PERSONAL INJURIES					
Number of employee hours worked	3,312,576	3,395,174	3,280,276	3,562,020	3,181,860
Number of employee days away injuries	10	10	5	11	2
Employee days away injury frequency (days away injuries per 200,000 hours worked)	0.60	0.59	0.30	0.62	0.13
Number of employee days away	148	337	77	117	45
Employee days away injury severity (days away per 200,000 hours worked)	8.94	19.85	4.69	6.57	2.83
Number of employee recordable injuries	58	41	36	53	41
Employee recordable injury frequency (recordable injuries per 200,000 hours worked)	3.50	2.42	2.19	2.91	2.58
Number of contractor hours worked ²	–	–	–	–	–
Number of contractor days away injuries ²	–	–	–	–	–
Contractor days away injury frequency (days away injuries per 200,000 hours worked) ²	N/A	N/A	N/A	N/A	N/A
Number of contractor recordable injuries ²	–	–	–	–	–
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked) ²	N/A	N/A	N/A	N/A	N/A
MOTOR VEHICLE INCIDENTS					
Number of kilometres driven	18,575,000	18,700,000	17,840,000	15,575,000	17,685,000
Number of motor vehicle incidents	59	83	60	59	57
Motor vehicle incident frequency (incidents per 1,000,000 kilometres driven)	3.18	4.44	3.42	3.79	3.22

Notes

1. Enbridge Gas Distribution includes incidents that occurred at both field and office locations.
2. EGD will be collecting contractor data for 2009 and will include in future reports.

Summary of Performance Indicators — Gas Transportation

HEALTH & SAFETY	2008 Pipeline	2008 Trucking	2007 Pipeline	2007 Trucking	2006 Pipeline	2006 Trucking	2005 Pipeline	2005 Trucking	2004 Pipeline	2004 Trucking
PERSONAL INJURIES^{1,2}										
Number of employee hours worked	2,411,102	667,080	2,199,453	438,840	1,950,304	442,200	1,698,495	420,960	1,335,245	425,760
Number of employee days away injuries	2	4	1	4	3	4	2	2	2	4
Employee days away injury frequency (days away injuries per 200,000 hours worked)	0.17	1.20	0.09	1.82	0.31	1.81	0.24	0.95	0.30	1.88
Number of employee days away	49	94	7	358	150	273	26	23	12	72
Employee days away injury severity (days away per 200,000 hours worked)	4.06	28.18	0.64	163.16	15.38	123.47	3.06	10.93	1.80	33.82
Number of employee recordable injuries	15	4	13	6	14	4	10	2	11	5
Employee recordable injury frequency (recordable injuries per 200,000 hours worked)	1.24	1.20	1.18	2.73	1.44	1.81	1.18	0.95	1.65	2.35
Number of contractor hours worked	–	–	–	–	–	–	–	–	–	–
Number of contractor days away injuries	–	–	–	–	–	–	–	–	–	–
Contractor days away injury frequency (days away injuries per 200,000 hours worked)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of contractor recordable injuries	–	–	–	–	–	–	–	–	–	–
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MOTOR VEHICLE INCIDENTS³										
Number of miles driven	12,370,536	11,619,887	11,838,137	7,939,351	11,126,125	8,117,302	9,459,031	8,780,059	7,132,304	8,517,569
Number of motor vehicle incidents	47	15	24	15	34	17	23	18	12	19
Motor vehicle incident frequency (incidents per 1,000,000 mile driven)	3.80	1.29	2.03	1.89	3.06	2.09	2.43	2.05	1.68	2.23

Notes

1. Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.
2. Includes days away and medical aid injuries, and fatalities
3. Includes both Preventable MVIs (P-MVI) and Non-preventable MVIs (NP-MVI).

Summary of Performance Indicators — Major Projects

HEALTH & SAFETY	2008	2007	2006	2005	2004
PERSONAL INJURIES					
Number of employee hours worked	377,251	–	–	–	–
Number of employee days away injuries	1	–	–	–	–
Employee days away injury frequency (days away injuries per 200,000 hours worked)	0.53	N/A	N/A	N/A	N/A
Number of employee days away	7	–	–	–	–
Employee days away injury severity (days away per 200,000 hours worked)	3.71	N/A	N/A	N/A	N/A
Number of employee recordable injuries	1	–	–	–	–
Employee recordable injury frequency (recordable injuries per 200,000 hours worked)	0.53	N/A	N/A	N/A	N/A
Number of contractor hours worked	15,123,175	–	–	–	–
Number of contractor days away injuries	16	–	–	–	–
Contractor days away injury frequency (days away injuries per 200,000 hours worked)	0.21	N/A	N/A	N/A	N/A
Number of contractor recordable injuries	168	–	–	–	–
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked)	2.23	N/A	N/A	N/A	N/A
MOTOR VEHICLE INCIDENTS¹					
Number of kilometres driven	–	–	–	–	–
Number of motor vehicle incidents	0	–	–	–	–
Motor vehicle incident frequency (incidents per 1,000,000 kilometres driven)	N/A	N/A	N/A	N/A	N/A

Notes

1. Currently, not tracking the kilometers that employees are driving within any work period.

LA8 – Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.

Enbridge takes safety seriously. Before employees are authorized to perform any job that may have health or safety risks associated with it, they must complete mandatory training. As well, within each of the company's business segments and at each of its sites, Enbridge has established health and safety committees that meet regularly to discuss and proactively implement changes in response to legislation, new policies and practices and new understandings gained from analyzing incidents.

If an employee should be injured on the job, Enbridge arranges for counselors to be brought in for the team. As well, Enbridge offers the Employee and Family Assistance Program (EFAP) to employees and their families in need of help in a variety of areas. In addition to providing assistance in dealing with an illness or injury, employees and their families can access help related to:

- Alcohol and drug dependencies
- Marital and family concerns
- Outplacement and retirement issues
- Bereavement
- Depression
- Stress and anxiety
- Long-term or major illness

All services under the EFAP are provided by, or coordinated through, an independent consulting firm with certified professional counselors. All EFAP counselors are qualified psychologists or social workers, who are required to maintain employees' confidentiality.

Under the EFAP, Enbridge covers the initial assessment and the first four hours of counseling. Extended health care plans provide ongoing coverage to certain maximums.

Enbridge's short- and long-term disability plans also include a variety of healthcare, support and counselor assistance.

Additionally, Enbridge has in effect several programs and initiatives that focus on the health of its employees and families such as Pandemic Planning and other health initiatives within the business segments.

LA9 – Health and safety topics covered in formal agreements with trade unions.

(Liquids Pipelines, Gas Pipelines, Sponsored Investments, Gas Distribution and Services, and International)

The business segments (and partial segments) within the Enbridge group of companies that employ individuals who are represented by trade unions are Liquids Pipelines and Enbridge Gas Distribution (EGD). However, only the collective agreement that Enbridge Gas Distribution has with the Communications, Energy and Paperworkers Union (CEP), local 975, includes topics related to health and safety. Article 2 of the Union Management Cooperation document states the following:

2.04 – The company and the Union recognize the importance of a strong commitment to the Health and Safety of our work force and therefore agree and commit to the following:

- a. Compliance with a standard that, as a minimum, meets all applicable laws and regulations as of April, 1998, and reflects applicable industry standards.
- b. That Enbridge will provide and maintain a safe and healthy work environment, safe equipment and will follow operating practices that will safeguard all employees and the public.
- c. The elimination of the source of dangers to the health, safety and physical well being of our employees is of paramount importance.
- d. That procedures are in place to ensure the efficient delivery of, and accessibility to, Health and Safety Training.
- e. That Enbridge and the Union will work together to ensure all employees are aware of their rights and obligations with respect to these commitments.
- f. That unacceptable performance of health and safety responsibilities will not be tolerated.
- g. Development and communication of a Safety Management System

2.05 – The company and the Union also recognize the importance of Joint Health and Safety Committees, comprising knowledgeable employees, to achieve these commitments and agree to ensure that the committees have the necessary support to fulfill their role.

Training and Education

LA10 – Average hours of training per year per employee by employee category.

Enbridge will implement an enterprise-wide learning management system in 2009 to track training information pertaining to its employees. However, as Enbridge's business segments have specific training needs and training programs that are not centrally managed, Enbridge does not expect that it will be able to report enterprise-wide statistics on the yearly average number of training hours.

In 2008, Enbridge spent over \$10 million on leadership and employee development.

LA11 – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Enbridge offers a wide variety of skill development and ongoing learning opportunities to employees to help them enhance their abilities in their current roles and to prepare them for future career opportunities.

The company offers in-house courses in areas such as communications skills, team development, technical training, project management skills and leadership or management skills. Enbridge also support development opportunities through:

- Externally-offered courses, certificates, degrees, etc.
- On-the-job training, through participation in special projects or volunteer experiences
- Expanding relationships through coaching, volunteering and mentoring
- Self-directed learning such as reading and e-learning

In addition, some of Enbridge's business segments have adopted the company's Career Compass Program. This program, which is delivered in partnership with an external vendor, involves meeting with a coach, preparing an inventory of current skill sets and behaviours and creating a development plan to enhance career marketability within Enbridge.

LA12 – Percentage of employees receiving regular performance and career development reviews.

At a minimum, employees participate in a formal year-end assessment of their accomplishments and development with their People Leaders.

In 2008, 89 per cent of People Leaders provided feedback via the online performance management system. The actual percentage of employees who received verbal feedback is higher as People Leaders are not required to update their review status online.

Diversity and Equal Opportunity

LA13 – Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.

Enbridge's Board of Directors consists of the following directors. Biographies on each of the directors can be found at www.enbridge.com.

- David A. Arledge
- James J. Blanchard
- J. Lorne Braithwaite
- Patrick D. Daniel
- J. Herb England
- Charlie W. Fischer
- David A. Leslie
- George K. Petty
- Charles E. Shultz
- Dan C. Tutcher
- Catherine L. Williams

As at December 31, 2008, Enbridge employed 6,062 permanent employees. The approximate breakdown by gender was 69 per cent male and 31 per cent female. The following is the breakdown by age group:

Age Group	Employee Count
up to 24	187
25 to 29	612
30 to 34	668
35 to 39	765
40 to 44	907
45 to 49	1033
50 to 54	985
55 to 59	618
60 and above	287
Enterprise Total - Permanent	6062

Enbridge employed 160 temporary employees as at December 31, 2008. The approximate breakdown by gender was 51 per cent male and 49 per cent female. Following is the breakdown by age group:

Age Group	Employee Count
up to 24	56
25 to 29	17
30 to 34	17
35 to 39	6
40 to 44	10
45 to 49	9
50 to 54	8
55 to 59	11
60 and above	26
Enterprise Total - Temporary	160

Enbridge does not track minority group membership across the enterprise but one of its business segments, Liquids Pipelines, is federally regulated and therefore complies with Employment Equity regulations and Equal Employment Opportunity legislation in each country in which Enbridge operates. Each new employee receives a workforce survey asking him or her to self-identify in confidence. Enbridge tracks this information in PeopleSoft and reports it to the federal government each year.

LA14 – Ratio of basic salary of men to women by employee category.

The following chart indicates the salary ratio of men to women throughout Enbridge as at December 31, 2008, by permanent and temporary employees. The ratios show are calculated by dividing the average male salary by the average female salary.

Salary levels at Enbridge are determined using an objective and equitable process that considers the internal value of the role, market rates of pay, as well as employee skill and competency.

	Salary Ratio Men to Women (%)
Permanent Employee	116
Temporary Employee	126
	117

Enbridge fully supports employment equity legislation requiring that fair employment opportunities be available to all people. Enbridge is committed to creating a workforce that, at all levels, is representative of the diverse population it serves and to providing a working environment that encourages all people to participate on an equitable basis in employment, training and career advancement opportunities consistent with their abilities, qualifications and aspirations.

Enbridge's policy on equal opportunities in Canada and the U.S. is set forth below:

Enbridge is committed to an organizational climate that is responsive to the reasonable accommodation of differences and requirements of employees. Enbridge's Employment Equity Program has as principal objectives:

- The achievement and maintenance of a work-force in compliance with legislation, taking into account such factors as work force availability and the evolving social and economic situation of these groups, as well as Enbridge's operational objectives
- The identification and removal of systemic barriers in employment systems, policies, procedures and practices which may have an adverse effect on the employment or career progression of the designated groups
- The implementation of special measures to correct the effects of employment disadvantages and to promote the work force participation of designated groups

As such, management will:

- Base hiring decisions on job qualifications and individual knowledge, skills and abilities
- Treat employees fairly with respect to access to developmental and career advancement opportunities, training and other conditions of employment consistent with their performance and qualifications
- Support and be committed to programs and initiatives that foster equal employment opportunity and non-discrimination

SOCIAL PERFORMANCE: HUMAN RIGHTS

Policy

The Human Rights section of Enbridge's [CSR Policy](#) states that:

Enbridge recognizes that governments have the primary responsibility to promote and protect human rights. Enbridge will work with governments and agencies to support and respect human rights within our sphere of influence.

Enbridge will not tolerate human rights abuses and will not engage or be complicit in any activity that solicits or encourages human rights abuse.

Enbridge will always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups.

In addition, Enbridge's [Statement on Business Conduct](#) states that:

Enbridge is committed to ensuring that our employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

Enbridge shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and comply with Enbridge's applicable health, safety and environmental policies.

Enbridge shall support the protection and observance of human rights and freedoms within our sphere of influence and has adopted the [Voluntary Principles on Security and Human Rights](#) as set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

The [Statement on Business Conduct](#) is applicable to the Enbridge Group of Companies, their directors, officers, employees, consultants and contractors in all countries in which Enbridge conducts business.

Organizational Responsibility

Bonnie Dupont, Group Vice President, Corporate Resources, is responsible for Human Resources; the Corporate Secretarial function; Public, Government & Aboriginal Affairs; Information Technology; and CSR. She is supported by D'Arcy Levesque, Vice-President, Public, Government & Aboriginal Affairs, who is responsible for developing and implementing CSR strategies and practices.

As well, Enbridge's Human Resources function is a significant partner in guiding and operating the business. The Human Resources (HR) Council, which is the executive HR leadership team and which consists of senior HR professionals who represent all business segments, is an enterprise-wide governance and working council through which Enbridge governs and advances its commitment to effective human resource policy and programs throughout its businesses.

In addition, within each business segment, Enbridge leaders manage people, as well as lead their business operations. Their role as people managers is central to Enbridge's goal of engaging its workforce and to developing it to meet the company's growth plans. Individual leaders contribute daily to employee engagement through effective employee relations, by actively developing employees and by creating positive and supportive work environments.

Training and Awareness

As a condition of employment, all Enbridge employees must review and confirm their compliance with Enbridge's [Statement on Business Conduct](#) each year. The statement addresses human rights as follows:

Enbridge is committed to ensuring that our employees are treated fairly, compensated appropriately and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

Enbridge shall establish and maintain safe working conditions and conduct our operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and

comply with Enbridge's applicable health, safety and environmental policies.

Enbridge shall support the protection and observance of human rights and freedoms within our sphere of influence and has adopted the [Voluntary Principles on Security and Human Rights](#) as set forth by the U.S. Bureau of Democracy, Human Rights and Labour.

Monitoring and Follow-up

Enbridge complies with, and conducts business in accordance with, the principles set out in the Human Rights legislation of the countries in which the company operates. If, after investigating an alleged incident, Enbridge finds that a transgression has occurred, it follows up with an appropriate level of discipline, including termination and possibly prosecution.

Enbridge recognizes the increasing public demand for corporations to be accountable and transparent in all of their business activities and to be seen as proactively dealing with the issues of the day. With that in mind, and in keeping with its commitment to transparency and CSR, in 2002, Enbridge adopted the [Voluntary Principles on Security and Human Rights](#), which deal with responsible corporate action in conflict zones. These principles were particularly relevant to Enbridge's business involvement in OCENSA in Colombia (Enbridge's interest in which was sold on March 17, 2009) and were incorporated into the company's [Statement on Business Conduct](#).

In addition, in 2003, Enbridge became a signatory to the United Nations Global Compact and committed to following its principles. The compact is an initiative that brings companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour and the environment. Enbridge has committed to support and advance the Global Compact's principles and to make them part of the company's strategy, culture and daily operations.

Human Rights Performance Indicators

Investment and Procurement Practices

HR1 – Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

Enbridge strictly adheres to Canadian and U.S. human rights laws with regard to its North American operations. Further, Enbridge's activities are governed by its [Statement on Business Conduct](#) and by the [Voluntary Principles on Security and Human Rights](#), which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor. As such, Enbridge does not include human rights clauses or human rights screening in any of its North American investment agreements.

With specific regard to Enbridge's operations in Colombia through Oleoducto Central S.A. (OCENSA), Enbridge (through OCENSA) was not involved in investment agreements in 2008.

Enbridge completed the sale of its 24.7 per cent stake in the OCENSA pipeline on March 17, 2009.

HR2 – Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

In 2008, OCENSA had 27 contractors that could be viewed as having a significant impact on human rights practices. Twenty-six of these contractors (96.3 per cent) had contracts with OCENSA that included clauses stipulating that they must respect human rights and meet the requirements of OCENSA's "assurance practices" that ensure human rights are upheld on a daily basis.

Enbridge completed the sale of its 24.7 per cent stake in the OCENSA pipeline on March 17, 2009.

As noted in HR1, Enbridge strictly adheres to Canadian and U.S. human rights laws with regard to its North American operations and does not include human rights clauses or human rights screening in any of its North American investment agreements.

HR3 – Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Enbridge offers a regular "Respectful Workplaces" course and a periodic "Anti-Harassment" course. Both of these courses are voluntary and the company does not track the number of hours or percentage of employees who have participated.

Non-Discrimination

HR4 – Total number of incidents of discrimination and actions taken.

Enbridge management is not aware of any incidents of discrimination that took place in 2008.

Freedom of Association and Collective Bargaining

HR5 – Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.

Neither Enbridge nor OCENSA were involved in any operations in which the right to exercise freedom of association and collective bargaining may be a significant risk.

With specific regard to OCENSA, OCENSA's Human Rights Policy complies with Colombia's laws pertaining to freedom of association and collective bargaining. The policy also complies with International Labour Organization standards (covenants 87 and 97, in particular), of which Colombia is a signatory.

As well, OCENSA developed a "Monitoring System for Contractors' Performance in Human Rights" to promote the respect of human rights.

Enbridge completed the sale of its 24.7 per cent stake in the OCENSA pipeline on March 17, 2009.

Child Labour

HR6 – Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.

Enbridge follows the labour laws of the countries in which it operates and does not hire children.

Further, Enbridge's activities are governed by its [Statement on Business Conduct](#) and by the [Voluntary Principles on Security and Human Rights](#), which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

With specific regard to OCENSA, OCENSA's Human Rights Policy complies with International Labour Organization standards (covenants 138 and 182, in particular), of which Colombia is a signatory. As well OCENSA's Code of Conduct includes a requirement for employees and contractors to inform the company of any incident of child labour (employment of any person under the age of 18) in any of its activities.

As well, OCENSA has developed a “Monitoring System for Contractors’ Performance in Human Rights” to promote the respect of human rights.

Enbridge completed the sale of its 24.7 per cent stake in the OCENSA pipeline on March 17, 2009.

Forced and Compulsory Labour

HR7 – Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour.

Enbridge follows the labour laws of the countries in which it operates and does not practice forced or compulsory labour.

Further, all of Enbridge’s activities are governed by its [Statement on Business Conduct](#) and by the [Voluntary Principles on Security and Human Rights](#), which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

With specific regard to OCENSA, OCENSA’s Human Rights Policy complies with International Labour Organization standards (covenant 105, in particular), of which Colombia is a signatory. As well, OCENSA has developed a “Monitoring System for Contractors’ Performance in Human Rights” to promote respect for human rights – including those related to forced labour.

Enbridge completed the sale of its 24.7 per cent stake in the OCENSA pipeline on March 17, 2009.

Security Practices

HR8 – Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations.

Enbridge employs two full-time security personnel within its Corporate Security department. Both have a full understanding of the company’s human rights policies and procedures.

Further, all of Enbridge’s activities are governed by its [Statement on Business Conduct](#) and by the [Voluntary Principles on Security and Human Rights](#), which the company has adopted and which were set forth by the U.S. Bureau of Democracy, Human Rights and Labor.

Indigenous Rights

HR9 – Total number of incidents of violations involving rights of indigenous people and actions taken.

Enbridge is sensitive to the rights and culture of indigenous peoples and has adopted an Aboriginal and Native American Policy that outlines key principles for Aboriginal relations and that promotes the understanding of Aboriginal and Native American peoples and issues that are important to them.

Enbridge is not aware of any incidents of violations involving the rights of indigenous people in 2008.

SOCIAL PERFORMANCE: SOCIETY

Policy

Enbridge's [CSR Policy](#) and its [Aboriginal and Native American Policy](#) govern the company's stakeholder relations.

Enbridge also has a set of Community Investment Program Criteria and Guidelines, which guide its community investment activities.

Community Partnerships & Investments – Program Criteria and Guidelines

Enbridge considers community partnerships and investments that support the company's efforts to build sustainable communities in its operating areas. The company recognizes that, for communities to be sustainable, they must be strong in four interrelated areas:

- Education
- Health & Safety
- Culture & Community
- Environment

As such, Enbridge considers community investments that fall under these areas.

Beyond meeting those criteria, Enbridge considers partnerships and investments that are:

- Based in the communities where the company operates, its employees live, or within reasonable right-of-way proximity
- Of significant interest and importance to Enbridge's communities.
- Of benefit to the greatest number of people
- Considered to have a long-term impact on a particular community
- Supported by the communities involved

Examples of qualifying not-for-profit organizations or programs include:

- Medical research and infrastructure
- Community-based emergency service
- Health-based organizations
- Educational programs
- Social Services agencies
- Environmental and safety initiatives
- Arts and cultural initiatives

Community organizations that are not eligible for Enbridge funding include:

- Organizations without a Revenue Canada Taxation number (some exceptions apply)
- Organizations that discriminate on the basis of race, religion, gender or sexual orientation
- Religious or political organizations
- Advocacy or lobby initiatives
- Recreation or sports organizations (some exceptions apply)
- Trips, tours or conferences (some exceptions apply)
- Foundations or third-party fundraisers

Organizational Responsibility

Bonnie Dupont, Group Vice President, Corporate Resources, is responsible for Human Resources, the Corporate Secretarial function, Public, Government & Aboriginal Affairs, Information Technology and CSR. She is supported by D'Arcy Levesque, Vice-President, Public, Government & Aboriginal Affairs, who is responsible for developing and implementing CSR strategies and practices.

As well, Enbridge's Public, Government & Aboriginal Affairs function is a significant partner in guiding and operating the business in the areas of Community Relations, Aboriginal & Native American Relations and Community Investment.

Training and Awareness

Many of Enbridge's Community Relations, Aboriginal & Native American Relations and Community Investment employees have taken the Certificate in CSR, offered by the University of St. Michael's College, Continuing Education in the University of Toronto, in partnership with the Conference Board of Canada.

Enbridge has also added a CSR section to each of its regular new employee onboarding sessions and to each of its annual employee meetings.

Monitoring and Follow-up

In 2005, Enbridge signed on as one of 10 founding members of the London Benchmarking Group Canada (LBG Canada). LBG Canada is a member-driven association working toward a higher standard in the management, valuation and performance measurement of corporate community involvement. Using the LBG model, Enbridge is able to evaluate community contributions consistently and maximize the impact of its corporate community involvement programs. LBG is a structured process

that includes goal setting, clarity on the investment required to achieve a desired outcome and performance measurement of the result.

Society Performance Indicators

Community

SO1 – Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.

Enbridge engages in three types of programs and practices that manage the impacts of its operations on communities. The first group pertains to community relations; the second to Aboriginal and Native American relations; and the third to community partnerships and investments.

COMMUNITY RELATIONS

Enbridge is undertaking an unprecedented number of construction projects in North America. Whether a particular project pertains to new pipe along new or existing pipeline rights-of-way, construction of wind farms or crude oil tanks, or the acquisition of land, the company uses proactive public communications and consultation programs to ensure timely two-way communication.

Enbridge's philosophy is to be as transparent as possible with its stakeholders and the company accomplishes this by providing frequent, honest and open communications with stakeholder groups.

Through its Public Awareness Program, Enbridge has a scheduled communication process through which (a) landowners, communities and all other relevant stakeholders are informed about projects and related initiatives and issues and (b) the company seeks comments from the affected public and addresses questions and concerns. For example, landowners and public officials of communities along the company's construction rights-of-way receive regular updates on projects via newsletters, regulatory compliance mailings, telephone calls, community open house meetings and in-person visits. The company encourages stakeholders to contact their Enbridge representative at any time with any questions or concerns. (Please see the 'Strategy & Profile - Stakeholder Engagement' section for more information about Enbridge's Public Awareness Program.)

Enbridge involves landowners in the decision-making process pertaining to their property and attempts to provide fair compensation for any inconvenience, or for crop loss experienced as a result of the company's activities.

The company also makes targeted donations in communities along its construction route to support environmental, educational, health & safety, cultural and other community

initiatives, and keeps elected officials, the media and chambers of commerce informed about the progress of projects and about their economic impacts on the communities.

The actions or reactions of Enbridge's stakeholders are the primary indicators of the company's community relations performance. Key performance indicators for Enbridge include:

- Positive or negative feedback gathered in meetings with stakeholders
- Concern/support from elected officials regarding matters important to the projects
- Letters of support
- Positive, negative or balanced media coverage
- Level of opposition to projects
- Timely regulatory approvals of the projects
- Conflict mitigation through effective communication and a meaningful consultation process with stakeholders

For Enbridge's Northern Gateway project, a stakeholder survey conducted in 2008 showed that:

- Over 80 per cent of respondents feel Northern Gateway has provided excellent communications about the project
- Over 80 per cent of local governments along the proposed Northern Gateway right-of-way feel they have an excellent working relationship with Northern Gateway
- Over 80 per cent of stakeholders have seen or are aware of benefits and opportunities delivered in their communities by Northern Gateway

By fostering positive community relations and addressing stakeholders concerns proactively, Enbridge has been able to move forward on its growth projects with the support of landowners, communities and Aboriginal and Native American neighbours.

There are also many long-term benefits to fostering these relationships and building trust and goodwill with the communities along the company's rights-of-way, including making it easier to build new pipelines on the existing rights-of-way. If landowners and communities already know Enbridge and believe they have been treated fairly by the company in the past, then they are more likely to support it and any of its future expansion initiatives.

Enbridge aims for constant improvement of its community relations programs.

For example, in Westover, Ontario, Enbridge, for more than 20 years, has leased four acres of land to the community for use as a baseball field. Enbridge leases the land for the nominal fee of \$1 per year and provided the funding to install lights allowing for night time games. The baseball field contributes to the positive development of youth and adds to the health of the community. It also reinforces Enbridge's long-standing commitment

to being a good neighbor and to maintaining positive relationships with landowners, tenants and communities along the company's rights-of-ways.

In the U.S., Enbridge is involved in the federal Pipeline and Hazardous Materials Safety Administration's (PHMSA) Pipelines and Informed Planning Alliance program, which is a multi-stakeholder consensus effort to develop best practices for development near pipelines and for assuring that those who host pipelines on their property understand how those pipelines are operated and what pipeline companies do to protect their near neighbors.

As part of the PHMSA program, Enbridge measures the effectiveness of its programs and adjusts them, if necessary. Informally, the company polls a group of its field operations and compliance partners to gauge their understanding of the public awareness program and seek recommendations for improvements.

In addition, Enbridge participates with several other companies in an American Petroleum Institute-sponsored nationwide survey of local public officials, emergency responders and members of the affected public (i.e., pipeline neighbours) to measure their understanding of pipeline safety and retention of information they would have received as part of a company's pipeline public awareness baseline direct mail program.

Enbridge also uses informal measures of media interest (news and blog clips) to gauge stakeholder interest in certain topics such as proposed pipeline construction in their area, as well as to develop educational and open house materials that are responsive to stakeholder questions that are raised in media stories.

In addition, Enbridge Gas Distribution is replacing old cast iron pipe for new PVC pipe. Interaction with the local business improvement areas and local councilors help facilitate a smooth and transparent process.

ABORIGINAL & NATIVE AMERICAN RELATIONS

Aboriginal and Native American people comprise some of Enbridge's most important stakeholders.

The terms "Aboriginal" and "Native American" are commonly used to refer to the original inhabitants of Canada and the U.S. – those who lived on the continent before other groups arrived from other parts of the world. In Canada, the term "Aboriginal" includes First Nations, Métis and Inuit peoples.

Enbridge's relations with Aboriginal and Native American people are extensive. In Canada, for example, there are now over 60 First Nations communities along the Enbridge right-of-way. As Enbridge's network expands, the breadth and depth of these relationships will grow.

Enbridge is committed to respectful relations, early engagement, meaningful dialogue and forthright and sincere consultation with its Aboriginal neighbours in Canada and its Native American neighbours in the U.S.

Enbridge shares with them a high regard for the environment and for tradition and, as such, the company respects their land, heritage sites, and traditional knowledge and land use.

Enbridge is also committed to fair and equal access by Aboriginal and Native American peoples to employment opportunities that result from the company's projects and operations.

Fostering positive relationships helps Enbridge reach its strategic business objectives and Aboriginal and Native American communities to reach theirs.

Aboriginal and Native American Policy

Enbridge first formalized the principles that guide its relations with Aboriginal and Native American people in its Indigenous Peoples Policy, which the company adopted in 2001.

Since then, a great number of legal decisions in Canada have interpreted the nature of Aboriginal and treaty rights under the Constitution Act. These decisions have interpreted government's duty to consult and, where necessary, accommodate Aboriginal people when their Aboriginal and/or treaty rights are impacted by government decision making, including regulatory approvals.

Also, starting in 2007, Enbridge embarked on an unprecedented number of pipeline expansion projects in both Canada and the U.S. All of these projects require regulatory approval from government agencies.

Consequently, in 2008, Enbridge reviewed its existing Indigenous Peoples Policy and, in early 2009, approved and adopted a new [Aboriginal & Native American Policy](#) that reflects the new legal and business realities.

The goal of the new policy is to help achieve mutually beneficial relations with Aboriginal and Native American communities in proximity to or, in some significant way, affected by Enbridge's operations. The policy and the guidelines that flow from it are designed to ensure a consistent, thorough approach to consultation and engagement with Aboriginal and Native American people.

In the new policy, Enbridge affirms that it:

- Recognizes the legal and constitutional rights possessed by Aboriginal people in Canada and by Native Americans in the U.S.
- Respects the traditional ways, Aboriginal and Native American heritage sites, and the relationship that Aboriginal and Native American peoples have with the land and the environment
- Engages in forthright and sincere consultation with Aboriginal and Native American peoples about Enbridge's projects and operations that have an impact upon their legally and constitutionally protected rights
- Commits to working with Aboriginal and Native American peoples to achieve sustainable benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development and community investment

Read the full [Aboriginal & Native American Policy](#).

Enbridge's Approach

Enbridge's Aboriginal & Native American Policy provides direction to Enbridge employees in their interaction and engagement with Aboriginal and Native American peoples located near the company's projects and operations.

Enbridge's interaction and engagement is regular and consistent and spans the life of the project – from the planning and regulatory approval phases, through construction and then ongoing after a project becomes operational.

Enbridge designs its engagement activities to meet all legal and government (federal, provincial and state) regulatory requirements.

Open and ongoing two-way communication is the vital link that allows the company to:

- Identify the hopes and concerns of the people who may be affected by Enbridge operations
- Explain Enbridge's plans, expectations and constraints

Enbridge's wide range of engagement activities include:

- Regular communication through correspondence and project update newsletters
- Presentations at tribal government meetings
- Community open houses
- Job fairs
- Emergency preparedness exercises
- Community investments and sponsorships

Topics of communication and discussion typically include proposed pipeline routes, facility location, water course crossings, summaries of environmental studies, outcomes from the identification of traditional use sites and opportunities to achieve sustainable benefits, including employment and procurement.

Recent initiatives and significant events

The following is an overview of recent Aboriginal and Native American Relations developments in Canada and the U.S.

Canada – Corporate

Enbridge engages in broad-based national initiatives that can impact and benefit Aboriginal people, communities and organizations throughout Canada.

Major Aboriginal Community Investment - The Enbridge *School Plus Program* is a new program established by Enbridge in partnership with the Assembly of First Nations (AFN) to support enriched programming and extra-curricular activities in First Nations schools near major Enbridge pipeline

routes. The overall goal of the program is to encourage First Nations youth to stay in school by assisting schools in offering sports activities, music or arts programs, field trips and school clubs. The program was developed in 2008 and rolled out in early 2009.

Enbridge allocated program funding of \$1 million to this initiative in 2009 and expects that this program will be in place for three years.

The initial pilot program is targeting 50 eligible First Nations schools located in proximity to Enbridge mainline right-of-way between Fort McMurray, Alberta and Gretna, Manitoba, and in proximity to the company's Ontario Wind Farm.

The first funded program took place in May 2009 when students at the Nakoda Oyade Education Centre from the Carry the Kettle First Nation in Saskatchewan took part in a cultural and historical field trip to the Cypress Hills in southeastern Saskatchewan, which are part of their ancestral traditional lands.

Major National Partnerships -

- In 2008, Enbridge committed \$1 million over seven years to the Banff Centre to support Aboriginal leadership and management programming, including a program dedicated to developing leadership skills in Indigenous Women leaders.
- Enbridge was a lead corporate sponsor of the AFN's National Chief's receptions held in Winnipeg, Vancouver and Calgary in 2008. The objective of the receptions was to bring members of Canada's resource, financial and service industries together with Chiefs, Councilors, Aboriginal businesses, development corporations and other Aboriginal organizations interested in economic development.
- In 2009, Enbridge was a major corporate sponsor of the AFN's Annual General Assembly that was held in Calgary. Over 3,000 delegates, including approximately 600 Chiefs of First Nations in Canada, attended the meeting to elect a new National Chief of the AFN and discuss resolutions directing the AFN's activities in the upcoming year. Enbridge was exclusive lead corporate sponsor of the National Chief's Reception that introduced the new National Chief to the Calgary business community.

National Corporate Investment - Enbridge is the presenting sponsor for the Dominion Institute's annual Canadian Aboriginal Writing Challenge, a national short-story contest inviting young Aboriginal Canadians to showcase their creative writing talent.

Canada – Major Projects

Between January 2008 and July 2009, the value of participation opportunities afforded to Aboriginal people with regard to Enbridge's Line 4, Southern Lights and Alberta Clipper Mainline expansion projects was more than \$35 million (employment, approximately \$20.1 million; procurement, approximately \$15 million) and the value of training

programs afforded to Aboriginal people with regards to these projects was approximately \$1.6 million.

In late September 2008, representatives of Saskatchewan First Nations erected blockades, which obstructed access to and activity on two Alberta Clipper construction spreads. To protect the safety of people, reduce growing tensions and enable construction to resume, a letter agreement was executed that committed Enbridge to engage in dialogue with First Nations on a broad spectrum of issues, including matters within Enbridge's purview and other broader issues that would need to involve government.

First Nations' interests included increasing direct economic benefits from Enbridge and bringing government into dialogue on matters outside of Enbridge's purview, such as revenue sharing and control over traditional lands. Since that time, Enbridge has been engaged in regular meetings and is involved in seeking longer term, comprehensive and voluntary agreements. For example, an Economic Development agreement with respect to the Alberta Clipper Project was executed with participating First Nations of Treaty 6 in Saskatchewan in June 2009.

In May 2009, the Federal Court dismissed Treaty 1 First Nations of Manitoba's applications for judicial review that sought to overturn the Governor in Council approval of Enbridge's Southern Lights and Alberta Clipper projects and TransCanada's Keystone pipeline on the basis that adequate consultation was not carried out by the Crown. In its decision, the Court found that the duty of the Crown to consult with the Treaty 1 First Nations had been adequately discharged by project related materials and dialogue that were provided to and conducted with them and other Aboriginal communities in the context of the National Energy Board regulatory proceedings. The Court also found that the Treaty 1 First Nations had a reciprocal obligation to participate in a readily accessible regulatory process to make their concerns known and to have them addressed; and that the consultation and engagement undertaken by Enbridge was extensive and thorough.

Canada – Northern Gateway Pipelines

Enbridge has relaunched its proposed 1,200-kilometre Northern Gateway pipeline project that would connect Strathcona County, near Edmonton, Alberta, to the port at Kitimat, British Columbia.

Northern Gateway has hired and assigned dedicated Aboriginal Relations staff to oversee all community engagement activities. They have the authority to make decisions related to day-to-day engagement, including negotiating agreements and approving budgets and community investments.

To create awareness about the project and provide a place where interested parties can access information, Enbridge has established two community offices in the cities of Kitimat and Terrace, British Columbia.

Enbridge's Northern Gateway team currently has direct engagement with 36 Aboriginal groups and organizations in Alberta and 40 in British Columbia. This activity includes providing regular project updates to tribal councils and Métis provincial organizations.

Meetings and Open Houses - Utilizing best practices and lessons learned from the previous Gateway Aboriginal engagement program, Northern Gateway commenced activities in May 2008 with First Nations chiefs, presidents of Métis Locals and

representatives of First Nations and Métis organizations. Consistent with Northern Gateway's goal of transparency, the company provided information about opportunities for Aboriginal participation in the project and addressed issues and concerns relating to community benefits agreements and legacy projects.

Starting in 2008 and up to mid-2009, Northern Gateway had also conducted 27 Aboriginal-specific open houses. It engaged local Aboriginal community coordinators in the planning of their communities' open houses and, as a result, saw a 67-per-cent increase in community participation compared with the previous Gateway open house program.

Protocol Agreements and Studies - To further build sustainable relationships with Aboriginal communities, Northern Gateway has offered protocol agreements to Aboriginal groups that allow them to access capacity funding to facilitate immediate participation in project activities such as discussions relating to project issues, concerns, interests, environmental studies and regulatory processes. By mid-2009, Enbridge had established protocol agreements with 15 Aboriginal groups representing 18 communities in Alberta and 14 Aboriginal groups representing 20 communities in British Columbia.

Additionally, Northern Gateway had completed nine Aboriginal Traditional Knowledge studies (ATK) and was in discussion with 26 Aboriginal groups in relation to the ATK study component of the project.

Community Advisory Boards - Northern Gateway has introduced community advisory boards for the purposes of guiding the design, construction and operation of the proposed project.

The boards provide an additional forum for sharing information, concerns and perspectives about the project, including the project's marine terminal and shipping components.

Participants have an opportunity to help in the development of environmental, social and economic enhancement and mitigation measures, and to assist Northern Gateway in designing community and environmental legacy initiatives.

Research Working Group - In early 2009, Northern Gateway established a small research working group consisting of Aboriginal groups and environmental and local community organizations. The working group's purpose is to provide external input and oversight in relation to the completion of a Quantitative Risk Assessment (QRA) for the marine TERMPOLE report. The QRA study will examine the risk of oil and condensate spills occurring from vessels servicing the project.

The working group's scope includes: providing advice and input into the scope of the QRA and developing the terms of reference for the study; identifying possible technical experts and consultants to complete the QRA; reviewing and providing input into the proposed methodological approaches and study assumptions; and reviewing and providing comments on the draft and final QRA reports.

The QRA study is being undertaken in support of requirements set out through Transport Canada's TERMPOL Review Process, as well as to provide a more transparent process for involvement by Aboriginal groups and environmental and local community organizations with an interest in the marine aspects of the project.

To ensure that Aboriginal groups have an opportunity to participate in the QRA on an ongoing basis, Northern Gateway continues to provide Aboriginal groups with invitations in writing to participate in various QRA initiatives.

Newsletter - To further enhance communication, in May 2009, Northern Gateway issued the first in a series of quarterly newsletters for Aboriginal communities in Alberta and British Columbia. This is the first Enbridge newsletter produced specifically for Aboriginal groups.

Community Investments - Recognizing the importance of building on existing relationships and establishing new relationships with Aboriginal groups, Northern Gateway sponsored and participated in local community events during 2008 and 2009.

Northern Gateway provided First Nations community investment funds for the following initiatives:

- Community business development planning
- Community video for aboriginal traditional knowledge
- Salmon restoration project
- Geo-thermal energy project
- Feasibility study on a green power run-of-the-river independent power project
- Forest manufacturing project to complement existing forest operations

Northern Gateway contributed financially to the following organizations, events and initiatives in Alberta and British Columbia:

- Alberta Aboriginal Role Model Awards
- British Columbia Aboriginal Tourism Awards
- Prince George Nechako Aboriginal Employment and Training Association
- Construction and General Worker's Union Local 92/Alexis First Nation

- University of Alberta (Enbridge Leadership Awards) – Treaty 6 and Treaty 8 student studies in language revitalization.
- Yekooche First Nation – advanced first aid training
- Northwest Community College
- Kitimat Village Council
- Kitimat Valley Institute, including classroom sponsorship
- Building Environmental Aboriginal Human Resources (BEAHR) student sponsorship hosted by Northern Lights College

Canada – Liquids Pipelines Operations

Enbridge's Liquids Pipelines system in Canada spans over 3,500 kilometres – from Norman Wells in the Northwest Territories, through Alberta, southern Saskatchewan and Manitoba, and to central Ontario and Quebec.

The combined efforts of Enbridge's Aboriginal Affairs staff ensured communication with most of the 60+ Aboriginal communities along the entire right-of-way in 2008.

Response to Cheecham Terminal spill - On January 3, 2009, a valve leak at the Enbridge Cheecham Terminal, Athabasca Pipeline System, located southeast of Fort McMurray, Alberta, resulted in the release of an estimated 5,749 barrels of oil primarily within the Enbridge Terminal. Enbridge crews responded promptly. Enbridge secured the site, contained the spill and initiated clean up within 48 hours. Liquids Pipelines' Aboriginal Affairs and Consultation staff arrived on site on January 5 and contacted the Chiefs of the two First Nations communities in proximity to the incident to offer a tour and discuss their concerns.

Chief Vern Janvier of Chipewyan Prairie Dene First Nation (CPDFN) toured the site January 5, 2009, noted his satisfaction with the clean-up work under way and offered the services of several graduates of an Enbridge-sponsored power saw training program at CPDFN to help with the clean-up work.

Consequently, Enbridge hired about 20 CPDFN power saw operators to work on the clean up. They then moved on to work at other Enbridge projects in the Athabasca area. The power saw operators were among the approximately 60 workers on site in the first few days after the incident.

Chief Albert Cree of Fort McMurray First Nation #468 and community elders toured the site January 11, 2009, and were also pleased with the clean up. Enbridge sought input from the leaders of these communities on the remediation process. They identified the potential effects of the spill on local wildlife as a key concern. Enbridge hired an independent environmental monitoring company, Worley Parsons, to monitor the remediation process and, specifically, the effects on wildlife. Worley Parsons made eight visits to the site between January and July. The results of the monitoring showed that no wildlife was observed in conditions indicating an abnormality and that there were no indications of a transfer of crude oil onto pelage of wildlife species.

Canada – Enbridge Gas Distribution

Through its subsidiary Niagara Gas Transmission Ltd. (NGT), Enbridge Gas Distribution engages with the Mohawk Council of Akwesasne, located near Cornwall, Ontario.

Since 1962, NGT has operated a natural gas transmission pipeline on a right-of-way owned by the Federal Bridge Corporation Limited (FBCL) that crosses the Akwesasne Reserve. FBCL is intending to replace the existing bridge on its right-of-way, which will require Enbridge to build a new pipeline that will be regulated by the National Energy Board. Because the new pipeline will also run through the Akwesasne Reserve, albeit on a right-of-way in favour of the federal government, there exists a possibility that Akwesasne rights could be affected by Enbridge's operations.

In June 2009, NGT and the Mohawk Council of Akwesasne signed a Cooperation and Land Use Agreement that enables NGT to remove the existing natural gas pipeline on the current bridge and replace it with a new one as the new bridge is built. The agreement recognizes Akwesasne's support of the proposed new pipeline project and provides economic, social and community benefits for Akwesasne.

In 2008, Enbridge provided a total \$5,000 in bursaries to five Akwesasne students graduating from Grade 12 to assist them in their post-secondary education. In 2009, Enbridge also made a donation of \$5,000 to the Ronathahonni Cultural Centre and \$2,000 for the Akwesasne Powwow.

Canada – Ontario Wind Power

In 2008, Enbridge completed construction of its 190-megawatt Ontario Wind Power project located at Kincardine in Bruce County, Ontario, on the eastern shore of Lake Huron. It is the second largest wind farm in Canada.

The wind farm is located within the traditional territory of the Saugeen Ojibway, which comprises two First Nations – the Chippewas of Nawash and Saugeen First Nation.

Although the Government of Ontario bears the constitutional duty to consult with any First Nations regarding regulatory approvals that affect their legally or constitutionally protected rights, Enbridge pro-actively engages with Aboriginal groups whose rights may be affected by the company's projects or operations.

Throughout 2008, numerous face-to-face meetings occurred between Enbridge and the Saugeen Ojibway Nation regarding implementation of commitments made in their Agreement on Heritage and Environmental Issues signed in 2007.

The agreement contemplated the Saugeen Ojibway Nation's participation in archeological work and in ongoing environmental monitoring, as well as potential employment, training and business opportunities for members of the Saugeen Ojibway Nation members.

The wind farm became fully operational in early 2009. Of the six permanent employees of the wind farm, two are members of the Saugeen Ojibway Nation.

Saugeen Ojibway Nation members will participate in environmental monitoring work in accordance with the 2007 Agreement.

Enbridge provided sponsorships to the Chippewas of Nawash in 2008 that enabled some of their members to participate in the 2008 North American Indigenous Games. The sponsorships also supported the Nawash 2008 golf tournament.

U.S. – Major Projects and Liquids Pipelines Operations

Enbridge engages with Native American communities in the U.S. regarding new projects. These sovereign nations play an important role in the planning, consultation and construction processes.

Tribal environmental staff also have an ongoing role on a consultative basis when construction is complete and operational.

The U.S. federal government consults with recognized Native American tribes on a government-to-government basis, which is required under Section 106 of the National Historic Preservation Act. These consultations have occurred throughout the permitting phase of Enbridge's Alberta Clipper Project. The U.S. Department of State, which is the lead federal agency for the project, hosted four off-site meetings to discuss Native American issues related to the project. Enbridge participated in the U.S. government's Section 106 consultations with the following tribes:

Minnesota

- Fond du Lac Band of Lake Superior Ojibwe
- Leech Lake Band of Ojibwe
- Lower Sioux Indian Community
- Mille Lacs Band of Ojibwe
- Wahpekute Sioux

Montana

- Fort Peck, Assiniboine and Sioux Tribes

North Dakota

- Spirit Lake Dakotah Nation

South Dakota

- Sisseton-Wahpeton Oyate Sioux

Enbridge also works directly with the tribes whose lands are being crossed by the construction projects. The tribal governments and the U.S. Bureau of Indian Affairs have to approve agreements with Enbridge to build on any tribal-owned tracts of land. In addition, the tribes are concerned with any construction or maintenance activity taking place on reservations so, as a courtesy, it is important that Enbridge keep tribal governments informed of any such plans.

Lastly, all Native American reservations have a Tribal Employment Rights Ordinance (TERO), which states that companies, such as Enbridge, will give Native Americans hiring preference on all work within reservations. In the case of Alberta Clipper, Enbridge and its contractors are required to comply with the TERO ordinance during the crossing of two Native lands – Fond du Lac Band of Lake Superior Chippewa and the Leech Lake Band of Ojibwe.

Enbridge signed agreements with Fond du Lac Band of Lake Superior Chippewa in March 2009 and the Leech Lake Band of Ojibwe in May 2009. These agreements provide for monetary compensation for easement rights, as well as other promises of performance such as actions to address any environmental or safety concerns that the Band has with the construction or operation of the pipelines.

Also in May 2009, Enbridge hosted 18 Native Americans representing seven tribes for a week-long tour of the Alberta Clipper project route. The group toured sights along the route that had cultural or historic significance for the tribes.

Enbridge has been actively working with the TERO officers for the Leech Lake Band of Ojibwe and the Fond du Lac Band of Lake Superior Chippewa to identify qualified workers and subcontracting services for the project. The company held a job fair open house on both reservations to let Band members know what jobs may be available during construction and how to apply.

A small group of Band members who are opposed to the project held a protest on the Leech Lake Band of Ojibwe Reservation. Later, members of the group hosted a news conference at the Minnesota State Capital to voice their opposition to the project and to Alberta's oil sands development. Their opposition has remained vocal but has gained almost no support from other Band members. Enbridge continues to enjoy good working relationships with both the Leech Lake and Fond du Lac Tribal governments.

Enbridge has invested over \$150,000 in the Fond du Lac and Leech Lake tribes since 2008. For example, on the Leech Lake Reservation, Enbridge made charitable contributions to several Band organizations including the Bena Community Center in Cass Lake, Minnesota, the Cass Lake Fire Department and the Leech Lake Boys and Girls Club. The company has also been making scholarship donations to the Leech Lake and Fond du Lac Tribal colleges for several years.

Scholarships/Bursaries

Enbridge contributed over \$330,000 to Aboriginal groups and organizations in support of scholarships and bursaries in 2008.

- Enbridge is proud of its partnership with the Banff Centre and, in particular, of a \$1 million commitment made in 2007 to support two programs at the Banff's Centre's new Indigenous Leadership Centre; the "Indigenous Women in Leadership" program and the "Best Practices in Aboriginal Business and Economic Development" program. This financial commitment will be paid over a seven year period starting with \$250,000 in January 2008.
- Enbridge has been the lead sponsor of the Canadian Aboriginal Writing Challenge for the past four years, in partnership with the Dominion Institute. The Dominion Institute is a not-for-profit organization that aims to foster greater knowledge of Canadian history. Through this program, Enbridge has provided \$35,000 per year in support of the development of the literary talents of young Aboriginal Canadians, enabling them to tell their stories about their people and their role in Canadian history from a distinctive aboriginal perspective.

- The Enbridge Scholarship for Aboriginal Leadership established in 2005 at Mount Royal University in Calgary. The annual award of \$2,500 is presented to an Aboriginal student graduating from the College's Aboriginal Education Program and entering a mainstream Mount Royal University program.
- The Enbridge Inc. Scholarships established in 2003 to support talented undergraduate students in financial need. When fully endowed in 2010, the scholarship program will provide \$2,500 annually to a second year Canadian Aboriginal student in any course of study.
- Three \$5,000 donations in 2007, 2008 and 2009 to the Mohawk Council of Akwesasne, to provide bursaries to deserving Aboriginal students from the Akwesasne, Ontario community.
- Enbridge provided \$6,000 (2008) and \$12,000 (2009) in support to the Canadian Indigenous Language and Literary Development Institute. Language survival has been identified as a common concern amongst many Aboriginal communities. This initiative supports the Enbridge Indigenous Language Leadership Award for Treaty 6 and Treaty 8 students at the University of Alberta.
- Enbridge provided scholarships to the Fond du Lac Tribal Community College Cloquet, Minnesota (\$2,500), the Leech Lake Tribal College, Cass Lake, Minnesota (\$2,500), the Itasca Community College, Grand Rapids, Minnesota (\$15,000).
- Enbridge contributed \$2,250 to NAIT for the Enbridge Northern Student Entrance Award, available to students from the Yukon Territory, the Northwest Territories or Nunavut who demonstrate financial need and who have been accepted into a program related to the energy sector or community development. Preference given to students of indigenous ancestry who are able to speak their cultural language and who intend on returning to and working in the North.
- Enbridge provided \$1,000 to Keyano College in support of the Enbridge Inc. Entrance Bursary, awarded to a student of Aboriginal ancestry entering the first year of a certificate or diploma program. Selection will be based on financial need. Proof of Aboriginal ancestry must be provided.
- Liquids Pipelines provided \$2,000 to the University of Winnipeg Foundation for an Aboriginal student who completed at least 30 credit hours in an undergraduate degree program and who participated in extra-curricular activities at the University of Winnipeg or in the community.
- Enbridge has awarded two \$2,500 bursaries in support of second-year Aboriginal undergraduate students attending York University. This scholarship will be fully endowed in 2010.

Training

Enbridge contributed approximately \$180,000 to Aboriginal groups and organizations in support of training and skills development in 2008.

- Alberta Clipper scholarships and Saskatchewan Indian Institute of Technology contribution - \$105,000
- Southern Lights and Alberta Clipper – Manitoba pipeline construction safety and ground disturbance training - \$75,000

COMMUNITY PARTNERSHIPS AND INVESTMENTS

Enbridge partners with charitable and non-profit organizations in its various geographic regions in Canada and the U.S. The company uses its dollars, partnerships and human capital to support organizations that contribute to the economic and social development of communities near Enbridge's operations.

Through its investments, Enbridge intends to help build communities that are sustainable. For communities to be sustainable, Enbridge recognizes that they must have solid infrastructure and programming in four interrelated areas: Education, Health & Safety, Culture & Community, and the Environment. Enbridge also believes that the time, effort and investments it makes in communities are an essential part of being a good neighbour and operator. In 2008, the company invested \$8.5 million in more than 350 charitable, non-profit and community organizations. Because this amount represents at least one per cent of the company's 2008 pre-tax profit, it met Imagine Canada's Caring Company standards. And Enbridge has committed to remaining a Caring Company in the years to come.

Reporting Process

To help ensure that Enbridge's community investments are achieving the maximum results possible, the company has been working with London Benchmarking Group (LBG) Canada, of which Enbridge is a founding member. LBG Canada comprises a group of companies that are using the "LBG model" to improve their management, measurement and reporting of community involvement initiatives.

The LBG model focuses on companies' voluntary community contributions and applies consistent accounting principles to value their total investments. The model accounts for financial donations, as well as for a full range of other internal and external contributions that a company could make to a community – including staff time (both company and volunteer), in-kind contributions, employee donations, management costs and leveraged funding (e.g. funding that a charitable, non-profit or community organization receives from another company or government body that it would not have received without an initial donation from Enbridge).

Once a full accounting has been completed, the model provides a process for assessing the results that the company – and the community – realized from the contribution. SiMPACT Strategy Group, representing LBG Canada, worked with Enbridge to determine the true value of a representative percentage (60 per cent) of Enbridge’s 2008 Canadian community investments. They determined that Enbridge had realized an extra \$2.3 million due to its additional internal and external donations of time, in-kind contributions and management costs. Of this total, \$906,284 could be attributed to Enbridge’s internal non-cash contributions and \$1,404,869 could be attributed to externally leveraged contributions (cash contributed by other companies or government bodies that would not have contributed had Enbridge not initially done so).

2008 Community Investment Highlights

Following are some descriptions of some of the charitable, non-profit and community organizations in which Enbridge has invested under its four investment areas: Education, Health & Safety, Culture & Community, and the Environment.

EDUCATION

Enbridge Inc.

Scholarships and Bursaries – Enbridge donated \$50,000 to 26 previously endowed scholarships and bursaries at eight post-secondary institutions across Canada. By focusing on areas such as engineering, Aboriginal leadership, non-profit studies and environmental sustainability leadership, Enbridge actively supports the development of the next generation of business and community leaders. University of Alberta, University of Regina, NAIT, Mount Royal University, Grant MacEwan College, Keyano College and Saskatchewan Institute of Applied Science and Technology all received awards funding.

Calgary Reads Society – Enbridge has contributed \$100,000 to the Calgary Reads Society since its inception over 10 years ago. The society is an early literacy initiative that changes the lives of struggling grade two readers and their families in Calgary and area schools. Trained volunteers and programs well-grounded in early literacy research are at the heart of the society’s success. Calgary Reads currently operates programming in 64 public and Catholic schools in Calgary, Beiseker, Airdrie and Chestermere. In 2007- 2008, 430 children received tutoring from 256 tutors and 123 new tutors were trained. The average gain in reading ability was eight levels (equivalent to one grade level), which is consistent with results since 1998.

Liquids Pipelines

Science Alberta Foundation – Liquids Pipelines funds the Science Alberta Foundation’s School Science Leaders program, a science education training module designed to give

teachers in the Battle River School District access to science learning resources and professional development opportunities. The funding supports science learning and instruction and helps teachers overcome geographic isolation through an innovative teachers network. It also gives teachers access to the foundation's Science-in-a-Crate resources.

Enbridge Gas Distribution (EGD)

Junior Achievement (JA) – EGD's partnership with JA focuses on its commitments in to JA Southern Ontario and JA Eastern Ontario. EGD's support of JA is well aligned with the company's community investment goals. JA's Dollars with Sense program introduces students to personal financial management concepts and teaches students how to assess personal goals and how to explore various investment vehicles. In 2007-08, as a result of Enbridge employee volunteerism, approximately 1,000 students benefited from the JA experience.

Enbridge Energy Partners (U.S.)

Northeastern Illinois Envirothon – For the third consecutive year, Enbridge Energy Partners supported the Northeastern Illinois Envirothon, a knowledge competition involving high school teams in northeastern Illinois. Through Envirothon, students learn about the environment and are tested on what they know. One of the teams that participated in the Illinois Envirothon went on to compete at the national level.

Keystone Center Key Issues Institute - For the seventh consecutive year, Enbridge Energy Partners sponsored middle school science teachers from areas near its U.S. operations to attend The Keystone Center's Key Issues Institute. The institute gives teachers a balanced and unbiased process for teaching students about sustainability and the environment. Through the process, students achieve a clear understanding of the linkages between community, business and the environment.

Enbridge Northern Gateway

Arts Umbrella Provincial Outreach Program – The Arts Umbrella Provincial Outreach Program is free, high quality music instruction that is offered to children and youth in Vancouver's inner city. Along with instruction, the program provides a support network that helps children and youth develop a life-long love of music and enthusiasm for learning.

HEALTH & SAFETY

Enbridge Inc.

Enbridge Endowed Research Chair in Psychosocial Oncology - Enbridge has partnered with the Alberta Cancer Foundation and the Alberta/NWT division of the Canadian

Cancer Society to support a research chair in psychosocial oncology at the University of Calgary. The chair conducts high-quality, nationally funded research on how to care for the emotions of cancer patients and their families.

Alberta Shock Trauma Air Rescue Society (STARS) - In 2008, as part of its *Safe Community Program*, Enbridge committed \$500,000 in support of STARS' campaign to acquire two long-range helicopters and of operations at the STARS Grand Prairie base.

Liquids Pipelines

Stollery Children's Hospital Foundation Snowflake Gala – In December 2008, Liquids Pipelines was the presenting sponsor of the Stollery Snowflake Gala. The event raised over \$793,000 to enhance health services, programs and equipment for sick and injured children.

Enbridge Gas Distribution (EGD)

Fire Marshal's Public Fire Safety Council - EGD has been a sponsor and supporter of the Fire Marshal's Public Fire Safety Council since its inception in 1993. EGD has developed a strong relationship with the council, which has identified and addressed issues on public safety and has distributed information to local fire departments, who, in turn, reach out to their respective communities. As a council member, EGD is a strong supporter of fire and safety education.

Project Zero – In partnership with EGD, City of Toronto Firefighters launched a public education program aimed at reducing the number of residential fire and carbon monoxide deaths in the city to zero. Under Enbridge's *Safe Community Program*, EGD donated \$20,000 toward the purchase of 550 carbon monoxide-smoke alarms that Toronto residents can obtain through Toronto Fire Services. EGD's support of Project Zero builds on its commitment to safety and to building sustainable communities.

St. Elizabeth Healthcare Foundation - EGD donated \$195,000 over three years to support St. Elizabeth Healthcare Foundation's Caregiver Support Program. The donation will help provide family caregivers in need with relief care, training, education, counseling and support to help them and their families deal with the everyday pressures of care giving.

Enbridge Energy Partners (U.S.)

American Red Cross - When Hurricane Ike devastated areas along the coast of southeast Texas and southwest Louisiana in September 2008, Enbridge Energy Partners gave \$250,000 to the American Red Cross in support of its relief efforts. Funds were directed to the Greater Houston Area Chapter, where Enbridge has approximately 550 employees, and to the Southwest Louisiana Chapter, where Enbridge has an office for its offshore systems. Hurricane Ike turned out to be among the top five national disasters in 2008 in terms of the the number of people needing shelter, food and comfort. The Red Cross

provided shelter, meals, clean-up and comfort kits to thousands of southeast Texas and southwest Louisiana residents in the wake of the storm.

Cushing Regional Hospital – Enbridge Energy Partners has been a strong supporter of the Cushing Regional Hospital since it began operations in Cushing, Oklahoma, in 2004. By 2009, Enbridge Energy Partners' contribution to the hospital had reached \$100,000, and hospital staff hosted a special event to celebrate the successful partnership and to rename the emergency room in Enbridge's honor. Enbridge Energy Partners has three pipelines that originate or terminate in Cushing and the small community hosts the company's largest crude oil storage facility -- one of the largest above-ground oil storage facilities in North America. Enbridge's local safety coordinator, Roy Maye, also serves on the hospital's board of directors.

Enbridge Northern Gateway

Vanderhoof Volunteer Extrication Association (VVEA) – Enbridge Northern Gateway supports the VVEA, which services 916 kilometres of public roads and highways and over 3,000 kilometres of industrial roads in and around the District of Vanderhoof. The association provides services to vehicular traffic as well as rescue services involving farm machinery, airplanes, trains and logging equipment.

ENVIRONMENT

Enbridge Inc.

Emerald Foundation Awards - Enbridge is a Sustaining Patron Sponsor of the Emerald Awards, as well as the Youth, Environment and Education Media Program Sponsor.

Liquids Pipelines

Evergreen Fund – Liquids Pipelines partnered with Evergreen Fund and Habitat for Humanity to provide and install ecologically friendly gardens for nine houses in a low-income, high-crime area of Edmonton. The gardens will be less dependent on chemical pesticides and herbicides, resulting in reduced maintenance time, cost and water.

Enbridge Gas Distribution (EGD)

Pollution Probe's Clean Air Commute – The Clean Air Commute is dedicated to achieving positive and tangible environmental change. It is sponsored through EGD's Awaire Fund, which supports clean air initiatives. The sponsorship demonstrates EGD's ongoing environmental stewardship practices and highlights employees' desire to find cleaner ways to commute to and from work, and to do their part to reduce smog.

Trout Unlimited Canada (TUC) – EGD was the presenting sponsor of TUC's annual Conservation Banquet & Auction Fundraiser. TUC was formed to conserve, protect and restore Canada's freshwater ecosystems and cold water resources for current and future generations. EGD's sponsorship demonstrates its commitment to preserving the environment while contributing to Canada's leading coldwater conservation organization.

Enbridge Energy Partners (U.S.)

The Wetlands Initiative - Since 2008, Enbridge Energy Partners has provided two \$10,000 donations to The Wetlands Initiative (TWI), which is restoring rare wetland and prairie habitat at the Midewin National Tallgrass Prairie located near Chicago. Midewin, the site of the U.S. Army's former Joliet Arsenal, was established by President Clinton in 1996 as the nation's first tallgrass prairie. Today, it is one of the nation's largest efforts to reverse the loss of historic prairie and wetland ecosystems, and will one day be approximately 18,000 acres. Over the last decade, TWI, a nonprofit organization focused on wetland restoration in the Midwest, has worked with the Forest Service to restore more than 800 acres of native habitat that was previously used by the Army to develop and test munitions. Enbridge Energy Partners' donation supports the restoration of 109 acres of some of the best habitat areas at Midewin.

Pheasants Forever - Enbridge Energy Partners donated \$25,000 to Pheasants Forever's Build a Wildlife Area campaign. The donation will be divided between the organization's efforts in Wisconsin and Illinois, both of which are key states for Enbridge Energy Partners' existing liquids pipelines systems and expansion projects. Through the Build a Wildlife Area campaign, Pheasants Forever and its partners raise funds to help acquire public wildlife areas. All funds raised through the campaign are tripled by matching government grants. Once lands are acquired, they are turned over to the state for management and opened to the public for recreation, including hunting. In 2008, Illinois became the fifth state to launch a Build a Wildlife Area campaign, following Wisconsin, Minnesota, Iowa and South Dakota. Minnesota's campaigns have helped create seven new wildlife areas covering over 2,500 acres and Iowa's campaign has already helped acquire three new wildlife areas totaling more than 400 acres.

Gathering Waters Conservancy - In 2008, Enbridge Energy Partners began partnering with the Gathering Waters Conservancy (GWC), a nonprofit organization that works to help Wisconsin communities, land trusts and landowners protect the state's special places. GWC is celebrating its 15th anniversary in 2009 and Enbridge Energy Partners has signed on to be a major donor in its fundraising campaign to celebrate this milestone.

Enbridge Northern Gateway

Monkman Pass Memorial Trail – The Monkman Pass Memorial Trail is a 65-kilometre hiking path through the Monkman Pass in British Columbia. It commemorates the efforts of early pioneers, enhances tourism in the area and promotes the pristine wilderness in the Tumbler Ridge area. It is one of the longest hiking trails in Canada and one of British Columbia's finest. Enbridge Northern Gateway supported the building of the original trail, which was opened in 2008. Additional support in 2009 was directed to enhance the original trail and increase accessibility to travelers and outdoors enthusiasts.

CULTURE & COMMUNITY

Enbridge Inc.

Timeraiser – Since 2006, Enbridge has partnered with the Framework Foundation in support of Timeraiser, an annual event that facilitates connections between young people, businesses, charitable and not-for-profit organizations, and emerging artists. Timeraiser is part volunteer fair, part silent art auction and part night on the town. It involves matching participants’ skills with the needs of agencies and bidding volunteer hours for artwork. In 2008, Timeraiser raised more than 7,200 volunteer hours and encouraged 200 Calgarians to volunteer.

B.C. Scene - On September 8, 2009, Ottawa’s National Arts Centre (NAC) officially launched B.C. Scene, a multi-disciplinary arts festival that featured over 600 artists from British Columbia. Enbridge’s sponsorship of B.C. Scene followed its sponsorship of NAC’s Alberta Scene and Quebec Scene.

United Way - In 2008, Enbridge’s Calgary office raised \$571,636 during its 2008 United Way campaign. Over two-thirds of Calgary employees participated in the campaign, either by volunteering or donating. As part of the campaign, employees raised \$104,783 through a silent auction for Families in Transition (FIT), an Enbridge-sponsored program under the Aspen Family & Community Network. The program helps transition families from risky into stable living conditions. Calgary employees also help FIT families throughout the year through various activities.

Theatre Junction GRAND - As Marquee and Community Partner Program Sponsor, Enbridge helps Theatre Junction GRAND offer affordable performance and rehearsal space to local arts partners at subsidized not-for-profit rates. There is huge a demand for Theatre Junction GRAND in Calgary, in that the city is short of affordable performance and rehearsal space. Enbridge’s support ensures that Theatre Junction GRAND remains a viable venue for contemporary performance, thereby nurturing the development of contemporary live arts in Calgary.

Liquids Pipelines

Theatre Network’s Nextfest – As part of Theatre Network’s Nextfest, Liquids Pipelines supports the Enbridge High School Mentorship Program and the Enbridge Nextfest Emerging Artist Awards. The High School Mentorship Program supports high school productions and a “mentor-shadow” program. The Emerging Artist Awards are cash prizes given to young Alberta artists to support their artistic pursuits and further their development. In 2008, Liquids Pipelines presented five awards, each valued at \$1,000.

Partners for Kids - Liquids Pipelines supported a *Partners for Kids* initiative that helped create six special-purpose rooms in inner-city elementary schools for mentoring, therapy and literacy programs. As part of the initiative, Liquids Pipelines donated \$50,000 to the United Way. Liquids Pipelines also organized a United Way *Day of Caring* that enabled Enbridge employees in Edmonton to spend an afternoon reading and painting with children in some of the new rooms.

Rise Again 2009 Red Cross Manitoba Flood Relief Concert - In May 2009, in response to Manitoba floods that left thousands of people homeless, Liquids Pipelines served as presenting sponsor of the Rise Again concert, held in Winnipeg, Manitoba.

The Works Art & Design Festival – Each year, Liquids Pipelines supports The Works Art & Design Festival in Edmonton. The festival showcases a wide variety of artists and their views on how people use material. It also explores how we work, play and interact with each other and our surroundings.

Edmonton and Area Famous Five Society – Liquids Pipelines sponsors five “Famous Five” luncheons each year in Edmonton. Each luncheon celebrates women in leadership – past, present and future. Liquids Pipelines’ partnership with the Famous Five Society reflects the company’s ongoing support and promotion of women’s leadership initiatives.

United Way –In 2008, employees from Liquids Pipelines’ Edmonton office raised over \$670,000 for the United Way of the Edmonton Capital Region. The amount includes a corporate match.

Enbridge Gas Distribution (EGD)

Eva’s Home for Life - EGD is presenting sponsor of Eva’s Home for Life, a fundraising event that focuses on supporting innovative and award-winning programs that help homeless youth permanently leave the streets and become self sufficient. Eva's operates three shelters that house and feed 112 youth between the ages of 16 and 24 each night. With distinctive programming, the shelters provide a service not available anywhere else in Canada.

Winter Warmth Program – A program designed for low-income families and individuals who are living at or below the poverty line and who are struggling to pay their energy bills. EGD initiated this program in 2004 as a joint venture with the United Way and it now involves 10 participating utilities and over 40 community based social agencies. In the 2008/2009 winter season, over 3,300 households were assisted through the program. In the EGD’s franchise area, over 1,400 households were assisted with their natural gas bills.

Enbridge Energy Partners (U.S.)

KUHF Houston Public Radio - Enbridge Energy Partners has been supporting KUHF Houston Public Radio for six years, helping it entertain, educate and inspire audiences through informational and cultural programming. In return, Enbridge Energy Partners is recognized for its support with brief radio spots, which provide an opportunity to highlight the company’s other community partnerships in Houston, such as with the Alley Theatre and the Society for the Prevention of Cruelty to Animals. KUHF is affiliated with National Public Radio and is operated as a public outreach of the University of Houston.

Lumberjack World Championships® - Enbridge Energy Partners was the title sponsor of the 49th and 50th annual Lumberjack World Championships®. During the event, more

than 125 sawyers, choppers, log rollers and pole climbers from Australia, New Zealand, Canada and the U.S. compete for prizes and fame. The event draws nearly 10,000 spectators to Hayward, Wisconsin, a city of 2,100 people. Since the 1960s, when Enbridge Energy Partners built a pipeline through northwest Wisconsin, Hayward has been a part of the Enbridge network. In 1998, Enbridge Energy Partners expanded its operation with a second pipeline. Southern Access and Southern Lights expansion projects will also involve the Hayward community. The Lumberjack World Championships started in 1960 as a way to acknowledge the important role the logging industry had in shaping the growth of Wisconsin and the U.S. The event continues to showcase the forested beauty of Wisconsin's forests and its lumberjack heritage.

United Way – Through the United Way campaign that Enbridge Energy Partners hosted in Houston in the fall of 2008, employees raised \$383,572. Employee campaigns and company support to other United Way chapters across the U.S. totaled \$167,325.

MS 150 Bike Ride - A team of Enbridge Energy Partners employees cycled from Houston to Austin, Texas, to raise money in support of finding a cure for multiple sclerosis. Enbridge sponsored the team and the employee cyclists raised more than \$13,500 for the National Multiple Sclerosis Society.

SPCA Pet Telethon - Houston volunteers answered phones during the Enbridge Energy Partners-sponsored hour of the Houston Society for the Prevention of Cruelty to Animals' pet telethon in August 2008. This annual event helps Houston's oldest and largest animal protection organization continue to serve more than 100,000 animals each year.

Lake Superior Dragon Boat Festival - More than 20 Enbridge Energy Partners employees participated in the seventh annual Dragon Boat Festival, which raises money in support of finding a cure for breast cancer. The Enbridge team placed 26th out of 98 teams and raised more than \$5,800.

Enbridge Northern Gateway

Looking For Love Animal Shelter Society - For the past two years, a group of concerned citizens in Kitimat called the Looking For Love Animal Shelter Society worked diligently to persuade the town's mayor and council to purchase a vacant building on three acres of land so that it could be used as a new animal shelter. The building now belongs to the District of Kitimat, but will be leased and renovated by the Society. Enbridge Northern Gateway's donation to the shelter will help the society provide a comfortable place for surrendered and abandoned animals and will help the society offer programs such as shelter transfers, foster care, spay/neuter programs, and dog training and rehabilitation.

Minerals North – In 2008, Enbridge Northern Gateway hosted the Minerals North conference in Fort St. James, a community with a population of less than 2,000 people. The conference drew hundreds of people to the area. Delegates from across the north and beyond attended.

2009 World Baseball Challenge – Enbridge Northern Gateway was the title sponsor for the 2009 World Baseball Challenge, a 10-day baseball tournament that was held in Prince George, British Columbia from July 16 to 26, 2009. This biennial international tournament involves teams from China, Canada, Germany, the Bahamas, Croatia and the U.S.

Flagship Programs

Enbridge developed three flagship programs in 2008 for launch in 2009:

- **Safe Community:** The Enbridge *Safe Community Program* supports police agencies, fire-fighters (including volunteer, rural fire-fighters), Emergency Medical Services (EMS) personnel and other health providers who respond to emergency situations in communities near Enbridge’s rights-of-way. In 2009, Enbridge committed \$1 million to the program, including \$500,000 to support the Alberta Shock Trauma Air Rescue Society (STARS) Vision Critical Campaign to acquire and retrofit two long-range helicopters.
- **Natural Legacy:** The Enbridge *Natural Legacy Program* demonstrates Enbridge’s commitment to environmental stewardship and habitat remediation and protection. It focuses on planting and maintaining native trees and plants in urban and rural areas along Enbridge’s rights-of-way. Enbridge will disperse funding from this program to various environmental/conservation organizations in Canada and the U.S. In 2009, Enbridge committed to investing \$550,000 in the program.
- **School Plus:** The Enbridge *School Plus Program* was established by Enbridge in partnership with the Assembly of First Nations. The program’s purpose is to support enriched programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes and near the Ontario Wind Power project. *School Plus* is designed to encourage First Nations youth to stay in school by offering them enjoyable extra-curricular activities to which they might otherwise not have access. In 2009, Enbridge committed \$1 million to this program.

The following is a complete listing – by business segment (and partial segment) and donation category – of the organizations to which Enbridge donated in 2008:

Enbridge Inc.

Education

Alberta College of Art and Design (ACAD)
Athabasca University – Legacy Magazine
Calgary Opera – Advanced Education Fund for Emerging Artist Program
Calgary Reads Society
Decidedly Jazz Danceworks
Famous 5 Foundation – Enbridge Famous 5 Living the Legacy Youth Leadership Award
First Nations Students Association – Aboriginal Writers Conference (University of Calgary)
Junior Achievement of Southern Alberta
Science Alberta Foundation
TELUS World of Science
The Banff Centre
The Calgary Foundation – Hazel Gillespie Community Investment Leadership Award Fund
The Dominion Institute
University of Calgary – Enbridge Mentorship Program
University of Calgary – Business Day Conference

Environment

Alberta Emerald Foundation
Ducks Unlimited Canada
Trout Unlimited Canada

Culture & Community

Alberta Ballet
Alberta Council of Women's Shelters
Alberta Theatre Projects (ATP)
Aspen Family and Community Network
ATMCC (c/o Big Sisters And Big Brothers Society of Calgary and Area)
Blue Christmas Productions
Bowmont Seniors Assistance Association
Calgary Animated Objects Society
Calgary Drop In and Rehabilitation Centre
Calgary Meals on Wheels
Calgary Opera
Calgary Professional Arts Alliance
Glenbow Museum
Honens International Piano Competition Foundation
Inn from the Cold Society
National Theatre School of Canada
Theatre Calgary
Theatre Junction Society
UNICEF Alberta
United Way of Calgary and Area

Health & Safety

AIDS Calgary Awareness Association
Alberta Cancer Foundation
Alberta Council of Women's Shelters
Alberta Shock Trauma Air Rescue Service Foundation (STARS Foundation)
Bill Brooks Prostate Cancer Benefit
Energy Fore Friends
International Psycho-Oncology Society
Parkinson's Disease Society of Southern Alberta
Sistership Dragon Boat Association
West Park Healthcare Centre
YMCA Calgary

Liquids Pipelines

Education

Adult Learning Centre Regina, Community Careers Cooperative
Chamber of Commerce
Community Careers Cooperative
Fort La Bosse School Division Foundation
Grant MacEwan
Junior Achievement of Northern AB and NWT
Keyano College
NAIT
Saskatchewan Institute of Applied Science and Technology
Science Alberta Foundation
University of Alberta
University of Regina
University of Saskatchewan Extension Division
WISEST (Women in Scholarship, Engineering, Science and Technology)

Environment:

Jean Michel Cousteau Dinner and Presentations
Joint Secretariat – Inuvialuit Renewable Resource Committees
Wildlife Rehabilitation Society of Edmonton

Health & Safety

Alberta Cancer Foundation
Chrysalis
Crohns and Colitis Foundation of Canada
Festival of Trees
Hospitals of Regina Foundation
Juvenile Diabetes Research Foundation
Kerrobert and District Fire Department
KLD Wellness Foundation
Lorne Memorial Hospital Foundation

Montmare First Responders
Odessa First Responders
Pembina Wellness Complex
Radway STARS fundraiser
Rosetown and District Health Centre Foundation
Rosetown and District Ostitis Foundaton
Saint Elizabeth Health Care Foundation
Souris Health Centre
St. Michael Extended Care Centre Society
STARS
Strome Fire Department (Wavy Lake Firefighters)
The Cure Foundation
The Oil Heritage District Community Centre Association
Wawanesa Fire Department
Winkler Fire and Rescur
YMCA of Sarnia-Lambton

Culture & Community:

4-H Exchange (District #5 Kennedy, Moosomin and Whitewood, Saskatchewan)
Alberta Agriculture Societies – 2009 Convention
Alberta Association of Rural Municipalities and Districts Fall convention
Alberta Association of Rural Municipalities and Districts Spring Convention
Alberta Council of Women’s Shelters
Alberta Ballet
Altona Sunflower Festival
Bethel Heritage Park Project
Bruderheim School Volunteer Dance and Barbecue
Alberta Council of Women’s Shelters
Alberta Industrial Heartland 10th Avvniversary Event
Alberta Native Friendship Centers Association
Association of Fundraising Professionals
Bethel Heritage Park Project
Boyle Youth Centre
Camrose Association for Community Living Annual Charity Auction
Canadian Heavy Oil Congress Inagural Edmonton Evening
Catholic Charities Social Services
Chamber Ball
Changing Together Centre for Immigrant Women
Christmas and Winter Relief Association
City of Edmonton Valley Zoo
Cochester School 50th Anniversary
Cromer Stick Horse Rodeo
Dinsmore Rink
Dodslan and District History Book
Edmonton and Area Famous 5 Society
Edmonton Chamber of Commerce

Edmonton Sun Christmas Charity Auction
Edmonton Symphony Orchestra
Elbow Walking Trail
Elder Abuse and Referral Services
Elk Island Public/Catholic Schools Partners for Science
Freewill Players – River City Shakespeare Festival
Fort McMurray Famous Five Foundation
Glenavon School Fundraisers
Globe Theatre Society
Green Hectares
Gretna Playgroup
Hay Lakes Skate Park
Ice on Whyte Festival
Kerrobert Fire Department
Kerrobert Rodeo
Kipling District Historical Society
Kipling Red Paperclip Festival
Lac La Biche Festival of Speed
Lac La Biche Oilmen’s Association
Lac La Biche RCMP Victims Services Fundraiser
Lakeshore Stampede (Elbow, Saskatchewan)
Leadership Edmonton
Luseland 4H
Manitoba Municipal Administrators’ Association
Manitohabee Aboriginal Music Awards
Moose Mountain Rodeo
Morden Corn and Apple Festival
Neighbourhood Information Post
Newbrook Fair Days
Outlook and District Heritage Museum and Gallery
Outlook Centennial Celebration
Provost and District Adult Learning
Regina District Association of Rural Municipalities
Regina Pioneer Village
Regina Symphony Orchestra
Reston School Playground Project
RM Oakland 125th Anniversary
RM Wallace 125 Anniversary
Rotary Club of Alberta
Santa’s Anonymous
Saskatchewan Association of Rural Municipalities
Saskatchewan Chamber of Commerce
Saskatoon Fall Fair
Sherwood Park Chamber of Commerce Annual Awards
Sirens
Souris Donors Choice

Souris Pool
Souris Railway Museum
St. Albert Visual Arts Outstanding Student Award
Stollery Children's Hospital Foundation
Stratford Festival of Canada
Strathcona County Mayor's Golf Tournament
Strathcona County Tree Planting
The Society for Safe and Caring Schools and Communities
The Works International Visual Arts Society
Theatre Network
United Way Edmonton Campaign (East, Central, West)
Village of Oil Springs
Virden Collegiate Institute
Virden Donors Choice
Wawota Centennial Celebration
West Central Crisis and Family Support Centre
Windscape Kits Festival
Winkler Harvest Festival
World Heavy Oil Congress, Downtown Business Association

Enbridge Gas Distribution

Education

Elder Abuse and Referral Services
Great Plains College
Junior Achievement
Microskills
Mississauga Mayors Youth Advisory Committee
Neighbourhood Information Post
The Duke of Edinburgh's Award,
York University

Environment

City of Ottawa Cleaning the Capital
Credit Valley Conservation Foundation
Ontario Clean Air Alliance
Pickering Great Waterfront Trail Adventure
Pollution Probes Clean Air Commute
Smart Commute NTV
Smog Summit
Toronto Green Awards
Toronto Renewable Energy Co-op
Whitchurch Stouffville Sustainable Celebrations

Culture & Community

Action-Housing

Barrie Waterfront Festival
Christie Lake Canoe for Kids
City of Ottawa Rideau Canal Festival
City of Pickering Community Festival
Enbridge CN Tower Climb
Eva's Initiatives
Gilda's Club, Town of Richmond Hill Taste of the Hill
Lakeshore Mardi Gras
Markham Village Music Festival
National Ballet of Canada
Niagara Grape and Wine Festival
Peterborough Festival of Lights
Port Colborne Canal Days
Portugal Week
Richmond Hill Carnival
The Gatehouse Mayday
Town of Alliston Music Festival
United Way
Wasaga Beach Festival
Winterlude
York Region Community Foundations

Health & Safety

Action-Housing
Ontario Fire Marshal's Public Fire Safety Council
Ottawa Regional Cancer Foundation
Project Zero Toronto Fire Services
Saint Elizabeth Healthcare
Street Health
Toronto General and Western Hospital
Westpark Healthcare Centre
York Central Hospital

Enbridge Energy Partners U.S.

Education

Bemidji State University (MN)
Black Leaders for Education and Economic Development
College of St. Scholastica (MN)
Fond du Lac Tribal & Community College (MN)
Houston Livestock Show & Rodeo
Houston Press Club
Illinois Agriculture Association
Illinois Agricultural Association Foundation
Junior Achievement of Southeast Texas
King County (TX) Livestock Association

Leech Lake Tribal College (MN)
Northeastern Illinois Envirothon
Northland College (WI)
The Keystone Center
University of Minnesota-Duluth
University of North Dakota
University of Superior-Wisconsin
Wisconsin Indianhead Technical College

Environment

Big Wild (environmental radio program)
City of Grand Rapids (MN)
DeKalb County (IL) Soil & Water Conservation District
Ducks Unlimited
Friends of Kankakee
Gathering Waters Conservancy (WI)
Hartley Nature Center (MN)
McLean County (IL) Chamber of Commerce
McLean County (IL) Farm Bureau
Pheasants Forever (WI and IL)
Sigurd Olson Environmental Institute (WI)
The Nature Conservancy of Illinois
The Nature Conservancy of Louisiana
The Nature Conservancy of Minnesota
The Nature Conservancy of Texas
The Wetlands Initiative (IL)
Wisconsin Wildlife Federation/MacKenzie Environmental Education Center
Wisconsin Outdoors Alliance
Wolf Ridge Environmental Learning Center (MN)

Culture & Community

Alley Theatre (TX)
Bemidji Community Center (MN)
Bowhay Institute for Legislative Leadership Development
Boys & Girls Club of Rusk County (TX)
Cancer Counseling
Carlton Four Seasons Sports Complex (MN)
Community Family Centers (TX)
Cushing Area United Way (OK)
County Seat Theatre Company (MN)
Grand Forks United Way (ND)
Houston Aeros Charities
KUHf Houston Public Radio
Lake Area United Way (IL)
Leech Lake Bena Community Center (MN)

Leech Lake Boys & Girls Club (MN)
Lone Star Development (TX)
Lumberjack World Championships (WI)
Marshall (MN) County Fair
Minnesota Public Radio
Montgomery County United Way (TX)
Pampa United Way (TX)
Plaquemines Parish Fair and Orange Festival (LA)
Souris Valley United Way (ND)
Superior (WI) Sister Cities Commission
Texas Conservative Coalition Research Institute
United Way of Greater Duluth (MN)
United Way of Greater Houston
United Way of Greater Longview (TX)
United Way of Parker County (TX)
United Way of Superior-Douglas County (WI)
WDSE Duluth (MN)/Superior (WI) Public TV
Weatherford Public Library
Woodland Hills Juvenile Treatment Center (MN)

Health & Safety

Adams County (WI) Emergency Management
American Red Cross
American Red Cross Greater Houston Area Chapter
American Red Cross Mid-Dakota Chapter
American Red Cross South Central Wisconsin Chapter
American Red Cross Southwest Louisiana Chapter
Arpin (WI) Volunteer Fire Department
Ashland (WI) Fire Department
Ashland (WI) Police Department
Bayfield (WI) Volunteer Fire Department
Battles Volunteer Fire Department (MS)
Beaver Township (MI) Fire Department
Bessemer (MI) Fire Department
Bessemer Township (MI) Fire Department
Burlington Township (MI) Fire Department
Cameron Parish (LA) Fire District # 10
Canosia Volunteer Fire Department (MN)
Carlton County (MN) Consolidated Emergency Response Team
Carlton County (MN) Mounted Posse
Carp Lake Township (MI) Fire Department
Cass Lake (MN) Fire Department
Cavalier (ND) Ambulance Service
Cavalier (ND) Fire Department
Center Township (IN) Volunteer Fire Department

Charlton Township (MI) Fire Department
Cheboygan County (MI) Sheriff Department
Clifton (MN) Volunteer Fire & EMS Department
Cloquet (MN) Fire Department
Columbia County (WI) Emergency Management
County of Lapeer (MI) Emergency Management
Crims Chapel (TX) Volunteer Fire Department
Cushing (OK) Fire Department
Cushing (OK) Regional Hospital
Delta County (MI) Sheriff Department-Dive Rescue Team
Elderville-Lakeport (TX) Volunteer Fire Department
Floodwood (MN) Police Department
Fort Heathcare Inc. (Fort Atkinson, WI)
Fox River Grove (IL) Police Department
Garfield Township (MN) Volunteer Fire Department
Gladstone (MI) Public Safety
Grand Itasca Foundation (MN)
Grand Lake Volunteer Fire Department (MN)
Greenwood Rural Fire Department (TX)
Griffith (IN) Fire Department
Griffith (IN) Police Department
Hartselle (AL) Fire and Rescue
Highland Township (MI) Fire Department
Highland (WI) Volunteer Fire Department
Hillsboro Area Volunteer Fire (AL)
Houston Society for the Prevention of Cruelty to Animals
Huckabay (TX) Volunteer Fire Department
Inverness (MI) Fire Department
Iron County (WI) Emergency Management
Ironwood Department of Public Safety
Jefferson County Sheriff's Office
Kimball (WI) Fire Department
Ladysmith (WI) Police Department
Lawrence Mill (AL) Volunteer Fire Department
Lublin (WI) Area Volunteer Fire District
MABAS Division 25
Mackinaw City Police (MI)
Marshfield (WI) Fire and Rescue Department
Maxbass (ND) Rural Fire Protection District
Maynor Creek Fire Department
Merritt Township (MI) Fire Department
Minnesota Safety Council
Minot (ND) Fire Department
Minong Area (WI) Fire & Ambulance
Mokena (IL) Fire Protection District
Mokena (IL) Police Department

Monitor Township (MI) Fire Department
Mountain (ND) Quick Response
Neches (TX) Volunteer Fire Department
New Chester Township Volunteer Fire Department
Northeast Lincoln County (OK) Fire Department
Northeast Texas Rescue Association
Olden (TX) Volunteer Fire Department
Otsego County EMS
Pardeeville Fire Department (WI)
Parkland Volunteer Fire Department
Pekin (IL) Fire Department
Pembina (ND) Ambulance Service
Pembina (ND) Rural Fire Department
Pinconning-Fraser Fire (MI) Department
Pittsville (WI) Fire Department
Pontiac (IL) Fire Department
Portage (WI) Fire Department
Quincy (IL) Fire Department
Richfield (WI) Rural Fire Department
Saxon/Gurney (WI) Volunteer Fire Department
Sheldon (WI) Fire Protection District
SMDC Foundation – St. Mary’s Hospital of Superior
Solon Springs (WI) Volunteer Fire Department
Somerville Area Volunteer Emergency Services (AL)
St. Hilaire (MN) Fire/Rescue Department
St. Ignace (MI) Fire Department
St. Ignace (MI) Police Department
St. Louis County (MN) Sheriff Office
St. Louis County (MN) Volunteer Rescue Squad
Superior (WI) Fire Department
Teague (TX) Police Department
Tolar (TX) Volunteer Fire Department
Town Creek (AL) Fire and Rapid Response
Town Creek (AL) Police Department
Town of Froid (MT)
Town of Hayward (WI) Fire Department
Town of Perch Lake (MN)
Tri Township Fire Department (IL)
Tri Township Fire Department (MI)
Tyro Volunteer Auxiliary
Vanderbilt-Corwith Fire Department
Vesper (WI) Volunteer Fire Department
Village of East Dundee (IL) Police Department
Washington Township (MI) Fire Department
Washington (MO) Fire Department
Waterloo Fire Department

Wayne County (MS) Volunteer Fire Department
Waynesboro (MS) Fire Department
Waynesboro (MS) Police Department
Wheeler (TX) Volunteer Fire Department
Whitewater (WI) Fire Department
Wilton-Bemidji (MN) Rural Fire Department

Enbridge Northern Gateway

Education

Arts Umbrella
Centennial Christian School – Terrace
Economic Developers Alberta
GP College Canadian Tire Golf Tourney
Heavy Metal Rocks
Minerals North 2009 (“The Men of the Deep”)
NW Science & Innovation Fair
Ride for Literacy

Environment

DFO - PNCIMA Forum
Monkman Pass
Northern Sustainability Summit
Pacific North Coast Integrated Management Area Forum

Culture & Community

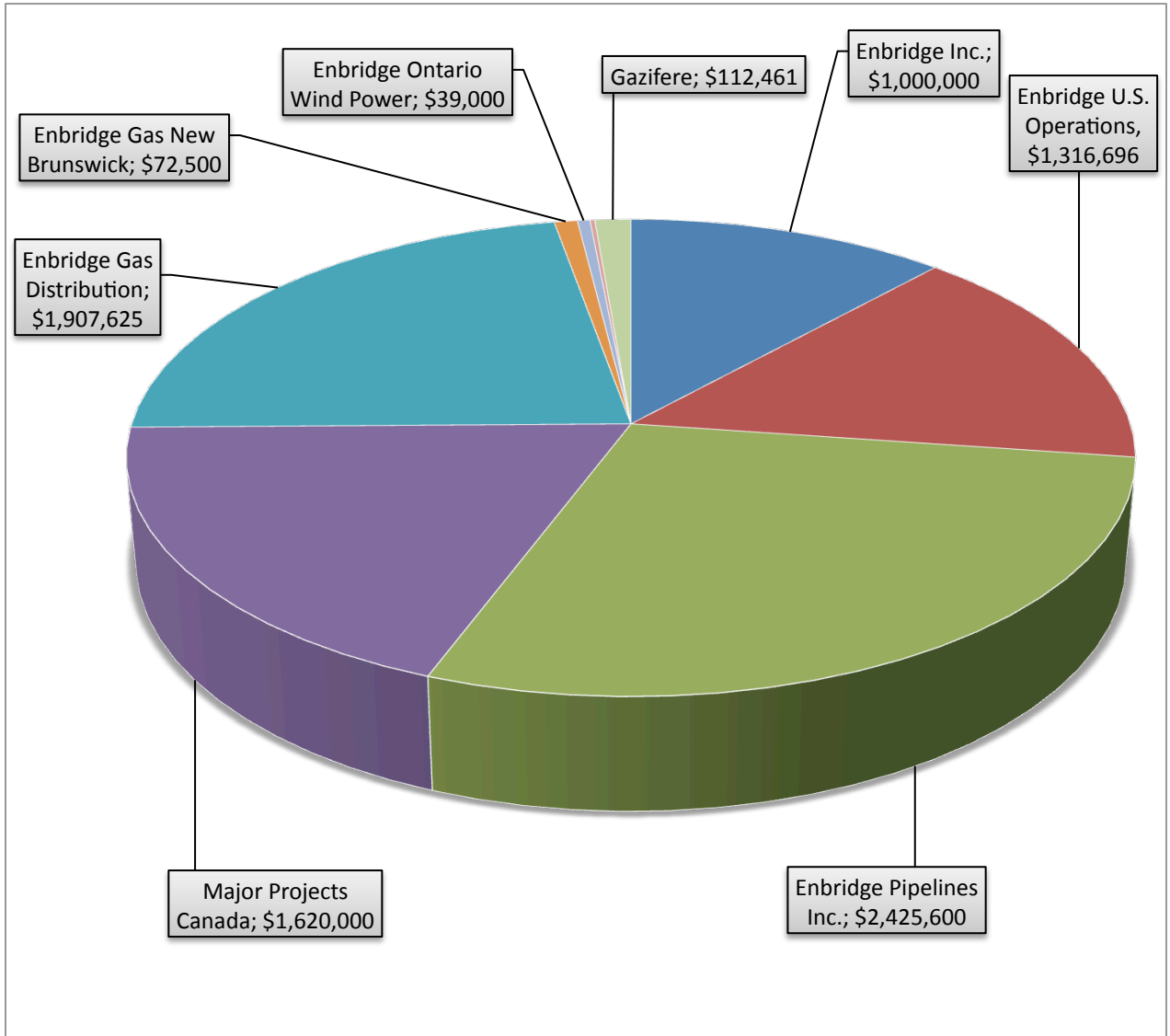
Aboriginal Tourism Awards
BCBC North Member Forum
British Columbia Chamber Conference & AGM
Bullarama - Kitimat
Burns Lake Tradeshow
CFNR Music in the Park
Chamber Luncheon
Chamber Visitor Guide
Chetwynd Chainsaw Championship
Cottonwood Music Festival
Economic Developers of Alberta
Fallen 4 Relay
Grizzly Valley Saddle Club
Houston Golf Tournament
Iskoteo Arts Festival
Looking for Love Animal Shelter - Kitimat
Lumber Kings Sports Tourney
Métis Nation BC Economic Development Forum
Minerals North Tradeshow
NCMA Conference & AGM

North Central Municipal Officers Conference
Performing Arts Centre
Schools (\$200.00 / school)
Terrace Tradeshow
Two Rivers Art Gallery
UNBC New North Foundation
Vanderhoof Tradeshow
Whitecourt and District Chamber of Commerce – 2009 Tradeshow
Whitecourt Chamber Platinum Sponsorship

Health & Safety

Marlin Swim Club
World Baseball Challenge
Vanderhoof Volunteer Extrication Association

2008 Community Partnership & Investment Budget by Business Segment/Partial Segment



CA: \$7,177,186 US: \$1,316,696
TOTAL: \$8,493,882

Corruption

SO2 – Percentage and total number of business segments analyzed for risks related to corruption.

Enbridge analyzes each of its business segments annually for corruption. The analysis tools the company uses include the general control evaluation procedures that were established to ensure that Enbridge met the requirements of the Sarbanes-Oxley Act of 2002 (SOX) and its [Statement on Business Conduct](#) that each employee must review and confirm their compliance with each year.

SO3 – Percentage of employees trained in organization’s anti-corruption policies and procedures.

Each of Enbridge’s employees must review and confirm their compliance with the company’s [Statement on Business Conduct](#) each year. The statement applies to Enbridge Inc. and to each of its subsidiaries or controlled entities. It emphasizes Enbridge’s commitment to specific standards of conduct expected of each of its directors, officers, employees, consultants and contractors in all of the countries where Enbridge does business.

SO4 – Actions taken in response to incidents of corruption.

Enbridge’s [Statement on Business Conduct](#) and [Whistle Blower Procedures](#) outline the procedures Enbridge would take in response to incidents of corruption.

Strict adherence to the [Statement on Business Conduct](#) and all other Enbridge policies is mandatory. Failure to comply could result in disciplinary action up to and including termination.

Enbridge management is not aware of any incidents of corruption that took place in 2008.

Public Policy

SO5 – Public policy positions and participation in public policy development and lobbying.

Enbridge supports the democratic process in the jurisdictions in which the company conducts business. It does so in accordance with the letter and spirit of all applicable

laws of the countries in which it operates. As such, all of Enbridge's activities pertaining to public policy development, lobbying and political donations comply with the country, provincial and state laws governing those activities, as well as with the company's [Statement on Business Conduct](#).

Enbridge does not have a formal policy on public policy development or lobbying, but its [Statement on Business Conduct](#) addresses political contributions by stating that, "no funds or assets of Enbridge shall be contributed to any political party or organization, or any candidate for public office, except where such contribution is permitted by applicable law and authorized by senior management or the Board of Directors."

In Canada, the federal *Accountability Act* prohibits corporate political donations. Laws governing corporate political donations to provincial entities vary by province. Enbridge strictly adheres to them.

Although U.S. federal law and the laws of most states prohibit corporate political donations, companies that establish political action committees (PACs) may contribute amounts up to the limits set by the governments in whose jurisdiction they lie. However, Enbridge does not have a federal or state PAC and does not make corporate political donations, even in those states where corporate contributions are allowed.

SO6 – Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.

In 2008, Enbridge contributed \$53,000 to provincial political parties in Canada. It did not contribute to federal political parties, politicians or related institutions in Canada.

Enbridge did not make any contributions to political parties, politicians or related institutions in the U.S.

Anti-Competitive Behaviour

SO7 – Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.

In 2008, Enbridge was not involved in any legal actions for anti-competitive behaviour, or for anti-trust or monopoly practices.

Regarding competition and anti-trust legislation, Enbridge's [Statement on Business Conduct](#) states that:

Enbridge and its employees must comply with all applicable Canadian, U.S. or other foreign competition and antitrust legislation. Behaviour that is prohibited under such legislation includes activities such as agreements with competitors to allocate markets or customers, price fixing or agreements to control prices, the boycotting of certain suppliers or customers, bid-rigging, misleading advertising, price discrimination, predatory pricing, price maintenance, refusal to deal, exclusive dealing, tied selling, delivered pricing and the abuse of dominant position. Situations constituting potential breach of such legislation or circumstances requiring direction should be immediately reported to the employee's supervisor or the Law Department.

SO8 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

Enbridge did not receive any significant fines in 2008 for anti-competitive behaviour.

Enbridge did not receive any non-monetary sanctions for non-compliance with laws and regulations pertaining to anti-competitive behaviour in 2008.

SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY

Goals and Performance

Enbridge is committed to excellence in implementing product responsibility standards that not only comply with legislated requirements, but respond to the social, economic and environmental expectations of communities, customers, shareholders, government and the public.

This commitment is an integral part of all planning and operations initiatives corporately and through business segments, as Enbridge believes that prevention of accidents and injuries benefits everyone and delivers increased value to its stakeholders.

Organizational Responsibility

At Enbridge, all employees are responsible for conducting their activities in a manner that makes product responsibility a primary part of their daily activities.

The most senior person with operational responsibility for Enbridge's product responsibility performance is Patrick D. Daniel, President & Chief Executive Officer, who is responsible for all of Enbridge's operations and staff. He is supported by Stephen J.J. Letwin, Executive Vice President, Gas Transportation & International, who is responsible for all aspects of Enbridge's natural gas operations, including oversight of Enbridge Gas Distribution and Enbridge Gas New Brunswick, as well as for International operations, the Alliance, Vector and offshore natural gas pipelines, and Enbridge Energy Partners; Al Monaco, Executive Vice President, Major Projects, who is responsible for project execution once commercial viability for a major project has been established; and, Stephen J. Wuori, Executive Vice President, Liquids Pipelines, who is responsible for all crude oil and liquids pipeline operations in North American, including Liquids Pipelines and its related operations, and Enbridge's many opportunities for new pipelines to transport growing oilsands production.

The chain of command with respect to product responsibility is essentially the same in each Enbridge business segment. The most senior positions are vice presidents with operational responsibilities. Reporting to each vice president is a director supported by a manager(s), a supervisor(s) and analysts or specialists. (Actual number of reports varies with the activities of the various business segment.)

Product Responsibility Performance Indicators

Customer Health and Safety

PR1 – Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

Enbridge is a transporter of energy, primarily in the form of natural gas and liquid petroleum products. Enbridge does not produce these commodities, but transports them from source to end users.

While Enbridge does not specifically conduct life cycle reviews of the products that it transports through its systems, it does thoroughly review its systems to ensure that the products it transports are delivered in a manner that is safe and reliable. These reviews pertain to the design, construction and operation of the transport systems. They are conducted on all of Enbridge's systems.

Pipeline and System Integrity

For Enbridge's liquids transportation business, pipelines have been proven to be the safest and most efficient way to transport petroleum products. Enbridge's ongoing monitoring and maintenance programs contribute to that safe operation.

Enbridge endeavours to be a leader in pipeline and system integrity by:

- Implementing rigorous preventive maintenance programs
- Pursuing and supporting technology research
- Participating in industry forums to share and exchange knowledge
- Contributing to the development of national pipeline safety standards and industry-recommended practices
- Providing technical advisory and training services to pipeline operators around the world
- Supporting state and provincial excavation one-call efforts to reduce the risk of third-party damage to pipelines

By undertaking these initiatives, Enbridge identifies, shares and uses best practices in its operations and contributes to public confidence in its systems.

ENBRIDGE'S PERFORMANCE

Broadening System Integrity in Liquids Pipelines

In 2004, Enbridge added system integrity measures such as leak-reduction teams and small-piping-integrity initiatives to the already mature pipeline integrity program. These initiatives have contributed to the improvements that Enbridge has achieved so far and the company continues to strive for improved performance.

YEAR	FACILITY LEAKS
2008	52*
2007	50*
2006	42
2005	51
2004	54

*Includes leaks in Enbridge's gathering systems.

As Enbridge continues its efforts to reduce and eliminate leaks, the company is expanding its initiatives to focus on valves, pumps and other sources of potential leaks – including the facilities that are related to its pipelines. In addition, Enbridge has linked its leak-reduction targets and operations performance goals to its corporate and individual performance and compensation. Further, Enbridge has increased its focus on prevention of right-of-way and off-property leaks due to their potential to have a higher impact on the public and the environment. Information on Enbridge's performance relative to these leaks will be included in future reports.

Enbridge's goals for advancing pipeline and system integrity are based on technological advances, as well as on understanding the science of how to find, mitigate and prevent leaks or ruptures on its pipeline systems. To accomplish these goals, Enbridge is actively involved with industry research and standards organizations such as the Pipeline Research Council International, the Canadian Standards Association, the National Association of Corrosion Engineers and the American Petroleum Institute. The company actively participates in industry forums and workshops aimed at communicating and sharing information on how to manage pipeline systems integrity. For example, in 2008, Enbridge presented technical and research papers, participated on industry panels, and participated as Technical Chairs and Session Leaders at the International Pipeline Conference.

To aid industry and to advance pipeline safety, Enbridge is also actively involved in supporting and conducting research that will improve the company's understanding of pipeline hazards and of methods to prevent, monitor and repair potential defects on the pipeline system. In 2008, Enbridge continued to provide financial support for, or initiated research into, advanced understanding of internal corrosion and mitigation techniques for large-diameter transmission pipelines. Enbridge also began developing specialized crack inspection equipment and proposals for advanced pipeline-cleaning tools.

Identifying high-consequence areas

In 2008, Enbridge continued its work to identify high-consequence areas for its Liquids Pipelines' Canadian mainline system. Enbridge's 2008 risk assessment included high- and medium-populated areas, drinking-water intakes, environmentally sensitive areas and commercially navigable waterways. Enbridge used its knowledge of these high-consequence areas to identify additional risk prevention and mitigation measures that the company can implement to provide extra protection.

In the U.S., Enbridge identified high-consequence areas along its natural gas and petroleum pipelines, as part of an extensive Integrity Management Program.

Upgrading containment features

Since 2002 in Canada and 2004 in the U.S., Enbridge has been upgrading its containment features at facilities to minimize the potential for off-property releases. This work continued in 2008 and is expected to carry forward through at least 2009.

Carrying out pipeline integrity "digs"

Enbridge's ongoing program of maintenance "digs" involves excavating sections of pipeline to inspect and repair pipe to maintain high levels of system integrity. In 2008, the company completed 61 in-line inspections and completed over 785 digs along its mainline Liquids Pipelines system in Canada and the U.S.

Enbridge conducts all maintenance digs to the highest environmental standards. Before beginning work, it completes screening tests to identify environmental issues and measures needed to minimize its impacts to land, vegetation and wildlife. Enbridge conducts similar environmental reviews for other small engineering and operation and maintenance projects. It also trains inspectors and contractors on safety and environmental best management practices, and provides specifications for these projects.

Integrity management at Enbridge Gas Distribution (EGD)

The 2008 edition of the Integrity Management Program manual included a program to meet the requirements of CSA Z662, Oil and Gas Pipeline Systems, Annex M, which requires an Integrity Management Program to assess and manage the condition of all of the piping and components in the system that operate at stress levels less than 30 per cent of the specified minimum yield strength (SMYS) of the material. This requirement came into effect on 30 April 2008.

The direct assessment of mains that operate at or above 30 per cent SMYS, known as Integrity Mains, is by in-line inspection (ILI) of the pipelines. ILI is a key part of EGD's Integrity Management Program, which provides a proactive means to ensure a safe and reliable distribution system. No mains operating at or above 30 per cent SMYS were in-line inspected in 2008.

PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

There have been no non-compliance incidents concerning the health and safety impacts of Enbridge's products and services within any of Enbridge's business segments.

Please see Performance Indicator, EN28, Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

Product and Service Labelling

PR3 – Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

Enbridge's Liquids Pipelines and Gas Pipelines (Gas Transportation) business segments, as well as Enbridge Gas Distribution (EGD), are required to indicate with a warning marker and label with the company name and contact information, any pipeline that is situated within a right-of-way. Although Enbridge is not required to label pipelines that run through streets or properties, it is illegal to dig up streets or properties without obtaining "locates," which provide information on underground pipelines, etc. In Ontario, home and property owners and contractors are responsible for obtaining "locates" before they dig and can obtain them by calling Ontario One Call. Ontario One Call is a call centre with which EGD contracts to handle such inquiries.

In addition, Workplace Hazardous Materials Information System (WHMIS) requires EGD to provide Material Safety Data Sheets (MSDS) to all of its natural gas customers. EGD maintains updated French and English copies of the sheet pertaining to natural gas on its [website](#). EGD also e-mails copies of the sheet to customers once each year.

PR4 – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.

Enbridge's Liquids Pipelines, Gas Pipelines (Gas Transportation), and Gas Distribution and Services businesses were in full compliance with regulations pertaining to product and service information or labeling in 2008.

PR5 – Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

In 2008, Enbridge Gas Distribution (EGD) responded to almost two million customer inquiries and issued approximately 20 million residential utility bills.

Customer service and satisfaction are important to EGD and, as a result measurement of these areas is equally important. Each quarter, EGD conducts a benchmarking survey that compares it to the local telephone companies, electric companies and natural gas marketers. EGD consistently leads in four of the five areas, including overall value, image quality and customer communications quality.

EGD also hires a third party to conduct customer relationship telephone polls shortly after a customer has dealt with an EGD call centre.

And EGD offers an automated after-call survey to each of its customers immediately following contact with a call centre. Through this survey, customers are asked to rate the service they received. 2008 results from this survey were that:

- 97 per cent of the customers said they were satisfied or very satisfied with the service received from the customer service representative
- 84 per cent said that the customer service representative they spoke with was very courteous
- 96 per cent said that the customer service representative helped them feel important
- 83 per cent said that their issue was resolved on the first call
- 88 per cent said that the customer service representative was willing to resolve their concerns

In 2005, EGD instituted an Office of the Ombudsman to resolve customer issues that the call centre was unable to resolve. Of the nearly two million enquiries that EGD received in 2008, 1,149 were issues that were escalated to the Office of the Ombudsman for resolution.

EGD uses all of the sources of information outlined above to identify where improvements can be made and to improve customer satisfaction.

Marketing Communications

PR6 – Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.

Enbridge's legal department reviews all marketing communications that are sent to Enbridge Gas Distribution (EGD) customers.

While EGD does offer third parties the opportunity to include advertising inserts in the envelopes in which it sends customer bills, these third parties are required to include a disclaimer clause in their advertising saying that they are in no way affiliated with Enbridge or EGD.

EGD retains membership in the Association of Canadian Advertisers and the Canadian Marketing Association to ensure that it knows about – and adopts – new policies and regulations.

PR7 – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.

In 2008, Enbridge was compliant with all regulations and voluntary codes concerning marketing communications.

Customer Privacy

PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

In 2008, Enbridge Gas Distribution (EGD) received 10 customer complaints concerning EGD's information-handling practices. EGD resolved each of these complaints by providing customers with explanations of the policies governing its practices. No complaints were actually referred to the privacy commissioner.

Compliance

PR9 – Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

Enbridge Gas Distribution did not receive any fines in 2008 for non-compliance with laws and regulations concerning the provision and use of products and services.

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