



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

Compliance Performance Data Sheet

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

- SO2 – Percentage of total number of business units analyzed for risks related to corruption
- SO3 – Percentage of employees trained in organization's anti-corruption policies and procedures
- SO4 – Actions taken in response to incidents of corruption
- SO7 – Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes
- SO8 – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations
- HR11 – Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms
- 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
- PR4 – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes
- 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
- PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
- PR9 – Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services
- EN28 – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

Context

We are committed to complying with all regulatory requirements, including those pertaining to employment practices, business conduct, air, water, land management, and conservation of biodiversity and species at risk.

We are also committed to stopping corruption in all forms, including extortion and bribery. Our commitment in this regard is derived from one of our core values: Integrity.

Our Integrity value is embodied in our [Statement on Business Conduct](#), which requires employees to make decisions about Enbridge's business in a responsible, honest and ethical manner. The statement applies to Enbridge Inc. and all of our subsidiaries and controlled entities. It underscores our commitment to the specific standards of conduct that we expect of our directors, officers, employees, consultants and contractors in each of the countries in which we do business.

The statement and Enbridge's [Whistle Blower Procedures](#) require our employees to report (either directly or anonymously) any fraudulent activities or potential or actual events that do not comply with applicable legal

requirements or Enbridge policies. The statement and procedures outline the processes Enbridge follows in response to any allegations of corruption.

Strict adherence to the statement and to all other Enbridge policies is mandatory for all Enbridge employees and provisioned contract workers. Failure to comply may result in disciplinary action up to and including termination.

Management Approach and Background

COMPLIANCE POLICY AND PROGRAMS

We have established a Compliance Policy that defines clear responsibilities for Enbridge's Vice President & Chief Compliance Officer and the responsible business unit Compliance Officers who oversee our Compliance Program, which is designed to minimize unethical behaviour and support and demonstrate our commitment to corporate responsibility and good governance.

As part of our Compliance Program, we routinely undertake the following best practices to monitor and improve upon our compliance and ethics culture:

Policies: We have established a number of governance policies that are designed to ensure that our employees conduct their work activities in accordance with applicable laws. These policies include the [Statement on Business Conduct](#), the [Whistle Blower Procedures](#) and the Compliance Policy.

Ethics and Conduct Hotline: We provide information to all employees and contract workers on the avenues available to them to raise ethical or compliance issues directly with the responsible Compliance Officers or with other managers. We also maintain an [Ethics & Conduct Hotline](#) (Hotline) that employees can use at any time to raise issues anonymously through a third-party provider. Each report received through our Hotline is provided directly to Enbridge's Vice President & Chief Compliance Officer, as well as to the responsible business unit Compliance Officer, and is investigated to address and resolve any issues raised.

Tone At the Top: Since 2009, we have had a Chief Compliance Officer, as well as Compliance Officers in our three primary operating business units. In early 2012, we changed our management structure to demonstrate an even greater emphasis on compliance and ethics, and appointed our first dedicated enterprise-wide Vice President & Chief Compliance Officer. This position is responsible for the oversight of Enbridge's overall state of compliance and for enhancing our culture of ethics and integrity.

Internal Audit: Our Internal Audit Department plays a key role in monitoring compliance by providing assurance on the effectiveness of governance, risk management, and internal controls. Internal Audit is responsible for measuring efficiency and effectiveness of operations, safeguarding of assets, risk management, and monitoring the internal control framework and compliance with laws, regulations, policies, procedures and contracts. Internal Audit also assists with investigations into any unethical conduct, including allegations of bribery, fraud and corruption.

Training: Each year, all employees and provisioned contract workers must complete an on-line [Statement on Business Conduct](#) training and certification program. The training requires them to certify their compliance with the statement during the preceding year and declare any actual or potential conflicts of interest. Enbridge's Compliance Department contacts any employee or provisioned contract worker who fails to certify their compliance within the required timeline. New employees must sign an acknowledgment stating that they have read and agree to abide by the statement. They must then enroll in the on-line statement training program when the annual training cycle commences in January.

In October 2012, we rolled out a redesigned on-line fraud awareness and conflict-of-interest training program. This mandatory training program requires employees and provisioned contract workers to disclose their knowledge of any fraudulent activities or conflicts of interest they may have observed at Enbridge. The reports generated by Enbridge's computer-based Learning Management System enable our Compliance Officers to follow up with anyone who failed to take the training or who reported a potential fraud or conflict-of-interest-related incident. Through the 2012 training, we learned about several incidents of actual or perceived conflicts of interest. Our Compliance Officers investigated all such reports and, where necessary, additional controls were put in place. The fraud awareness training is

scheduled to be delivered once every three years, with the next scheduled roll-out to occur in 2015. As noted above, conflicts-of-interest disclosure is now included in our annual Statement on Business Conduct training and certification program.

In 2013, we provided privacy training to targeted employees and provisioned contractors in Canada who have access to personal information.

Also, in December 2013, we formally rolled out our Compliance and Ethics Management System and compliance and ethics processes to employees in our Liquids Pipelines business unit (LP). We will be complementing this roll-out with an integrated management strategy and plan that we intend to implement throughout 2014 to ensure that we have targeted, efficient and streamlined training and education for employees and contract staff regarding the management systems.

Compliance Investigations and Reports: Our Compliance Officers coordinate investigations into material compliance matters, whether they arise directly from employees, through incidents or via reports to the Hotline. Enbridge's Vice President & Chief Compliance Officer reports all material events of non-compliance arising from Hotline reports, auditing matters and general ethics issues to the Audit, Finance & Risk Committee of Enbridge's Board of Directors. Additionally, since November 2013, we have reported all material reliability, environmental, health and safety non-compliance matters to the new Safety & Reliability Committee of our Board of Directors.

Analyzing potential risks related to corruption: We review our operations annually for potential risks associated with fraud, using the control evaluation procedures that we established to ensure that Enbridge meets the requirements of the Sarbanes-Oxley Act and our own Statement on Business Conduct.

Non-Retaliation: We are committed to the principle that no retaliatory action may be taken against anyone who raises non-compliance issues in good faith. Adhering to the non-retaliation principle is a key component of a strong culture of compliance and it also ensures that employees, contract workers and the public can feel confident that we will review and address issues in a fair and impartial manner.

Metrics: We maintain a compliance index metric that ties ethical conduct and compliance to employees' bonus incentives and that serves as a continuous reminder of the importance that we place on ethical behaviour. The metric includes data on the number of times Enbridge vice presidents and directors speak about ethics and compliance to groups of five or more employees or provisioned contract workers. It also measures the annual volume of medium- and high-impact acts of non-compliance, ethics violations and regulatory actions.

Anti-Corruption & Compliance/Ethics Affiliations: Our Compliance Officers and other employees participate in a number of organizations that provide training and promote the advancement of ethical conduct in organizations throughout North America. Some of the organizations to which we belong include: the Society of Corporate Compliance & Ethics (SCCE); the Open Compliance & Ethics Group (OCEG); the Compliance & Ethics Leadership Council of the Corporate Executive Board; the Association of Certified Fraud Examiners (ACFE); and the Corporate Ethics Management Council (Conference Board of Canada).

2013 KEY COMPLIANCE METRICS

Ethics and Conduct Hotline Reports: In 2013, we received 107 new Hotline reports, of which 65 related to human resources issues, 17 related to financial concerns, eight related to allegations of misappropriation or misuse of assets, eight related to safety issues, five related to policy and process integrity, and four related to requests for information. In 2012, we received 58 reports to the Hotline. We believe that the increase in 2013 was due to the efforts we have made to ensure that employees and contractors know about the Hotline.

Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms:

- One employment-related complaint was made against Enbridge Gas Distribution (EGD) in 2012. The complaint was resolved in June 2013.

- Two employment-related complaints were made against EGD in 2013, one of which has been resolved, while the other is still under review with the Ontario Human Rights Tribunal.
- Two employment-related complaints were made to the Canadian Human Rights Commission against Liquids Pipelines in 2013. Both of these complaints are still under review and have not yet been resolved.
- One employment-related complaint was made to the Canadian Human Rights Commission against Major Projects in 2013. It is under review and has not yet been resolved.

Actions taken in response to incidents of corruption:

- In 2013, we took action in response to several confirmed cases of material breaches of our Statement on Business Conduct. Actions taken included terminations of employment, suspensions and reassignments.

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations: In 2013, the following significant fines were imposed upon Enbridge subsidiaries or controlled entities, and/or paid by Enbridge:

- In August 2013, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Final Order relating to a 2009 crude oil release that occurred on Line 61 in Superior, Wisconsin. A previous Notice of Probable Violation and Proposed Civil Penalty had been issued in August 2012. We paid a penalty of \$112,500, thus meeting the requirements of the Final Order.
- In August 2013, PHMSA issued a Final Order in connection with an audit conducted of our Toledo Line 17 in 2010, and issued a total civil penalty of US\$68,600. We paid the civil penalty, thus meeting the requirements of the Final Order.
- In September 2012, the U.S. Department of Justice sent a letter regarding violations we had made to the *Clean Water Act* as a result of discharging substances into a wetland and into the Mississippi River when conducting hydrostatic testing on two pipelines in 2009 and 2010. In 2013, a settlement agreement was executed, and we paid US\$425,000.
- In October 2011, an EGD contractor was fatally injured while performing landscaping near a natural gas pipeline in Mooretown, Ontario. In August 2012, the Ontario Ministry of Labour charged EGD with five counts under the *Ontario Occupational Health and Safety Act*. In November 2013, EGD pleaded guilty to one charge for failing to ensure that the seatbelt restraining device on the lawn mower had been maintained to operate as intended. In 2013, we were fined \$150,000, plus a 25 per cent victim surcharge, which we paid. The Ontario Ministry of Labour withdrew the four other charges.

Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations: We manage compliance with laws and regulations through system controls and regular reviews that include training and awareness, adopting best practices, inspections and third-party audits. We consider any regulatory notification or penalty to be important and expect our employees and contractors to fully comply with all regulatory, legislative and permit requirements. Corrective actions are usually specific to each event and facility, so, with the aim of achieving continuous improvement, training is conducted at the facility level to address the issue that led to the notification. In addition, corrective actions are discussed by local safety committees, tracked in regional compliance calendars and shared once a year at annual Environment, Health and Safety workshops.

Regulatory notifications are formal written notices by regulators that we may not be adhering to legal, regulatory or permit requirements. Examples include enforcement actions, summonses, charges, stop and control orders, Notices of Violation (NOVs), Notices of Enforcement (NOEs) and formal warnings. In the event that our performance falls short of this expectation, we carry out rigorous reviews and institute corrective actions, as we did for each non-

compliance issue noted below:

- LP experienced 20 major environmental incidents in 2013. This total included 13 regulatory notifications (level three non-compliances), six spills greater than 100 barrels (commodity and non-commodity) and one material "Other Environmental Effect" environmental incident. LP was not issued any fines for environmental issues in the U.S. in 2013.
- Regulators conducted 82 inspections of our Gas Transportation business unit (GT) facilities in 2013, compared with 89 in 2012. In 2013, GT also received 13 NOVs and NOEs from regulatory agencies. GT incurred fines of \$15,800, for three violations in 2012, and paid them in 2013. This total compares with the 16 NOVs that GT received and the \$10,197 in fines it paid 2012. As part of Enbridge's Operational Risk Management plan, GT has implemented a program to develop a revised Environment, Health & Safety compliance database in an effort to improve compliance and reduce violations due to reporting and administrative oversights.
- Enbridge Gas Distribution (EGD) did not receive any notifications, fines or orders for non-compliance with environmental regulations in 2013.

COMPANY-WIDE REGULATORY NOTIFICATIONS AND FINES

	2013	2012	2011	2010	2009
Regulatory Notifications ¹	32	35	24 ²	25	25
Regulatory Fines Incurred (thousands of Canadian dollars)	\$15.8	\$3,714.6 ³	\$29.7	\$1,176 ⁴	\$1,159.3 ⁵

- 1 Enbridge responded promptly to address the concerns associated with all notifications.
- 2 Includes 19 NOVs for GT and 5 NOVs for LP. Please note that in Enbridge's 2012 CSR Report we incorrectly reported that GT had 20 NOVs in 2011 and that LP had none.
- 3 Includes payment by Enbridge of the US\$3,699,200 civil penalty levied in 2012 by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the Line 6B pipeline release in 2010 near Marshall, Michigan.
- 4 Includes US\$1-million settlement agreement with the Wisconsin Department of Justice for air compliance violations received at our crude oil pipeline breakout storage terminal at Superior, Wisconsin. We reported many of the violations to the Wisconsin Department of Natural Resources after we discovered them during the course of a facility audit. Since then, we have corrected the issues or are in the process of correcting them.
- 5 A settlement regarding three NOVs issued by the Wisconsin Department of Natural Resources was reached in January 2009 and included a US\$730,000 fine and a US\$370,000 statutory assessment. The NOVs pertained to environmental infractions that Enbridge allegedly committed while constructing its Southern Access pipeline in 2007.

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: We are not aware of any incidents of non-compliance taking place in 2013 concerning the health and safety impacts of Enbridge's products and services.

Anti-competitive behaviour, anti-trust and monopoly practices:

We are not aware of any legal actions in 2013 for anti-competitive behaviour, anti-trust or monopoly practices.

Regarding competition and anti-trust legislation, Enbridge's Statement on Business Conduct states that:

- Enbridge and our employees must comply with all applicable Canadian, U.S. or other foreign competition and anti-trust 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 to the Law Department.

Product and service information and labeling:

We are not aware of any incidents in 2013 of non-compliance with regulations and voluntary codes concerning product and service information and labeling.

Customer privacy and customer data:

We are not aware of any breaches of customer privacy or losses of customer data in 2013. Further, no complaints were referred to the Privacy Commissioner of Canada in 2013.

Marketing communications:

In 2013, Enbridge complied with applicable laws, regulations and voluntary codes concerning marketing communications.

For More Information

Please see the [Ethics/Fair Operations performance data sheet](#) on www.csr.enbridge.com. Please also see our [Statement on Business Conduct](#) and [Whistle Blower Procedures](#), as well as information on our [Ethics & Conduct Hotline](#).