



## Addendum to Enbridge's 2013 Corporate Social Responsibility Report (with a focus on 2013 data)

### Economic Benefits/Contributions to Local Economy Performance Data Sheet

This performance data sheet relates to the following Global Reporting Initiative (GRI G3.1) Economic Performance Indicators:

- 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
- EC6 – Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation
- EC7 – Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation
- EC8 – Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

#### Context

Enbridge experienced good financial performance in 2013, with an increase in adjusted earnings per share (EPS) of 11 per cent. We continued to show the consistency and reliability of our strategy of safely delivering critical energy supplies to our customers, while at the same time delivering steady earnings and dividends to our investors.

We also made good progress in securing the continued future growth of our company. We are now developing \$36 billion of commercially secured growth projects—across all of our key business units—that will be in service between now and 2017. On top of that, we have an additional inventory of \$5 billion in projects that are still in development, giving us a record \$41-billion growth plan through 2017.

Our financial success creates economic value for our shareholders and for stakeholders such as:

- Lenders
- Employees
- Governments
- Suppliers

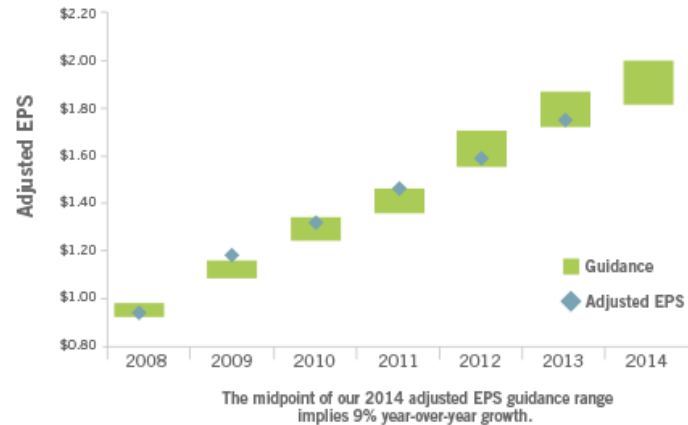
We believe that we are responsible for ensuring that others can also participate in the economic benefits that our business generates. Specifically, we look for ways to ensure that local businesses and communities, as well as Aboriginal and Native American businesses and communities, are included. Finding meaningful ways for us to involve these groups is a key challenge for us in this area.

## 2013 Key Performance Areas

**#1. Maintain strong economic health by delivering superior long-term value to Enbridge shareholders, demonstrating high-quality and sustainable earnings per share growth, and paying out a high proportion of earnings in the form of a growing dividend stream to Enbridge shareholders**

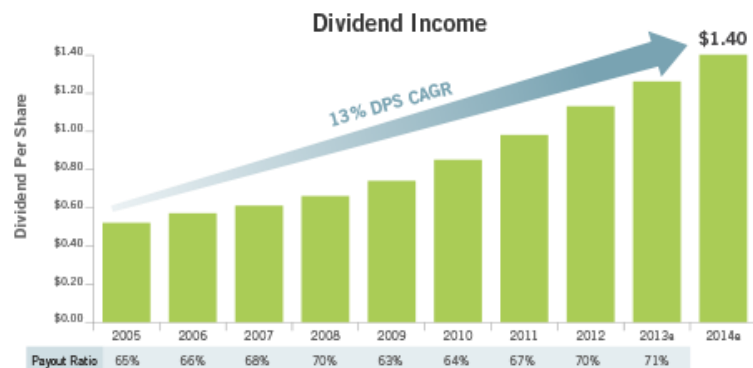
### Industry-Leading Growth

In 2013, Enbridge's adjusted earnings per common share (EPS) rose 11 per cent in 2013 to \$1.78. This result brings our average annual adjusted EPS growth rate over the past five years to 14 per cent. We entered 2014 well positioned to deliver 10-12 per cent average annual growth in adjusted EPS through 2017. We are also confident we can extend our industry-leading growth rate well beyond 2017.



### Significant Dividend Income

We paid a dividend of \$1.26 per common share in 2013, up 12 per cent from 2012. Over the past 10 years, we have delivered average annual dividend growth of approximately 13 per cent. In December 2013, we announced an 11 per cent dividend increase. This represents Enbridge's 19th consecutive annual increase and reflects our confidence in the company achieving robust earnings growth over our five-year planning horizon to 2017.



**#2. Support the communities in which we operate through economic participation initiatives, investments in training and education, and community investments**

In 2013, we worked with Aboriginal and Native American communities and member-owned businesses in Canada and the U.S. to help them benefit from approximately \$58.4 million in economic participation initiatives.

We worked with Aboriginal and Native American communities to create new opportunities for community development, business development, education and training. For example, we invested \$1.4 million between 2011 and 2013 in skills development and training in B.C. and Alberta under the Northern Gateway Project's Education and Training Fund.

We also invested approximately \$14 million in more than 750 charitable, non-profit and community organizations.

## Management Approach and Background

In helping to satisfy society's need for safe and secure supplies of energy through our core business of transporting natural gas and petroleum products, our business provides significant and quantifiable direct economic benefits to a broad group of stakeholders:

### Shareholders

Enbridge Inc. shareholders realize returns through a combination of capital appreciation and dividends.

In 2013, Enbridge Inc. experienced another strong year in share price performance on the Toronto Stock Exchange. Investors holding Enbridge Inc. stock for the entire year realized share price appreciation of eight per cent. As a result, our overall market value increased by \$4 billion to approximately \$39 billion. Furthermore, in 2013, we paid dividends of \$1.26 per common share or a total of \$1,035 million to Enbridge Inc. shareholders. The combination of compounding dividends and capital gains equated to a Total Shareholder Return (TSR) of 11 per cent in 2013. Over the past 10 years, Enbridge's TSR has outperformed the S&P/TSX Composite Index on average by 9 percentage points per year.

Ongoing support for our share price comes in part from indices and rankings based on information about companies' social, ethical and environmental policies and practices. These indices and rankings are based on the concept that a company's commitment to CSR and sustainability will sustain and grow long-term shareholder value. As a result, a certain segment of investors choose to direct their investments toward these companies. Over the past several years, we have been included in the following indices/rankings:

- CDP (formerly the Carbon Disclosure Project)
- Dow Jones Sustainability Index (World and North America indices)
- Global 100 Most Sustainable Corporations in the World

### Lenders

Enbridge Inc. lenders realize returns through interest payments on short- and long-term debt and repayment of principal at maturity. Enbridge Inc. once again met all contractual debt obligations for the year. Interest payments made to lenders during 2013 totaled \$1,097 million.

### Employees

Our business operations provide jobs and contracting opportunities in many communities in Canada and the U.S. Headquartered in Calgary, Enbridge has major offices in Edmonton, Toronto and Houston and numerous field offices in our areas of operations. At the end of 2013, we had 8,598 permanent employees (full time and part time) in Canada and the U.S., as well as 252 temporary employees and 2,397 provisioned contractors who support seasonal and project work associated with specific projects.

In 2013, our payroll totaled almost \$800 million. We also provide direct economic benefits to employees through savings plans, retirement/pension plans, training programs, and health benefit plans.

**Local hiring:** Enbridge does not have a formal policy regarding hiring locally, but in practice most of the people that we hire are, in fact, hired locally. In 2013, Enbridge hired eight senior leaders from the local community at locations of significant operations.

### Governments

Our tax governance system is based on our tax mandate, our code of conduct and our risk philosophy.

Our tax mandate is to comply with all applicable tax laws, pay our fair share of tax in every community in which we operate and carry out business transactions in a tax-efficient and legal manner.

Our tax code of conduct upholds our core values and requires that we act with integrity and demonstrate respect for the tax laws and tax authorities in all jurisdictions in which we operate through timely and accurate compliance, transparent communication and a spirit of cooperation.

Our tax risk philosophy aligns with Enbridge’s overall low risk tolerance and seeks to minimize tax uncertainty and tax risk through strong leadership, engagement in the organization, compliance and executive accountabilities.

As a result of our tax mandate and our operations within communities across North America, we pay income, property, business and other required taxes to local, state, provincial and federal governments in Canada and the U.S. In 2013, we paid \$461 million in income taxes, property, business and other taxes and sales and use taxes.

*In millions of dollars*

|                                   | <b>2013</b> |
|-----------------------------------|-------------|
| Income Taxes*                     | \$107       |
| Property, Business & Other Taxes* | \$279       |
| U.S. Sales & Use Taxes            | \$75        |

\*includes taxes paid in all jurisdictions in which Enbridge operates

### **Suppliers**

Our [Corporate Social Responsibility Policy](#) states that “Enbridge will strive to provide employment and economic opportunities in the communities where we operate.” While we do not have a formal policy regarding buying from locally-based suppliers, in practice, we meet the majority of our needs through local suppliers. In 2013, our direct spend on capital projects was over \$7 billion, and our direct spend on operations was approximately \$1.7 billion. We have not yet calculated what the indirect economic benefits are as a result of our 2013 spends on capital projects and operations.

### **Local Communities**

By investing our dollars, partnerships and human capital in charitable, non-profit and community organizations that have the skills and expertise to affect change, we are able to contribute to the economic and social development of communities near our operations.

In 2013, we invested approximately \$14 million in 750 organizations. This amounts to approximately 1.1 per cent of Enbridge Inc.’s pre-tax profits based on a rolling average of the last three years. For more information, please see the Community Investments section of the [2013 CSR Report](#).

### **Aboriginal and Native American Individuals and Communities**

**Economic Participation Initiatives:** In 2013, we worked with Aboriginal communities and member-owned businesses in Canada and the U.S. to help them access over \$58.4 million through various economic participation initiatives. Among the initiatives are contracting opportunities that we offer to qualified Aboriginal and Native American suppliers and contractors and to joint ventures between Aboriginal/Native American businesses and non-Aboriginal/Native American businesses. For more information, please see the Aboriginal and Native Rights and Engagement section of the [2013 CSR Report](#).

### **For More Information**

Please see Enbridge Inc.’s [2013 Annual Report](#) including Management’s Discussion and Analysis. Please also visit the [Why Invest](#) section of Enbridge’s website.