
Enbridge Inc.

2014 CSR Report

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Forward-Looking Information

Forward-looking information, or forward-looking statements, have been included in Enbridge's 2014 CSR Report to provide information about the company and its subsidiaries and affiliates, including management's assessment of Enbridge and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included in this document include, but are not limited to, statements with respect to the following: expected earnings/(loss) or adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected available cash flow from operations (ACFFO); expected future cash flows; expected costs related to projects under construction; expected in-service dates for projects under construction; expected capital expenditures; estimated future dividends; expected future actions of regulators; expected costs related to leak remediation and potential insurance recoveries; expectations regarding commodity prices; supply forecasts; dividend payout policy and dividend payout expectation; the expected impact and cost of complying with current and proposed new environmental regulations, including GHG emissions regulations; business opportunities expected to arise due to climate issues or new environmental regulatory policies; future power consumption by the company and its subsidiaries; expected global demand for energy; expectations regarding safety and operational reliability; expectations regarding environmental impact of Enbridge's projects and operations; expectations regarding Enbridge's investment in pipeline technologies and emerging technologies; expectations regarding Enbridge's workforce and labor relations; expected modification to or implementation of new Enbridge policies; business plans of Enbridge entities; diversification of Enbridge's business; expectations regarding Enbridge's CSR and sustainability performance and reporting; and expectations regarding Enbridge's engagement activities, including Aboriginal engagement.

Although Enbridge believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about the following: the expected supply of and demand for crude oil, natural gas, natural gas liquids (NGL) and renewable energy; prices of crude oil, natural gas, NGL and renewable energy; expected exchange rates; inflation; interest rates; availability and price of labor and pipeline construction materials; operational reliability; customer and regulatory approvals; maintenance of support and regulatory approvals for the company's projects; anticipated in-service dates; the implementation of proposed environmental regulations, including GHG emissions regulations; future demands for renewable energy and alternative energy technologies; weather; credit ratings; capital project funding; expected earnings/(loss) or adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected future cash flows and expected future ACFFO; and estimated future dividends. Assumptions regarding the expected supply of and demand for crude oil, natural gas, NGL and renewable energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the company's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the company operates and may impact levels of demand for the company's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to

expected earnings/(loss), adjusted earnings/(loss) and associated per share amounts, ACFFO or estimated future dividends. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated completion dates and expected capital expenditures, include the following: the availability and price of labor and pipeline construction materials; the effects of inflation and foreign exchange rates on labor and material costs; the effects of interest rates on borrowing costs; the impact of weather and customer and regulatory approvals on construction and in-service schedules.

Enbridge's forward-looking statements are subject to risks and uncertainties pertaining to the impact of the dividend policy, operating performance, regulatory parameters, including those related to GHG emissions, project approval and support, weather, economic and competitive conditions, public opinion, changes in tax law and tax rate increases, exchange rates, interest rates, commodity prices and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this 2014 CSR Report and in the company's filings with Canadian and United States securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and Enbridge's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by applicable law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this 2014 CSR Report or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to Enbridge or persons acting on the company's behalf, are expressly qualified in their entirety by these cautionary statements.

CSR & Sustainability at Enbridge

Message From Al Monaco, President & Chief Executive Officer

Dear Reader:

Changing supply and demand fundamentals continue to shape a dynamic energy landscape in North America and elsewhere. The drop in the price of crude oil at the end of 2014 creates new challenges for the energy industry with ripple effects through national economies. The role of natural gas and renewables continues to evolve.

But even in these turbulent times one thing remains clear: the world will continue to need energy. It enables our way of life – and few would want to live without it.

What's equally clear is that how the world uses energy, and the mix of energy involved, is transforming.

At Enbridge, our purpose as a company is to fuel people's quality of life by delivering energy to where North Americans need it – reliability, efficiently and with the safety of our employees, the public and the environment in mind.

Our annual CSR Reports help us hold ourselves accountable for our performance, and for how we are responding to the social, economic and environmental factors driving our business. They also highlight areas where we have more work to do and the approach we're taking to get better, such as deepening our engagement with stakeholders and the communities where we operate.

As we document in this report, the energy we transport, distribute and generate creates jobs and generates tax revenues while making an important contribution to social and economic stability and prosperity. As we also demonstrate in this report, safety and environmental protection across all our operations and facilities is our number one priority as a company. No incident will ever be acceptable and that's why we continually invest in new integrity management technology and advancements in leak detection.

In 2014, we invested more than \$1.14 billion in system integrity and leak detection programs throughout our operations. During the same period, spill volumes from our liquids pipelines decreased from 2013 and 2012 levels. I believe these numbers show we are making progress toward our goal of industry leadership in pipeline safety and integrity.

Our 2014 CSR Report sends a strong signal regarding our increased focus on listening and responding to our stakeholders to ensure we understand their concerns and are acting on them in our business planning and decision making. It reflects our most rigorous approach to date to reporting on topics identified as priorities by stakeholders. As a result, we provide more information on our approach to sustainability challenges such as climate change, water protection, supply chain management, community economic benefits, and Aboriginal and Native American rights and engagement.

We could not achieve our goals – or meet the expectations that our stakeholders have of us – without a relentless commitment by each of our employees and contractors to our core values of Integrity, Safety and Respect. I thank them all for their dedication and for the important contributions they make each day to our CSR performance.

Sincerely,



Al Monaco
President & Chief Executive Officer
March 2015

Message From Linda Coady, Chief Sustainability Officer

Dear Reader:

Welcome to Enbridge's 2014 CSR Report.

Last year we conducted a review of our CSR reporting and disclosure practice with the goal of improving our report's relevance to our stakeholders and our business. One of the major pieces of feedback we received, from both internal and external stakeholders, was that we needed to make it easier for readers to access all of the information and data that this report contains.

So this year, we have structured our CSR website to focus solely on the content in our 2014 CSR Report – which means that you can more readily find the topics that interest you, as well as the level of detail on them that you would like to see. We have also introduced more graphics and have organized the content based on the topics that stakeholders told us are material to them.

Other aspects of our 2014 CSR Report that I would like to bring to your attention are that:

- it is our first CSR Report that fully aligns with the Global Reporting Initiative's G4 reporting guidelines, under which it qualifies as being “comprehensive,”
- its spring posting marks the second year that we have aligned the release of our CSR Report with the release of our Annual Financial Report,
- it was prepared using new internal systems for data management and control that are designed to enable us to move to third-party assurance on key performance indicators beginning with our 2015 CSR Report, and
- it discusses our efforts throughout 2014 and into 2015 to set clearer and more measurable CSR and sustainability-related strategic priorities for Enbridge.

Compiling a report of this nature is a twelve-month process that relies on the expertise of hundreds of individuals across the company. To gather the data we need, we rely on groups of subject-matter experts – to provide content on our activities and performance in the following areas: Aboriginal and Native American Relations, Community Investment, Stakeholder Engagement, Compliance, Economic Impact and Benefits, Environment and Climate Change, Governance, Health and Safety, Human Resources, Research & Development and Innovation, Supply Chain, Systems Integrity, Renewable Energy, Customer Relations and others.

Our Expert Reporting Group members bring a diverse range of perspectives and experiences to the sustainability challenges and opportunities that we face at Enbridge, and make compiling this report a highly participative process. I greatly appreciate their knowledge and their dedication to improving the quality of the data we provide in this report.

I also greatly appreciate the dedication and contributions of members of Enbridge's CSR team, our Communications team, and our IT team, who have made Enbridge's CSR Report the best it's ever been.

As always, I welcome your feedback on our CSR and sustainability efforts and on how we can make our CSR Report better, and invite you to contact us with your thoughts.

Sincerely,



Linda Coady
Chief Sustainability Officer
March 2015

CSR and CSR Reporting at Enbridge

Definition and Scope of CSR at Enbridge

Our CSR Policy, which has governed CSR at Enbridge since 2004, covers business ethics and transparency; environment, health and safety; stakeholder, Aboriginal and Native American engagement; employee relations; human rights; and community investment. This policy applies to the activities we undertake anywhere in the world by, or on behalf of, Enbridge and our subsidiaries and affiliates, whose operations we manage.

As we state in the policy, we define CSR as: *conducting business in a socially responsible and ethical manner; protecting the environment and the safety of people; supporting human rights; and engaging, learning from, respecting and supporting the communities and cultures with which we work.*

We recognize 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, in 2002, we incorporated the Voluntary Principles on Security and Human Rights, which were established by the U.S. Bureau of Democracy, Human Rights and Labor and which address responsible corporate action in conflict zones, into our Statement on Business Conduct.

In addition, in 2003, we became a signatory to the United Nations Global Compact (UNGC) and committed to following its principles, including the “Precautionary Approach,” which states that “businesses should support a precautionary approach to environmental challenges.”

Enbridge's Values and CSR Policies

Our values and CSR policies help us integrate social and environmental considerations into all aspects of our business decision making and performance.

Our value statement is: *Enbridge employees demonstrate Integrity, Safety and Respect in support of our communities, the environment and each other. This statement serves as a foundation, and a constant guide by which we make our decisions, as a company and as individual employees, every day.*

As well, a variety of other policies and related documents provide direction for specific CSR- and sustainability-related activities, including our:

- Aboriginal and Native American Policy,
- Climate Change Policy, and
- Community Investment Program Criteria and Guidelines.

CSR Reporting at Enbridge

Our 2014 CSR Report includes performance data from, and events that took place in, 2014. We prepare a CSR Report each year, and we published our previous CSR Report, which focused on 2013 data, in April 2014.

Our CSR reports only cover information on the assets that Enbridge operates. The word “Enbridge” refers to the entire company, our subsidiaries and affiliates. Where possible, the data refer collectively to all of the facilities that Enbridge operates. However, when we

report information pertaining to a specific business segment or project – for example, Liquids Pipelines or the Northern Gateway Project – we note it in the text.

Dollar figures refer to Canadian dollars unless otherwise indicated.

We prepared our 2014 CSR Report using the Global Reporting Initiative (GRI) G4 sustainability reporting guidelines, which are intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. The GRI G4 guidelines 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.

Under the GRI G4 guidelines, our 2014 CSR Report is classified as comprehensive. The report has not been externally audited.

Materiality

This report focuses on the CSR- and sustainability-related topics that would substantively influence stakeholders' assessments and decisions regarding Enbridge.

To determine which topics we should report on, in 2014, we conducted a materiality assessment of the CSR and sustainability-related topics that matter most to our stakeholders and to our employees. Here is how the assessment took place:

In early 2014, the external consultant we had hired assembled a list of possible topics based on a review of:

- stakeholder feedback and engagement,
- topics identified in the ISO 26000 social responsibility guidance,
- topics identified in the GRI's Oil and Gas Sector Supplement,
- topics identified in the GRI's G4 reporting guidelines,
- public debate in the media, and
- best practice norms exhibited by our peer companies.

In the latter half of 2014, our consultant then interviewed external stakeholders representing the following areas:

- Canadian industry associations (two individuals),
- customers/shippers (two individuals),
- socially responsible investor (one individual),
- traditional investor (one individual),
- U.S. landowner (one individual),
- Canadian landowner (one individual),
- U.S. right-of-way community members (two individuals),
- Canadian right-of-way community members (two individuals),
- environmental non-governmental organization representative (one individual),
- regulator (one individual), and
- Aboriginal and Native American community representatives (two individuals).

Our consultant asked participating stakeholders to speak about the topics that were most important to them, and to comment on any aspect of Enbridge’s CSR/sustainability performance.

In October 2014, our consultant continued the materiality assessment by engaging with employee subject matter experts representing all of our business segments and the following specialty areas:

- Aboriginal and Native American Relations,
- Community Investment,
- Community and Landowner Relations,
- Compliance,
- Economic Benefits/Finance,
- Environment, Energy and Climate Change,
- Governance,
- Health and Safety,
- Human Resources,
- R&D and Innovation,
- Product Responsibility,
- Supply Chain Management, and
- Systems Integrity.

Our consultant also interviewed one member of Enbridge’s Board of Directors to supplement the other interviews.

Following the interviews and engagement activities, our consultant processed the information collected during the interactions and created the following ranking:

Relevance	CSR & Sustainability-Related Material Topics of Importance to Stakeholders in 2014
High relevance to Enbridge and our Stakeholders	System Integrity and Leak Detection Energy & Climate Change Aboriginal & Native American Rights & Engagement
Medium relevance to Enbridge and our Stakeholders	Human Health & Safety Emergency Preparedness & Response Stakeholder Engagement
Medium relevance to Enbridge and our Stakeholders	Environment & Land Management Economic Impact & Benefits Customer Relations (Service Reliability) Community Investment
Medium relevance to Enbridge and our Stakeholders	Business Conduct & Ethics Talent Attraction, Retention, Development & Engagement
Lower relevance to Enbridge and our Stakeholders	Permitting & Licensing Compliance Sustainable Supply Chain and Procurement

It is important to note that, while our internal and external stakeholders ranked some topics higher in terms of relevance than others, collectively, they said that all of the topics identified in our 2014 CSR Materiality Assessment are material. Consequently, we have addressed all of them in our 2014 CSR Report.

In addition to the topics listed above, we have included in this report two other topics that we think are material. While stakeholders did not explicitly identify these other topics during the assessment process we believe that growth and investment in these two areas are central to our CSR and sustainability performance as well as to our evolution as an energy company of the future. These two additional topics are:

- Renewable & Alternative Energy, and
- Technological Research & Development and Innovation.

Following are definitions for each material topic, and brief explanations of how they link to our business priorities:

System Integrity and Leak Detection

How we ensure that our systems for energy distribution and delivery are sound and reliable. If we develop and operate strong and highly reliable systems, we can continue to execute on our strategic priorities, and reduce and avoid social and environmental risks and impacts.

Energy & Climate Change

How we manage our energy use and reduce our GHG and other emissions. Also, how we help our customers reduce their energy use through demand-side management (DSM) programs. If we invest the resources it will take to reduce our – and our customers' – energy use and resulting emissions, we will save costs and support the transition to a lower-carbon future.

Aboriginal & Native American Rights & Engagement

How we deal with Aboriginal and Native American rights and title issues and how we engage with Aboriginal and Native American communities on economic decision making and benefits. By properly recognizing and respecting Aboriginal rights and culture, and by including Aboriginal and Native American communities in planning and implementing our projects and operations, we reduce economic risk, improve social and environmental outcomes, and enhance our ability to execute on our strategic business priorities.

Human Health & Safety

How we protect people and ensure that we comply with all applicable safety policies, requirements and commitments. By doing everything we can do in this area, we live up to our Safety value and prevent incidents.

Emergency Preparedness & Response

How we prepare for and respond to emergencies created by operations such that we minimize impacts and ensure safety. By preparing for and responding to emergencies in the most efficient and effective way possible, we live up to our Safety value, and avoid social and environmental, impacts, costs and displacement.

Stakeholder Engagement

How we engage stakeholders who are affected by, or who can affect, our activities and operations. Also, how we collaborate with stakeholders to build long-term relationships, create shared value, reduce our environmental impact, improve safety and innovate for the future. If we engage stakeholders in ways that create value for them and for us, we improve our projects and our ability to execute on our strategic priorities.

Environment & Land Management

How we conserve biodiversity, and manage our land and water use. Also, how we manage our waste and emissions of ozone-depleting substances. By carefully managing our impact on the environment, we save costs and prevent environmental and social incidents, helping us to maintain our social license to operate.

Economic Impact & Benefits

How we economically impact various stakeholders through investment returns, taxes, capital and operational spending, salaries and community investments. If our stakeholders are able to share the results of Enbridge's financial strength, we are better able to maintain our social license to operate, and to execute on our strategic priorities.

Community Investment

How our community investments impact communities. If our community stakeholders are able to benefit from Enbridge's financial strength and from collaborating with employees, we are better able to maintain our social license to operate, and improve our ability to execute on our strategic priorities.

Business Conduct & Ethics

How we prevent activities related to anti-corruption and bribery and live up to the commitments in our Statement on Business Conduct. By living up to our commitments, we live up to our values of Integrity, Safety and Respect. We also maintain credibility and trust in the eyes of our stakeholders.

Talent Attraction, Retention, Development & Engagement

How we attract, retain, develop and engage skilled employees, and motivate them to remain engaged throughout their careers. Also, how we maintain a healthy workplace and ensure compliance with health and wellness policies and commitments. Maintaining an engaged workforce is key to achieving our business objectives and fulfilling our social and environmental commitments.

Permitting & Licensing Compliance

How we respect and comply with permitting and licensing laws and manage the regulatory impacts on our business. By complying with the law, we live up to the commitments in our Statement on Business Conduct, reduce legal costs and improve our ability to execute on our strategic priorities.

Sustainable Supply Chain and Procurement

How we incorporate sustainability into our supply chain through our procurement processes. By incorporating sustainability into our supply chain, we take on the responsibility of positively impacting social and environmental issues, thereby improving our ability to execute on our strategic priorities.

Renewable & Alternative Energy

How we invest in energy sources that are not derived from hydrocarbons, and in the technologies that support them. By investing in these energy sources and technologies, we are preparing Enbridge for the opportunities that will come with a low-carbon future.

Customer Relations

How we do business with our customers. If we satisfy our customers' needs, and continually change our business to keep up with changing circumstances, we will stay in business.

Strategic Priorities

Throughout 2014 and into 2015, we have worked on setting clearer and more measurable CSR-related strategic priorities for Enbridge. This work has involved using the CSR materiality assessment we conducted in 2014 as a benchmark. *For information on the assessment, see the CSR and CSR Reporting at Enbridge section of this REPORT.*

This work has also involved collaborating with external stakeholders and with experts within our own business segments, senior management and Board to align the strategic priorities in our business plan with our CSR-related strategic priorities.

Results from this process are currently being reviewed. In the meantime, we have listed below the areas that have figured prominently in our discussions:

1. Safety and Operational Reliability, including:

- Safety management
- Risk management
- Change management
- Innovation
- Industry comparison

2. Environment and Climate Change, including:

- Water protection
- Water consumption and disclosure
- Carbon and energy efficiency targets
- Carbon disclosure
- Demand side management
- Renewable energy
- Land and biodiversity
- Waste and resource efficiency
- Collaborative solutions

3. Stakeholder Engagement, including:

- Management systems
- Public awareness and safe community initiatives

4. Aboriginal and Native American Rights and Engagement, including:

- Policy and implementation
- Economic participation

5. Supply Chain Sustainability, including:

- Evaluation and indicators
- Forecasting
- Capacity development

6. CSR Governance, including:

- Third-party verification on key performance indicators
- Corporate policy updates

About Enbridge

Our Company

Overview

Our primary purpose is to deliver the energy North Americans need in the safest, most reliable and most efficient way possible. To achieve this objective we transport, distribute and generate energy.

As a *transporter* of energy, we operate, in Canada and the United States, the world's longest crude oil and liquids transportation system. We also have a significant and growing involvement in natural gas gathering, transmission and midstream businesses, and an increasing involvement in power transmission.

As a *distributor* of energy, we own and operate Canada's largest natural gas distribution company, and provide distribution services in Ontario, Quebec, New Brunswick and New York State.

As a *generator* of energy, we have interests in more than 2,200 MW (1,600 MW net) of renewable and alternative energy generating capacity, and are expanding our interests in wind, solar and geothermal facilities. We have approximately 11,000 employees and contractors, primarily in Canada and the United States.

Among our peers, we strive to be the leader, which means not only leadership in terms of value creation for shareholders, but leadership with respect to safety, operational reliability, environmental stewardship, customer service, employee satisfaction and community investment. Shareholder value is evident in our investment value proposition, which combines visible growth, a reliable business model and a growing income stream.

Operations and Assets

Our activities are carried out through the following business segments: Liquids Pipelines; Gas Pipelines & Processing; Gas Distribution; Sponsored Investments; and Corporate.

For the purposes of Enbridge's 2014 CSR Report, we are classifying Major Projects (MP) as a business unit. MP is a centralized corporate function that provides services to all of our business segments. It focuses on delivering Enbridge's capital growth program safely, on time and on budget, and operates based on a project-centric model that is supported by enhanced project management processes and systems.

Liquids Pipelines

Our Liquids Pipelines business segment (LP) consists of our ownership and operation of crude oil and other liquid hydrocarbons pipelines and terminals in Canada and the U.S. Some of the assets in this business segment include:

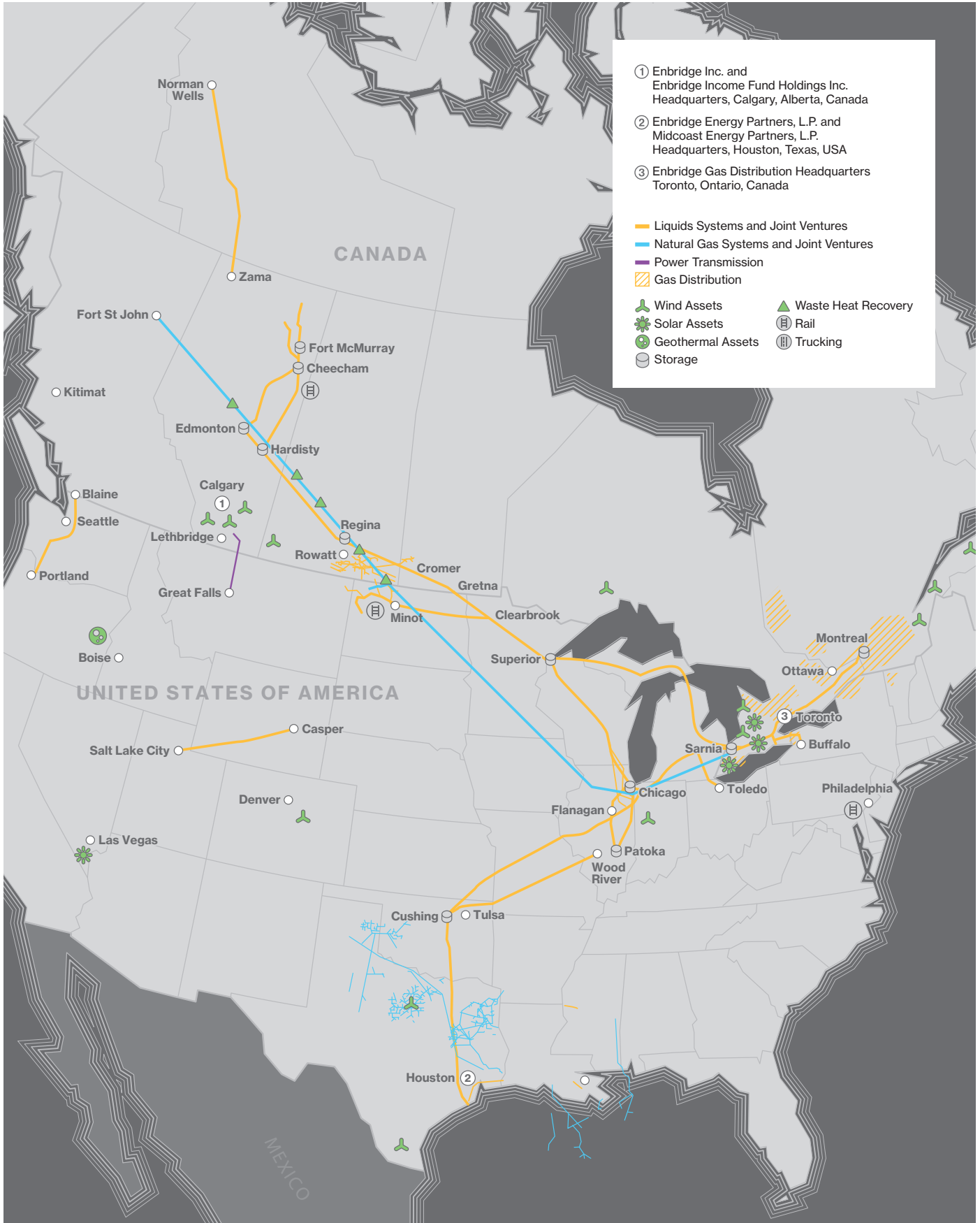
- the Canadian Mainline, a common carrier system through which we transport various grades of oil and other liquid hydrocarbons from western Canada to the U.S. Midwest and eastern Canada,
- the Regional Oil Sands, which include a series of contract pipelines that transport crude oil and other liquid hydrocarbons from production sites in the Western Canadian Sedimentary Basin (WCSB) to connection points in central Alberta, and then to our Canadian Mainline and other long-haul systems,

- the Southern Lights Pipeline, which transports hydrocarbon diluent from markets in the U.S. Midwest to producers in the WCSB,
- the Flanagan South Pipeline, which transports crude oil from our terminal at Flanagan, Illinois, to Cushing, Oklahoma,
- the Spearhead Pipeline, a contract pipeline which transports various grades of crude oil from the US Midwest to hub terminals in Cushing, Oklahoma, and
- an interest in the Seaway Pipeline, which under committed and uncommitted tolling agreements, transports various grades of crude oil from Cushing, Oklahoma to the US Gulf Coast.

Gas Pipelines & Processing

Our Gas Pipelines & Processing business segment (GPP) consists of our investments in natural gas pipelines, gathering and processing facilities, and our energy services businesses, along with renewable energy and transmission facilities. Some of the assets in this business segment include:

- our investments in natural gas processing, which include our 50 per cent interest in Aux Sable Canada and our 42.7 per cent interest in Aux Sable U.S. (collectively, Aux Sable). Aux Sable Canada comprises a natural gas fractionation and extraction business located near the terminus of the Alliance Pipeline (a natural gas pipeline system that transports natural gas from supply areas in north western Alberta, north eastern B.C. and North Dakota to delivery points near Chicago, Illinois), and Canadian Midstream assets located in northwest Alberta. Aux Sable U.S. owns and operates a natural gas liquids (NGL) extraction and fractionation plant outside of Chicago, Illinois, near the terminus of the Alliance Pipeline.
- our investments in natural gas pipelines, which include our interests in the Vector Pipeline, and in transmission and gathering pipelines in the Gulf of Mexico.
- our energy services businesses, which undertake physical commodity marketing activity and logistical services, oversee refinery supply services, and manage our volume commitments on the Alliance Pipeline, Vector Pipeline and other pipelines.
- Canadian Midstream, which consists of our 71 per cent investment in the Cabin Gas Plant (which we operate), located 60 kilometres (37 miles) northeast of Fort Nelson, B.C., in the Horn River Basin, as well as our 100 per cent interest in Pipestone and varying interests (55 per cent to 100 per cent) in Sexsmith and its related sour gas gathering, compression and NGL handling facilities, located in the Peace River Arch region of northwest Alberta.
- Energy Services, which provides energy supply and marketing services to North American refiners, producers and other customers. Tidal Energy Marketing Inc., which provides crude oil and NGL marketing services, transacts at many North American market hubs and provides its customers with various services, including transportation, storage, supply management, hedging programs and product exchanges. Tidal Energy Marketing Inc. is primarily a physical barrel marketing company focused on capturing value from quality, time and location differentials when



opportunities arise. To execute these strategies, Energy Services may lease storage or rail cars, as well as hold nomination or contractual rights on both third-party and Enbridge-owned pipelines and storage facilities. Tidal Energy Marketing Inc. also provides natural gas marketing services, including marketing natural gas to optimize commitments on certain natural gas pipelines. Additionally, Tidal Energy Marketing Inc. provides natural gas supply, transportation, balancing and storage for third parties, leveraging its natural gas marketing expertise and access to transportation capacity.

- our offshore activities, which include handling approximately 35 per cent of the total offshore gas production and 45 per cent of the total deep water gas production. We have interests in 11 transmission and gathering pipelines and one oil pipeline. These pipelines, which transport approximately 6.5 billion cubic feet of gas per day, include 2,100 kilometres (1,300 miles) of underwater pipe and offshore facilities.

Sponsored Investments

Our Sponsored Investments business segment includes our 33.7 per cent interest in Enbridge Energy Partners (EEP), and our interests in both the Eastern Access and Lakehead System Mainline expansion projects. Our Sponsored Investments also include our 66.4 per cent overall economic interest in the Enbridge Income Fund (EIF), which is held both directly and indirectly through Enbridge Income Fund Holdings (EIFH).

EEP transports crude oil and other liquid hydrocarbons through common carrier and feeder pipelines, including the Lakehead Pipeline System, which is the U.S. portion of our Mainline system, and which transports, gathers, processes and markets natural gas and NGL.

The primary operations within EIF include renewable power generation, natural gas transmission (through EIF's 50 per cent interest in Alliance), and crude oil and liquids pipelines transportation, which includes feeder pipelines and storage facilities in western Canada and an interest in the Southern Lights Pipeline.

EIF is also involved in energy generation, transportation and storage, and conducts its business through three operating segments:

- Green Power, which consists of 100 per cent interests in the Sarnia Solar facility, the Amherstburg Solar facility, the Tilbury Solar facility, the Greenwich Windfarm, the Talbot Windfarm and the Ontario Windfarm; a 50 per cent interest in each of NRGreen Power Limited Partnership and the Sunbridge Windfarm; and a 33 per cent interest in each of the Magrath Windfarm and Chin Chute Windfarm,
- Liquids Transportation and Storage, which consists of the South Prairie Region and Crude Storage. The South Prairie Region owns and operates crude oil and liquids pipelines systems and storage assets in western Canada. The South Prairie Region connects producing fields in south eastern Saskatchewan, south western Manitoba and North Dakota with our Mainline System for transportation to the U.S. and eastern Canada, and includes the Bakken Expansion. Crude Storage comprises the Hardisty Contract Terminal and the Hardisty Storage Caverns, both

situated in Hardisty, Alberta, which have a combined crude oil storage capacity of approximately 11 million barrels; and tankage facilities in Saskatchewan which have a total capacity of approximately 450,000 barrels.

- Natural Gas Transmission, which includes EIF's 50 per cent interest in the Alliance Pipeline.

Gas Distribution (GD)

Our Gas Distribution business segment (GD) consists of natural gas utility operations, the core of which is Enbridge Gas Distribution Inc. (EGD), which serves more than two million residential, commercial and industrial customers, primarily in central and eastern Ontario. This business segment also includes natural gas distribution activities in Quebec (Gazifère), New Brunswick (Enbridge Gas New Brunswick) and northern New York State (St. Lawrence Gas Company).

Corporate

Our Corporate business segment consists of a number of functions that support the company as a whole, including Finance, Human Resources, Information Technology, Legal, Public and Government Affairs and other back-office functions. The majority of the costs for these functions are fully allocated our operating business segments, although some of these costs, particularly financing costs, are retained within the Corporate segment.

Corporate also includes a 38.9 per cent investment in Noverco Inc., a holding company that owns approximately 71 per cent of Gaz Metro Limited Partnership, a natural gas distribution company in Quebec that has interests in subsidiary companies operating gas transmission, gas distribution and power distribution businesses in Quebec and Vermont. Noverco also holds, directly and indirectly, an investment in Enbridge Common Shares.

Corporate also includes new business development activities, general corporate investments and financing costs that are not allocated to the business segments. Other corporate costs include dividends on Enbridge preference shares, as such dividends are a deduction in determining earnings attributable to common shareholders.

Enbridge's Stakeholders

We are accountable to a range of stakeholders, including:

- associations and civil society groups,
- customers,
- debt holders,
- employees, contractors, unions, Board of Directors,
- environmental and other non-governmental organizations,
- governments and government regulatory bodies in Canada and the U.S.,
- landowners,
- media, and
- right-of-way communities.

Because we have a legal duty to consult with them, we do not consider Aboriginal and Native American groups to be stakeholders in the way the other groups are. *For more information on our engagement with Aboriginal and Native American communities see the Aboriginal and Native American Rights & Engagement section of this report.*

For more information, also see the Stakeholder Engagement section of this report.

Memberships

We maintain 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,
- American Society of Mechanical Engineers,
- Association of Certified Fraud Examiners (ACFE),
- 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 Solar Industries Association,
- Canadian Standards Association,
- Canadian Wind Energy Association,
- Circle for Aboriginal Relations,
- Common Ground Alliance,
- Compliance & Ethics Leadership Council of the Corporate Executive Board,
- Conference Board of Canada,
- Corporate Ethics Management Council (Conference Board of Canada),
- Duluth Area Chamber of Commerce,
- Edison Welding Institute,
- Energy Council/Center for Environmental Energy Research,
- Energy Council of Canada,
- Fédération des chambres de commerce du Québec,
- Gas Processors Association,
- Globe Foundation EXCEL Partnership,
- International Institute for Sustainable Development,
- International Pipeline Conference Foundation,
- Interstate Natural Gas Association of America,
- London Benchmarking Group Canada,
- National Association of Corrosion Engineers,
- National Petroleum Council,
- North Dakota Petroleum Council,
- Northeast Gas Association,
- NRCan National Non-Destructive Testing Certification Body,
- Ontario Energy Association,
- Open Compliance & Ethics Group,
- Petroleum Technology Alliance Canada,
- Pipeline Operators Safety Partnership,
- Pipeline Research Council International,
- Program of Energy Research and Development,
- Smart Commute Initiative (Toronto),
- Southern Gas Association,
- Society of Corporate Compliance & Ethics,
- Superior-Douglas Chamber of Commerce,
- Texas Association of Business,
- Texas Oil & Gas Association,
- Texas Pipeline Association,
- Texas Taxpayers and Research Association,
- Three Rivers Manufacturers Association,
- U.S. Oil & Gas Association,
- University of Alberta Advisory Committee, Canadian Centre for Corporate Social Responsibility,
- Will County Center for Economic Development ,
- Wisconsin Manufacturers & Commerce, and
- Wisconsin Taxpayers Alliance.

Governance

Overview

Enbridge Inc. Board of Directors

Our current Board members are:

David A. Arledge	James J. Blanchard
J. Lorne Braithwaite*	Marcel R. Coutu
J. Herb England	Charles W. Fischer
V. Maureen Kempston Darkes	Al Monaco
George K. Petty	Rebecca B. Roberts
Charles E. Shultz*	Dan C. Tutcher
Catherine L. Williams	

At the Special and Annual Meeting of the Shareholders being held May 6, 2015, 11 directors will be elected. Nine directors who were elected at last year's annual meeting of shareholders are standing for re-election to the Board. Marcel R. Coutu, who was appointed to the Board on July 28, 2014, and Rebecca B. Roberts, who was appointed to the Board on February 19, 2015 (effective March 15, 2015), are standing for election to the Board.

*Charles E. Shultz and J. Lorne Braithwaite are not standing for re-election, having reached the ages of 75 and 73, respectively, and will retire at the end of the meeting. Given their upcoming retirement, we have only included certain information about these individuals in the this Governance section of this report.

All of the directors are independent, except for Al Monaco, our President & Chief Executive Officer. There is no family relationship between any of the nominated directors. Shareholders elect directors to the Board for term of one year, until the end of the next annual meeting.

Role of the Board

Enbridge's Board of Directors is ultimately responsible for governance at Enbridge and for stewardship of the company. It oversees the management of our business and affairs. In particular, the Board is responsible for:

- reviewing and approving the strategic plan, providing guidance and monitoring our progress,
- monitoring our risk management programs and helping us identify principal risks,
- making sure we have the appropriate internal control and management systems in place to manage money, compliance and risk, and that these systems are functioning appropriately,
- approving major projects, plans and initiatives that could materially affect the company, and
- reviewing and approving compensation for the President & Chief Executive Officer.

The Board delegates Enbridge's day-to-day management to our President & Chief Executive Officer and senior management, although major capital expenditures, debt and equity financing arrangements and significant acquisitions and divestitures require Board approval.

Duties

The Board is responsible for overseeing key areas such as governance, financial and strategic planning, risk oversight and management, succession planning and corporate disclosure.

These duties are described in the terms of reference for the Board and the Board committees. These terms of reference are drafted by management under the guidance of the Governance Committee and approved by the Board, which reviews them once a year and updates them as needed. Copies of the terms of reference for the Board and each Board committee are available on our website at enbridge.com.

The Board develops position descriptions for the Chair of the Board and for each committee chair. These descriptions are part of their terms of reference and are reviewed annually. The Governance Committee also defines the division of duties between the Board and the President & Chief Executive Officer.

Regulations, Rules and Standards

Enbridge is listed on the Toronto Stock Exchange and the New York Stock Exchange. It is subject to the governance policies of the exchanges and of various securities regulators.

Canada

- National Instrument 58-101—Disclosure of Corporate Governance Practices,
- National Policy 52-201—Corporate Governance Guidelines,
- National Instrument 52-110—Audit Committees, and
- Canada Business Corporations Act.

U.S.

As a "foreign private issuer" under U.S. securities laws, we are generally permitted to comply with Canadian corporate governance requirements, rather than those that apply to U.S. listed corporations.

The New York Stock Exchange rules, however, require us to disclose how we comply with U.S. corporate governance standards and where our practices are different. You can find this document on our website at enbridge.com/InvestorRelations/CorporateGovernance/USCompliance. We must also comply with the Audit Committee Requirements under Rule 10A-3 of the U.S. Securities Exchange Act of 1934.

Strategic Planning

The Board is responsible for reviewing our strategic planning process, and for reviewing and approving our strategic plan. It oversees the implementation of the plan, monitors our progress and approves any transactions it believes will have a significant impact on the plan or our strategic direction. The Board devotes two meetings a year to the strategic plan, including one meeting held over two days.

Risk Oversight and Management

Risk oversight and management are important roles for the Board and Board committees. Each year, management prepares a corporate risk assessment report for the Board. The Board is responsible for overseeing the following with respect to the company's risks:

- identification of principal risks when necessary, and at least annually,
- establishment of a risk tolerance level for identified risks,
- ensure the implementation by management of appropriate and effective systems to manage risks,
- review management's implementation of risk policies and procedures, and
- seek assurance that our internal control systems and management information systems are in place and operating effectively.

Board Committees

Our Board has five standing Board committees to help it carry out its duties and responsibilities:

- Corporate Social Responsibility,
- Audit, Finance & Risk,
- Governance,
- Safety & Reliability, and
- Human Resources & Compensation.

The Board has delegated certain responsibilities to each Board committee, including oversight of risk management systems that are within a particular committee's scope of responsibilities. Each Board committee is made up entirely of independent directors. Al Monaco, Enbridge's President & Chief Executive Officer, is neither a member of any Board committee, nor the Chair of the Board. The Governance Committee annually reviews Board committee memberships and recommends committee membership changes and assignments to the Board.

Board committee meetings generally take place before each regularly scheduled Board meeting. Each Board committee also meets privately, independent of management, following the regular Board committee meeting. In addition, each Board committee meets with external consultants and/or Enbridge staff, without management present, whenever they see fit.

Each Board committee reports regularly to the Board and makes recommendations on certain matters as appropriate. The Governance Committee is responsible for recommending the role of each Board committee to the Board.

Corporate Social Responsibility Committee

Chair: James J. Blanchard

Members: V. Maureen Kempston Darkes, George K. Petty and Dan C. Tutcher

Key Responsibilities: The Corporate Social Responsibility Committee is generally responsible for assessing our guidelines, policies, procedures and performance related to our corporate social responsibility (CSR) and for reviewing our reporting in this area. The committee is responsible for reviewing, approving or recommending to the Board the risk guidelines, policies, procedures and practices relating to CSR matters which include: human rights; public awareness and consultation; issues management; environmental stewardship; external communications; government, stakeholder and Aboriginal & Native American relations; and community investment.

Enbridge's Chief Sustainability Officer (CSO) has a reporting relationship with this committee. Part of the CSO's role is to enhance the Board's knowledge of CSR and sustainability issues, and to ensure that Board members understand and have access to stakeholder perspectives.

Audit, Finance & Risk Committee

Chair: J. Herb England

Members: Marcel R. Coutu, Charles W. Fischer, George K. Petty, Charles E. Shultz and Catherine L. Williams

Key Responsibilities: The Audit, Finance & Risk Committee assists the Board in overseeing the integrity of our financial statements and financial reporting process; the integrity of our management information systems; disclosure controls, financial controls and internal audit function; our external auditors and ensuring the auditors' independence; and our compliance with financial and accounting regulatory requirements and compliance with our risk management program. The committee is also responsible for ensuring the committee, our external auditors, our internal auditors and management of Enbridge maintain open communications.

Governance Committee

Chair: Dan Tutcher

Members: James J. Blanchard, J. Lorne Braithwaite and Rebecca J. Roberts

Key Responsibilities: The Governance Committee focuses on ensuring we have a comprehensive system of stewardship and accountability for directors, management and employees that is in the best interests of Enbridge. This committee is responsible for developing our approach to governance, including the division of duties between the Chair of the Board, directors, the President & Chief Executive Officer and management. It is responsible for recommending matters about overall governance to the Board; reviewing the terms of reference for the Board and the Board committees; setting corporate governance guidelines for the Board; and reviewing management's compliance reports on corporate governance policies. This committee works closely with the Corporate Secretary and other members of management to monitor governance trends and implement board governance best practices.

Safety & Reliability Committee

Chair: Charles W. Fischer

Members: Marcel R. Coutu, V. Maureen Kempston Darkes, Rebecca J. Roberts, Charles E. Schultz and Catherine L. Williams

Key Responsibilities: The Safety & Reliability Committee is responsible for reviewing, approving or recommending to the Board the risk guidelines, policies, procedures and practices relating to safety and reliability matters which include: environment; health & safety; pipeline and facility integrity management; security (physical, data and cyber); emergency response preparedness; and other operational risks.

This committee is responsible for the oversight of operational matters to ensure that the company meets the safety and reliability objectives established by the Board. This committee's responsibilities include: oversight of enterprise-wide safety culture and receipt of reports from management regarding safety culture development, related risk assessment and risk management guidelines applicable to safety and reliability matters and other operational risks; review the policies followed by management in the conduct of operations directed at preventing injury and adverse environment impacts; ensure policies relating to safety and reliability compliance and incidents, including reporting requirements, are established by management; receive status and assessment reports from management regarding compliance and provide recommendations; review and provide oversight of management's response to significant safety incidents; review and make recommendations regarding management's methods of communicating policies relating to safety and reliability; consider the results of operational compliance audits including operational risk management; consider potential impacts of proposed legislation and other emerging issues relating to safety and reliability; at least annually, receive from management a report on the insurable risks related to the areas within its mandate; and determine, if necessary, further directors' and officers' duties and responsibilities relating to safety and reliability.

Human Resources & Compensation Committee

Chair: Catherine L. Williams

Members: J. Lorne Braithwaite, J. Herb England, Charles W. Fischer, V. Maureen Kempston Darkes and Charles E. Shultz

Key Responsibilities: The Human Resources & Compensation Committee assists the Board by providing oversight and direction on human resources strategy, policies and programs for executive, senior management and our broader employee base. This includes compensation, pension and benefits as well as talent management, succession planning, workforce recruitment and retention. This committee oversees the identification of people-related risk and the associated response planning as part of the corporate risk assessment process. In addition, this committee is responsible for overseeing the company's compensation programs from a risk perspective to ensure they do not encourage individuals to take inappropriate or excessive risks that are reasonably likely to have a material adverse impact on the company.

Board Committees' Role in Risk Management

To better identify, manage and mitigate risk, the corporate risk assessment report is reviewed annually by the four Board committees with enterprise-wide risk management responsibility: the Audit, Finance & Risk Committee, the Corporate Social Responsibility Committee, the Governance Committee and the Safety & Reliability Committee. As a result of such review, each committee makes recommendations to the Board in respect of company practices. In addition, the Board committees can authorize the implementation of systems that address risks within the scope of their responsibility and monitor them to ensure they remain effective.

Independence

First and foremost, we believe in the importance of an independent board. The Governance Committee is responsible for making sure the Board functions independently of management.

The majority of our directors must be independent, as defined by Canadian securities regulators in NI 52110, NYSE rules and the rules and regulations of the U.S. Securities and Exchange Commission.

We define a director as independent if he or she does not have a direct or indirect material relationship with Enbridge. The Board believes that a relationship is material if it could reasonably interfere with a director's ability to make independent decisions, regardless of any other association he or she may have. The Board uses a detailed annual questionnaire to assist in determining if a director is independent.

All of our directors, other than Mr. Monaco, are independent. Mr. Monaco is not independent because he is our President & Chief Executive Officer and a member of management.

The Governance Committee has developed guidelines to ensure each director is aware of the expectations placed on him or her as a director. Key expectations include meeting attendance, financial literacy and ethical conduct.

Separate Chair and President & Chief Executive Officer positions

We have an independent, non-executive Chair of the Board who is responsible for leading the Board.

Mix of Skills and Experience

We maintain a skills and experience matrix for our directors in areas we think are important for a company like ours. We use this skills matrix to annually assess our board composition and in the recruitment of new directors.

Skill	Kempston										
	Arledge	Blanchard	Coutu	England	Fischer	Darkes	Monaco	Petty	Roberts	Tutcher	Williams
Managing and leading growth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
International	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Chief Executive Officer/ Senior Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance/ Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operations	✓		✓		✓		✓		✓	✓	✓
Sustainable Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Marketing			✓		✓		✓			✓	
Human Resources/ Compensation			✓	✓	✓	✓	✓	✓	✓		✓
Investment Banking/ Mergers & Acquisitions	✓		✓	✓	✓			✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology					✓			✓			✓
Health, Safety, Environmental and Social Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Government Relations	✓	✓	✓	✓	✓	✓		✓		✓	
Emerging Sectors	✓		✓	✓	✓	✓	✓	✓		✓	
Risk & Compliance Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Director Tenure

The table below shows our directors' tenure, the average being 7.3 years:

Name	Age			Tenure on Enbridge Board (years of service)			
	under 60	60 – 69	70 – 75	05	5 – 10	10 – 15	15+
David A. Arledge			✓			✓	
James J. Blanchard			✓				✓
Marcel R. Coutu		✓		✓			
J. Herb England		✓			✓		
Charles W. Fischer		✓		✓			
V. Maureen Kempston Darkes		✓		✓			
Al Monaco	✓			✓			
George K. Petty			✓			✓	
Rebecca B. Roberts		✓		✓			
Dan C. Tutcher		✓			✓		
Catherine L. Williams		✓			✓		

Interlocking Relationships

Directors	Served together on these boards	Served on these committees
J. Herb England	Enbridge Gas Distribution Inc. ¹	Chair of audit, finance & risk committee
Al Monaco		–
Al Monaco	Enbridge Pipelines Inc. ¹	–
Catherine L. Williams		–
J. Herb England	Enbridge Energy Management, L.L.C. ²	Chair of audit committee
Rebecca B. Roberts		Audit committee
Marcel R. Coutu	Brookfield Asset Management Inc.	Management, resources & compensation committee
V. Maureen Kempston Darkes		

¹ Enbridge Gas Distribution Inc. and Enbridge Pipelines Inc. are considered public companies because they issue public debt and are therefore reporting issuers in Canada.

They do not have any equity securities that are publicly held. They are both indirect wholly owned subsidiaries of Enbridge. The Board has determined that these board interlocks do not impair the ability of these directors to exercise independent judgment as members of our Board.

² It is expected that Ms. Roberts will resign from the board of directors of Enbridge Energy Management, L.L.C. subsequent to the effective date of her appointment as a director of Enbridge and prior to the date of the meeting.

Other Directorships

Our directors may serve on the boards of other public companies and together on the boards and committees of other public entities, as long as their outside positions and common memberships do not affect their ability to exercise independent judgment while serving on our Board.

Directors who serve on our Audit, Finance & Risk Committee cannot sit on the audit committees of more than two other public entities unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on our Audit, Finance & Risk Committee. Mr. England currently serves on the audit committee of four publicly traded companies, including Enbridge, and the Board has determined that such simultaneous service does not impair his ability to effectively serve on our Audit, Finance & Risk Committee.

External Consultants and other Third Parties

To make sure the Board functions independently of management, Board committees have the flexibility to meet with external consultants and Enbridge employees without management whenever they see fit. The terms of reference also allow individual directors, the Board and Board committees to hire independent advisors, as needed, at our cost.

Orientation and Continuing Education

The Board recognizes that proper orientation and continuing education are important for directors to fulfill their duties effectively. It has delegated these responsibilities to the Governance Committee, which has developed a comprehensive program for new directors and for directors who join a committee for the first time.

Identifying New Candidates

The Governance Committee serves as the nominating committee and is responsible for identifying new candidates for nomination to the Board. This committee also invites and welcomes suggestions from other directors on our Board and from management. This committee reviews a Board composition plan annually. The plan consists of a skills matrix that includes the name of each director, his or her occupation, residence, gender, age, years on the Board, retirement date, business experience, other board commitments, equity ownership, independence and other relevant information. This committee summarizes the plan to identify the ideal attributes, skills and experience of a new candidate. These include executive management, board and industry experience, areas of expertise, global representation, gender and age, among others. This committee ranks each of these skills and areas of experience as a high medium or low priority.

The committee, in collaboration with management and, in some cases, external consultants, then develops a list of potential candidates with the desired skills and experience, and reviews and updates the list at least once per year. When a position becomes available, the Board reviews the list of potential candidates, revises it to reflect the skills and experience most needed at the time, adds other recently identified candidates and prepares a short list. The committee also considers the candidate's background and diversity of experience in making its choices and may engage independent consultants to assist in the review and recruitment process.

This committee Chair, the Chair of the Board, the President & Chief Executive Officer and sometimes other directors meet with potential candidates to determine their interest, availability, experience and suitability. This committee then makes a recommendation to the Board for consideration and approval.

Diversity

We are committed to increasing the diversity of our Board over time by actively seeking qualified candidates who meet diversity criteria. We are one of over 40 founding members of the Canadian Board Diversity Council.

In February 2015, the Board formally adopted a diversity policy to highlight our approach to diversity and the importance we place on differences in skills, experience, gender, age, ethnicity and geographic background. The diversity policy sets out key criteria for the composition of the Board, including a target in which each gender comprises at least one-third of the independent directors. Of the 11 directors standing for re-election, female directors represent 27 per cent. The policy further sets out criteria for management to aspire to have at least one-third of senior management roles at Enbridge and its major subsidiaries occupied by women. Of the 69 senior management positions at Enbridge and its major subsidiaries, 11 of those senior management positions are currently held by women, for a total of 16 per cent.

Managing Conflicts of Interest

If a director or officer has a material interest in a transaction or agreement involving Enbridge, or otherwise identifies a potential personal conflict, he or she must:

- disclose the conflict or potential conflict,
- not participate in any discussions on the matter, and
- abstain from voting on the matter at any Board meeting where it is being discussed or considered.

This approach is consistent with the requirements of the Canada Business Corporations Act.

Board Evaluation

The Governance Committee is responsible for assessing the performance of the Board and its Chair, the Board committees and individual directors on an ongoing basis.

Assessing the Board and Chair of the Board

All of the directors complete a confidential questionnaire every year so they can evaluate the effectiveness of the Board and suggest ideas for improving performance. The questionnaire is designed to provide constructive input to improve overall Board performance and includes questions on:

- board composition,
- effectiveness of the Board, Board meetings and Chair of the Board,
- duties and responsibilities,
- board orientation and development, and
- evaluation process for senior management.

The evaluation process includes additional questions for directors to evaluate their peers. The directors are asked to consider criteria such as skills and experience, preparation, attendance and availability, communication and interaction with Board members and/or management and business, company and industry knowledge. Directors are encouraged to comment broadly, positively and negatively on any issue concerning the Board, Board committees and director performance.

Directors submit their completed questionnaires to the chair of the Governance Committee, who presents the feedback to the Chair of the Board. This committee chair presents the summary to the Board. The Board discusses the results and develops recommendations, as appropriate.

From time to time, the Chair of the Board meets informally with each director to discuss performance of the Board, Board committees and other issues.

Board Committee Assessments

Each director also completes a confidential questionnaire for each Board committee of which they are a member. The questionnaire is designed to facilitate candid conversation among the members of each Board committee about each committee's overall performance, function, areas of accomplishment and areas for improvement. This session takes place privately at the first Board committee meeting after the directors complete their questionnaires.

The questionnaire helps the Board ensure each Board committee is functioning effectively and efficiently and fulfilling its duties and responsibilities as described in its terms of reference. It includes questions about:

- composition of the Board committee,
- effectiveness of the Board committee and Board committee meetings,
- committee members, including the chair, and
- orientation and development processes for the Board committee.

Completed questionnaires are submitted to the chair of the Governance Committee, who summarizes them and provides a copy to each Board committee chair and the Chair of the Board.

Board and Committee Compensation

Philosophy and Approach

The Board is responsible for developing and implementing the directors' compensation plan and has delegated the day to day responsibility for director compensation to the Governance Committee.

Our directors' compensation plan is designed with four key objectives in mind:

- to attract and retain the most qualified individuals to serve as directors,
- to compensate our directors to reflect the risks, responsibilities and time commitment they assume when serving on our Board and Board committees,

- to offer directors compensation that is competitive with other public companies that are comparable to Enbridge and to deliver such compensation in a tax effective manner, and
- to align the interests of directors with those of our shareholders.

While our executive compensation program is designed around pay for performance, director compensation is based on annual retainers. This is to meet the compensation objectives and to help ensure that our directors are unbiased when making decisions and carrying out their duties while serving on our Board.

The Governance Committee uses a peer group of companies to set the annual retainers for our Board and targets director compensation at about the 50th percentile. It uses the same peer group to determine executive compensation. This committee reviews the directors' compensation plan every year, with assistance from management. Every second year a formal review by an external consultant is undertaken. The next formal review by an external consultant is scheduled for the summer of 2015. Each year, as part of this review, this committee considers the time commitment and experience required of members of our Board and the director compensation paid by a group of comparable public companies when it sets the compensation. This committee also reviews the compensation plan to make sure the overall program is still appropriate and reports its findings to the Board.

Share Ownership

About Deferred Shared Units

A deferred share unit (DSU) is a notional share that has the same value as one Enbridge common share. Its value fluctuates with variations in the market price of Enbridge shares. DSUs do not have voting rights but they accrue dividends as additional DSUs, at the same rate as dividends paid on our common shares.

We expect directors to own Enbridge shares so they have an ongoing stake in the company and are aligned with the interests of shareholders. The share ownership guideline is three times the annual Board retainer. The annual Board retainer is \$235,000. Directors must now hold at least three times their annual Board retainer, or \$705,000, in DSUs or Enbridge shares and meet that requirement within five years of becoming a director on our Board.

DSUs are paid out when a director retires from the Board. They are redeemed for cash, based on the weighted average of the closing price of common shares on the Toronto Stock Exchange for the last five trading days before the redemption date, multiplied by the number of DSUs the director holds. Directors may not engage in equity monetization transactions or hedges involving securities of Enbridge.

If a decrease in the market value of our common shares results in a director no longer meeting the share ownership requirements, we expect him or her to buy additional common shares in order to satisfy the minimum threshold.

Compensation Components

Our Directors' compensation plan has four components:

- an annual retainer,
- an annual fee if he or she serves as the nonexecutive Chair of the Board or chair of a Board committee,
- a travel fee for attending Board and Board committee meetings, and
- reimbursement for reasonable travel and other out-of-pocket expenses relating to his or her duties as a director.

We do not have meeting attendance fees.

Our directors' compensation plan has been in effect since 2004 and was revised in 2010 and 2013. The table below shows the fee schedule for directors in 2014. Directors are paid quarterly. If their principal residence is in the U.S., they receive the same face amounts in U.S. dollars. Mr. Monaco does not receive any director compensation because he is our President & Chief Executive Officer and is compensated in that role.

Directors who also serve as a director or trustee of one of our subsidiaries or affiliates also receive an annual retainer and meeting and travel fees for attending those meetings.

Directors can receive their retainer in a combination of cash, Enbridge shares and DSUs, but they must receive a minimum amount in DSUs, as shown in the table below. Travel fees are always paid in cash.

Compensation component	Annual amount (\$)	Before minimum share ownership			After minimum share ownership		
		Cash	Enbridge shares	DSUs	Cash	Enbridge shares	DSUs
Board Retainer	235,000						
Additional retainers							
Chair of the Board retainer	260,000						
Board committee chair retainer		Up to 50%	Up to 50%	50% to 100%	Up to 75%	Up to 75%	25% to 100%
Audit, Finance & Risk	25,000						
Human Resources & Compensation	20,000						
Safety & Reliability	15,000						
Corporate Social Responsibility	10,000						
Governance	10,000						
Travel fee	1,500	100%	–	–	100%	–	–

Once they reach the minimum share ownership level, directors can choose to receive between one quarter and their entire retainer in DSUs, with the balance in cash, Enbridge shares or a combination of both, according to a percentage mix they choose. They must take at least 25% of the retainer in DSUs. Directors are allocated the Enbridge shares based on the weighted average of the closing price of the Enbridge shares on the Toronto Stock Exchange for the five trading days immediately preceding the date that is two weeks prior to the date of payment.

Executive Compensation

Philosophy and Approach

Enbridge's approach to executive compensation is set by the Human Resources & Compensation Committee and approved by the Board. These programs are designed to accomplish three objectives:

- attract and retain a highly effective executive team,
- align executives' actions with the business strategy and the interests of Enbridge shareholders and other stakeholders, and
- reward executives for short-, medium- and long-term performance.

We are able to accomplish the above objectives by:

- using a pay for performance philosophy whereby the majority of compensation provided to Enbridge executives is "at risk" and dependent on pre-defined performance variables that reflect operational and financial priorities defined in the Strategic Plan,
- having a compensation structure that reflects a blend of short-, medium- and long-term incentive awards, that is linked to Enbridge's business plans for the respective timeframes in order to directly tie results to rewards,
- incorporating risk management principles into all decision-making processes and ensure compensation programs do not encourage inappropriate or excessive risk taking by executives,
- regularly reviewing executive compensation programs through third-party consultants to ensure such programs continue to support shareholder interests and regulatory compliance, and are aligned with sound principles of risk management and governance,
- using both proactive/preventative and incident-based safety and operational metrics that are directly linked to the short-term incentive of every employee to reinforce the absolute criticality of safety, system reliability, and environmental performance,
- having meaningful stock ownership requirements that align the interests of Enbridge executive officers with those of Enbridge shareholders,
- benchmarking executive compensation programs against a group of similar companies in Canada and the U.S. to ensure that Enbridge executives are rewarded at a competitive level, and
- having an Incentive Compensation Clawback Policy.

Linkage with Company Strategy

Enbridge's vision is to be the leading energy delivery company in North America. Central to achieving that vision is a relentless focus on safety, operational reliability and protection of the environment to ensure that the needs of all stakeholders are met, and that Enbridge continues to be a good citizen within the communities where it operates.

The following are Enbridge's top four priorities:

- drive safety and operational reliability is the first focus within the strategic plan. Failing to meet this goal means the outcomes set out in the remainder of the strategic plan are at risk,
- execute on a growing slate of commercially secured projects through a focus on project management and preserving financial strength and flexibility,
- secure the longer-term future by strengthening core businesses and developing new platforms for growth and diversification, and
- maintain the foundation by upholding the values of Integrity, Safety and Respect; shaping, promoting and protecting Enbridge's reputation; and attracting, retaining and developing people.

Enbridge's executive compensation programs are aligned to the achievement of these strategic priorities and are designed to link payouts to those outcomes. They are designed to motivate management to deliver exceptional value to shareholders through strong corporate performance and investing capital in ways that minimize risk and maximize return, while always supporting the core business goal of delivering energy safely and reliably.

Management is committed to delivering steady, visible and predictable results, and to operate assets in an ethical and responsible manner.

At Risk Compensation

We use a pay for performance philosophy whereby the majority of compensation provided to Enbridge executives is "at risk" because their value is based on specific performance criteria and payout is not guaranteed.

Pay for Performance

Performance is the cornerstone of Enbridge's executive compensation programs. The Board reviews Enbridge's business plans over the short-, medium- and long-term and the Human Resources & Compensation Committee ensures the compensation programs are linked to these timeframes. This ensures that management is focused on delivering value to Enbridge shareholders not only in the short-term, but also continued performance in the long-term.

Relevant corporate and business unit performance measures are established for the short-term compensation plan that focus on the critical safety, system reliability, environmental and financial aspects of the business. The performance measures for the medium- and long-term plans focus on overall corporate performance aligned with shareholder expectations for earnings growth and total shareholder return.

When assessing performance, this committee considers both the objective pre-defined performance metrics as well as qualitative factors not captured in the formal metrics. For example, a decision to complete a certain acquisition may have longer-term strategic benefits to the company that may not be reflected in the short-term performance metrics. Also playing a role are a number of market-based and earnings based key performance indicators that compare Enbridge's results to a peer group and to the broader market over a one to 10 year time horizon. Therefore, the assessment of overall performance is based on a combination of the pre-defined performance metrics, the key performance indicators, as well as the qualitative aspects of management's responsibilities.

Awards under the medium- and long-term incentive plans provide the opportunity to realize a greater or lesser payout (relative to the grant value) depending on how Enbridge performs in the future. In addition to time-vesting provisions, the performance stock units have adjusted earnings per share (EPS) and price-to-earnings (P/E) performance conditions and the performance stock options have three share price hurdles that must be met within a specified time period for the options to vest. Incentive stock options round out the long-term incentive plans and are an additional way to increase executives' equity stake in the company and align executives' interests with those of shareholders.

Operational Performance

Operational performance is central to assessing the overall performance of an organization. At Enbridge, delivering on a commitment to drive safety and operational reliability means:

- striving for and maintaining industry leadership in safety (public, personal and process),
- ensuring the reliability and integrity of Enbridge pipelines and facilities, and
- protecting the environment.

To reinforce this, the short-term incentive awards for all employees at Enbridge are directly linked to operational performance, whether they are in a corporate or business unit role.

Benchmarking to Peers and Peer Group Determination

As the responsibilities of Enbridge's executive officers are North American in scope, equally-weighted Canadian and U.S. peer groups are determined and used for executive compensation benchmarking.

The peer group for 2014 remains unchanged from 2013. Enbridge's peer group is reviewed annually, and was last revised in 2012. Enbridge's peer group was developed based on an initial selection of companies of similar size (between 50% and 200% of enterprise value), with additions or deletions to best reflect the organizations with which Enbridge competes for customers, capital (including risk profile) and executive talent.

The Canadian peer companies identified include a broader range of industries than the U.S. peers, including large pipeline, energy, utility and railway companies that are similar to Enbridge in size, based on enterprise value and revenues, and in risk profile. Together, they reflect the Canadian business environment in which Enbridge operates.

Since the U.S. energy sector is much larger and has more depth than Canada's, the U.S. peer companies identified are from a narrower range of industries, more similar to Enbridge, and include mainly oil and gas pipelines and utilities.

Setting Compensation Targets

For certain named executives, total direct compensation targets are benchmarked against comparator companies in North America.

Enbridge generally targets overall total direct compensation at the median (including the CEO position), considering the skill, competency and experience of each senior executive. Executives who demonstrate superior performance and consistently achieve significant results have their total direct compensation aligned at a higher percentile. Some senior executive roles that have smaller scale or scope are benchmarked below median.

Compensation Risk Management

The Human Resource and Compensation Committee oversees Enbridge's compensation programs from the perspective of whether such programs encourage individuals to take inappropriate or excessive risks that are reasonably likely to have a material adverse impact on Enbridge.

In 2014, we implemented a new comprehensive risk assessment process to assist this committee in evaluating compensation risk. The assessment covers program design, governance (oversight and decision-making), policy alignment and best practice incorporation. Mercer (Canada) Limited (Mercer) provided input into the design of the assessment tool, reviewed management's conclusions and provided their opinion to this committee in support of the conclusions reached by management.

Compensation Governance

Enbridge's compensation governance structure consists of the Board and the Human Resources & Compensation committee, with Mercer providing independent advisory support. The governance structure is reviewed annually against best practices and regulatory guidance.

Board and Human Resources & Compensation Committee

The Board is responsible for the oversight of the compensation principles and programs at Enbridge. The Human Resources & Compensation Committee approves major compensation programs and payouts, including reviewing and recommending the compensation for the President & Chief Executive Officer to the Board. This committee also approves the compensation for other executives.

This committee assists the Board in carrying out its responsibilities with respect to compensation matters by providing oversight and direction on human resources strategy, policies and programs for the named executives, senior management and the broader employee base, including compensation, equity incentive plans, pension and benefits as well as talent management, succession planning, workforce recruitment and retention. This committee also provides oversight regarding the management of broader people-related risk and specifically reviews the compensation programs from a risk perspective.

Independent Advice

The Board has voluntarily chosen to comply with the revised listing standards of the New York Stock Exchange that were approved by the U.S. Securities and Exchange Commission in January, 2013 regarding compensation committees, including as to compensation advisors and compensation committee independence. As such, the Human Resource & Compensation Committee is directly responsible for the appointment, compensation and oversight of the work of any compensation consultants, outside legal counsel or other advisors it retains. This committee may select or receive advice from an advisor only after taking into consideration all factors relevant to the advisor's independence from management including:

- the provision of other services to Enbridge by the advisor,
- the amount of fees received from Enbridge by the advisor as a percentage of the advisor's total revenue,
- the policies and procedures of the advisor that are designed to prevent conflicts of interest,
- any common shares owned by the advisor, and
- any business or personal relationship of the advisor with a member of the committee or with an executive officer at Enbridge.

Although this committee is required to consider these factors, it is free to select or receive advice from an advisor that is not independent.

Since 2002, Mercer, an independent advisor, has provided guidance to this committee on compensation matters to ensure Enbridge's programs are appropriate, market competitive and continue to meet its intended goals. Advisory services include reviewing:

- the competitiveness and appropriateness of executive compensation programs,
- annual total direct compensation for the President & Chief Executive Officer and executive management,
- governance of executive compensation, and
- the committee's mandate and related Board committee processes.

While this committee considers the information and recommendations Mercer provides, it has full responsibility for its own decisions, which may reflect other factors and considerations.

The committee chair reviews and approves the terms of engagement with Mercer every year. The terms specify the work to be done in the year, Mercer's responsibilities and its fees. Management can also retain Mercer on compensation matters from time to time or for prescribed compensation services. The chair of the committee must, however, approve all services that are not standard in nature, taking into account whether or not the work would compromise Mercer's independence.

Say on Pay Votes

We have held advisory votes on executive compensation (“say on pay”) at the past four annual meetings. At last year’s meeting of shareholders, shareholders voted 96.02 per cent in favour of our approach to executive compensation. The Board has decided to again hold an advisory vote on executive compensation at this year’s meeting.

While this vote is nonbinding, it gives shareholders an opportunity to provide important input to our Board.

The Board will take the results of this vote into account when it considers future compensation policies and issues. We will also examine the level of shareholder interest and the comments received, and will consider the best approach and timing for soliciting feedback from shareholders on our approach to executive compensation in the future.

R&D and Innovation: Pipeline Technologies and Emerging Technologies

Overview

Every year, we invest significantly in pipeline technologies that improve our system integrity, leak detection and damage prevention capabilities. We also invest in emerging technologies, such as clean power and energy storage, that have the potential to support future business growth.

Management Approach

While R&D and innovation takes place throughout our entire company, in this report, we provide an overview of our work in the areas of system integrity, leak detection and damage prevention, which takes place primarily in our Liquids Pipelines (LP), Gas Distribution (GD) and Gas Pipelines & Processing (GPP) business segments.

We also provide an overview of our investments in emerging technologies, which take place primarily in our Emerging Technology department. Our emerging technology investments include our interests in renewable and alternative energy, and large-scale electricity storage, among others. These investments are strategic to our future business growth

All of the R&D-related departments within Enbridge look for opportunities to share research funding and results through joint investigative projects with other business segments, other companies and through industry associations.

System Integrity, Leak Detection and Damage Prevention R&D and Innovation

Liquids Pipelines

LP is involved in researching, testing and assessing the best new system integrity, leak detection and damage prevention technologies through the following three groups:

- **Research, Development and Innovation**—A centralized R&D group with a broad mandate to research, develop and test novel technologies and solutions,
- **System Integrity Solutions Group**—A team focused on finding technological solutions and methods to mitigate key threats to the integrity of Enbridge’s liquids pipelines systems, and
- **Leak Detection Research and Testing Group**—A team responsible for researching and testing commercially available leak detection technologies that complement current capabilities.

Together these groups are researching, testing and investing in real-time leak detection technologies; ultra-high sensitivity monitoring systems; and new tools to prevent, monitor or mitigate corrosion, cracks and deformation (dents and strains in the pipe). The projects pertain to areas as varied as:

- infrared cameras for leak detection and site security,
- fiber-optic technologies for leak detection and pipeline integrity,
- aerial surveillance,
- in-line inspection tools,
- defect assessment,
- pipeline welding and coatings,
- corrosion prevention and mitigation, and
- improvements to facilities integrity.

Gas Distribution

GD invests in technology development to improve its integrity, leak detection and damage prevention capabilities. Its investment program is primarily managed through its Distribution Technology department, which works in partnership with vendors and industry consortiums to develop new technologies, conduct in-house field trial investigations and evaluate emerging technologies. The Distribution Technology department also works with internal groups to implement new technologies that improve GD’s operations.

Gas Pipelines & Processing

GPP invests in the development of advanced pipeline integrity and leak detection technologies through various operating departments, including System Integrity, Engineering, Control Room and SCADA (Supervisory Control and Data Acquisition).

Emerging Technologies R&D and Innovation

Through our Emerging Technology department, we are one of a select number of energy companies that has a venture capital arm that is investing in innovative pre-commercial technologies. These investments are in a number of areas, including system integrity, clean energy and energy storage.

Based in Calgary, Alberta, our Emerging Technology department searches for new technologies that are strategically aligned with our business interests. The group looks for two types of technologies: technologies that could improve the operational reliability and safety of our pipelines, and technologies that could augment and diversify our business.

The department uses its venture capital funds to screen technologies and to make either project investments or equity investments (typically taking a minority position in new technology companies). Once its investments move past an incubation stage and reach a significant size, it turns them over to one of our business segments to grow and operate them as new business platforms.

Two of the department's investments – in wind and solar energy – have already moved past the incubation stage to the point where they have become meaningful and profitable business lines for Enbridge.

The department hopes to add more clean energy platforms in the years to come.

\$31.4M

Enbridge's R&D and innovation-focused business segments and our Emerging Technology department invested about \$31.4 million in R&D and innovation in 2014.

15 Innovative Pre-Commercial Technologies

Through our Emerging Technology department, we have invested in 15 innovative pre-commercial technologies. These investments are in a number of areas, including system integrity, clean power, energy storage and carbon dioxide (CO₂) utilization.

60+ Focused R&D Projects

In 2014, our Liquids Pipelines, Gas Distribution and Gas Pipelines & Processing business segments led, participated in or sponsored more than 60 R&D projects. These projects focus on identifying the best new available technologies in the areas of pipeline integrity, leak detection and damage prevention.

Strategic Priority

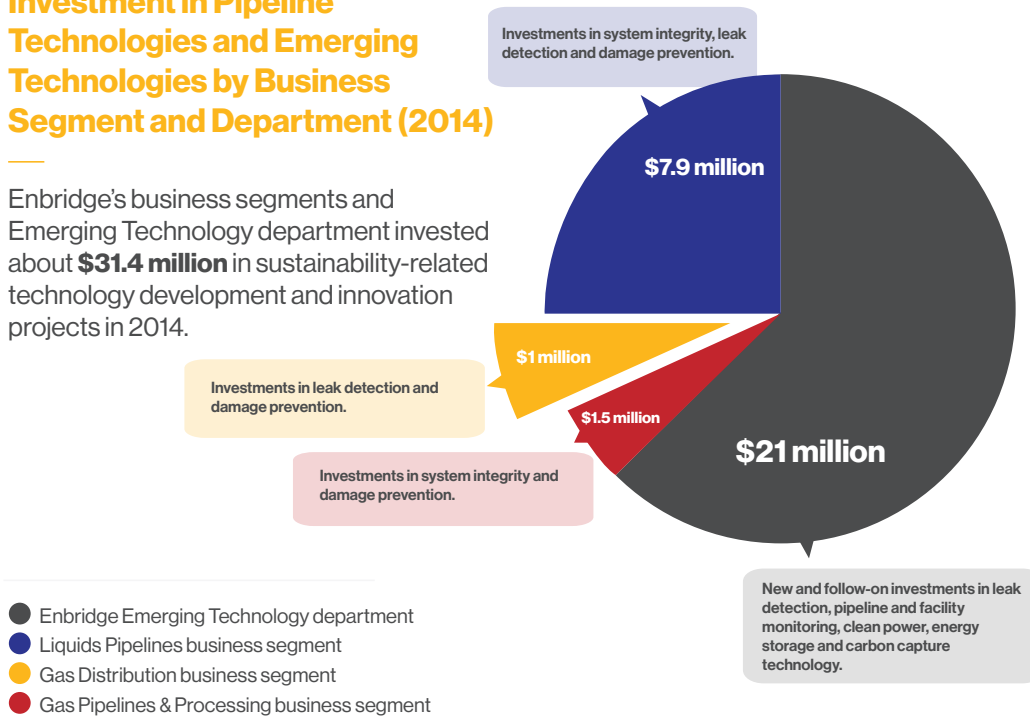
#1 – Continue investing in R&D and innovation that improves our system integrity; enhances our leak detection and damage prevention capabilities; and helps to grow, complement and diversify our business.

2014 Performance

Enbridge's 2014 Investments in Pipeline Technologies and Emerging Technologies

Investment in Pipeline Technologies and Emerging Technologies by Business Segment and Department (2014)

Enbridge's business segments and Emerging Technology department invested about **\$31.4 million** in sustainability-related technology development and innovation projects in 2014.



Investments in System Integrity, Leak Detection and Damage Prevention

Joint Industry Partnership to Test External Leak Detection Technologies

In late 2013, in partnership with TransCanada Corporation, Enbridge (LP) announced a joint industry partnership agreement to perform groundbreaking research in the area of leak detection. Together, TransCanada and Enbridge are conducting tests on a number of leading external detection technologies, using the External Leak Detection Experimental Research (ELDER) test apparatus in Edmonton. The first tool of its kind in the world, ELDER allows external leak detection technologies to be evaluated in a setting that closely represents the actual conditions where liquids pipelines are installed.

In 2014, engineers from Enbridge, TransCanada, and C-FER Technologies (a not-for-profit research agency that works with oil and gas pipeline operators to develop and evaluate leading-edge technologies) performed a series of tests on four external leak-detection technologies – vapour-sensing tubes, fiber-optic distributed temperature sensing systems, hydrocarbon-sensing cables, and fiber-optic distributed acoustic sensing systems – all focusing on discovering which technology is optimal for enhancing existing methods of external leak detection on liquids pipelines.

Enbridge and TransCanada will share equally in the knowledge and the advancements provided by this research, and apply them directly to improve leak detection capabilities in their operations.

The joint industry partnership represents a total funding commitment of \$4 million, including \$1.6 million from Enbridge, \$1.3 million from TransCanada and \$1.1 million from the Alberta Ministry of Innovation and Advanced Education.

Aerial Based Leak Detection

In December 2014, LP entered a joint industry partnership with TransCanada Corporation and Kinder Morgan Canada to explore aerial-based leak detection methods. Through the partnership, the companies will focus on understanding the most promising technologies to perform aerial leak detection. As part of this agreement, C-FER Technologies will perform studies and testing to evaluate the performance of commercial airborne leak detection systems, including their ability to detect leaks at different elevations.

Assessment of In-Line Inspection Technologies

In 2014, LP co-led a Pipeline Research Council International (PRCI) project to evaluate the reliability and performance of existing in-line inspection technologies to detect and diagnose cracks. The project provided an opportunity for LP and other industry participants to better define tool performance and assess the reliability of the in-line inspection tools available for inspecting a range of crack conditions and pipe features. PRCI plans to use the results of the study to establish industry best practices for in-line inspections tools for cracks.

Electromagnetic Acoustic Transducer

Electromagnetic acoustic transducer (EMAT) is an emerging ultrasonic testing technique that operators can use to measure pipe thickness and detect cracks. In the past, EMAT was used primarily for gas pipelines, and is now being tested for use in liquids pipelines. In 2014, LP successfully evaluated the use of EMAT to detect pipeline cracking, including crack-like dents caused by mechanical damage.

Magnetic Tomography

Since 2013, LP has tested a commercially available magnetic tomography technology to analyze metal loss in station and terminal piping without the need for excavation. Magnetic tomography is an imaging technique used to characterize pipe sections by registering changes in the magnetic field of the pipeline. In 2014, LP continued field trials of the technology, using relief and tank lines at the Cushing Terminal in Cushing, Oklahoma, and the Superior Terminal in Superior, Wisconsin.

Bracelet Probe

In 2014, LP tested the use of a bracelet probe, which is a new magnetic technology for inspecting corrosion on facilities piping. The use of the bracelet probe allows LP to directly inspect external corrosion on facilities piping without the need to remove insulation and protective metal cladding, as required by existing technologies. We operate insulated pipe mainly in northern Alberta, where insulated pipe is required to transport higher temperature bitumen product from steam-assisted gravity drainage (SAGD) oil sands operations.

Distributed Fiber-Optic Sensing for Strain Monitoring

Pipelines travel through various environments and are subjected to natural ground movements due to landslides and unstable slopes. To effectively monitor and mitigate these forces, LP is investigating a sensor technology to detect strain to the pipeline as a result of ground movement. In 2014, LP installed a distributed fiber-optic sensing system to detect and monitor the strain on a pipeline section at an active slope in Manitoba. Traditional strain gauges have also been installed to enable us to evaluate the performance of this technology.

Advanced Underwater Sensing

LP has acquired an advanced Autonomous Underwater Vehicle (AUV), and, in partnership with Michigan Technological University, is testing the equipment's capabilities to support our pipeline integrity management program. The AUV is being used to collect sonar images to map the bottom of the Straits of Mackinac near our Line 5 crossing in northern Michigan. We expect the use of the AUV to enable faster, more efficient surveillance of the crossing with ultra-high resolution. In 2014, university staff conducted four tests of the AUV technology at the straits.

Wireless Network to Support Remote Pipeline Monitoring

In 2013, our Emerging Technology department invested US\$10 million in On-Ramp Wireless, a California-based developer of wireless solutions for energy automation and machine-to-machine (M2M) communications. On-Ramp's technology is the first purpose-built wireless network designed for connecting a large number of remote monitoring devices with very small data requirements. We plan to use On-Ramp's wireless platform to support long-range sensor monitoring of our pipelines, helping to drive operational efficiencies and deliver information regarding pipeline integrity. In 2014, we made a follow-on investment of US\$5 million in On-Ramp.

Fiber-Optic Acoustic Monitoring System

In 2014, our Emerging Technology department invested \$4 million in Hifi Engineering. The Calgary-based company has developed a next-generation fiber-optic acoustic monitoring system that listens for disturbances along pipelines. With its high-fidelity acoustics, the monitoring system has been designed to locate extremely low rate leaks and identify indications of strain before a leak occurs. LP is currently testing Hifi's technology through the External Leak Detection Experimental Research (ELDER) test apparatus in Edmonton.

Tank Leak Detection and Prevention

Since 2012, our Emerging Technology department has invested \$1.5 million in Syscor Controls and Automation, a Canadian developer of wireless sensors used for deployment on storage tanks. Through this investment in Syscor, we are furthering our vision of being the safest operator of hydrocarbon facilities. Syscor's wireless sensors are capable of detecting temperature, pressure, inclination and vapour, thereby mitigating the risks associated with tank failures. In 2014, Emerging Technology made a follow-on investment of \$0.5 million in the technology company. Syscor is currently undertaking a pilot project at one of our liquids tank storage facilities in Alberta.

Video Surveillance with Optical Sensing

In 2013, our Emerging Technology department invested \$1.5 million in IntelliView Technologies, a Calgary-based developer of intelligent video solutions for industrial surveillance applications. IntelliView's cutting-edge system uses automated, computerized monitoring and analysis of live feeds from remote video cameras and optical sensors to rapidly detect and report oil leaks or other potential operational incidents. In early 2015, we plan to trial the technology at a pump station in central Alberta and deploy it at a pipeline pig trap location in Michigan.

Fiber-Optic Damage Prevention Technologies

GD is leading an evaluation of fiber-optic damage prevention technologies with the involvement of other North American utilities through NYSEARCH, a collaborative research, development and demonstration organization for gas utilities. The goal is to evaluate the most-effective technologies to protect critical pipelines from third-party damages. In 2014, GD ran a pilot along a 2.5-kilometre (1.5-mile) section of high-pressure reinforcement pipeline in the Ottawa region. The project tested the capabilities of different fiber-optic monitoring systems to detect threats of manual and mechanical digging under identical test conditions, to determine the capabilities, strengths and weaknesses of each system. Preliminary results of the test suggest that, with further refinement, the technologies could be a valuable tool in helping to prevent damage to our high pressure gas distribution mains.

Advanced Gas Leak Detection Technology

GD continues to evaluate a new type of leak detection technology that is significantly more accurate and sensitive to finding gas leaks than current technologies. The cavity ring-down spectroscopy analyzer technology measures the levels of methane gas in a sample based on laser light absorption, promising to be a highly sensitive and specific detection method for natural gas leaks. The technology can be used on foot or mounted on vehicles. In 2014, the business conducted field trials to determine the optimal solution for integrating this technology with existing leak-survey practices. If successful, the technology could provide GD survey technicians the tool they need to detect gas earlier along distribution mains and in difficult-to-access areas.

3D Laser Mapping

In the U.S., GPP piloted the use of 3D laser mapping of pressure vessels to detect internal and external corrosion at the Weatherford gas processing plant in Texas. The mobile 3D imaging technology allows inspections to be carried out more accurately and quickly than standard manual methods. In 2015, GPP plans to expand the use of the application to other gas processing facilities.

GPP also began using an X-ray photospectrometer as a non-destructive testing method to scan pipe and vessels to analyze materials specifications. Combined with other non-destructive material testing procedures, the data provided from the scanner will help document material specifications otherwise unknown and vital to the long-term integrity of the equipment.

Investments in a Cleaner Energy Future

As global demand for energy continues to grow, we know that society wants to see wider use of clean power – and we believe finding lower-impact, lower-carbon energy solutions is in everyone's interests. Our GD business unit is advancing innovative technologies that enable customers to increase the efficient use of natural gas and reduce emissions. And, through our Emerging Technology department, we hope to add clean power platforms to our portfolio in the years to come. For example, we have investments in pre-commercial renewable and alternative energy technologies, large-scale electricity storage and carbon capture and utilization.

Investments in Energy Efficiency, Gas Savings and Emissions Reduction

GD supports widespread market adoption of new technologies that drive energy efficiency, gas savings and emission reductions while simultaneously reducing end-user costs. These efforts are undertaken in support of GD's demand-side management program. GD participates in these projects as a member of the Canadian Gas Association and the Gas Technology Institute, and is taking an interest in a number of active projects:

- Renewable natural gas (biogas) processing, using activated biochar, a charcoal-based filter
- Testing of condensing rooftop units (high-efficiency gas-fired heating systems)
- Demand controls for central hot water systems
- Advanced load-monitoring controllers and condensing economizers (heat exchangers) to improve boiler efficiencies

Solar Power Technology

Since 2011, we have invested in next-generation solar technology through a \$9.8-million investment in Morgan Solar, a Canadian start-up. Our investment is intended to help Morgan Solar commercialize a new line of concentrated photovoltaic (PV) panels that boost the power output of solar cells. The technology provides an innovative means of generating solar power more efficiently, for less cost and with a lower environmental footprint.

Run-of-River Hydro

We have a 50-per-cent interest in the Wasdell Falls Run-of-the-River Hydro Project on Ontario's Severn River, about two hours north of Toronto. Currently under construction, the 1.65-MW project will begin commercial operation in 2015. The project is expected to have a low impact on its surroundings. Without substantial alterations to rivers and canals, it will direct water through a slow-moving turbine that returns the water to the river.

Electricity from Waste Energy Sources

Since 2012, we have invested in Genalta Power, a privately held Canadian corporation that owns and operates independent power plants that produce and sell environmentally friendly electricity generated from waste energy sources. In Alberta, Genalta owns and operates five projects that generate up to 37 MW. In addition, it has another 11 projects (total generating capacity of 98.5 MW) in Alberta and Ontario that are in the near-term and engineering phases.

Utility-Scale Energy Storage Technologies

As one of Canada's largest producers of solar and wind power, and a company with large renewable energy projects in the U.S. as well, we are investing in technologies that support large-scale energy storage.

In April 2012, our Emerging Technology department entered into a partnership with Mississauga, Ontario-based Hydrogenics Corporation, whose water electrolysis technology can convert surplus renewable energy into hydrogen gas. Under the partnership, which included a \$5-million investment by Enbridge, excess electricity from renewable generation would be converted into renewable hydrogen through electrolysis and injected into GD's natural gas distribution network. By converting electricity to gas and storing it in vast natural gas pipeline networks, more renewable energy can be stored for long periods, increasing the amount of clean energy that can be generated and made available for consumers.

Currently, Enbridge and Hydrogenics are jointly developing a power-to-gas storage plant that will deliver 2 MW of storage capacity and will be located in the Greater Toronto Area. Hydrogenics will supply the facility's next-generation proton exchange membrane (PEM) electrolyzers and is partnering with Enbridge to develop, build and operate the energy storage facility to provide regulation services to Ontario's Independent Electricity System Operator (IESO). The project is expected to begin commercial operation in 2016.

Our Emerging Technology department has also invested \$6.5 million in Temporal Power, an Ontario-based manufacturer of electrical energy storage systems. Temporal Power's electrical energy storage technology is based on 4,080-kilogram (9,000-pound) solid-steel flywheels – essentially, mechanical batteries that store electrical energy as kinetic energy through continuous high-speed rotation. These flywheels can store surplus energy from renewable sources and then release that power quickly and powerfully back to the grid via an electricity generator – keeping the grid in balance and enabling the grid to embrace intermittent renewable sources such as wind and solar.

Temporal's technology has been incorporated into a 2-MW flywheel energy storage facility in Harriston, Ontario. The recently commissioned project, which is owned by NRStor Inc., will provide service to IESO.

Carbon Utilization

In 2014, our Emerging Technology department invested US\$10 million in Skyonic, a Texas-based developer of carbon-capture technology. Skyonic has developed a new process that captures carbon dioxide

and converts the GHG into other products, including sodium carbonate and sodium bicarbonate, hydrochloric acid and bleach. In 2015, Skyonic will commence operations at a carbon capture and conversion demonstration project in San Antonio, Texas, with support from the U.S. Department of Energy.

Carbon Capture and Storage

We are a funding partner in Aquistore, an independent carbon storage research and monitoring project located near Estevan in southeastern Saskatchewan. The project is intended to prove that storing carbon dioxide deep underground is a safe, workable solution to reduce GHG emissions. The project is being managed by the Petroleum Technology Research Centre in collaboration with partners from the private sector and the universities of Alberta and Saskatchewan, and with federal and provincial funding. In 2015, the project will begin injecting liquefied carbon dioxide captured from SaskPower's Boundary Dam coal-fired electrical generating station.

Other Investments

Our Emerging Technology department also continues to fund a number of projects to improve efficiencies in energy transportation and other areas of the oil and gas industry:

Advanced High-Density Polyethylene Pipe

In 2013, our Emerging Technology department invested US\$8 million in Smart Pipe Company, a developer, manufacturer and installer of a high-strength, spoolable, composite high-density polyethylene pipe. The technology, developed by the Texas-based company, is highly applicable in difficult-to-access areas such as river crossings and urban areas, as it does not require trenching of a right-of-way. In addition, the Smart Pipe technology does not rely upon the structural integrity of the carbon-steel pipe through which it is pulled. We are evaluating opportunities to deploy the technology in LP, GD and GPP.

Marine Transportation of Compressed Natural Gas

Since 2010, our Emerging Technology department has invested \$10 million in Sea NG, a Canadian company committed to commercializing marine compressed natural gas transportation. Sea NG has developed a system to transport compressed natural gas by sea. The gas will be held in purpose-built modules called coselles (coiled pipe in a carousel) that are designed to hold large amounts of compressed natural gas. This technology has the potential to reduce GHG emissions by displacing diesel and heavy fuel oils currently used in numerous coastal and island markets with clean, abundant natural gas.

Bitumen Extraction

Our Emerging Technology department invested \$15 million in N-Solv Corporation in 2001 to support the development of an innovative bitumen extraction technology. N-Solv's technology uses warm solvent to recover bitumen from in situ (in place) reserves efficiently, sustainably and economically. Since 2013, N-Solv has continued to successfully operate its pilot plant near Fort McMurray, Alberta.

Report Highlights

Discussion of Significant Challenges

As a company that transports, distributes and generates energy, Enbridge is both at the centre of providing North Americans with the energy they need – and at the centre of social, environmental and economic issues associated with that energy.

On the one hand, people understand the benefits created by the energy we transport, distribute and generate, and how central it is to everyone's quality of life. On the other, we face some important challenges:

- The energy we transport and distribute is primarily in the form of hydrocarbons. As such, transporting this energy carries with it a risk of spills, leaks and releases that can have significant impacts.
- We transport and distribute products that, when they are burned, emit the GHGs that cause climate change.
- Because we transport energy across large distances – from where it is produced, or in the case of renewables, generated, to where it is refined or used – our pipelines and operations cross people's backyards and farms, Aboriginal communities' traditional lands, and Native American Tribes' reservations. They impact areas where people live, work and recreate.

In this report, we discuss these and other challenges. We also discuss how we are responding to them through our management approach and performance, and through our business and CSR priorities. The list below summarizes some of our significant challenges.

Risk of Fossil Fuel Spills, Leaks and Releases

Heightened awareness of the risks posed by spills, leaks and releases from hydrocarbon transportation infrastructure has affected the public's trust in pipelines. In response, regulators are introducing new requirements and conditions. Because our core business is to safely transport hydrocarbons, and because our goal is industry leadership in safety and environmental protection, in 2014, we continued to make significant investments in technologies and management systems that improve system integrity, leak detection and damage prevention. *For more information, see the System Integrity and Leak Detection section of this report.*

Water Protection

Local communities are concerned about the risks to water and water ecosystems posed by our Line 5 crossing of the Straits of Mackinac and our Line 9 Reversal project. In 2014, Canada's National Energy Board (NEB) reviewed our policy and plans for valve placement on water crossings on Line 9 and issued additional conditions. The State of Michigan formed a Task Force – that will be making recommendations in 2015 – to review pipeline safety. In 2014, we continued to engage with regulatory agencies and local stakeholders to address all issues and requirements regarding our pipeline projects and operations. *For more information, see the Stakeholder Engagement section of this report.*

In 2014, clean-up continued from the 2010 rupture on our Line 6B pipeline near Marshall, Michigan, and dredging operations were completed. Under the auspices of the Michigan Department of Environmental Quality, we are continuing to monitor and assess river and sediment conditions.

Climate Change

Although Enbridge is not a major emitter of GHGs, because our company connects the upstream and downstream ends of the oil and gas value chain, our operations and facilities can figure in public debate over climate issues. Our strategies for addressing climate impacts from our business include publicly tracking and reporting on our efforts to reduce our own direct and indirect emissions, investing in demand-side management (DSM) programs for our natural gas customers, investing in renewable energy projects, and collaborating with stakeholders – including government, business, environmental organizations and communities – on joint solutions to climate issues. *For more information, see the Energy & Climate Change and Renewable & Alternative Energy sections of this report.*

Northern Gateway Pipeline

On December 19, 2013, a Joint Review Panel that consisted of representation from Canada's National Energy Board (NEB) and the Canadian Environmental Assessment Agency issued a report (the JRP Report) and recommended approval of Enbridge's Northern Gateway Pipeline (NGP), subject to 209 conditions. The proposed project includes constructing twin pipelines from northern Alberta across northern B.C. to provide access to new markets in the Pacific Rim for Alberta oil. In June, 2014, the Government of Canada approved the project and the NEB issued a certificate.

While NGP has the support of some First Nations and other groups, it has been opposed by others. Concerns include issues related to Aboriginal rights and title and increased oil tanker traffic on the west coast. Several groups opposed to the project have challenged its approval in the Federal Court of Appeal. Based on the process and schedule established by the Court, a hearing is expected to be held in the fall of 2015. In the meantime, NGP continues to work toward meeting the JRP's 209 conditions, which include engaging with Aboriginal communities to address their concerns about the project. *For more information, see the Aboriginal and Native American Rights & Engagement section of this report.*

Changing Energy Supply and Demand

Changing energy supply and demand fundamentals continue to drive the reconfiguration of the North American energy transportation network, and Enbridge continues to play a major role in that network. While oil will remain essential to meeting future energy needs both in North America and elsewhere, and hence liquids pipelines will remain central to our business strategy for the foreseeable future, we are also pursuing growth opportunities for generating and transporting natural gas and renewables. *For more information, see the Economic Impact and Benefits section of this report.*

1. Enbridge's 2014 Performance Regarding System Integrity and Reliability

a. Material Topic:

System Integrity and Leak Detection

Overview

Our top priority is the safety of the public and the environment, coupled with the operational reliability of our systems. That is why, in 2014, we invested more than \$1.2 billion in system integrity and leak detection programs throughout our operations in Canada and the U.S.

Management Approach

Maintaining High Levels of System Integrity

We undertake the following measures to maintain high levels of system integrity through all stages of our projects and operations:

Design and Construction

Our safety and system integrity work starts long before we begin to build and operate any energy infrastructure:

- We carefully select pipeline routes and line locations and maintain world-class standards for engineering and design, including special design considerations for areas such as road, river and creek crossings. We take the same rigorous approach with facilities such as stations, terminals and plants.
- Our projects require specially designed and engineered materials. We set high standards for materials procurement, including selection of pipeline materials, corrosion-inhibiting coatings and cathodic protection systems.
- We use leading construction practices, including a commitment to identify, mitigate and proactively manage potential impacts on the environment.

Monitoring and Prevention

Once our pipelines are operating, we focus on the conditions that have been known to cause pipeline failures and work to mitigate the risk through monitoring, damage prevention and pipeline integrity management, which includes the use of state-of-the-art technologies.

In-line Inspections and Integrity Digs – We regularly schedule in-line inspections for our pipes – a process that consists of sending smart tools through the pipeline with instruments that scan the pipe wall, record the pipe's condition and reference the location of any features. Some of the in-line inspection devices we use on our pipelines are so sophisticated they can detect and measure the size, frequency and location of even minute changes on both the inside and the outside of pipe walls.

When our in-line inspections reveal a pipeline feature that requires a closer look, we undertake an integrity dig to expose the pipe so we can physically examine it and make any necessary repairs. Features that have been known to require a repair include third-party excavation damage, weld concerns, corrosion, cracking and denting.

At some of our digs, our investigation shows that no repair is required. However, whether a repair is required or not, every dig allows us to physically examine the entire length of pipeline exposed, adding to our overall knowledge and data about the line's integrity, and improving our ability to accurately identify and size other features.

Hydrostatic Pressure Testing – We may perform a hydrostatic pressure test on a section of pipe. The process consists of increasing the pipeline pressure using water. If a hydrostatic pressure test results in a water leak, we immediately make any necessary repairs.

Pressure Cycling – We work to operate our liquid pipelines in a way that protects the quality we build in at the start, and maximizes the integrity of our systems. For example, we strive to manage and minimize pressure cycling on our oil pipelines (the fluctuations that occur in the course of operations as we start and stop pumps and move crude oil products with different densities and viscosities). In this way, we help to reduce the stresses that can lead to wear on our pipeline systems.

Managing Cracks – Cracking is a phenomenon that can occur in metals, including steel pipelines. Often, cracking has occurred on older pipeline systems when pipe manufacturing, welding and coatings were not as well developed. We are committed to being at the forefront of technological developments and research related to cracking. We have rigorous programs in place for monitoring and managing cracking, with a key activity being the use of high-resolution ultrasonic in-line inspection technologies on our liquid pipelines.

Managing Corrosion – In the course of operation, pipelines may come in contact with water, bacteria and various chemicals, all of which can corrode steel. We look for and endeavour to prevent any corrosion of the steel in our pipelines and facilities. We achieve this by using anti-corrosion coatings, installing cathodic protection systems, conducting regular monitoring and inspections, and, in some cases, cleaning pipes from the inside with in-line cleaning tools. We regularly check the performance and availability of our cathodic protection systems.

Patrolling our Pipelines – Using aircraft, land vehicles and foot patrols, we regularly monitor our pipeline rights-of-way, watching out for potential issues, including excavation or third-party activity near our pipelines that might pose a risk to safety. In some cases, our ground-based surveys, including patrols on foot and in vehicles, incorporate the use of GPS and advanced imaging technology to check the depth and position of our pipelines and to detect ground movement. We also operate toll-free emergency telephone lines for third-party reports of potential leaks.

Maintaining Integrity of Facilities – We aim to operate and maintain all of our facilities, including stations and terminals, in a safe, responsible manner. We accomplish this through our

Integrity

24/7/365

Eyes in the Sky

We regularly survey all 25,000 km of our pipeline rights-of-way.



Talking to our Neighbours

We regularly communicate with neighbours and customers about how to stay safe around our pipelines and facilities.

Eyes on the Ground

We monitor and respond to any potential problems along our rights-of-way.



Integrity Digs

If our in-line inspections reveal a pipeline anomaly, we expose the pipe, examine it and make any necessary repairs. In 2014, we conducted approximately 2,500 integrity digs.

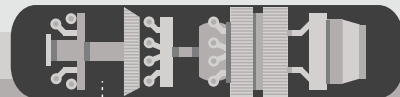


Ensuring Pipeline Integrity

Each pipeline is precisely manufactured and rigorously inspected and tested.

Routes are carefully selected to meet stringent engineering, design and environmental standards and regulations.

We carefully manage pipeline pressures and monitor temperature, pipe movement and vibration.



In-line Inspection

Sophisticated tools allow us to monitor the integrity of our pipelines from the inside out. Using imaging technologies, such as ultrasound and MRI, we scan our mainline systems, major natural gas mains and transmission lines. In 2014, we conducted 205 in-line inspections.

design standards; equipment and construction specifications; commissioning, operating and maintenance procedures; and targeted tankage, equipment and piping inspections.

Preventing Third-Party and Mechanical Damage – We strive to prevent any dents, scrapes and other damage to our pipes and facilities during construction and operation or by third parties. We have a comprehensive Public Awareness Program in place to engage excavators, landowners, community members and first responders to ensure that they are aware of our pipelines and related facilities. To prevent external damage to our liquids and natural gas pipelines, we participate in one-call programs and Call/Click Before You Dig initiatives in Canada and the U.S. When excavators call or use Click Before You Dig services, we provide them with information regarding the location of our lines relative to where they intend to dig, and we instruct them on safe digging practices. In our Gas Distribution business segment (GD), we also have a natural gas sewer safety inspection program to mitigate the risk of damaging a natural gas line that may have inadvertently intersected with sewer lines outside a home or business.

Replacing and Repairing Pipe – Through computerized data, inspection results and integrity digs, we replace our pipes and facilities when necessary. At various stages, we may replace or repair pipe based on factors such as ease and safety of implementation, economic evaluations and operational expectations, all with the requirement that we effectively manage integrity, reliability and safety.

Leak Detection and Survey Programs

While our priority is always to prevent incidents from occurring through system integrity programs, we have well-established controls to detect possible spills, leaks and releases before they reach a significant size. These controls allow us to react safely and effectively.

We devote resources – both people and automated systems – on a continuous basis to ensure that we control and mitigate any potential issue. We also monitor our pipelines for abnormal conditions and possible leaks using a variety of methods, each with a different focus and each using different technology, resources and timing.

Monitoring from our Control Rooms – Our Liquids Pipelines business segment (LP) manages all of its operations from its system control centre. In addition to keeping in close contact with local operators via telephone and computer, LP controllers use a supervisory control and data acquisition (SCADA) computer system to monitor what is happening inside the pipelines. Using the SCADA system, computers in the control room and at remote sites continually relay information back and forth, enabling our controllers to constantly monitor pipe pressures, flow rates and other conditions inside the pipeline, and to respond quickly when they see abnormal or emergency conditions.

LP also employs a computational pipeline monitoring (CPM) system that collects data from strategically located flow meters and pressure and temperature sensors along our pipelines, and then calculates the amount of inventory in the pipeline. If the amount is less than expected, the system triggers an alarm and our controllers immediately investigate. GD and our Gas Pipelines & Processing business segment (GPP) use similar systems.

Leak Surveys – GD completes regular leak surveys along gas mains and gas service lines to detect and report natural gas leaks for leak repair. Leak surveys are completed under a variety of leak survey programs that are set up to reduce the risk of the potential of a leak becoming hazardous. During the leak survey activities, the technicians also identify any other abnormal operating conditions (including signage and code compliance issues). To conduct the surveys, crews carry out foot patrols or drive specially equipped vehicles with sensitive leak detection equipment. They immediately repair hazardous leaks and schedule timely repairs for non-hazardous leaks.

Natural Gas Odorization – In its natural state, natural gas is odorless. As a result, GD and GPP add odorant to gas entering their systems.

GD educates customers on the smell of natural gas and what to do if they detect the smell through public education, including bill inserts. In this way, customers and the public assist GD when natural gas may be escaping its piping systems. GD responds to natural gas odor calls as emergency calls and engages first responders on natural gas damage calls.

GPP works with landowners and other contractors who access its rights-of-way to educate them about natural gas facilities and enable third-party reports of potential concerns.

Strategic Priorities

- #1 – 100 per cent safe operations and zero incidents.**
- #2 – Increase the resources we dedicate to system integrity and leak detection.**
- #3 – Improve the management systems that support system integrity and leak detection.**
- #4 – Continue our pipeline inspection and integrity dig programs.**
- #5 – Introduce new assessment techniques and pipeline integrity program improvements to improve operational reliability.**
- #6 – Promote the consistent development of process safety programs.**
- #7 – Continually improve the methods we use to prevent and detect leaks and releases.**
- #8 – Invest in innovative pipeline integrity, leak detection and damage prevention technologies.**
- #9 – Support the development of best practices and advanced technology through industry leadership.**

2014 Performance

While we were unsuccessful in fully meeting our target to achieve 100 per cent safe operations and zero incidents in 2014, LP reduced its number of total reportable commodity spills from 114 in 2013 to 100 (74 when Canada's Transportation Safety Board's new reporting regulations are taken into account) in 2014. During the same period, LP also reduced the volume of its spills from 4,298 barrels to 2,943 barrels (2,921 when Canada's Transportation Safety Board's new reporting regulations are taken into account).

The following is an overview of our spill performance in LP, GD and GPP.

Liquids Pipelines

In 2014, LP recorded 74 commodity (liquids) spills and leaks totaling approximately 2,921 barrels. This number includes spills and leaks that were reportable to any regulator in any jurisdiction.

Of LP's 74 spills and leaks in 2014:

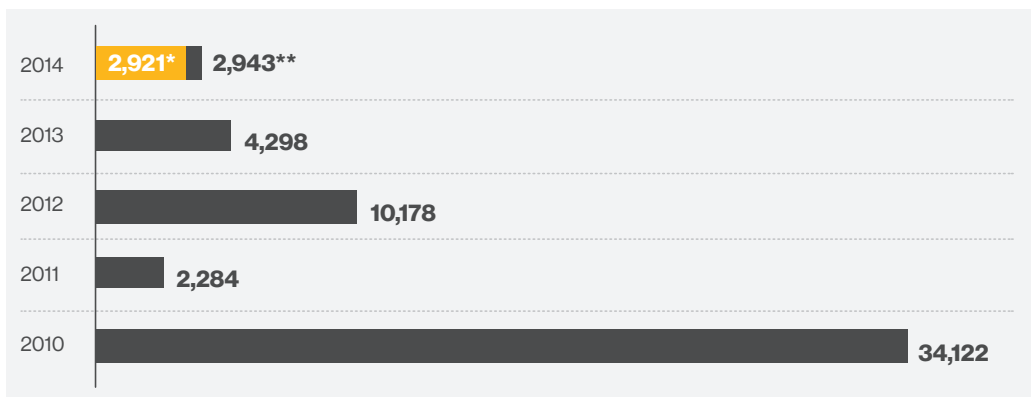
- Five were significant, meaning that they were reportable commodity spills or leaks that were greater than 100 barrels (15.9 cubic metres). One barrel of oil is equal to approximately 159 litres or 42 U.S. gallons.
- Nine (12 per cent) had a volume of 10 barrels or greater.
- 65 (88 per cent) had a volume less than 10 barrels.
- 71 (96 per cent) occurred and remained on Enbridge property.
- Three were off-site (i.e. occurred on an Enbridge right-of-way).

It is important to note that, due to a change that Canada's TSB made to its reporting requirements on July 1, 2014, we cannot accurately compare our 2014 reportable spill frequency or reportable spill volume amounts to our reportable spill frequency and reportable spill volume amounts for previous years.

If the TSB had not changed its reporting requirements, LP would have recorded 100 spills and leaks in 2014, with a volume of 2,943 barrels. These amounts compare with 114 reportable spills and leaks totaling 4,298 barrels in 2013.

Liquids Pipelines

Total Reportable Commodity Spills by Volume (Barrels) (2010-2014)

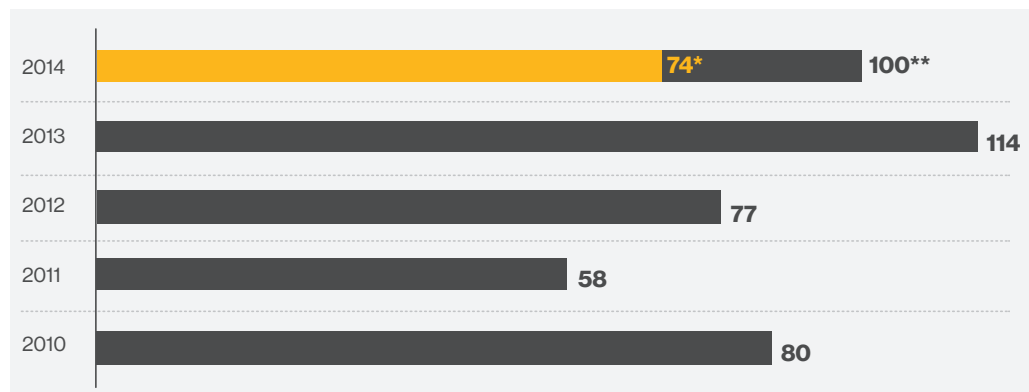


* Indicates the volume of spills that LP was required to report to regulators in all jurisdictions in 2014.

** Indicates the volume of spills that LP would have been required to report to regulators in all jurisdictions had Canada's Transportation Safety Board not changed its reporting requirements.

Liquids Pipelines

Total Reportable Commodity Spills (2010-2014)



* Indicates the number of spills that LP was required to report to regulators in all jurisdictions in 2014.

** Indicates the number of spills that LP would have been required to report to regulators in all jurisdictions had Canada's Transportation Safety Board not changed its reporting requirements.

Over the past 10 years, LP has delivered over 15 billion barrels of crude oil and liquids with a safety record of 99.9994 per cent. Most of LP's spills were less than a barrel and occurred inside pump stations (on-site) where any spilled oil was readily contained and recovered without entering the natural environment. Also, prior to 2012, some of these spills were of non-commodity products (such as brine or hydraulic fluid) that were not the result of loss of containment of the pipeline commodities being transported.

Liquids Pipelines – Volume of Total Reportable Spills Compared with Total Delivery Volume (2005 – 2014)

Year	Total Number of Spills (On-site / Off-site) ^{1,2}	Total Spills Volume (barrels) (On-site / Off-site) ^{1,2}	Total Annual Delivery Volume ^{2,3} (barrels)	Percentage of Annual Delivery Volume Safely Delivered (%)	Percentage of Annual Delivery Volume Safely Delivered (%) excluding On-site ¹ Spill Volumes
2014	74 ⁵ (71 / 3)	2,921 (2,807 / 114)	2,405,421,468	99.9999	99.9999
2013	114 (99 / 15)	4,298 (2,656 / 1,642)	2,000,735,551	99.9998	99.9999
2012 ⁴	77 (65 / 12)	10,178 (6,939 / 3,239)	1,800,052,959	99.9994	99.9996
2011	58 (50 / 8)	2,284 (637 / 1,646)	1,641,262,240	99.9999	99.9999
2010	80 (61 / 19)	34,122 (2,710 / 31,412)	1,487,709,454	99.9977	99.9978
2009	89 (83 / 6)	8,353 (6,524 / 1,829)	1,333,947,614	99.9994	99.9995
2008	80 (72 / 8)	2,681 (2,587 / 94)	1,256,268,675	99.9998	99.9998
2007	59 (52 / 7)	13,756 (902 / 12,854)	1,199,657,322	99.9989	99.9999
2006	62 (54 / 8)	5,434 (3,177 / 2,258)	1,198,602,588	99.9995	99.9998
2005	70 (63 / 7)	9,825 (9,448 / 377)	1,060,531,358	99.9991	99.9991
		93,852		99.9994	99.9996
TOTAL	763 (670 / 93)	(38,388 / 55,464)	15,384,189,230	(average over 10 years)	(average over 10 years)

1 "On-site" refers to spills that occurred at Enbridge facilities. In some cases, however, spills that we classify as on-site may result in product leaking offsite. Regardless, most on-site spills are completely contained within the company's facilities and are quickly cleaned up with minimal or no environmental impact. "Off-site" refers to spills that occurred on Enbridge rights-of-way or outside Enbridge property.

2 Enbridge entities included: Enbridge Canadian Mainline System (including Line 9); U.S. Mainline Lakehead System, Toledo Pipeline, Enbridge Pipelines (Ozark) LLC (including the Cushing Central Pipeline, Cushing Merchant Tankage, Cushing North Pipeline, Cushing South Pipeline, Eldorado Pipeline and West Tulsa Pipeline); Enbridge Pipelines (Athabasca) Inc. (including the Athabasca Tank Farm, Athabasca Pipeline, the Mackay River Pipeline, Waupisoo Pipeline, Woodland Pipeline, and Wood Buffalo Pipeline); Hardisty Contract Terminal; Enbridge Pipelines Inc. (Midstream); North Dakota Pipeline Company; Enbridge Pipelines (Bakken) LP; Enbridge Pipelines (Norman Wells) Inc.; Enbridge Spearhead (CCPS Transportation LLC); Enbridge Southern Lights; Hartsdale Pipeline; Hardisty Cavern, Flanagan South Pipeline, Enbridge Pipelines Saskatchewan Inc., and EPND Rail (facility, only fills rail cars). Note: Enbridge does not track volumes for Line 8 as it is contracted to Imperial Oil Limited (IOL). As such, Line 8 volumes are calculated based on monthly invoicing to IOL for 14,800 m³.

3 Volume reported is gross delivery volume.

4 Please note that in our CSR reports prior to 2012, we included non-commodity (e.g., brine, hydraulic fluid) spills in its company-wide spills statistics. For 2012 and in all future CSR reports, we are reporting only spills of commodities (i.e., hydrocarbon products such as crude oil transported through an Enbridge pipeline) in our company-wide spills statistics. Previous years' statistics have not been adjusted to reflect this change.

5 Indicates the number of spills that LP was required to report to regulators in all jurisdictions in 2014. If Canada's Transportation Safety Board had not changed its reporting requirements on July 1, 2014, Enbridge would have reported 100 spills with a volume of 2,943 barrels.

Gas Pipelines & Processing

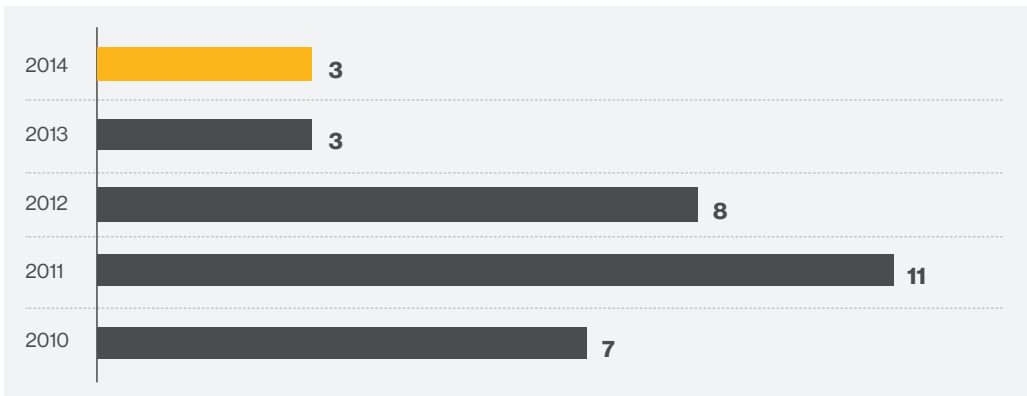
In 2014, GPP had three reportable liquids spills totaling 2.38 barrels in its pipeline division and no reportable spills in its trucking division. Two of the three spills were categorized as off-site (totaling four ounces) and the remaining spill (totaling 2.38 barrels) was contained on-site. Two of the three spills involved one barrel or less; one of the spills involved two to 10 barrels. There were zero spills involving 25 barrels or more. The largest spill involved the release of 2.38 barrels of diesel corrosion inhibitor fluid from pipe inside a compressor station. The spills did not impact the environment or waterways.

Using the data collection methods currently available to it, GPP also had three reportable gas releases in 2014 that totaled 78.248 million standard cubic feet (MMscf). Of this total, two were categorized as off-site and one was categorized as on-site.

GPP Total Reportable Liquids Spills by Frequency

Gas Pipelines & Processing

Total Reportable Liquids Spills (2010-2014)

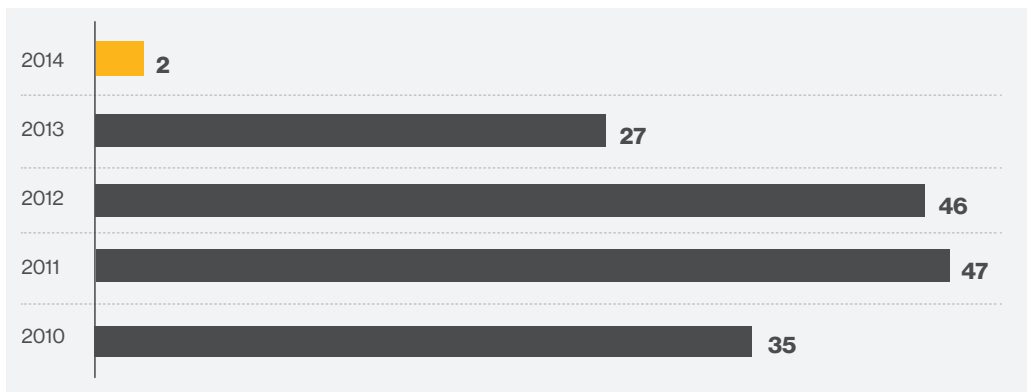


GPP Total Reportable Liquids Spills by Volume

Gas Pipelines & Processing

Total Reportable Liquids Spills by Volume (2010-2014)

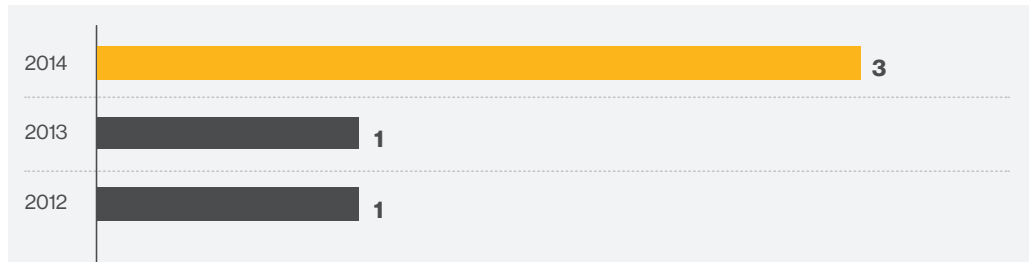
Barrels



GPP Total Reportable Gas Spills by Frequency

Gas Pipelines & Processing

Total Reportable Gas Releases (2012-2014)

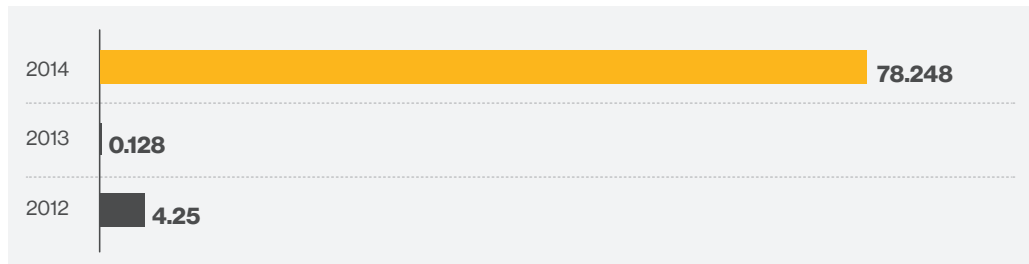


GPP Total Reportable Gas Spills by Volume

Gas Pipelines & Processing

Total Reportable Gas Releases by Volume (2012-2014)

Million Standard Cubic Feet (MMSCF)



Gas Distribution

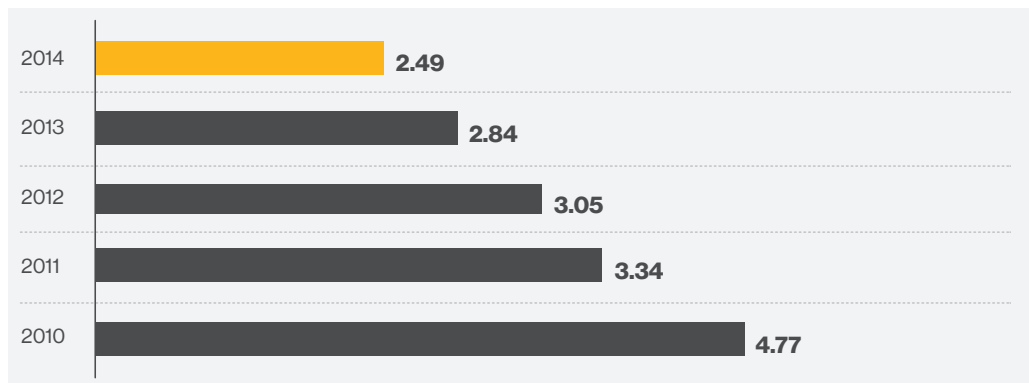
Using the data collection methods currently available to it, in 2014, GD reported one major incident. The incident involved an overpressure and minor property damage, but no injuries. GD conducted an incident investigation and has implemented improvements to its management systems aimed at preventing a reoccurrence.

Gas Distribution's Reduction of Third-Party Damages – GD's largest operational threat is third-party damage to its natural gas pipeline infrastructure. Preventing damage improves worker and public safety, as well as the integrity of GD's gas distribution assets.

The number of damages that occur on natural gas pipeline infrastructure strongly correlates to the amount of construction activity being done in a particular area. As such, a key damage prevention measure is to provide the location of related underground infrastructure to excavators before they dig. By providing this information, GD – and, in particular, Enbridge Gas Distribution – has been successful in reducing damages per thousand locate requests.

Gas Distribution

Damages per 1,000 third-party locate requests



How Liquids Pipelines' Spill Performance (Frequency and Volume) Compares with the Rest of Industry

Canada – There are few sources of publicly available pipeline incident data in Canada that we can use to compare our liquids pipelines operations with those of the rest of the industry.

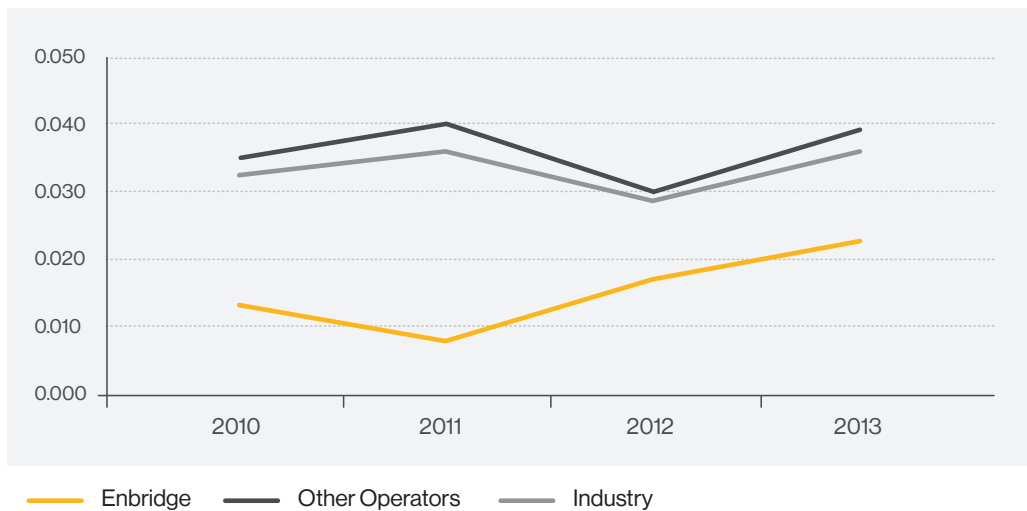
The Transportation Safety Board (TSB) in Canada does provide monthly and annual reports on the number of pipeline incidents that occur on federally regulated pipelines, but we were unable to use the data in the reports for comparison purposes:

- The 2014 reports include inconsistencies in the way that the TSB categorizes incidents. These inconsistencies make it impossible for us to fairly compare LP's spill frequency with that of the rest of the industry in Canada.
- The reports identify incidents involving spills but do not provide spill volumes. This lack of data makes it impossible for us to fairly compare Enbridge's spill volume with that of the rest of the industry in Canada.

Since 2013, Canada's National Energy Board has published summaries of pipeline performance measures based on data collected annually from operators of federally regulated pipelines greater than 50 kilometres long. However, the pipeline performance measures do not include spill frequency or volume.

U.S. –The following graph compares LP's spill frequency in the U.S. compared with that of the rest of the industry in the U.S. According to data from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration, between 2010 and 2013, LP operated approximately 4.1 per cent of the pipelines in the U.S. From 2010 to 2013, LP experienced 0.015 spills per billion barrel miles, compared with an average of 0.036 spills per billion barrel miles for the rest of the U.S. industry, meaning that LP's spill frequency was about 59 per cent better than that of the rest of the U.S. industry.

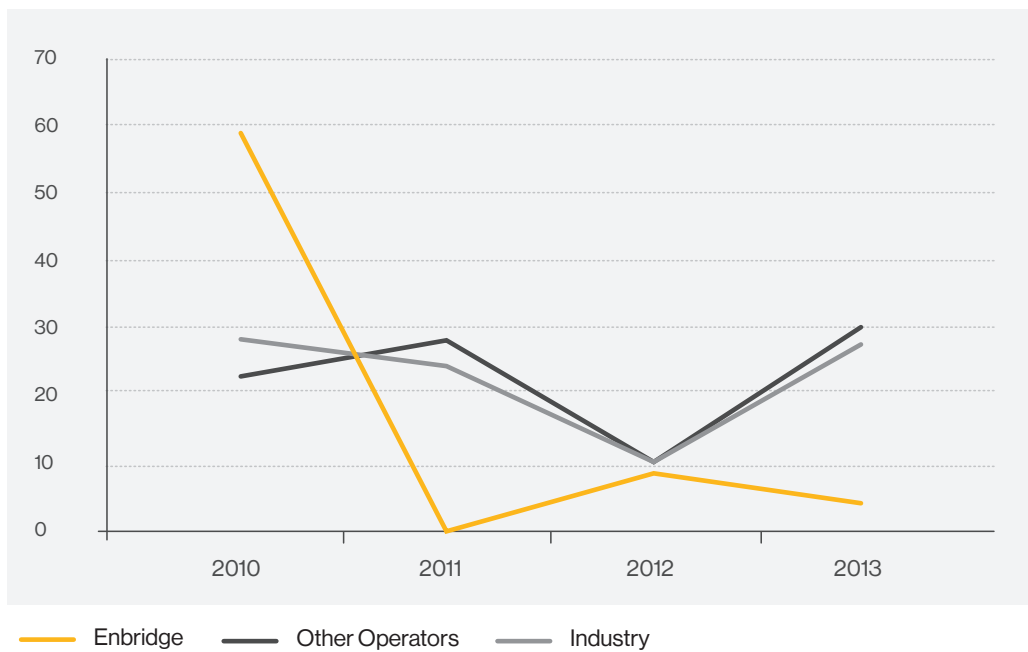
Number of Significant Incidents per Billion Barrel-Miles



Source: U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration

The following graph compares LP's spill volume in the U.S. compared with that of the rest of the industry in the U.S. From 2010 to 2013, including the volume spilled during our 2010 Marshall incident, LP spilled 16.7 barrels per billion barrel miles in the U.S., compared with 22.1 barrels per billion barrel miles for the rest of the industry, meaning that LP's spill volume was about 25 per cent better than that of the rest of the industry.

Significant Incident Release Volume (bbl) per Billion Barrel-Miles



Source: U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration

Notes for U.S. industry comparisons

1 Applies to hazardous liquids pipelines and includes all products under that definition:

- Crude oil
- Refined and/or petroleum products (non-HVL; liquid at atmospheric conditions)
- HVL (vapour at atmospheric conditions)
- CO₂*
- Fuel-grade ethanol (dedicated system)*

* Enbridge does not have CO₂ or dedicated fuel-grade ethanol pipelines.

2 Significant incidents are defined as incidents where any of the following criteria are met:

- \$50,000 or more in total costs, measured in 1984 dollars
- highly volatile liquid (HVL) releases of five barrels or more
- non-HVL liquid releases of 50 barrels or more
- unintentional fire or explosion

3 Applies to onshore pipeline systems and incidents only

4 Enbridge operates only 26 miles of offshore pipelines. There were no incidents between 2010 and 2013; therefore, offshore incidents are not shown.

5 Includes pipelines operated by Enbridge's GPP entities that are in hazardous liquids service.

6 Significant incidents are reportable incidents. However, not all reportable incidents are significant. Overall, significant incidents account for about 99 per cent of the total release volume.

7 "Other Operators" refers to all U.S. pipeline operators, excluding Enbridge. "Industry" refers to all pipeline operators, including Enbridge.

Significant Spills, Leaks and Releases in 2014

We define a significant spill or leak as any reportable commodity spill or leak that is greater than 100 barrels (15.9 cubic metres). One barrel of oil is equal to approximately 159 litres or 42 U.S. gallons.

Neither GPP nor GD experienced any significant spills, leaks or releases. LP experienced the following significant spills and releases in 2014:

Rowatt, Saskatchewan

On January 18, 2014, approximately 113 barrels (18 cubic metres) of crude oil leaked from our Rowatt pump station, south of Regina, on Line 67 after a pressure transmitter steel flex hose failed in the station piping. While the majority of the spill was limited to the grounds of the pump station, a limited amount of oil was carried by high winds onto nearby farmland. We immediately shut down Line 67, isolated the Rowatt station and notified regulatory and provincial officials. We also contained the spill area and crews began remediation efforts. The failed flex hose was subsequently removed and replaced and the line resumed operation on January 19. Incident investigation concluded that the support of the pressure transmitter assembly did not sufficiently protect the steel braided hose from excessive stress associated with the high winds in the area. LP submitted an initial clean-up plan to Canada's National Energy Board (NEB), and has substantially completed the remediation.

Griffith, Indiana

On February 25, 2014, approximately 975 barrels (155 cubic metres) of crude oil leaked from station piping within a manifold inside our Griffith Terminal. The released oil was fully contained within the facility. We immediately notified regulators and shut down pipelines in and out of the terminal. Our investigation revealed a failed piping connection and we developed a repair plan, which was approved by the regulator. After repairs were completed, we safely restarted all pipelines at the terminal on February 27. Crews recovered most of the released oil and excavated all contaminated soil, which we delivered to an approved waste handling facility. Throughout the event, we carried out air monitoring as a precautionary measure to protect the safety of our workers and the public. There were no impacts to the local community, wildlife or water. We are continuing to investigate the event to determine lessons learned.

Maxbass, North Dakota

- On March 21, 2014, oil was discovered inside a containment berm where Tank 4004 had previously been removed at our Maxbass station. The source of the oil was not clearly evident upon discovery. We immediately isolated, locked and tagged out piping in the vicinity of the visible oil and notified the appropriate regulators and agencies. We also immediately began investigation and recovery efforts. We recovered approximately 200 barrels (31.8 cubic metres) of oil and removed contaminated soil from the site. Through recovery efforts, we discovered that the incident was caused by a leak in an underground tank line that had been connected to Tank 4004 prior to its removal.

Edmonton, Alberta

On April 18, 2014, approximately 113 barrels (18 cubic metres) of crude oil leaked from a tank mixer at our Edmonton Terminal after a seal failed. We immediately notified first responders and our facility technicians acted promptly to stop the leak from the mixer. All free product was contained within the tank containment berm on site. We recovered the spilled product using vacuum trucks and sent it for disposal to an approved waste management facility. We also took the tank out of service and drained it to repair the tank mixer. The tank was returned to service on May 9. We are conducting a root-cause investigation of the incident to determine lessons learned and prevent similar events from occurring in the future.

Regina, Saskatchewan

On December 16, 2014, approximately 1,346 barrels (214 cubic metres) of crude oil leaked from a valve at the Station 4 pump house within our Regina Terminal facility. We immediately notified regulators. We were able to contain all of the product on site, and recover all of the free product. We disposed of the impacted soil and water at an approved waste management facility, and are investigating the cause of the leak. We submitted an initial clean-up plan to the NEB, and are developing a remedial action plan to address any residual impacts.

Learning from Past Incidents

LP is committed to learning from past incidents so that it continually improves its operational performance and prevents similar incidents from occurring in the future.

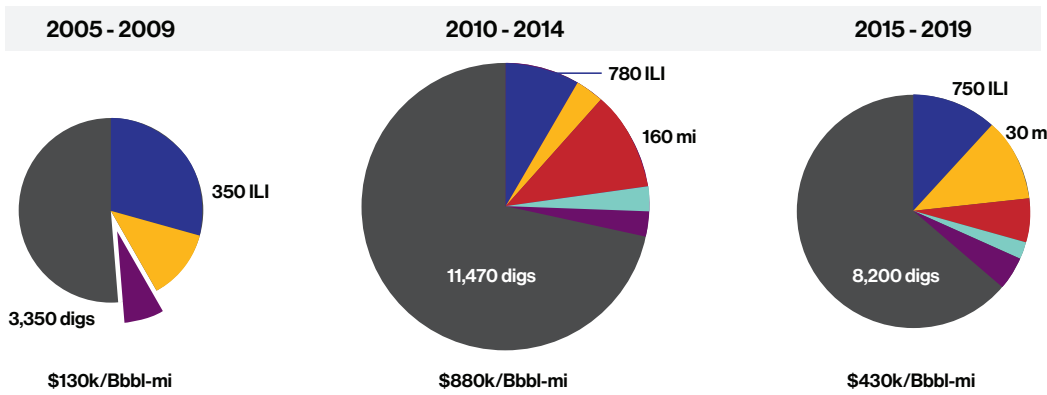
To that end, it investigates its spills and leaks – as well as its near misses – to determine their root causes and contributing factors, and incorporates its findings, along with the findings of regulators and other agencies, into action plans. LP then stewards these action plans through to completion with clearly defined timelines and roles and responsibilities.

LP also educates workers about past incidents through safety bulletins, articles on intranet articles, and regular discussions at safety and operations meetings. To help enhance its overall safety and reliability, LP shares the lessons it learns within Enbridge, across industry and with regulators and first responders.

System Integrity and Leak Detection Resources

As per the pie charts below, since our major 2010 spill in Marshall, Michigan, LP has significantly increased its spending on system integrity.

Liquids Pipelines (Canada and U.S.) System Integrity Activity



- Integrity Digs
- In-line Inspections
- Other Repairs
- Replacements
- Hydrotests
- Analytics

Enbridge's Liquids Pipelines (LP) business segment (Canada and U.S.) has increased investment in the safety and reliability of its liquids pipelines, from **\$130,000** per billion barrel miles of pipeline over the 2005 to 2009 period to **\$880,000** per billion barrel miles for 2010 to 2014. As a result of this significant investment, LP has **substantially reduced** the probability of failure due to cracking threats in our Mainline system to **less than one in 100,000**. LP is forecast to spend about \$430,000 per billion barrel miles on system integrity programs for 2015 - 2019.

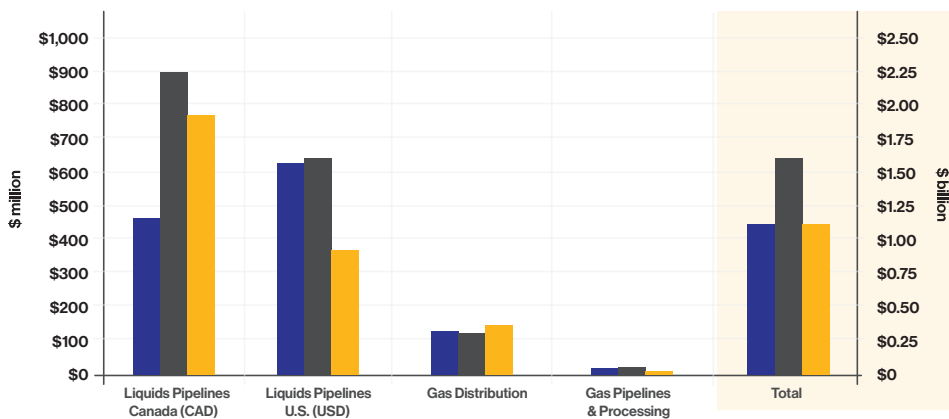
*Note that all dollar amounts include a mix of Canadian and U.S. dollars.

In addition, the number of employees and contractors in our LP integrity department has nearly doubled over the last four years, from 78 positions in 2010 to 146 positions at the end of 2014. Similarly, LP has increased the size of its team dedicated to leak detection and pipeline control, from more than 130 positions at the beginning of 2011 to more than 240 at the end of 2014. Some of this growth is due to LP's overall growth, but part of it is due to its increased focus on system integrity, leak detection and pipeline control.

In 2014, Enbridge as a company spent more than \$1.2 billion on system integrity and leak detection programs across our operations in Canada and the U.S. The following chart shows how that amount is broken down by business segment:

Dollars Spent on System Integrity and Leak Detection (2012 - 2014)

	Liquids Pipelines Canada (CAD)	Liquids Pipelines U.S. (USD)	Gas Distribution	Gas Pipelines & Processing (USD)	Total (CAD and USD)
2012	\$469 million	\$624 million	\$114.6 million	\$15.1 million	\$1.2 billion
2013	\$900 million	\$645 million	\$113.9 million	\$15.9 million	\$1.6 billion
2014	\$767 million	\$375 million	\$124.9 million	\$11.7 million	\$1.2 billion



Note that the amounts spent by Liquids Pipelines - U.S. and by Gas Pipeline & Processing are in U.S. dollars. The totals for each year **do not** include a conversion.

Improvements to Management Systems

Management systems ensure we have industry-leading standards, controls and procedures to maintain safe, reliable operations. They also enable employees to execute work consistently across our organization.

At the broadest level, the Enbridge Safety Management System Framework describes how we manage safety and operational reliability across the company. For LP, the Enbridge Integrated Management System (IMS) provides a holistic approach to ensuring that our organization acts in accordance with our internal policies and external regulations through alignment of strategy, processes, technology and people, thereby improving efficiency and effectiveness.

In recent years, our business segments have made a number of changes to management systems to support system integrity:

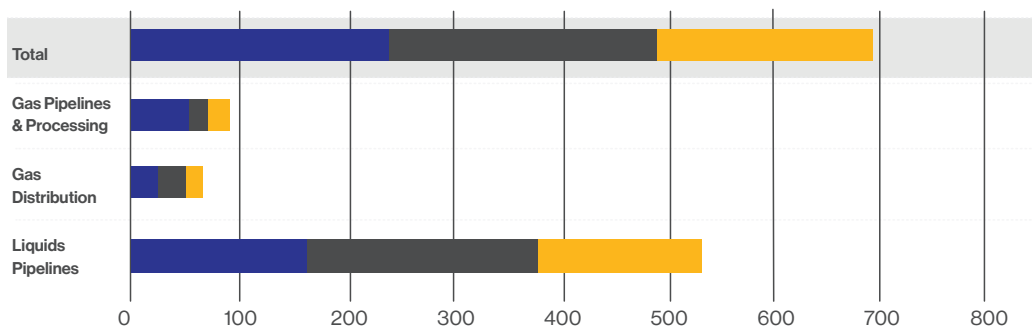
- In 2014, LP expanded its pipeline integrity management system and consolidated activities critical to pipeline integrity, including life cycle pipeline management; process safety; preventive, monitoring and mitigation plans; and risk assessment processes.
- GD updated its distribution management system by adding enhanced controls that provide more detailed information to employees on how to recognize, communicate and mitigate potential safety hazards in the gas distribution system.
- While GPP has always used a third-party consultant when building and maintaining risk assessment software packages for transmission, gathering, liquids and offshore assets, in 2014, it brought the software package and data management in house to enhance the risk analysis program and provide for more accurate and up-to-date data retention.

Pipeline Inspections and Integrity Digs

Each year, we conduct a significant number of pipeline inspections using sophisticated tools that incorporate cutting-edge imaging and sensor technology, and that are capable of scanning for features that could indicate potential problems. The graph below shows the number of these inspections that we conducted in 2012, 2013 and 2014, by business segment.

Wherever our inspections detected something that needed a closer look, we undertook an integrity dig to expose the pipeline, physically inspect it and make any required repairs. In 2014, we completed 2,550 integrity digs across our liquids and natural gas systems (2,485 in LP and 65 in GPP).

Number of Pipeline Inspections (2012-2014)



	Liquids Pipelines	Gas Distribution	Gas Pipelines & Processing	Total
2012	170	19	45	234
2013	211	22	25	258
2014	167	15	23	205

Pipeline Inspections by Business Segment in 2014

LP employed smart in-line inspection tools on 167 runs to inspect more than 12,030 kilometres (7,475 miles) – about 52 per cent of our active system. LP also carried out 2,485 integrity digs.

- GPP carried out 19 in-line inspections on 555 kilometres (345 miles) in our U.S. gas and liquids systems, and completed 65 integrity digs. In addition, it carried out four hydrotests on our pipeline systems.
- GD conducted 15 in-line and ultrasonic inspections on 36 kilometres (22 miles) of higher pressure pipeline. During the year, the business segment investigated and mitigated 99 features, including metal loss, deformation and crack indications.

Improvements to Operational Reliability

In our drive to continually enhance our operational reliability, we introduced new assessment techniques and pipeline integrity program improvements in 2014.

Applying Engineering Analytics

- LP is applying engineering techniques from other highly reliable industries, such as the airline and nuclear industries, to enhance the ways it determines the potential of pipeline failures. In 2014, LP adapted the safety-case method for liquids pipelines – a highly structured approach that uses probabilistic analysis to assess operating hazards and mitigation plans. LP plans to use this technique as an additional tool to assess the reliability levels of its pipeline assets and the effectiveness of its inspection and damage prevention programs.

Assessing Geohazards along our Liquids Pipelines System

Our liquids pipelines system crosses numerous rivers and widely varying terrain. To protect the integrity of this vast continental system, we closely monitor geohazards (environmental forces such as floods, soil erosion, seismic activity and slope movement). These have the potential to move the pipeline, resulting in stresses strains that could cause the pipeline to fail.

Since 2012, we have developed a comprehensive geohazard process management program for our liquids pipelines. Over the last three years, this program has involved extensive assessments, with geotechnical engineers and other specialists identifying and inspecting more than 5,000 geohazard sites, primarily river crossings and slopes. In some cases, as follow-up action, we have replaced pipe, remediated high-risk slopes and installed strain gauges to monitor the condition of the pipe. Based on risk levels, we have selected a number of sites for annual inspections. In 2014, we inspected more than 2,800 geohazard sites in Canada and the U.S., including slopes and water crossings.

Gas Distribution Pilots New Crawler Tool

In-line inspection tools typically enter one end of the pipeline and exit the opposite end. In the past, this has posed a problem for single-entry pipe in our GD business segment and other areas of our systems.

Since 2013, GD has worked with a vendor to develop and pilot a crawler tool, which we call “pig on a string,” to inspect single-entry pipelines. The self-propelled tool provides an added level of accuracy by recording data as it travels into and then back out of the pipe. By introducing the new technology, GD has found a novel solution to the challenge of inspecting natural gas pipe that was previously inaccessible to in-line inspection tools. In 2014, GD used the tool to inspect well laterals at Enbridge Gas Storage facilities in southwestern Ontario. These well laterals (short sections of natural gas pipe) are some of the higher pressure pipeline sections in GD’s system that were beyond the capabilities of traditional in-line inspection tools.

Increasing our Focus on Facility Integrity

As we increase system integrity programs for our Mainline system, we are also focusing attention on the integrity of our facilities.

In 2014, we continued to proactively identify and address potential threats in our LP facilities before a release occurs. We completed a two-year study to identify and characterize the likelihood of failure on more than 5,000 small-diameter piping connections in our LP facilities. We will use the findings to plan future maintenance and repair programs.

LP is also applying new technologies to screen for defects on facility pipelines that are unpiggable or difficult to inspect due to the pipe and valve configuration. LP is employing above-ground inspection techniques, including magnetic tomography, to complete preliminary assessments of below-ground piping in facilities for corrosion and crack defects. In 2014, LP successfully used the technology to inspect 15 kilometres (nine miles) of facility piping, including tank lines, at terminals in Cushing, Oklahoma and Superior, Wisconsin.

LP has also applied a radiographic tool to inspect small-diameter drain-line connections at facilities across its system. The technology provides a detailed image of piping, similar to an x-ray, to detect wall loss due to internal corrosion. LP is using the tests to identify areas of internal corrosion, often caused by sediment build-up, so as to take early action to repair or clean the drain lines.

Under Occupational Safety and Health Administration (OSHA) regulations, operators in the U.S. are required to inspect gas processing plants every five to 10 years. GPP follows a rigorous schedule to assess the mechanical integrity of its 28 natural gas processing plants, inspecting 20 per cent of every plant each year and checking vessels and piping for corrosion. The results of these inspections are logged into a database to track corrosion trends and operational reliability.

Improvements to Process Safety Management

Another way that we are enhancing system integrity and increasing the safety of our pipelines is through process safety management. Process safety is a disciplined management approach applied in hazardous industries that focuses on the prevention, detection, control and mitigation of catastrophic incidents that have the potential to injure people and claim lives, or have far-reaching and long-lasting consequences.

Process safety management involves a comprehensive set of industry best practices for keeping gas or oil in the pipe, encompassing everything from design and construction through to operation and maintenance of pipelines and facilities. Process safety practices work by integrating the outputs of all departments, so a change in one area will not have an adverse impact somewhere else. By paying close attention to process safety management, we help to ensure operational reliability and protect workers, the public and the environment.

We promote consistent development of process safety programs across our organization through a Joint Business segment Process Safety Council, which reports to Enbridge's Operations and Integrity Committee. Through the council, senior leaders from each business segment meet monthly to share learnings and implement best practices.

Each business segment has established its own process safety team and is taking steps to incorporate process safety management into day-to-day operations. Some of the areas that are being addressed are:

- incident investigation procedures,
- process safety information (equipment information and standards),
- management of change (controlling changes to prevent unplanned impacts to operational reliability), and
- assessment and mitigation of process safety hazards.

We are also working to better understand process safety risks at our critical facilities. In 2014, an LP team completed a comprehensive review of process safety risks at our Superior Terminal in Superior, Wisconsin. Using a highly structured analysis, the team evaluated past operating events, current practices and potential risks at the terminal. While the review identified some opportunities for improvement, it also confirmed that high levels of operational reliability are in place.

Improvements to Leak Detection and Monitoring

Because our core business is to safely transport hazardous materials through a network of pipelines, we continually improve the methods we use to prevent and detect leaks and releases.

Since 2012, LP has invested \$190 million to review the performance of critical leak detection equipment across its system and add equipment, as needed. As a result, LP has significantly increased the number of remote pressure, flow, temperature and density transmitters in place across Enbridge's liquids pipelines system. This capital program was substantially completed in 2014.

In addition, LP initiated a rupture-detection program to complement its existing leak detection strategy. LP has made significant strides in developing this additional protective layer and will be deploying phase one of the program in early 2015.

In 2014, LP also executed computer-simulated tests to measure and understand leak detection performance across its entire pipeline system. These tests were further complemented with four additional unannounced fluid withdrawal tests. Fluid withdrawal tests allow LP to evaluate both the performance of its system and its people to identify further improvements to processes and technology.

GD has enhanced its knowledge of the characteristics of its natural gas distribution system through targeted risk assessments of assets. In 2014, GD conducted leak surveys on 8,035 kilometres (4,993 miles) of distribution mains in the Enbridge Gas Distribution (EGD) franchise area – which equals approximately a quarter of EGD's system.

Enbridge Gas Distribution has also partnered with 3-GIS LLC to develop a new Leak Survey Management System, a GIS-driven, GPS tracking tool to manage its leak survey programs. Implemented in August 2014, the system has brought greater confidence about the condition of the assets in Enbridge Gas Distribution's natural gas system by improving governance and execution of the leak survey program. The system provides leak survey technicians a visual representation of where the assets to be surveyed are located, identifies their location, enables them to easily capture findings and allows the business segment to track completion of the surveys in a more accurate manner.

Research and Development of Innovative Technology

We are committed to continuous improvements to ensure the safety and reliability of our pipelines. We invest in innovative pipeline integrity, leak detection and damage prevention technologies, with the goal of implementing industry-leading capabilities. *For more information on these, please see the R&D and Innovation: Pipeline Technologies and Emerging Technologies section of this report.*

Industry Leadership

We help to shape industry direction through our leadership roles and are working hard to promote and secure a future where zero incidents are attainable. We actively support the development of best practices and advanced technology by taking lead roles on Pipeline Research Council International (PRCI). We also work alongside industry peers through associations such as the Canadian Energy Pipeline Association (CEPA), the Canadian Gas Association (CGA), the American Petroleum Institute (API) and the American Gas Association (AGA).

Here are some examples of our collaborative work with industry associations in 2014:

Crack Management

Through API, we played an instrumental role in developing a new crack management recommended practice. This operational practice will provide guidance to pipeline companies in taking an integrated management system approach to address cracks in liquids pipelines systems.

In-line Inspection Technologies

- We have worked with PRCI to complete the NDE-4E project to evaluate the effectiveness of a wide range of in-line inspection technologies for liquids pipelines. Completed in 2014, this data review initiative has collected the industry's most comprehensive body of knowledge related to crack management. We sponsored this project and have been providing leadership from inception to completion.

Rupture Detection

- Over the past two years, we have participated in an API-led industry initiative to develop a white paper on rupture detection for the pipeline industry. The strategy document will assist pipeline operators in North America in establishing best practices related to rupture detection as a primary or complementary layer to existing leak detection systems.

Joint Industry Partnerships

We have helped lead two joint industry partnerships focused on external leak detection sensors. Involving a research company and the Alberta and federal governments, the partnerships are evaluating the use of aircraft-mounted sensors and cable-based sensors installed along pipelines.

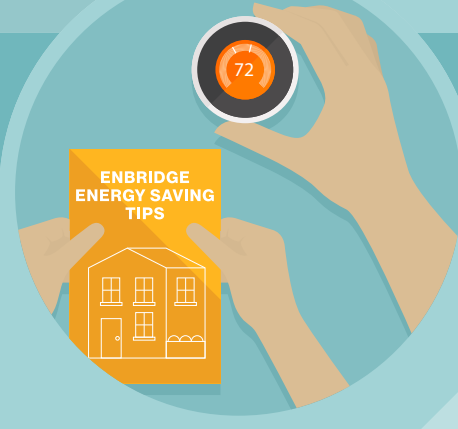
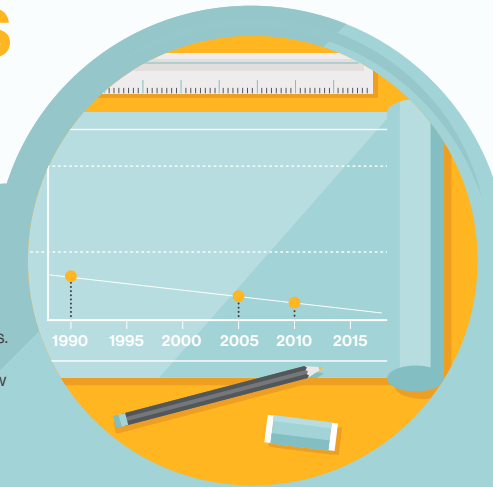
Safety

- Over the past two years, we have participated in an API-led industry initiative to create a safety management system for the pipeline industry. This recommended practice is expected to be released in 2015. In addition, through a subcommittee of the AGA Safety and Occupational Health Committee, we are sharing the development of industry practices for process safety in the natural gas distribution industry.
- At Enbridge, we promote the sharing of best practices with our industry peers and encourage our people to get involved. In 2014, our employees presented many technical papers on different topics related to system integrity and leak detection at industry conferences and speaking engagements. Through these activities, we are not only driving industry improvements but advancing a culture of innovation in our organization.

ENBRIDGE'S Climate Strategies

REDUCE OUR GHG EMISSIONS

In 2011, we reduced our GHG emissions from our Canadian operations by 21 per cent below 1990 levels. In 2014, Enbridge Gas Distribution reduced its GHG emissions by 5 percent below 2011 levels. We are now setting new targets for emission reductions and energy for each of our business segments and units.



DEMAND-SIDE MANAGEMENT

Enbridge Gas Distribution creates initiatives to help consumers improve energy efficiency, reduce natural gas consumption and lower greenhouse emissions. Since 1995 these initiatives have saved approximately 16.5 million tonnes of CO₂ emissions—similar to taking approximately 3.2 million cars off the road.

INVEST IN RENEWABLES

We have interests in total gross generating capacity over 2,200 megawatts – enough to meet the electricity needs of over 750,000 homes. We invest in technologies designed to store renewable energy and a wide range of alternative energy projects.



COLLABORATE ON JOINT SOLUTIONS

We reach out and confer with environmental organizations, investors, energy producers, governments, Aboriginal and Native American groups, customers and others to continually evolve the way we do business and our approach to energy and climate issues.

2. Enbridge's 2014 Performance Regarding Environment, Energy & Climate Change

a. Material Topic:

Energy and Climate Change

Overview

We recognize that climate change is a critical global issue and believe that meaningful greenhouse gas (GHG) reductions will require effective public policies and regulations based on collaboration between government, industry, communities, environmental organizations and consumers. We also recognize that climate change is a critical issue for Enbridge, given that our business is primarily focused on transporting hydrocarbons, and that it connects the upstream and downstream components of North America's oil and gas industry.

Management Approach

Climate Change Policy

Under our Climate Change Policy, we are committed to reducing our own GHG emissions and energy use. We are also committed to working, both within our individual business segments and at a broader collaborative level, with external stakeholders and decision makers to advance climate solutions.

As a company that operates linear infrastructure across a number of different jurisdictions we comply with all applicable carbon pricing and disclosure requirements.

We have also been publicly disclosing our own emissions since 2003 and, under the CDP, also disclose our energy use.

Climate Change Influence on Business Strategies

Climate change has influenced our business strategy in several ways:

Investments in Renewable and Alternative Energy

Since 2002, we have invested approximately \$4 billion in renewable and alternative energy projects in Canada and the U.S. Of that total, we invested approximately \$1.9 billion (about 47 per cent) in the last three years. We have interests in total gross generating capacity of 2,272 MW and a net generation capacity of 1,616 MW.

Our renewable and alternative energy business is diverse and includes a variety of energy sources and delivery systems. We are Canada's third largest renewable energy producer* and, in the U.S., we are a growing renewable energy player with investments in wind, solar and geothermal. We are also investing in a wide range of alternative energy projects, including waste heat recovery and run-of-river power generation, and are exploring technologies to store renewable energy. *For more information, see the R&D and Innovation: Pipeline Technologies and Emerging Technologies, and the Renewable & Alternative Energy, sections of this report.*

*Tracking the Energy Revolution, Canada Edition 2014, Clean Energy Canada, December 2, 2014

Natural Gas Infrastructure Growth

Natural gas will play an important role in the transition to a lower carbon economy. As such, we continue to invest in expansion projects in our natural gas distribution franchises and natural gas pipeline and processing business as climate change policies favouring lower-carbon natural gas offer continued growth opportunities.

Investments in Technologies that Support a Low-Carbon Future

We actively look for opportunities to invest in technologies that support a low-carbon future. One example is our \$5-million investment in Hydrogenics, a utility-scale energy storage technology; another is our \$5-million investment in Temporal Power, a developer of an innovative flywheel technology. These investments are aimed at improving the economic effectiveness of intermittent energy sources such as wind and solar. *For more information, see the R&D and Innovation: Pipeline Technologies and Emerging Technologies section of this report.*

Demand-Side Management

We continue to help our natural gas utility customers manage their energy use through various demand-side management programs.

Planning for Extreme Weather Events

We include planning for extreme weather events in our operational response plans, and have installed additional on-site emergency generators to provide power in the event of extended outages (during ice storms, for example). In addition, because we operate significant infrastructure in the Gulf of Mexico region (both onshore and offshore), and because there is a risk that these assets could be impacted by hurricanes, where possible, we have relocated our onshore assets to higher ground. Our offshore platforms are, for the most part, self-secured and have received minimal damage from past storms. To minimize weather-related risks, we have retained the services of a weather-service vendor to help track weather patterns, especially during hurricane season. We also factor weather-related risks into our decisions on insurance coverage.

Target Setting

We have already met initial company-wide targets for GHG reductions that we had set in 2005 and 2010. Because our various business segments vary significantly in their carbon profiles, risks and opportunities we believe that, to be meaningful, we will achieve further gains at the business segment level, as opposed to the company level. As such, we are reviewing our GHG emissions and developing new integrated carbon and energy efficiency plans on a business segment basis. Our work in this area is supported by our Emissions Data Management System, which enables us to track our emissions and to comply with emissions reporting requirements in Canada and the U.S.

Stakeholder Engagement and Collaboration

We participate in the climate change groups of various industry associations, and proactively engage stakeholders regarding the climate change implications of our projects and operations.

Neutral Footprint Commitments

We continue to meet our Neutral Footprint commitments. For more information, see the *Environment & Land Management* section of this report.

Strategic Priorities

- #1 – Reduce direct GHG emissions across the company.
- #2 – Reduce methane emissions across the company.
- #3 – Reduce energy consumption across the company.
- #4 – Continue to help customers use energy wisely through demand-side management (DSM) programs.

2014 Performance

Note to Readers

We have organized Enbridge's GHG emissions and energy information in accordance with the G4 Sustainability Reporting Guidelines, which includes categories for GHG emissions (G4-EN15 through G4-EN19) and energy (G4-EN3 through G4-EN7). There are several common aspects to these categories, so in this note we have provided background information that is applicable to the entire GHG emissions and energy section of Enbridge's 2014 CSR Report. Note that we report G4-EN2 – Emissions of Ozone-Depleting Substances, and G4-EN21 – NO_x, SO_x and Other Significant Air Emissions, in the *Environment and Land Management* section of this report.

We present the GHG emissions and energy data on a corporate-wide basis. In addition, since Enbridge operates several lines of business, with each having unique emissions and energy profiles we also provide a break-out of the information for each of the following business segments and group:

- Liquids Pipelines (LP),
- Gas Pipelines & Processing (GPP),
- Gas Distribution (GD), and
- Power Generation & Transmission (PGT) group.

In addition, we include Corporate Services, which covers Enbridge's corporate head office operations that provide centralized corporate-wide services and management.

Consolidation Approach: We currently consolidate Enbridge's energy and GHG emissions on an operational control basis, as outlined in *The GHG Protocol*. Under this approach, we aggregate and report on the energy use and Scope 1 and 2 GHG emissions data for the subsidiaries over which we have control of operations, including the authority to implement operating policies. The operations under Enbridge's operational control are in Canada and the U.S.

Years Covered: With minor exceptions, we present all energy use and emissions data for three years (2011, 2012 and 2013) in order to show trends. Data for 2013 was the most current available in time for the 2014 CSR Report, which was posted in the first quarter of 2015. We will update the data as they become available later in 2015.

Emissions and Energy Trends: Generally, because all of our business segments are growing and investing in new facilities, there will be an associated increase in GHG emissions and energy use. There may also be some year-to-year variability in GHG emissions and energy consumption for a variety of reasons, including weather-related impacts, economic conditions and competition for market share. We provide further explanation of trends with the business segment data.

Global Warming Potential (GWP) Rates: In this report, we have applied the 100-year GWP values from the Fourth Assessment Report by the Intergovernmental Panel on Climate Change to calculate GHG emissions on a tonnes of carbon dioxide equivalent (t CO₂e) basis, and all years 2011 through 2013 are restated on this basis.

Standards, Methodologies and Assumptions: We compile GHG emissions inventories following the methods and standards that apply to our industry. Our energy use data is predominantly based on metered fuel and electricity consumption, either from Enbridge's own internal fuel meters or from utility and fuel invoices. In a few cases, we estimate energy use from activity data, such as leased office square footage or vehicle miles driven. Additionally, in jurisdictions with mandatory reporting regulations, we use the methods prescribed in these regulations.

GHG Emissions

In 2005, we achieved our initial corporate target to reduce our Canadian direct GHG emissions by 15 per cent below 1990 levels and, in fact, achieved an 18 per cent reduction. We subsequently set a new Canadian operations reduction target for the 2010 inventory year of a 20 per cent reduction in direct GHG emissions below 1990 levels and, in 2011, we determined that we had achieved a 21 per cent reduction below 1990 levels, primarily through upgrading facilities and equipment. We are currently in the process of developing more accurate inventory data for several of our business segments, to help us establish a more robust baseline for new targets that are business-segment specific.

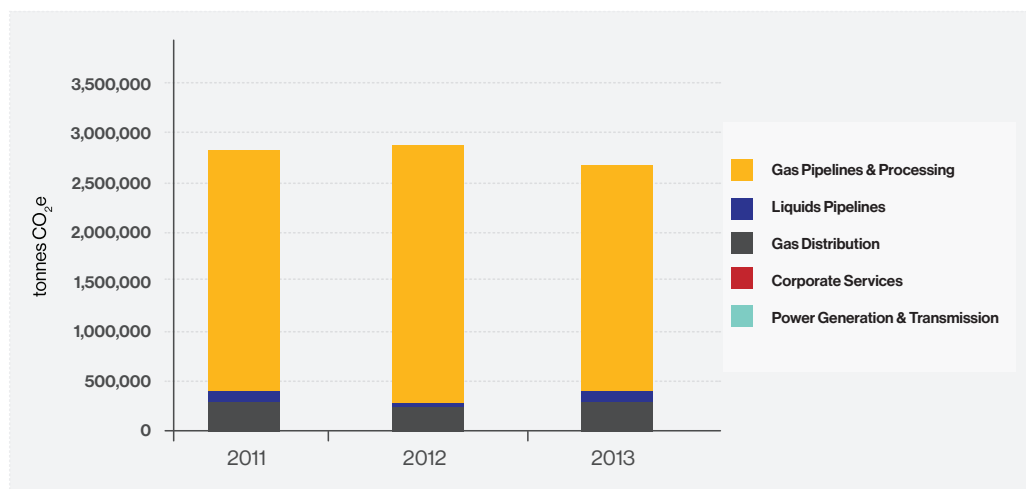
For our Gas Distribution business segment (GD) in Canada (but excluding GD's storage operations), we have set a direct emissions intensity target of five per cent reduction based on 2011 emissions and number of customers (i.e. the metric is tonnes of carbon dioxide equivalent per number of customers) to be achieved by 2015. GD is on track not only to meet, but also to exceed, this target.

Our Gas Pipelines & Processing business segment (GPP) in the U.S. has set a target of creating a comprehensive GHG emissions estimation methodology across all of its facilities for the 2015 calendar year using our newly created Emissions Data Management System. Using a 2015 baseline, GPP will also determine the potential for methane emissions reductions and will set targets.

Direct GHG Emissions (Scope 1)

The graph and table below provide the direct or Scope 1 emissions for each of our business segments and for our Power Generation & Transmission group. These include the emissions (fugitive, combustion, vented) that result from activities associated with company-operated facilities, buildings and leased offices, as well as from company-operated vehicles and aircraft.

Enbridge Scope 1 GHG Emissions (t CO₂e)



Scope 1 (t CO ₂ e)	2013	2012	2011
Liquids Pipelines ¹	115,000 ²	19,000	21,000
Gas Pipelines and Processing	2,273,000	2,559,000	2,528,000
Gas Distribution	301,000	293,000	316,000
Power Generation and Transmission	100	500	1,600
Corporate Services	2,000	2,000	3,000
Total	2,691,000	2,874,000	2,869,000

1. For Liquids Pipelines, the Scope 1 estimates for the U.S. subsidiaries include vehicle emissions and fugitives (CH₄ and CO₂) from terminal operations. Line heater, fire pump and emergency generator combustion-related GHG emissions are also included for Enbridge Energy Partners, L.P. Currently, the Scope 1 inventory does not include emissions from space heating, water heating and other small combustion sources; however, these sources are minor in terms of U.S. Liquids Pipelines' total Scope 1 and 2 emissions profile.

2. In 2013, SF₆ was used as a tracer gas for a hydrostatic test of Line 14. The CO₂e of the test (84,00 t) encompasses approximately 74 percent of the 2013 Liquids Pipelines Scope 1 total.

Company-wide, Scope 1 GHG emissions in 2013 decreased approximately six per cent from 2012 and 2011 levels.

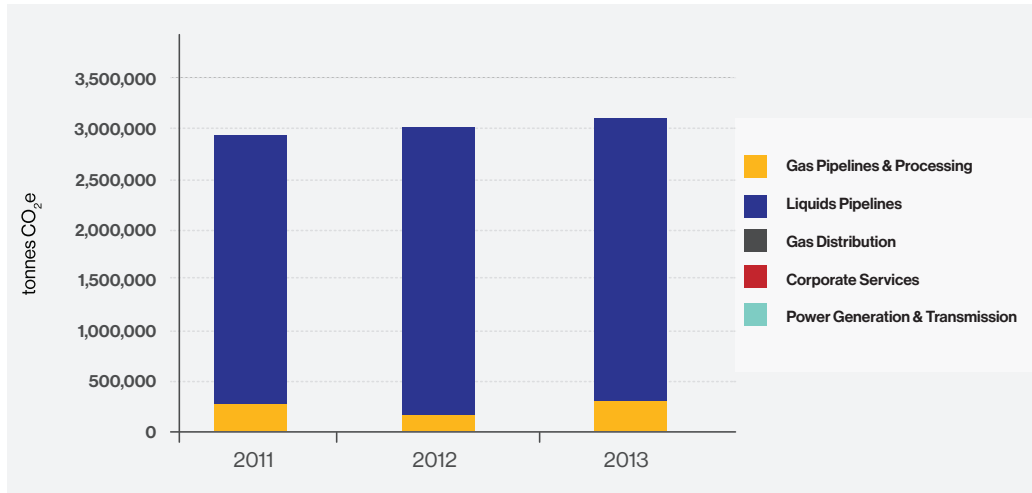
At the business segment level, some of the year-over-year trends can be explained as follows:

- For LP, Scope 1 emissions rose in 2013 for two main reasons:
 - LP increased its use of the natural gas-fired line heater at our Superior Terminal. This heater heats the products being shipped to reduce viscosity and associated pumping energy requirements.
 - LP used sulfur hexafluoride (SF₆) as tracer gas to test an extensive length of pipeline for leakage. We are supporting research into SF₆ alternatives for pipeline leak testing that is aimed at finding less GHG-intensive technologies to perform these pipeline integrity tests in future.
- For GPP, Scope 1 emissions are directly proportional to system through-put. As such, reduced Scope 1 emissions are a result of reduced GPP system through-put.
- For GD, Scope 1 emissions rose due to increased fuel used at GD's underground storage operations. Fuel use varies depending on the amounts of natural gas injected or removed from the storage facility.
- The Scope 1 decrease for our Power Generation & Transmission (PGT) group is mainly due to the fact that we decommissioned our natural gas-fired fuel cell and, for Corporate Services, reduced our use of fuel for our corporate jet.

Indirect GHG Emissions (Scope 2)

The graph and table below provide the gross energy indirect or Scope 2 emissions for each of our business segments and for the PGT group. These are the emissions that occur off-site to generate the electricity that we purchase and consume within our operations. We currently do not purchase heating, cooling or steam energy for our operations. We have calculated the Scope 2 data presented here based on the most current Environment Canada or U.S. EPA e-GRID grid-average emission factors that were available when the year's inventory was compiled. For this reason, year-over-year changes in Scope 2 data reflect not only changes in electricity consumption, but also potentially, changes in the emission factors applied.

Enbridge Scope 2 GHG Emissions (t CO₂e)



Scope 2 (t CO ₂ e)	2013	2012	2011
Liquids Pipelines ¹	2,835,000	2,781,000	2,654,000
Gas Pipelines and Processing	212,000	208,000	312,000
Gas Distribution	2,400	2,900	2,200
Power Generation and Transmission	1,700	1,300	800
Corporate Services	2,600	2,400	2,300
Total	3,054,000	2,995,000	2,971,000

Overall, our Scope 2 GHG emissions in 2013 were approximately two per cent higher than they were in 2012, and three per cent higher than they were in 2011.

This increase is due in large part to LP's increased electricity use. LP uses electricity to operate the pumps that move liquid petroleum products through its pipeline systems, and its electricity use has increased as the volume of product it delivers through the pipeline systems has increased.

GPP's decrease in electricity consumption from 2013 and 2012 levels from 2011 levels is due to the fact that GPP has improved the accuracy of its data tracking.

GD's Scope 2 emissions exhibit some year-over-year variability as a result of typical fluctuations in electricity use, and of changes in the grid electricity emission factor applied in each year. The increase in Scope 2 emissions from PGT is expected as we have added new renewable power generation assets each year.

Similarly, Corporate Services electricity use has increased with the addition of more office space.

Indirect GHG Emissions (Scope 3)

The G4 guidance describes this category as the GHG emissions that are a consequence of the activities of the organization, but that occur from sources not owned or controlled by the organization. This report does not contain a complete assessment of all the indirect GHG impacts associated with Enbridge's operations as such an assessment would entail a significant analytical effort.

In this section, we provide information on the following Scope 3 sources:

- GHG emissions associated with customer use of the natural gas that we distribute through our natural gas utility subsidiaries,
- GHG emissions associated with the generation of electricity that is consumed in the electrical grid's transmission and distribution system, and
- GHG emissions associated with employee air travel for business. In this case, a number of initiatives to replace the need for employee air travel are helping to minimize this emissions source.

For more information, see the Reduction of Energy Requirements of Products and Services section of this report.

GHG Emissions from Customer Use of Natural Gas (Scope 3)

The following table provides a high-level estimate of the Scope 3 emissions associated with customer use of the natural gas that GD sold or delivered. For simplicity, this estimate assumes that all natural gas is used in combustion equipment. The GHG emission increase in 2013 over 2012 and 2011 levels is expected since 2013 was a colder than normal heating season, whereas 2012 and 2011 were warmer than normal heating seasons. In addition, GD added over 35,000 new natural gas customers each year during this same period.

GHG emissions from customer use of natural gas (t CO₂e)	2013	2012	2011
	22,700,000	20,300,000	21,800,000

GHG Emissions from Electricity Transmission and Distribution (T&D) System Losses (Scope 3)

The following table is an estimate of the Scope 3 grid loss emissions associated with the electricity that we purchase from the North American grid. It is a high-level estimate that applies the most current grid loss percentage to Scope 2 data, broken out by country.

Scope 3 emissions from electricity grid losses will vary from year to year depending on a number of factors, including the amount of electricity purchased, the emissions intensity of purchased electricity and the percentage grid loss factor, which can vary between electricity supply regions.

GHG emissions from electricity grid transmission and distribution losses (t CO₂e)	2013	2012	2011
Canada	82,000	74,000	68,000
U.S.	108,000	112,000	117,000
Total	190,000	186,000	184,000

Note: The above estimates are based on the following national-level grid loss percentage assumptions: For Canada, 6.25 per cent, derived from Table A13-1, Canada's National Inventory Report (EC, 2014); for the U.S., 6.18 per cent, the eGRID U.S.-wide grid loss percentage, eGRID 9th edition Version 1.0, year 2010 summary tables (EPA, 2014).

GHG Emissions from Employee Business Travel by Air (Scope 3)

The following table provides an estimate of the Scope 3 emissions for air travel by employees. This information is collected by our travel agency and tracked in our Emissions Data Management System.

<i>(t CO₂)</i>	2013	2012	2011
Employee business travel by air	6,000	4,900	4,000

For more information, see the Employee Travel section of this report.

GHG Emissions Intensity

Due to the unique characteristics of each of our business segments, it is difficult to provide one common GHG intensity metric that can be applied across the organization, and that can be used to track energy and emissions performance improvements.

We are continuing our efforts to identify and quantify meaningful GHG performance metrics and plan to expand this section in future CSR reports.

Reduction of GHG Emissions

In this section, we discuss GHG emission reduction initiatives throughout the organization. For most of our business segments, GHG emissions are almost entirely linked to energy use – either fuel used in combustion equipment or Scope 2 emissions from electricity use. Additionally, for GD and GPP, a significant proportion of Scope 1 methane emissions come from fugitive or vented sources.

Actions that we have implemented for other reasons, for example, to improve reliability or safety, often deliver GHG reduction co-benefits. GHG reduction efforts are also typically associated with efforts to manage energy costs or reduce natural gas loss from the system. Depending on the nature of the reduction effort, the action may generate an actual reduction in the current GHG emissions level or it may prevent or avoid emissions that would have occurred had the action not been taken. (An example of the latter would be energy efficiency features being installed at new facilities that exceed current building practice.)

The following sections describe the range of reduction activities – from offices and buildings, vehicles and system operations, through to activities that impact Scope 3 emissions outside of the organization.

Offices and Buildings – We have reduced the Scope 1 and Scope 2 emissions from energy use in our offices and buildings through our efforts to build new facilities to LEED standards. An example of such a facility is GD's Technology and Operations Centre in the Toronto area. A number of our leased offices are also located in LEED Gold certified buildings, including three of LP's leased offices, our corporate head office in Calgary and GPP's Houston office, which is also an Energy Star Certified building. Energy-saving features common to many other Enbridge offices include energy-efficient lighting, motion sensors to control lighting, water-saving fixtures and recycling programs.

Vehicles – GD has the largest natural gas vehicle fleet in Canada, and has converted 648 of its 853 fleet vehicles to run on natural gas. The majority of the vehicles are dual-fuel (they run on natural gas and gasoline), but some medium-duty trucks, which are normally diesel-fuelled, have also been converted to run only on natural gas. Through this initiative alone, GD has reduced its GHG emissions by more than 400 tonnes of carbon dioxide equivalent per year, compared to levels it would be emitting if it were operating gasoline or diesel-fueled vehicles.

GD has also reduced its fleet size by standardizing vehicle designs and building versatility into its fleet. For jobs that would have previously required three trucks, each with its own capabilities, GD has built three different job functions into one truck.

GD has also recently installed a hybrid power system that enables work trucks to operate AC and DC power tools and equipment from their batteries when their engines are not running. This system not only reduces fuel consumption and GHG emissions, but also vehicle idling, noise, and wear and tear.

Employee Travel – Although business travel has grown along with the increase in our employee numbers, we have implemented initiatives that provide alternatives to travel. By the end of 2014, we had 40 active TelePresence videoconferencing meeting rooms

and were planning to add four more rooms in 2015. In 2014, our employees held 5,757 TelePresence meetings (2,085 of those involved three or more rooms).

We are also offering an increasing number of on-line training courses to employees. For example, EGD has transitioned to web-based training for many of its environment, health and safety programs, avoiding approximately 14 tonnes of carbon dioxide equivalent per year in employee travel-related GHG emissions, while at the same time reducing costs and improving productivity through reduced employee travel requirements.

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

System Operations: Stationary Combustion Equipment –

The turbines and reciprocating engines that drive the compressors on GPP's gathering and transmission pipelines and GD's underground storage operations are the largest sources of natural gas fuel use in our operations. Other combustion equipment includes boilers, heaters and line heaters.

Combustion equipment is operated to maximize energy efficiency, and standard operating practices include following recommended routine maintenance. GPP has implemented a preventive maintenance program using Maximo asset management software for air filter change, oil-change intervals, hose and belt inspection, spark plug change intervals, rod packing inspection and change intervals, and emission testing. The maintenance and engine testing programs ensure compression equipment is performing at the highest efficiency and low emission rates.

New heater technologies and improved temperature control strategies have also helped reduce the energy requirements of line heaters in GD's operations.

System Operations: Pump Station Electricity Use – The dominant source of GHG emissions on our liquids pipelines systems is Scope 2 – from electricity use. Electric motors drive the pumps that, in turn, move the liquids products through the pipeline system.

As products in the pipelines and power contracts change, we continually review natural flow rates and line splits for our liquids pipelines. The flow rates and line splits are actively monitored to optimize pipeline operating pressures to match equipment and lines with the types and quantities of products transported. By applying these criteria to pipeline operations, we optimize the operating performance of our systems, thus lowering power costs and Scope 2 emissions. In addition, we introduce additives or add line heat to reduce the friction of liquids products and optimize flow.

System Operations: Fugitive, Vented and Flared GHG Emissions –

Policy makers have recently renewed their focus on methane emissions from the oil and gas sector. Methane emissions can occur through natural gas released as a result of fugitives (leaks), venting and third-party damages.

Fugitive and vented releases of natural gas are also, to a lesser extent, a source of carbon dioxide emissions, since a small percentage of carbon dioxide is present in processed (pipeline quality) natural gas.

We are committed to reducing these methane losses and have had management programs in place for several years to reduce methane emissions. The following provides further information:

Methane Mitigation at Gas Distribution

GD completed its cast iron pipe removal program in 2012. We estimate that, as a result of the program, GD was able to reduce its annual GHG emissions by approximately 145,000 tonnes carbon dioxide equivalent. GD's removal of all cast iron piping from its natural gas delivery system has also been a major contributor to its reduction in methane emissions.

There has been a continued decline in methane losses from third-party damage incidents due to industry efforts such as the implementation of Ontario One Call, a province-wide, one-call locate system that GD helped to establish.

For several years, GD has also installed excess flow shut-off valves on new service line installations, which reduces the amount of natural gas released when service lines are damaged.

GD has replaced the majority of high-bleed-rate pneumatic equipment in service. Begun in the early 1990s, this initiative has reduced methane emissions from pneumatic equipment by approximately 95 per cent.

GD continues to manage its systems to reduce methane leaks through its extensive asset integrity program, which targets preventive maintenance on the equipment and piping with higher risk of leaking.

GD's Environment Department uses an company-wide GHG Emissions Data Management System to help maintain regulatory compliance with existing and proposed environmental regulations, which will also help GD identify possible GHG emissions reductions through improvements or modifications to current operations.

Gas Pipelines & Processing's Common Methane Sources and Current Approach to Mitigation

Fugitive Emissions from Leaks in Flanges, Threaded Pipe, Pumps, Valves and Other Components at Natural Gas Plants, Compressor Stations and Pipeline Assets

- GPP has committed significant resources to its Leak Detection and Repair (LDAR) Program, and its processing plants conduct monthly and quarterly LDAR monitoring for components in natural gas liquids service. GPP currently uses a Best Management Practice that extends monitoring beyond the process unit to include portions of the processing plant that are not subject to regulatory requirements.
- GPP has five Forward Looking Infrared (FLIR) cameras deployed for additional LDAR monitoring. These have been successfully used at plants, compressor stations and pipeline rights-of-way

to identify leaks or emission sources and allow for repairs to be made. The ease of use and rapid-scan functionality of the cameras allow for greater frequency of leak detection surveys at facilities, resulting in more rapid detection of leaking components for repair and reduced gas loss due to fugitive leaks. Without the use of these tools, the leaks may have gone unnoticed.

- GPP performs fugitive emissions monitoring (very similar to the LDAR program) annually at various facilities and uses the information to correct leaks identified by the survey. All equipment is operated using best management practices to maximize energy efficiency, thus reducing excess emissions from these sources, including combustion-related methane. Best management practices include: all recommended routine maintenance; monitoring the operations of individual engines; and ensuring the optimization of operating conditions.
- GPP conducts right-of-way surveillance and air patrols on gathering and transmission pipelines. These patrols can aid in identifying leaks so that repairs can be made to the pipelines.
- GPP's integrity testing programs ensure that our assets are maintained in good condition and that the product stays in the pipe or vessel as intended.

Emissions from Starter and Blowdown Vents and Piston Rod Packing Leaks on Reciprocating Compressors

- GPP has begun a program for large CAT 3600 series compressors where compressed air is used to start the driver instead of natural gas, thereby eliminating this vented emission source.
- GPP's preventive maintenance program for engines helps ensure that compression equipment is performing at the highest efficiency and low emission rates for combustion-related methane.

Emissions from the Normal Operation of Pneumatic Devices (liquid-level controllers, pressure regulators and valve controllers)

- In the third quarter of 2013, GPP developed a compliance strategy to replace high-bleed-rate pneumatic control devices with preferred no-bleed and low-bleed alternatives. Processing plants typically operate these controllers on instrument air and not natural gas, so there are no methane emissions from these sources at processing plants. Since October 2013, GPP stations using natural gas actuated pneumatic controllers are equipped with low-bleed or no-bleed devices.

Emissions from General Maintenance Start-up and Shutdown of Assets

- In the event of a planned pipeline shutdown, operations can ensure that the line pressure is decreased from normal operating limits to low-pressure shutdown limits using area compression to reduce gas volumes emitted to the atmosphere.
- When a compressor is being shut down for repair, the unit is depressurized back into the pipeline as much as possible. This process reduces the volume of gas blowdown to the atmosphere.

Emissions from Gas Processing

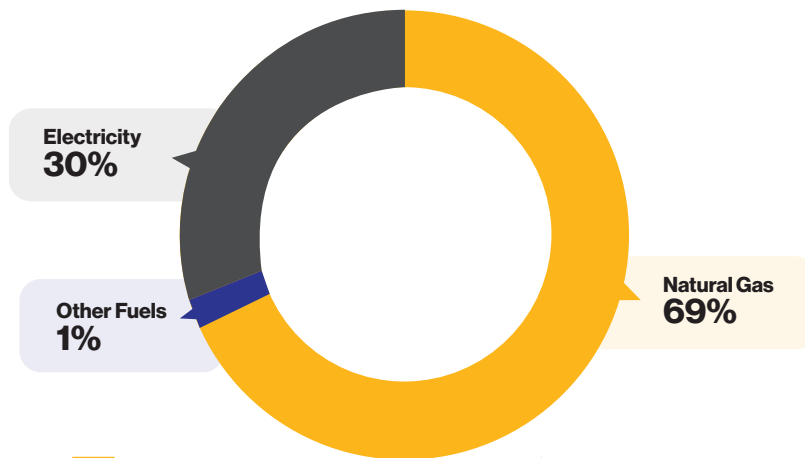
Carbon dioxide is typically emitted when field gas is processed to remove formation carbon dioxide in order to meet pipeline quality specifications. The carbon dioxide emissions from processing will vary depending on the carbon dioxide content of the field gas. Reinjection of this carbon dioxide into reservoirs is sometimes a viable option when gas containing hydrogen sulfide and carbon dioxide is being treated. In 2013, GPP commissioned a new acid gas injection well, in addition to the existing operational injection well, near Enbridge's Aker treating facility in East Texas. For the 2013 operating year, the facility injected more than 43,000 tons of carbon dioxide that otherwise would have been emitted from a traditional gas treating facility.

Energy Consumption at Enbridge

The tables and graphs in this section provide information on the energy that we directly use within our operations. This includes consumption of fuels (natural gas, propane, gasoline and diesel), as well as electricity use. (There are a number of G4-EN3 energy categories that currently do not apply to our operations. These include use of consumption of heating, cooling and steam energy and sales of heating, cooling and steam energy.)

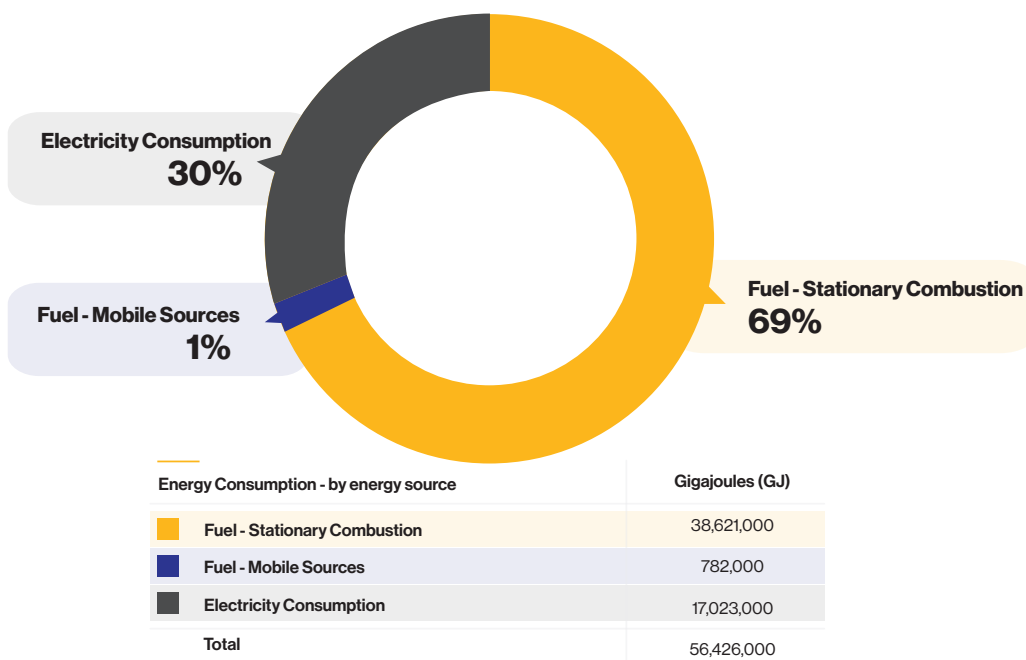
In addition to consuming electricity, we generate and sell it. *For more information, see the Renewable & Alternative Energy section of this report.*

Energy Consumption within Enbridge (2013 – % by energy type)



Energy Consumption - by fuel type	Gigajoules (GJ)
Natural Gas	38,617,000
Other Fuels - gasoline, diesel and propane	786,000
Electricity	17,023,000
Total	56,426,000

Energy Consumption within Enbridge (2013 – % by source category)



Energy Consumption—Liquids Pipelines

The three-year energy consumption data for LP in Canada and the U.S. are provided below. By far, the largest component of LP's energy use is electricity, which LP uses to operate the pumps that move liquid petroleum products through Enbridge's pipeline systems. As LP has added new projects to meet producers' needs for greater capacity and access to new markets, the electricity required to move the product has increased with the volume of product that LP delivers.

LP's increase in natural gas fuel consumption in 2013 over 2012 reflects the increased use of the natural gas-fired line heater at our Superior Terminal. This line heater heats the products being shipped to reduce their viscosity, thereby reducing pump station electricity requirements.

For LP, mobile source energy consumption is estimated based on distances driven, or in the case of aircraft, the hours flown. The increase in mobile source energy use reflects the fact that fleet miles driven in 2013 were higher than in previous years. The increased fleet mileage in 2013 is due to a variety of factors, including the number of active projects, increased employee numbers, and expanded geographic areas of operation.

Liquids Pipelines	2013 (GJ)	2012 (GJ)	2011 (GJ)
Stationary equipment—natural gas	284,000	107,000	163,000
Stationary equipment—other fuels	53,000	52,000	45,000
Mobile sources—gasoline, diesel, aviation fuel	113,000	103,000	100,000
Electricity	15,553,000	14,911,000	13,964,000
Total direct energy consumption	16,002,000	15,173,000	14,271,000

Note: The above data exclude energy data for smaller U.S. offices due to the unavailability of data for these sites.

Energy Consumption—Gas Pipelines & Processing

Natural gas comprises the largest share of energy used in our GPP facilities. The engines used in the gathering lines and offshore pipelines are driven by natural gas-fired engines. In addition, boilers, amine units and other gas processing equipment are typically natural gas fired. The Vector natural gas pipeline, which is part of GPP, also operates natural gas-fired turbines to run its compressors.

Year-over-year variability in natural gas consumption is expected depending on the gas fields serviced, the gas processing energy required to remove carbon dioxide from the gas, volumes delivered on GPP's Vector pipeline and its offshore systems, and system expansion. Electricity, which is used in lighting, controls, motors and other applications, is the next largest energy source used.

Gas Pipelines & Processing	2013	2012	2011
	(GJ)	(GJ)	(GJ)
Stationary equipment—natural gas	37,547,000	40,646,000	See note
Mobile sources—gasoline, diesel	507,000	605,000	621,000
Electricity	1,371,000	1,386,000	1,969,000
Total direct energy consumption	39,425,000	42,637,000	See note

Note: 2011 natural gas consumption in stationary equipment is not available on the same basis as shown for 2012 and 2013; therefore, a comparison of years would not be representative.

Energy Consumption—Gas Distribution

Natural gas comprises the largest share of energy that GD uses for its natural gas distribution and underground storage operations. Natural gas fuels the reciprocating engines that drive the compressors that GD uses to inject and withdraw natural gas from underground storage facilities. It also fuels GD's line heaters, space and water heating equipment, and a large number of fleet vehicles.

The largest contributor to GD's variability in energy use is the amount of natural gas that GD needs to inject and withdraw natural gas from underground storage. This amount will vary from year to year depending on winter weather and the extent to which natural gas from storage is needed to meet peak winter demand for natural gas customers in GD's Ontario natural gas distribution system.

Gas Distribution	2013	2012	2011
	(GJ)	(GJ)	(GJ)
Stationary equipment – natural gas	721,000	523,000	657,000
Mobile sources – natural gas	49,000	47,000	46,000
Mobile sources – other fuels	93,000	97,000	103,000
Electricity	73,000	65,000	59,000
Total direct energy consumption	936,000	732,000	865,000

Energy Consumption—Power Generation & Transmission

PGT's energy consumption is relatively minor, reflecting the small amounts of energy it requires to operate wind, solar and geothermal projects. PGT's decreased use of natural gas in 2013 over earlier years reflects a reduced operation of the natural gas-fired fuel cell located at GD's Toronto headquarters.

Power Generation & Transmission	2013	2012	2011
	(GJ)	(GJ)	(GJ)
Stationary equipment – natural gas	300	7,800	30,100
Stationary equipment – other fuels	600	400	400
Mobile sources – other fuels	1,300	900	900
Electricity	15,300	15,600	10,100
Total direct energy consumption	17,400	24,700	41,500

Energy Consumption—Corporate Services

The table below provides information on the energy we use at our leased head office locations and for our corporate jet.

Corporate Services	2013	2012	2011
	(GJ)	(GJ)	(GJ)
Stationary equipment – natural gas	16,000	17,000	17,000
Mobile sources – other fuels	19,000	22,000	25,000
Electricity	11,000	10,000	9,000
Total direct energy consumption	47,000	49,000	51,000

Energy Consumption Outside of Enbridge

This CSR Report does not contain a complete assessment of all the upstream and downstream energy impacts associated with our operations. Such an assessment would entail a significant analytical effort, which we hope to address in stages as part of a broader effort to analyze and report on our Scope 3 energy and GHG aspects.

In the interim, in this section we provide information on the natural gas energy consumed by GD's customers – because it is a significant source of energy use outside the organization and because it is where GD's demand-side management (DSM) efforts have substantially influenced customers to reduce their energy use. Natural gas sales in 2013 were higher than in 2012 and 2011 partly because 2013 was significantly colder than usual, whereas 2012 and 2011 were warmer than usual.

Natural Gas Sales¹	2013	2012	2011
	(PJ) ²	(PJ)	(PJ)
Enbridge Gas Distribution Inc. (Ontario)	441.5	395.7	424.9
St. Lawrence Gas Company (New York State)	7.5	7.1	7.7
Gazifère (Quebec)	7.1	6.3	6.4
Enbridge Gas New Brunswick (New Brunswick)	6.6	3.2	5.5
Gas Distribution – Total Sales	462.7	412.3	444.4

¹ Natural gas energy sales include retail sales to customers, as well as the transportation of gas to industrial and other large natural gas users.

² 1 Petajoule = 1,000,000 Gigajoules; sales data in units of energy (PJ) have been converted from volume sales data based on the annual average of monthly heating values for gas deliveries to GD's Victoria Square Gate Station.

Energy Intensity

Each of our business segments has a unique energy profile. Consequently, it would be difficult to provide one common energy intensity metric that could be applied across the organization and used to track energy and emissions performance improvements.

We are continuing our efforts to identify and quantify meaningful energy and GHG performance metrics, and we plan to expand this section in future CSR reports.

Reduction of Energy Consumption

Efficiency Improvements and Conservation Efforts

We strive to reduce energy consumption through efficiency improvements and conservation efforts. For example:

- We have reduced our energy use in our offices and buildings through our efforts to build new facilities to LEED standards. GD's Technology and Operations Centre in the Toronto area and the new Enbridge Gas Storage administrative building in Mooretown, Ontario, both meet LEED standards. A number of our leased offices are also located in LEED Gold certified buildings, including our corporate head office in Calgary, three LP leased office buildings in Edmonton, and GPP's Houston office, which is also an Energy Star Certified building.

- GD operates a turboexpander generator at its Toronto headquarters. When gas pressures are reduced at pressure reduction stations on natural gas distribution systems, the energy is normally wasted. A turboexpander generator harvests the wasted energy and converts it into electricity as the natural gas continues to flow to homes and businesses. In 2014, the turboexpander provided the GD's headquarters with 61 per cent of its electricity requirements. GD's headquarters also benefitted from a series of equipment upgrades that reduced its power requirement from the 1990 base year of 12.4 million kWh to the 2014 annual consumption of 2.2 million kWh. These initiatives have resulted in cumulative savings on the head office's electricity bill of \$8.4 million from 2004 to 2014.
- We operate a variety of energy saving initiatives throughout the organization. These include: installation of energy-efficient lighting; motion sensors that turn off lights when inactive, and a range of recycling programs for paper, aluminum cans, toner cartridges, batteries, pens, permanent markers, highlighters and whiteboard markers.
- We also strive to build, operate and maintain our system operations to maximize energy efficiency. For example:
- New heater technologies and improved temperature control strategies help reduce the energy requirements of line heaters in GD's operations.
- LP continually monitors natural flow rates and line splits to optimize pipeline operating pressures to match equipment and lines with the types and quantities of products transported. By applying these criteria to pipeline operations, LP is working to optimize the operating performance of its systems, thus reducing the electricity required to operate them.

In addition, we operate combustion equipment to maximize energy efficiency. For example, GPP has implemented a preventive maintenance program using Maximo asset management software for air filter change, oil-change intervals, hose and belt inspection, spark plug change intervals, rod packing inspection and change intervals, and emission testing.

Gas Distribution's Demand-side Management Initiatives

We are committed to helping customers use energy wisely. To that end, GD offers a range of demand-side management (DSM) programs to its customers.

From homeowners to industrial facilities, GD encourages, educates, facilitates and provides incentives to customers to adopt energy-savings equipment and operating practices to reduce natural gas consumption.

GD's DSM activities include:

- energy efficiency audits of residential homes and commercial and industrial facilities,
- financial rebates and incentives to encourage customers' to adopt energy-saving equipment and practices,
- work with industry and trade associations in various sectors—such as schools, hotels/motels, construction, automotive, food and beverage, and pulp and paper—to promote DSM programs and contribute to industry standards and best practices,

- design charrettes (planning sessions) that support and educate builders on higher efficiency building options before construction begins, and
- partnerships with governments, suppliers and equipment manufacturers on investments in new energy-efficient technologies that benefit ratepayers.

Cumulatively, between 1995, which is our baseline year, and through to year-end 2013, our DSM programs collectively saved approximately 8.8 billion cubic metres of natural gas and 16.5 million tonnes of carbon dioxide emissions¹. These reductions would be similar to taking approximately 3.2 million cars off the road² for a year or serving approximately 2.9 million homes³ for a year. These reductions also resulted in net energy savings to customers of approximately \$2.4 billion.

1 Assumes 1.89 kg of dioxide are emitted for each m3 gas that is consumed.

2 Assumes the average automobile produces 5.1 tonnes of carbon dioxide per year.

3 Assumes a typical residential customer uses 3,064 m3 per year to heat their home and water.

Contributions to DSM Policy

Because GD is viewed as a recognized leader with regard to its success with DSM initiatives, it is frequently invited to provide advice on DSM policy and programming throughout Canada and the U.S.

b. Material Topic:

Renewable and Alternative Energy

Overview

To meet demands, our world currently needs energy from both hydrocarbons and renewable sources. However, as demand for low-carbon sources of energy continues to grow, renewable energy will account for a larger share of the collective energy mix. As one of Canada's largest investors in renewable energy, we are actively engaged in realizing the new business opportunities that are resulting from the transition. To date, we have invested about \$4 billion in renewable and alternative energy projects across the continent, and plan to expand our investment in this area.

More than
2,200MW

Total gross generating capacity from renewable and alternative energy investments in which Enbridge has interests (operating and under construction). Of this total, Enbridge and our subsidiaries own more than 1,600 MW of net generating capacity.

Over
750,000

Number of homes that can be supplied by our renewable and alternative energy investments, based on total gross generating capacity.

\$4 Billion

The amount we have spent since 2002 to grow our renewable and alternative energy portfolio. Of this total, we invested about \$1.9 billion (or 47 per cent) in the last three years.

Management Approach

Our Renewable and Alternative Energy Portfolio

Our initial investment in renewable energy began in 2002, at which time we invested with Suncor in the SunBridge windfarm in Saskatchewan. Since then, we have invested about \$4 billion in renewable and alternative energy projects. Our renewable and alternative energy portfolio has the total gross capacity to generate more than 2,200 MW of emissions-free electricity – enough to meet the energy needs of over 750,000 homes.

Summary of Enbridge's Renewable and Alternative Energy Investments

Project Name	Location	Commercial Operation Date	Gross Generating Capacity	Ownership by Enbridge and Subsidiaries at Dec 31, 2014	Net Ownership by Enbridge
			(gross MW)	(% interest)	(net MW)
1. SunBridge	Gull Lake, Saskatchewan	2002	11	50%	4 ¹
2. Magrath	Magrath, Alberta	2004	30	33%	7 ¹
3. Chin Chute	Taber, Alberta	2006	30	33%	7 ¹
4. Enbridge Ontario Windfarm ³	Kincardine, Ontario	2009	190	100%	126 ¹
5. Talbot	Ridgetown, Ontario	2010	99	100%	66 ¹
6. Greenwich	Dorion, Ontario	2011	99	100%	66 ¹
7. Cedar Point	Limon, Colorado	2011	250	100%	250
8. Saint-Robert-Bellarmin	Saint-Robert-Bellarmin, Quebec	2012	82	50%	41
9. Magic Valley	Willacy County, Texas	2012	202	80%	161
10. Wildcat	Madison County, Indiana	2012	200	80%	160
11. Lac Alfred	Amqui, Quebec	2013	308	67.5%	208
12. Massif du Sud	Chaudière-Appalache Region, Quebec	2013	154	80%	123
13. Blackspring Ridge	Vulcan County, Alberta	2014	300	50%	150
14. Keechi	Jack County, Texas	2014	110	100%	110
Wind Energy Total			2,065		1,479
1. Sarnia Solar	Sarnia, Ontario	2009 – 2010	80	100%	53 ¹
2. Tilbury Solar	Tilbury, Ontario	2010	5	100%	3 ¹
3. Amherstburg II Solar	Amherstburg, Ontario	2011	15	100%	10 ¹
4. Silver State North Solar	Primm, Nevada	2012	50	100%	50
Solar Energy Total			150		116
1. Neal Hot Springs	Malheur County, Oregon	2012	23	40%	9
Geothermal Energy Total			23		9
Renewable Energy Total			2,238		1,604
1. NRGreen Power	Saskatchewan & Alberta	2008-2014	34	50%	12 ¹
Alternative Energy Total			34		12
Renewable And Alternative Energy Total			2,272		1,616

¹ Net MWs reflect Enbridge's net interest in the project through its 66.4% interest in the Enbridge Income Fund.

² The Cruickshank and Underwood windfarms combine to form the Enbridge Ontario Windfarm.

Wind Energy

We have interests in 14 windfarms. In Canada, they are located in Alberta, Ontario, Quebec and Saskatchewan; in the U.S., they are in Colorado, Indiana, and Texas. Together they have a total gross generating capacity of 2,065 MW (1,479 MW of net capacity).

We sell most of the electricity generated from our windfarms to customers under long-term fixed price or price swap arrangements. The customers, including the following, generally retain the renewable energy credits (RECs) generated from our wind projects:

- Ontario Power Authority,
- SaskPower,
- Alberta Electric System Operator,
- Hydro-Quebec,
- Public Service Company of Colorado,
- Electric Reliability Council of Texas, and
- Pacific Gas and Electric.

Solar Energy

Our four solar energy facilities, three in Ontario and one in Nevada, have a total gross generation capacity of 150 MW. Our 80-MW Sarnia Solar facility in Ontario is one of the largest photovoltaic solar energy facilities in Canada. We sell the electricity that it generates to the Ontario Power Authority under long-term power purchase agreements.

Geothermal Energy

Geothermal power is recovered from the heat of the earth's interior. We own a 40-per-cent interest in the 23-MW Neal Hot Springs Geothermal facility in Oregon, which delivers electricity to the Idaho Power grid under a long-term power purchase agreement.

Waste Heat Recovery

Waste heat recovery units offer an innovative way to generate emissions-free electricity by harnessing the exhaust heat produced by gas turbines at compressor stations. We have a 50-per-cent interest in NRGreen Power, which operates four waste heat recovery facilities along the Alliance Pipeline in Saskatchewan. These units have the gross capacity to generate 20 MW of electricity, all of which is sold to SaskPower under long-term power purchase agreements.

In late 2014, NRGreen Power commissioned its first waste heat recovery unit in Alberta at Alliance Pipeline's Windfall compressor station near Whitecourt. The facility has the gross capacity to generate up to 14 MW of electricity

Investment Approach

Our strategy to grow our renewable and alternative energy business is consistent with our objectives to provide reliable energy sources and to diversify our sources of earnings growth. As well, our renewable and alternative energy investments align with our existing business model that focuses on generating solid returns with stable and strong cash flows.

The majority of our renewable and alternative energy investments are in wind and solar energy facilities. However, we also invest in and explore other fuel sources and technologies that achieve returns similar to those realized by our liquids and natural gas operations. In most cases, our renewable and alternative energy projects are underpinned by attractive long-term power purchase agreements and price swap arrangements that will deliver stable cash flows and attractive returns similar to those realized by our liquids and gas transportation businesses.

To grow our renewable and alternative business further, we are targeting renewable and alternative energy projects in Canada and the U.S. that:

- provide attractive returns to investors and significant environmental benefits,
- involve early-stage development, construction-ready or operational projects,
- provide opportunities for long-term pricing or price swap arrangements,
- offer a high-quality energy resource and access to transmission,
- demonstrate high standards of safety and community engagement during construction and operation,
- provide growth or expansion opportunities,
- incorporate the latest proven technologies, and
- enable us to build collaborative relationships with proven developers and suppliers.

Strategic Priority

#1 – Continue to invest in renewable and alternative energy.

2014 Performance

Increased Investment in Renewable Energy

In 2014, we invested approximately \$0.8 billion in renewable and alternative energy projects and companies. We consider government incentives when investing in renewable energy projects. Several programs in both Canada and the U.S. have provided us with the ability to meet investment criteria, including the Modified Accelerated Cost Recovery System (MACRS) and the renewable energy Production Tax Credit (PTC).

Investments in Wind Energy

Wind-generated electricity is the fastest-growing sector of electricity generation in North America, as substantial technological advances, cost reductions, government incentives, renewable portfolio standards and the availability of long-term power purchase agreements have enabled wind projects to become economically attractive investments. In 2014, we continued to acquire new wind power capacity or to increase our stake in existing wind power investments, through the following:

Investment in our First Windfarm in Texas

In January 2014, we announced that we had entered into an agreement with Renewable Energy Systems Americas Inc. (RES Americas) to own and operate the 110-MW, 55-turbine Keechi windfarm in Jack County, Texas. RES Americas constructed the project under a fixed-price, engineering, procurement and construction agreement at a total cost of approximately US\$0.2 billion. The windfarm, which came into service in January 2015, will deliver 100 per cent of the electricity it generates into the Electric Reliability Council of Texas, Inc. market under a 20-year power purchase agreement (PPA) with Microsoft Corporation. It will generate enough electricity to supply nearly 40,000 homes.

Blackspring Ridge Windfarm Commissioned

In 2013, we secured a 50-per-cent interest in the 300-MW Blackspring Ridge windfarm, located 50 kilometres (31 miles) north of Lethbridge, Alberta, in Vulcan County. The project was constructed under a fixed-price engineering, procurement and construction contract and commercial operations commenced in May 2014. We contract the renewable energy credits generated from Blackspring Ridge to Pacific Gas and Electric Company under a 20-year PPA. We sell the electricity into the Alberta power pool with pricing fixed on 75 per cent of production through long-term price swap arrangements. Our total investment in the project is approximately \$0.3 billion.

Increased Stake in Two Windfarms in Quebec

In September 2014, we entered into an agreement to purchase additional interests in the 300-MW Lac Alfred windfarm and the 150-MW Massif du Sud windfarm from our existing partner, EDF EN Canada Inc. Under the agreement, we invested approximately \$225 million to acquire an additional 17.5 per cent interest in Lac Alfred and an additional 30 per cent interest in Massif du Sud. The Lac Alfred transaction closed in October 2014, and we now hold a 67.5 per cent interest in that windfarm. The Massif du Sud transaction closed in December 2014, and we now hold an 80 per cent interest in that windfarm.

Majority Stake Acquired in Two U.S. Windfarms

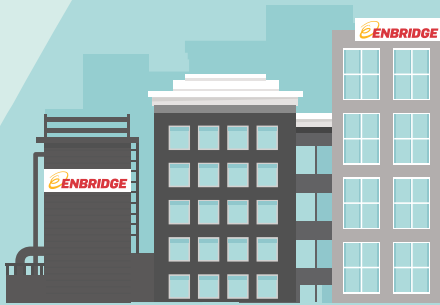
In November 2014, we announced that we had entered into an agreement with E.ON to purchase an 80 per cent interest in a windfarm portfolio that included the 203-MW Magic Valley 1 windfarm, near Harligen, Texas, and the 202-MW Wildcat 1 windfarm, near Elwood, Indiana, for approximately US\$0.3 billion. Both windfarms are operational and had been placed into service in 2012. Upon closing of the transaction on December 31, 2014, E.ON retained a 20 per cent interest and remained the operator.

0.2%

Of the water used for hydrostatic testing, 99.8 per cent we returned safely to the environment. We only consumed 0.2 per cent in testing.

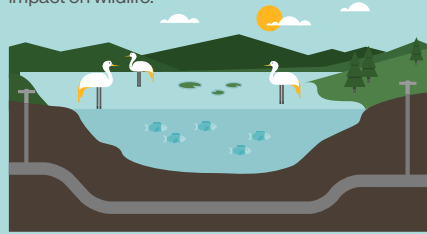
COMPANY-WIDE FOCUS

We are committed to responsible water use – whether we are using the water in our offices or facilities, or when we are hydrostatically testing pipelines.



CAREFULLY CONSIDERED CROSSINGS

We are committed to carefully planning pipeline routes to limit water crossings. When water crossings are necessary, we use advanced techniques such as directional drilling and isolation valves, which minimize environmental impact. We also time our activities to limit the impact on wildlife.



MONITORING AND LEAK DETECTION

We monitor our pipelines 24/7/365 using advanced systems and leak detection technologies. If we spot a problem, we shut down a pipeline within minutes while mobilizing a safe and effective response.



LEADING PIPELINE INTEGRITY PRACTICES

We invest heavily in pipeline integrity, reliability, maintenance to prevent all spills, leaks and releases. In 2014, we invested more than \$1.2 billion in system integrity and leak detection programs throughout our operations.

WATER: RESPECTING EVERY DROP

We recognize the ecological, cultural and social significance of water. This informs the way we engineer water crossings to the highest standards. While we do not use water to transport liquid hydrocarbons or natural gas, we do use water for vital hydrostatic testing of a pipeline's integrity.

c. Material Topic:

Environment & Land Management

Overview

Our purpose is to connect people with the energy they need. In meeting that purpose, we ensure that our assets meet the highest environmental standards.

Management Approach

We are now engaged in the largest expansion in our history, and our objective is to safely deliver our growth projects to the highest standards for safety, quality, customer satisfaction, and environmental and regulatory compliance. We use leading construction practices, including a commitment to identify, mitigate and proactively manage potential construction project impacts on the environment. We pay close attention to environmentally sensitive areas and endangered species, and recognize that effective biodiversity conservation, and management of land, water, waste and air emissions, are among the keys to a sustainable environment.

While we are required to meet all relevant local, regional and national regulatory requirements regarding environmental impact assessments and independent review, we also comply with our own long-standing policies and objectives in order to achieve our corporate standards for environmental management. In addition, through our community investment program we support initiatives that promote environmental stewardship, conservation, habitat remediation, and environmental education. *For more information, see the Community Investment section of this report.*

Strategic Priority

#1 – Conduct the initial benchmarking that will support our development of metrics for tracking our company-wide performance on biodiversity conservation and land management, water use and management, waste management, and air emissions management.

2014 Performance

Biodiversity Conservation and Land Management, Water Use and Management, Waste Management, Air Emissions of Ozone-Depleting Substances

Biodiversity Conservation and Land Management

Project Planning and Construction – We incorporate sound environmental construction techniques into all of our new projects and provide related training and guidelines to employees and contractors. Our work in this area is extremely important as we are now engaged in the largest expansion in our history.

Before construction begins, we conduct detailed environmental analyses, not only to comply with regulations, but also to meet our own requirements. As part of this process, we analyze various routing alternatives to determine whether they would avoid, minimize or mitigate our impacts to natural resources, including environmentally sensitive areas; reduce or eliminate engineering and constructability concerns; and avoid or minimize conflicts with existing or proposed residential and agricultural lands. We try to

minimize the pipeline length to the extent practicable so as to minimize its environmental impacts. Whenever possible, we also try to build in existing rights-of-way.

We evaluate wetlands and watercourse crossings on a case-by-case basis to minimize impacts to wetlands, rivers and streams. When we must cross them, we endeavor to restore these areas to their previous states and use a variety of measures to minimize and mitigate our impacts.

Protecting Sensitive Habitats – Before we build a pipeline, we survey its entire route to identify wetlands, water bodies and plant and animal populations. We use the survey results to determine areas that will require alternative construction techniques, timing restrictions (i.e. to minimize impacts during breeding or spawning seasons for certain sensitive species), or route variations (to minimize or avoid impacts to sensitive plant species). We use this information to determine whether to adjust routes. .

We develop situation-specific plans to minimize our impacts on sensitive species when we must traverse their habitat. These plans include restricting our maintenance activities and implementing special precautions. We have put such plans in place to protect boreal caribou populations in the Northwest Territories and Alberta, the Karner blue butterfly in Wisconsin, and Redside Dace (an endangered species of ray-finned fish) in Ontario.

Regulators also apply stringent conditions to our mitigation efforts when we must traverse certain areas. For example, in the U.S., regulators have mandated how we maintain our rights-of-way for our pipelines that traverse National Forests.

Some of our pipelines are located in lakes and navigable waterways and within areas of high biodiversity. For those areas, we minimize our impacts and comply with all regulations.

Our Gas Distribution business segment (GD) historically has not had a significant impact on the biodiversity of protected areas or areas with high biodiversity. The majority of GD's pipelines are installed on existing road rights-of-way in previously disturbed soil that are not typically areas of high biodiversity. However, GD does implement environmental screening or environmental assessment (depending on project scope) to identify any features that may be impacted by construction or maintenance activities, and puts in place mitigation measures to protect them. For example, GD protects environmentally sensitive areas using directional drilling or other mitigation techniques. In 2014, GD did not conduct any activities in protected areas or areas of high biodiversity; and, apart from an easement on the western edge of Springwater Provincial Park near Midhurst, Ontario, GD does not have any pipe installed in environmentally sensitive areas.

Mapping Pipelines for Species at Risk – In Canada, all of our business segments comply with provincial requirements, and with the Species at Risk Act (SARA), which aims to protect flora and fauna and conserve biological diversity.

Our Liquids Pipelines business segment (LP) 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 habitat. LP now regularly updates this information to ensure it is working with the most accurate and effective data.

GD identifies environmentally sensitive areas, such as wetlands or watercourses, where there may be species-at-risk through its environmental screening and assessment process. GD then consults with regulatory agencies and implements all required mitigation measures prior to conducting construction or maintenance activities.

Managing Vegetation – When managing vegetation at our facilities and on our pipeline rights-of-way, we use the most environmentally appropriate methods of keeping our rights-of-way clear for inspection. In conducting this work, we take into account the visible results and perceived impacts on adjacent landowners and the general public.

Protecting Soils and Waterways – We are committed to protecting the environmental integrity of soils and waterways in and around our operations. For example, we have a post-reclamation monitoring program to ensure that we restore all of our integrity dig sites to their pre-excavation condition, as determined by third-party inspectors.

In some cases, we use horizontal directional drilling when crossing beneath sensitive watercourses and, before doing so, always obtain permits from the required authorities and government agencies. We further protect watercourses through regular pipe inspections.

Neutral Footprint Commitments – At the beginning of 2009, we committed to reducing the environmental impacts of our pipeline expansion projects within five years of their occurrence by:

- planting a tree for every tree we removed,
- helping to conserve a hectare/ acre of natural habitat for every hectare/ acre we permanently altered, and
- generating a kilowatt hour of renewable energy for every additional kilowatt hour of conventional electricity used in our Liquid Pipelines business segment's (LP) operations over 2008 levels.

Note that, under our commitment related to renewable energy generation, we did not commit to using the renewable energy that we generate to meet LP's electricity needs. Rather we committed to ensuring that the amount of renewable energy we generate would equal the amount of conventional electricity required to power LP's growth since 2009. We structured our commitment in this way because we do not use the renewable energy that we generate but, rather, sell it to the grid through power purchase agreements that we have with utilities and other third parties.

By the end of 2014, we had exceeded – our “tree for tree” and “acre for acre” commitments. Between January 2009 and December 2014, we had:

- removed 725,155 trees and planted 745,772, and
- disturbed 2,129 acres and conserved 45,575¹/₂.

Also, in 2014, LP consumed 1,423 GWh of conventional electricity more than it did in 2008 (due to its growth since the beginning of 2009), while we generated 2,796 GWh of renewable energy in 2014.¹²

In 2014 we consulted with internal and external stakeholders regarding the future of our Neutral Footprint commitments and, in 2015, will be updating them to address the feedback we received. We expect that the updated version of the commitments will incorporate more opportunities for engagement with our rights-of-way communities on environmental projects and priorities.

- 1 In 2014, we revised our reporting methodology for our Neutral Footprint commitments. Whereas we had been previously reporting forecasted amounts, the amounts reported above are actuals. This difference in reporting methodology accounts for the variances between previously reported amounts and the amounts reported here.
- 2 The amounts reported here represent the information we had received from our business segments as at February 1, 2015. We will report any variances in future CSR reports.

Water Use and Management

Across all of our operations, we strive to meet or exceed all regulatory requirements, including those pertaining to water withdrawal and disposal.

Although we do not use water to transport liquid hydrocarbons or natural gas, we do occasionally use water to hydrostatically test the integrity of our new or existing pipelines and storage tanks.

Hydrostatic testing involves filling a section of the pipeline with water – generally withdrawn locally from the environment, from municipal sources, or delivered on-site – and pressurizing that section to confirm its integrity. When we conduct these tests, we follow company policy and regulatory standards.

When we use water to hydrotest existing pipelines or facilities, we analyze and treat our test water before returning it to the environment. All of the water that we return to the environment meets discharge criteria established by relevant regulatory agencies.

We engage specialized waste disposers to remove any water that is not found to be suitable for discharge to the environment, and to dispose of it in accordance with applicable regulations.

Hydrostatic Testing – In 2014:

- Our Major Projects business unit (MP) in Canada used approximately 389 megalitres of water for hydrostatic testing newly constructed pipelines, compared with approximately 195 megalitres in 2013. More new projects reached completion in 2014 than in 2013, hence the year-over-year increase. Regarding release and removal in 2014, MP in Canada returned approximately 387.5 megalitres of the water used for hydrostatic testing to the environment and disposed of approximately 1.5 megalitres through waste disposers. These amounts compare with approximately 192 and three megalitres, respectively, in 2013. Before returning the water, MP verified that it was free of contaminants. MP also conducted this work in a manner that complied with all appropriate regulatory jurisdictions.
- MP in the U.S. used approximately 711 megalitres of water for the purposes of hydrostatic testing newly constructed pipelines, compared with approximately 747 megalitres in 2013. In both years, MP returned all of the water it used to the environment, either directly or through waste disposers.

- LP Canada used approximately 17 megalitres of water from municipal or natural sources for hydrostatic testing, compared with approximately 1.5 megalitres in 2013. Regarding release and removal in 2014, LP in Canada returned approximately 16.8 megalitres or 97 per cent of the water used for hydrostatic testing to the environment. The remainder was disposed of through waste disposers.
- LP U.S. did not conduct any hydrostatic testing in 2014. In 2013, LP in the U.S. used approximately 110.9 megalitres of water from municipal or natural sources for hydrostatic testing. Regarding release and removal in 2013, LP in the U.S. returned approximately 110.5 megalitres or 99 per cent of the water used for hydrostatic testing to the environment (it having met all necessary water quality criteria). The remainder was disposed of through waste disposers.
- GD used approximately 5.6 megalitres of municipally treated water for the purposes of hydrostatic testing newly constructed pipelines, compared with 5.9 megalitres in 2013.
- GPP used approximately 2.5 megalitres of water from municipal or natural sources for hydrostatic testing.

Groundwater – In 2014, LP continued its system-wide groundwater monitoring program. This program provides regular monitoring of LP facilities to proactively identify potential impacts to groundwater, enabling us to identify potential issues and maintain compliance with regulatory requirements where they exist.

LP also continued its efforts to manage groundwater contamination associated with our Hardisty Caverns. Prior to our acquisition of the facility, the clay liner used to contain the brine in cavern operations had leaked. LP now operates a groundwater recovery well system to extract the contaminated groundwater either for reuse in the brine pond as makeup water, or for disposal in an on-site disposal well. The recovery wells serve two purposes: first, to slowly clean the groundwater by removing the contaminated water; and second, to hydraulically contain the site, stopping further migration of the brine contamination. In 2013, LP conducted an engineering assessment of the existing groundwater remediation system to identify ways to enhance contaminated groundwater recovery. In 2014, LP implemented the recommendations resulting from the assessment.

In 2014, LP continued operating a groundwater remediation system at its Metiskow, Alberta station. This system treats groundwater contamination identified at the site. It consists of groundwater recovery, treatment and reinjection systems that contain and treat groundwater contamination.

LP also continued to operate a soil vapour extraction/air sparging system at the site of a February 2007 third-party pipeline strike near Exeland, Wisconsin. This system is treating residual hydrocarbons and preventing migration to a local creek, thereby reducing groundwater impacts.

Throughout 2014, LP continued operating belt skimmers at our North Cass Lake, Minnesota pumping station to recover free product that LP had discovered in 2010 and that was the result of a leaking

flange. Thanks to LP's recovery efforts, it has maintained a stable groundwater contamination plume, and has protected two nearby residential potable wells and the on-site well.

GPP does not significantly affect any water bodies or related habitats through discharges of water or runoff. In addition, all of the water-related processes that GPP uses are closed loop systems, resulting in minimal water loss.

For LP Canada and LP U.S., storm water makes up the majority of the facility water releases. This water is discharged to the environment in a controlled manner and does not significantly impact any water bodies.

Rainwater Harvesting – GD has incorporated fixtures and devices that reduce its water requirements in newly designed office buildings. GD's Technology and Operations Centre (TOC) building in Markham, Ontario, captures rainwater from the roof and reuses it for landscape irrigation and cooling-tower requirements. The TOC's innovative streetscape training centre, which simulates an urban community, also captures and retains rain water through a system of pervious pavers.

Waste Management

Across all of our operations, we strive to meet or exceed all regulatory requirements, including those pertaining to waste.

The bulk of our waste comprises recyclable materials such as paper, scrap metals, packaging materials and construction-related materials. The remainder of our waste is made up of non-hazardous substances such as spent abrasive blast media, oily sorbents and soil.

We make every effort to reduce and minimize our waste volumes, regardless of hazard classification, through measurement and management programs at our various facilities. We also try to find beneficial ways to reuse or recycle waste by-products. For example, GPP recycles used lube oil from its compressor engines, spent activated carbon catalyst used in gas treatment, and spent catalytic converter catalyst used to control compressor emissions.

With regard to tracking and reporting on our waste management practices, at present, we do this in some, but not all, regulatory jurisdictions. For example:

- the Alberta Energy Regulator tracks LP Canada's waste within its jurisdiction, and
- the Ontario Ministry of the Environment and Climate Change Hazardous Waste Information Network tracks GD's liquid and solid hazardous waste and its liquid industrial non-hazardous waste. GD's waste diversion rate was 59.4 per cent in 2014, compared with 55.3 per cent in 2013.

Through the development of waste management tracking and training programs, we are helping employees not only meet regulations, but more effectively recover waste. For example, LP U.S. provides employees across all of its operating areas site-specific guidance to help ensure sound waste management handling and disposal.

In Ontario, GD recovers and recycles waste polyethylene pipe.

Hazardous and Non-Hazardous Waste by Weight and Disposal Method – 2014 is the first year for which we are reporting the estimated total weight of hazardous and non-hazardous waste – by disposal method – of our GD business segment.

Gas Distribution

Hazardous Waste	2014	2013
	(kg*)	(kg*)
Recycled	71,227	62,710
Recovered	1,355	880
Incinerated	29,704	32,142
Deep-well injection	10,410	6,855
To landfill	1,991,514	452,077
On-site storage	104,384	0
Water treatment	1,118,636	922,841
Physical treatment	21,690	–
Stabilization	330,460	–
Total	3,679,380	1,477,505

Non-Hazardous Waste	2014	2013
	(kg*)	(kg*)
Recycled	0	1,888
Recovered	0	0
Incinerated	1,550	0
Deep-well injection	0	0
To landfill	1,209,469	7,683,185
On-site storage	0	0
Water treatment	378,107	330,240
Landfill cover and capping	5,071,550	3,102,680
Total	6,660,676	11,117,993

*assumed average density: 1 litre = 1 kg

Note: The waste disposal method was derived from information provided by GD's waste contractors. The year-over-year increase in hazardous waste in 2014 is due to an increase in work activities and the fact that GD replaced underground storage tanks at two locations. We did not transport any waste across international borders.

Air Emissions Management

NOx, SOx and Other Significant Air Emissions – The major air emissions that our facilities release include carbon monoxide, nitrogen oxides (NOx) and volatile organic compounds (VOCs). Other contaminants that they release, but in much smaller quantities, include sulphur dioxide (SO2), hydrogen sulphide (H2S), particulate matter and hazardous air pollutants such as hexane.

We work to keep air emissions from our operations below regulated limits. In some cases, we have exceeded regulatory requirements and have installed environmentally friendly technologies in our facilities that reduce air contaminant emissions.

We base our criteria air contaminant (CAC) emissions estimates on published emission factors applied to fuel use by equipment type. In the case of non-combustion sources, we estimate CAC emissions using modeling programs such as the U.S. EPA's TANKS program. We also use some site- or equipment-specific emissions factors.

Reporting Criteria Air Contaminants – Criteria air contaminants (CACs) are a group of common air pollutants released through incineration, industrial production, fuel combustion and transportation vehicles. We have established management programs that define our roles, responsibilities and timelines for reporting our CAC emissions to various government agencies in Canada and the U.S.

In Canada, LP and GD track and report annual CAC emissions under the National Pollutant Release Inventory (NPRI). The CACs covered under the regulation include NOx, SO2, VOCs, carbon monoxide and particulate matter. In the U.S., both LP and GPP monitor and report on CAC emissions in compliance with state and federal regulations.

Liquids Pipelines – Within LP's operations, the main source of VOC emissions is losses from storage tanks, while the main source of NOx emissions is combustion equipment.

Air emissions levels vary from year to year depending on a number of factors, including throughput of products at terminals, product composition, maintenance activities such as tank cleaning, implementation of pollution prevention projects and the amounts of fuel used in combustion equipment.

The tables below summarize LP's CAC information reported in its jurisdictions:

Liquids Pipelines Canada

<i>(tonnes)</i>	2013	2012	2011
NO _x (as NO ₂)	125	120	77
VOCs	2,534	3,592	3,303
PM2.5 ¹	62	61	60
PM10 ¹	565	564	563
TPM ¹	2,179	2,179	2,178

Note: The majority of particulate matter (PM 2.5, PM 10 and TPM) that LP reported under the NPRI program is due to road dust. Much smaller quantities of particulate matter are from stationary combustion sources.

Liquids Pipelines U.S.

<i>(tonnes)</i>	2013	2012	2011
NO _x	7	< 1	2
VOCs	675	638	663
PM2.5	1	< 1	< 1
PM10	1	< 1	< 1
TPM	1	< 1	< 1
CO	11	< 1	1

LP, along with other industry partners, established an ambient air monitoring network to monitor the air quality in and around its tank farm at Hardisty, Alberta. 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, LP conducts semi-annual head-space air sampling on each storage tank to ensure emission-control devices are functioning.

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

LP has a rigorous maintenance program in place that includes regular inspections of emission control devices, and repair or replacement of them to ensure they meet regulatory criteria.

Gas Pipelines & Processing – GPP is continually looking for new ways to upgrade its gas facilities and pipelines. For example, it now uses acid gas injection technology to compress acid gas, primarily hydrogen sulfide and carbon dioxide, and to inject it into suitable underground reservoirs, thereby preventing emissions.

In 2013, GPP reported the following criteria pollutant emissions:

Gas Pipelines & Processing <i>(tonnes)</i>	2013	2012	2011
CO	1,783	1,926	1,816
NO _x	2,766	2,795	3,094
VOCs	1,177	1,647	1,405
SO ₂	412	540	311

Gas Distribution – In Canada, GD reports annual criteria air contaminant emissions under the National Pollutant Release Inventory (NPRI). GD calculates emissions using emission factors or site/equipment-specific data. The emissions that GD reports to NPRI depend on which facilities are above the reporting thresholds for each reportable substance. As such, they fluctuate from year to year.

In 2013, GD reported only one facility to NPRI because the other facility that normally would have triggered reporting in 2012 was out-of-service for most of 2013. Because the second facility was out-of-service, GD's overall CO and NOx emissions are below last year's emissions. The VOC emissions increased due to the higher throughput at the facility that did report to NPRI. In addition to the air contaminants reported below, in 2013, one underground storage compressor station reported emissions of 0.67 tonnes of PM.

Gas Distribution (tonnes)	2013	2012	2011
CO	72	90	152
NO ₂	66	110	323
VOCs	27	16	22

Management of Ozone-Depleting Substances

This GRI indicator, which is relevant for organizations that produce or use Ozone-Depleting Substances (ODS) in their processes, products and services, covers the production, import and export of ODS covered in the Montreal Protocol. Because we do not use ODS in our processes, products or services, it does not generally apply to our business.

Transportation

Gas Distribution (GD) has the largest natural gas vehicle fleet in Canada.

Over the last decade or so, GD has converted 648 of its 853 fleet vehicles to run on natural gas. The majority of these vehicles run on both natural gas and gasoline, but some of them – mostly medium-duty trucks, which are normally diesel-fuelled – run only on natural gas. Through this initiative alone, GD has reduced its GHG emissions by more than 400 tonnes of carbon dioxide equivalent per year.

GD has also reduced its fleet size by standardizing vehicle designs and building in versatility. For example, It has redesigned some of its trucks such that one truck can now perform three functions. In this way, only one truck is needed, whereas, as the past, three were needed.

GD has also recently installed a hybrid-power system that enables work trucks to operate AC and DC power tools and equipment from their batteries when their engines are not running. This system reduces fuel consumption and GHG emissions, along with vehicle idling, noise, and wear and tear.

Impact Mitigation

While Enbridge as a whole is involved with a number of initiatives aimed at mitigating the impacts that our business has on the environment, our Northern Gateway Project (NGP) provides an illustrative example of how world-class standards for safety and environmental protection are embedded into a project. These include:

A Marine Mammal Protection Plan

This plan includes rigorous standards that no other operator has ever adopted. It includes:

- Mandated vessel speeds. Normal vessel speeds in area are six to 21 knots. Under the plan, NGP would reduce the speeds of associated vessels to 10 to 12 knots, and further reduce them to eight to 10 knots in core humpback whale areas (seasonally). Reducing speeds would reduce both the chances of collision with marine mammals and underwater noise, a main cause of behavioural disturbances in marine mammals.
- Long-term marine monitoring and research. The research would include a dedicated whale-spotting vessel, remote detection technology, and a regional assessment program.
- A cooperative regional approach to limiting the effects of vessels on marine mammals.

A Fisheries Liaison Committee

This committee would facilitate effective communication among all fishers. It would provide a forum for its members to identify and resolve potential conflicts, and would facilitate proactive management and mitigation strategies. Committee members could include: coastal First Nations; fishery representatives; government agency representatives; NGP representatives; other affected parties, such as shippers and vessel operators.

Other Initiatives

Some other initiatives that NGP is designing for the project include, but are not limited to, the following plans and programs:

- a purpose-designed tug escort program,
- an erosion and sediment control plan,
- a watercourse crossing buffer zone width and riparian area management plan,
- a waste rock management plan,
- acid rock management plan,
- a water quality and substrate composition monitoring plan,
- a watercourse reclamation plan,
- a vegetation protection and management plan,
- a wildlife protection and management plan,
- a freshwater aquatic resource and habitat protection and management plan, and
- a marine aquatic resource and habitat protection and management plan.

For more information, please visit <http://www.gatewayfacts.ca/>.

Total Environmental Protection Expenditures and Investments

We spend millions of dollars each year on activities associated with environmental protection and management. We perform most of these activities – environmental impact assessments, and emissions monitoring, management and reporting, for example – to comply with regulatory requirements. We perform some of these activities – tree planting and habitat conservation, for example – voluntarily.

A partial list of the environmental protection and management activities that we undertake is as follows:

- aquatic assessments,
- contaminated site management,
- emissions monitoring, management and reporting,
- environmental health checks and internal reviews,
- environmental surveys,
- environmental planning and performance management,
- environmental training for staff and contractors,
- groundwater monitoring,
- habitat conservation and mitigation,
- risk identification and assessment,
- site containment and drainage,
- sponsorship of environmental organizations,
- tree planting, and
- waste management (minimization, reuse, recycling).

We do not have the processes in place to track the exact amounts of our expenditures and investments in these areas.

3. Enbridge's 2014 Performance Regarding Aboriginal and Native American Rights & Engagement

a. Material Topic:

Aboriginal and Native American Rights & Engagement

Overview

More than 130 Aboriginal communities are located along our rights-of-way in Canada, and about 12 Native American tribes are located along our rights-of-way in the U.S. In both Canada and the U.S., energy infrastructure development requires the involvement of Aboriginal and 4 Native American peoples who live and work in areas where development is located. We recognize the history, uniqueness and diversity of Aboriginal and Native American peoples, and strive to build trust and lasting relationships with Aboriginal and Native American communities.

Management Approach

Our approach to Aboriginal engagement is based on our Aboriginal and Native American Policy – which we have translated into Cree, and are in the process of translating into other Aboriginal languages – and is demonstrated by our continued support of Aboriginal and Native American communities.

Our policy identifies the methods by which we develop mutually beneficial relations with Aboriginal and Native American communities in proximity to our projects and operations. It also outlines the key principles that guide our Aboriginal and Native American relations:

- respect for legal rights, and for traditional ways and knowledge,
- respect for heritage sites, land and the environment,
- forthright and sincere consultation regarding our projects and operations, and
- achievement of sustainable benefits for communities arising from our projects and operations.

As part of our engagement strategy, we have identified the following focus areas to create opportunities aligned with the aspirations of Aboriginal and Native American communities:

- building relationships through consultation and engagement with the Aboriginal and Native American communities near our construction and operating areas,
- creating partnerships to support investment in Aboriginal and Native American communities,
- supporting employment and training programs, and
- facilitating Aboriginal and Native American business and economic opportunities.

As we develop projects, we adapt our consultation and engagement strategies to address specific activities associated with our work. We consider who may be affected by the project and subsequent operations, and tailor our approach to meet specific individual community needs.

Where a project requires an environmental and social impact assessment, we provide full disclosure of the results of those assessments in the regulatory hearings and in the documentation, which is in the public domain.

Canada

In Canada, our Aboriginal engagement activities are based on:

- meeting the regulatory requirements as part of the procedural aspects of the duty to consult delegated by the Crown (provincial and federal governments),
- ensuring that we understand how our activities may impact constitutionally protected rights,
- demonstrating that we consider and understand potential impacts on communities, and working with communities to mitigate those impacts and resolve issues or concerns,
- earning social acceptance to operate through community support and addressing issues identified by the community, and
- finding ways for Aboriginal communities to be involved in, and benefit from, our projects and operations.
- We believe that proactive and continual engagement creates shared value through economic participation and community investments, which demonstrate our support for the communities involved and provide tangible benefits.

United States

In the U.S., our Native American engagement is informed by two levels of Native American territories.

Our Tier One engagement is with Native American tribes who have reservation lands through which our pipelines cross directly. We have regular communication with these tribes through our emergency response and preparedness programs and our Public Awareness Program. On our operations side, we also have regular interactions with the U.S. Department of Natural Resources regarding the maintenance of our systems, and to obtain the relevant permits to cross reservation lands.

If a tribe has a Tribal Employment Resource Ordinance Office (TERO), we consult with the TERO regularly such that we can employ tribal members on various work crews. We work collaboratively with them to find opportunities to train and employ tribal members for work required at a site. As our agreements with tribes near their expiration date, we renegotiate the agreements with them in a timely manner.

On our new projects, we engage with tribes as soon as possible to negotiate agreements to cross their land. We engage them through face-to-face and small group meetings and written communications. We also use mailings to communicate our Public Awareness Program.

Our Tier Two engagements are with Native American tribes who do not have reservations, but lay claim to ceded territories that our pipelines cross. Tribes who are located on ceded territories are consulted under Section 106 of the National Historic Preservation Act, a consultation program led by the federal government. We engage with these tribes to gain their respect and acceptance of our projects and operations. .

Human Rights

We consistently and rigorously strive to uphold the highest human rights standards in all of our work.

In Canada, the Crown (the federal and provincial governments) has an obligation to consult with Aboriginal communities if a government decision has the potential to adversely impact a constitutionally protected Aboriginal or treaty right. The Canadian Constitution recognizes Aboriginal Peoples in Canada and provides constitutional protection to Aboriginal and treaty rights. The Crown and Enbridge recognize Aboriginal groups as being separate and distinct from other stakeholders. The Crown may delegate the procedural aspects of consultations to project proponents, such as Enbridge, to consult with Aboriginal groups as part of the regulatory process taking into consideration Aboriginal groups' distinct nature and interests.

In the U.S., as required under Section 106 of the National Historic Preservation Act, the federal government must consult with recognized Native American tribes and other designated agencies on projects that have the potential to adversely affect historic properties. Under federal law, the U.S. Bureau of Indian Affairs must grant a right-of-way before a company can proceed with construction on any Indian reservation; on lands held in trust for a tribe, band or individual Indian; or on lands held by individual Indians or Indian tribes or bands that are subject to restraints against alienation.

Consultation and Community Engagement

We recognize and honour Aboriginal and Native American communities' close relationship with the land and the environment. We are also committed to socially responsible activities and to involving the communities where we live and work.

To that end, we undertake transparent and meaningful consultations with Aboriginal and Native American peoples and communities about our projects and operations. Our consultation activities are guided by our Aboriginal and Native American Policy and comply with guidelines established by all applicable regulatory bodies.

We have learned the importance of engaging early and often with Aboriginal and Native American communities for any given project. Our goal is always to learn more about the underlying social, economic, political and environmental conditions of the individuals and communities in question, and to understand their expectations, interests and concerns. To that end, as we expand our understanding, we adapt our engagement plans and practices to address the specific needs and concerns of the communities as best we can for all of our projects. Our plans provide background on the communities with whom we will be engaging, and propose the best methods for engaging with them, taking into account their individual circumstances.

Economic Participation

We are committed to providing economic opportunities to Aboriginal and Native American groups by: identifying business opportunities and employment capacity; working with Aboriginal and Native American groups to identify and implement training programs that will increase their access to project-related employment opportunities; helping local businesses complete our pre-qualification process and comply with our vendor certification systems; informing our general contractors of the local Aboriginal and Native American businesses with the capacity to provide ancillary services.

Community Partnerships

We partner with and support Aboriginal and Native American communities near our projects and operational rights-of-way. We share our success with these communities through investments, partnerships and volunteers that support community organizations that share our commitment to making communities better places to live.

Aboriginal and Native American peoples have told us that they want their children to have better educational opportunities so they can be successful beyond the scope of our operations. As such, education is a vital component of our partnerships with Aboriginal and Native American communities, and we provide scholarships, skills-development training, and leadership and management training. We have also partnered with Aboriginal and Native American communities to help provide their members with opportunities to participate in our many new pipeline construction projects, and to acquire skills for the future. For more information, see Investment Highlights section of this report.

Recognition

We received third-party recognition of our efforts to respect Aboriginal rights and title and engage with Aboriginal communities in Canada. In 2012, we were the only pipeline company awarded the prestigious Progressive Aboriginal Relations (PAR) silver-level certification from the Canadian Council for Aboriginal Business (CCAB) for our progress in working with Aboriginal communities. CCAB's PAR certification sets the standard for corporate performance in Aboriginal relations. We intend to apply for re-certification with PAR in 2015.

Strategic Priority

#1 – Work with Aboriginal and Native American communities to create opportunities through engagement and economic participation, and community investment.

2014 Performance

Engagement and Economic Participation

In 2014, we spent more than \$52 million on procuring goods and services from Aboriginal and Native American businesses, contractors and suppliers. We are committed to doing business with these groups and individuals, and consider our commitment to be a vital cornerstone in our relationship with them. We recognize the important contribution that these groups and individuals make each year to the overall economy, and have a long history of working with them.

As part of our commitment, we have set aside contracting opportunities for qualified Aboriginal and Native American businesses, contractors and suppliers in specific project areas. We also encourage collaborative opportunities between Aboriginal businesses and non-Aboriginal businesses when the collaboration builds capacity and supports mutual business interests.

For example, in 2014, we helped facilitate contracts worth approximately \$25 million for Aboriginal businesses at the Roundhill Camp, located between Wandering River and Conklin, Alberta. The work supported the construction of our Woodland Pipeline Extension Project in the winter of 2014/2015.

As another example, 15 members of the Whitefish Lake First Nation Number 128 completed a 10-week Introduction to Pipeline Construction training course that was offered in their community. The course, which was developed by the First Nation and a labour union, prepared them to work on the Wood Buffalo and Woodland Pipeline Extension projects. After completing the course, we were able to secure positions for the newly trained workers with our mainline contractor during the winter construction season.

Following is an overview our 2014 Aboriginal and Native American engagement and participation for some of our projects and operations:

Northern Gateway Pipeline

In June 2014 the Government of Canada approved the Northern Gateway Project (NGP) in Northern B.C. and Alberta, subject to the fulfillment of 209 conditions that the Joint Review Panel (JRP), which was established by Canada's National Energy Board (NEB), imposed on the project. Several Aboriginal groups have filed legal challenges to these regulatory decisions. *For more information, see the Significant Challenges section of this report.*

NGP is working to fulfill the conditions and, in doing so, is taking a comprehensive “community as expert” approach to engagement and economic participation to achieve mutually beneficial economic and social outcomes. The engagement includes communities that are located within 80 kilometres (50 miles) on either side of the proposed right-of-way, as well as communities that have expressed interest in, or that have a traditional territory associated with, the project. In planning the right-of-way, NGP used Aboriginal Traditional Knowledge studies to understand land use such as hunting, trapping, fishing and gathering territories, and to understand archeological sites of importance to Aboriginal communities. NGP also invites a diversity of perspectives within Aboriginal communities by conversing with elders, hereditary chiefs, elected leaders businesses, individuals, community associations and organizations, and youth.

NGP conducts its Aboriginal engagement through multiple platforms, including discussions with elders; meetings with leaders, administrators and elected officials; community meetings; open houses; technical sessions with subject matter experts; community feasts; and Community Advisory Boards (CABs), among others. Here is background on some of them:

Engagement Road Map – Many of the JRP’s 209 conditions require NGP to engage with, and seek input from potentially affected Aboriginal groups as well as local stakeholders on various plans and programs. NGP’s Engagement Road Map summarizes the draft plans on these specific conditions. All of the plans presented in Phase 1, and those scheduled in future phases, can be found on the NGP website.

In the fall of 2014, NGP travelled to 10 communities along the proposed right-of-way to open dialogue and gain valuable feedback from Aboriginal and non-Aboriginal stakeholders on eight of NGP’s proposed plans and programs, including its Construction Environmental Protection and Management Plan, its Marine Environmental Effects Monitoring Program, its Pipeline Environmental Effects Monitoring Program, and its Marine Mammal Protection Plan.

Community Advisory Boards – Community Advisory Boards (CABs) are an important part of NGP’s engagement process for both Aboriginal and non-Aboriginal communities. They are designed to diverse community interests in each of five geographic regions – Alberta North Central, Peace Country, B.C. Central, B.C. Northwest and B.C. North Coastal – and to include representatives from local environmental organizations, Aboriginal groups, business associations, municipal governments, community organizations and the public.

Now in their fifth year, CAB meetings are member-driven and enable participants to discuss key areas of regional interest or concern, and to take information back to their communities. CAB meetings encourage meaningful dialogue, create opportunities for learning, and foster mutually beneficial relationships that respect the interests and integrity of all the parties.

In 2014, NGP held its 21st round of regional CAB meetings, introducing cultural awareness moments as a way of honouring the heritage of meeting participants, and of respecting and celebrating the cultural diversity of NGP’s internal and external stakeholders. In June 2014, NGP hosted the fourth annual CAB conference in Prince George, with participation of 81 members (28 per cent identified as Aboriginal).

Economic Participation – NGP actively engages with Aboriginal businesses to ensure they are in a position to benefit from the project-related opportunities that exist with NGP and other large infrastructure projects, either proposed or under way in B.C. and Alberta. To that end, NGP commenced the Aboriginal Business Review and Pre-Qualification process in May 2014, as a way of assessing Aboriginal business capacity and of ensuring that Aboriginal companies have the required verification and qualifications to work on the project. NGP continues to assess Aboriginal business capacity and funds the pre-qualification process to ensure that Aboriginal companies have the required verification and qualifications to work on the project. NGP also provides additional support to those that do not meet the requirements.

In February 2014, NGP launched its Regional Skills and Business Database to link job seekers with opportunities. The database helps NGP to engage with communities, and to assess the business capacity of local, regional and Aboriginal businesses and individuals in advance of business and supplier selection. By the end of 2014, more than 2,400 registrants (individuals, businesses and suppliers) were in the database, approximately 16 per cent of whom identified themselves as Aboriginal.

To support its commitment to Aboriginal employment and business opportunities, NGP hosted its third Business Summit in Prince George on October 20 and 21, 2014, in response to community stakeholders and Aboriginal groups. The summit focused on Aboriginal and local inclusion (hiring and social/community engagement) and the business requirements needed to work with NGP. Approximately 300 people attended the summit, approximately 40 per cent of whom had identified themselves as Aboriginal.

Equity Partners – NGP offered First Nation and Métis communities along its proposed right-of-way the opportunity to become Aboriginal Equity Partners (AEPs), providing them, as a group, 10 per cent equity in the project. The total benefits from this partnership, including equity, procurement, training, employment and community investment over a 30-year life, are estimated to total approximately \$1 billion for Aboriginal communities. As at December 2014, 26 First Nations and Métis groups, representing approximately 60 per cent of the Aboriginal communities along the proposed right-of-way, are AEPs.

Community Partnerships – Over the past two and a half years, NGP has committed to more than \$4 million in capacity and skills training in community-driven initiatives that were identified through community and Aboriginal engagement.

In 2014, through partnerships and focused investment, NGP offered skills programs such as Construction Craft Worker certification, Intro to Trades programs and Paramedic Certification Training to Aboriginal individuals. NGP also supported capacity-building initiatives and programs, such as Growing Young Movers and Greater Strides.

Social, Education Economic Development Sustainability Plans – NGP offers Social Education Economic Development Sustainability (SEEDS) Plans to communities located close to the proposed NGP right-of-way. SEEDS Plans are co-created between Aboriginal communities and NGP, and help communities achieve economic inclusion in NGP through employment and business participation. They define how NGP works with communities as partners, and map out the short, medium, and long-term steps communities must take to achieve their desired inclusion in NGP during construction and operations.

Line 9B Reversal

The NEB approved the reversal of Line 9B, a 639-kilometre (397-mile) section of Line 9 from North Westover, Ontario, to Montreal, Quebec, on March 6, 2014. The Line 9B Reversal Project represents the second and final phase of Enbridge's Eastern Access Initiative, which is designed to provide critical capacity for western Canadian and Bakken crude oil producers to access refineries in eastern Canada, the U.S. Midwest and eastern U.S. In February 2015, the NEB imposed additional conditions regarding the placement of valves near water crossings. Because the project involves an existing piece of pipeline infrastructure it is expected to be completed in early 2015.

Prior to the NEB's approval, the Kahnawake First Nation in Quebec had submitted a Statement of Concern to the NEB about Line 9B, identifying 115 conditions that they wanted resolved. As a result, the NEB approved the project subject to 30 regulatory conditions that Enbridge needed to meet to move forward. In response, we worked with the Kahnawake First Nation to resolve all of their original 115 issues.

Also in 2014, prior to Enbridge receiving NEB approval, the Aamjiwnaang First Nation in Sarnia, Ontario filed a Statement of Concern to the NEB, bringing forward multiple issues, some of which were outside of the scope of the NEB's project review. The Statement of Concern included issues regarding the impact of the project on climate change and also regarding valve placements, pipeline integrity and our ability to safely manage the pipeline.

In 2014, our Liquids Pipelines business segment (LP) conducted a number of regular preventive maintenance integrity digs along our pipeline network. To help strengthen our relationships with First Nations communities along the Line 9B right-of-way from Sarnia, Ontario to Montreal East, Quebec, we hosted more than 18 First Nations communities on tours of the integrity dig sites. These tours gave us the opportunity to speak with Aboriginal representatives about what we are doing on traditional lands from an operational perspective, and gave participants the opportunity to speak directly to subject matter experts on pipeline safety.

In fact, in May, for the first time, we collaborated with the Aamjiwnaang First Nation to develop and execute our Public Awareness Program. And, in 2014, we attracted 127 members of First Nations in our Eastern Region to our roundtable meetings regarding our integrity-dig program and regarding our emergency preparedness and response activities.

Mainline Enhancement Project

Since 2013, we have been engaged in ongoing discussions with the Bad River tribe in Wisconsin to renew an existing easement agreement. We continue to work on finding a resolution

Mainline Operations

Our Mainline system, which crosses Canada and the U.S., transports approximately 53 per cent of U.S.-bound Canadian production, a figure that accounts for 15 per cent of total U.S. crude oil imports.

In 2014, 2 Aboriginal communities living in proximity to our Mainline system in our Eastern Region raised a series of historical complaints and concerns regarding their need for involvement in the system's operations. In response, we are developing a longer-term strategic plan for all of our Mainline operations, with the intent of building stronger, long-term relationships with our Aboriginal neighbours. We foresee that the plan will include the allocation of economic benefits throughout the life of the project and the duration of operations.

Line 3 Replacement Program

Our Line 3 Replacement Program is the largest project in our history and will result in the replacement of one of our Mainline crude oil pipelines running from Hardisty, Alberta to Superior, Wisconsin.

We are currently engaging with Aboriginal and Native American groups along the right-of-way and will continue our engagement throughout the regulatory process and the construction and operations phases. Our engagement will involve providing groups with the information they need and working with them to identify their interests.

Our engagement will also involve working with Aboriginal and Native American groups to obtain information on traditional land and resource use as part of our environmental assessment program. Several Aboriginal groups have expressed an interest in being included in the environmental assessment program, by completing Traditional Land Use (TLU) studies, and working with us to understand areas of sensitivity and historical significance along our right-of-way.

In addition, we are piloting an Aboriginal environmental inclusion strategy, and have two related projects under way involving six First Nations in Saskatchewan.

Sandpiper Pipeline Project

Our proposed Sandpiper Project will transport light crude oil from our Beaver Lodge Station, near Tioga, North Dakota, through Clearbrook, Minnesota to our existing terminal in Superior, Wisconsin. We anticipate that the project will be in service in 2017.

The White Earth Nation is a formal intervener in the Minnesota regulatory process, which is expected to continue throughout 2015.

Flanagan South Pipeline

We have completed construction on our Flanagan South Pipeline, a nearly 965-kilometre (600-mile) interstate crude oil pipeline that originates in Pontiac, Illinois, and terminates in Cushing, Oklahoma, crossing Illinois, Missouri, Kansas, and Oklahoma.

We began the engagement process early on with the Osage Nation and carried the work over into 2014. Job training was a clear priority for the tribe, so we worked with tribal representatives and a labour union to teach community members the skills required to construct a pipeline.

Since 2013, Osage Nation tribal members worked more than 190,000 person hours and earned more than \$5.6 million constructing the Flanagan South Pipeline.

Norman Wells Pipeline

Our Norman Wells pipeline stretches 869 kilometres (540 miles) from Norman Wells in the Northwest Territories to Zama, Alberta. Most of the communities along our right-of-way are Aboriginal. Throughout our operating history, legacy issues continue to exist regarding economic opportunities and benefits available to the Aboriginal communities in the area. Because of the small population base along our Norman Wells Pipeline right-of-way, we generally address these issues informally, immediately, and directly with the parties involved.

Blackspring Ridge Windfarm

Our 300-MW Blackspring Ridge Windfarm, located in Vulcan County, Alberta, was completed in May 2014. During the project's development process, the developer from whom we acquired the windfarm consulted with representatives from the Kainai First Nation. In addition, we involved Elders in a traditional blessing of the site before construction began. We celebrated the grand opening for the windfarm in the summer of 2014 with representatives from the First Nation.

Greenwich Windfarm

In March 2010, we acquired the 99-MW Greenwich Windfarm, located on the northern shore of Lake Superior, Ontario. In adherence with agreements from the past owner, we maintain relationships with three Aboriginal groups: Red Rock, Fort William, and Métis Nation of Ontario.

All three groups claim traditional uses on the lands in proximity to the windfarm. We engaged them in the process when the asset was developed and constructed by the original owner, and agreements with the groups have provided benefits for their communities.

The impact of our engagement on the communities has been significant. We hire Aboriginal individuals and companies in this region of high unemployment, and their earnings flow back into their communities. In turn, these individuals add value to our business.

Our agreements with the Fort William and Red Rock First Nations stipulate that we must give these communities the first opportunity to bid on road work and snow removal. Each of these First Nations will remain a priority vendor for two consecutive years.

We have almost daily contact with these First Nations members through our business relationships. Our engagement with the communities is informal and we often hear of concerns directly from the Chief and Council.

In 2014 we rolled out our Contractor Management Program for these First Nations.

Our commitment with the Métis Nation of Ontario is to maintain our site and to report on our use and composition of herbicides. We are also required to involve the community in environmental monitoring.

We comply with all of our obligations within these agreements.

Enbridge Ontario Windfarm

Our Enbridge Ontario Windfarm is a 181.5-MW windfarm developed by Enbridge Ontario Wind Power LP (EOWP) north of Kincardine, Ontario, along the shore of Lake Huron.

We have an agreement with, and engage collectively regarding, the EOWP Project with two First Nations: the Saugeen First Nation and the Chippewas of Nawash Unceded First Nation. The two First Nations refer to themselves collectively as the Saugeen Ojibway Nation. We have nine staff members based in Kincardine (at EOWP), two of whom are from the Saugeen Ojibway Nation.

We engage the First Nations in formal meetings throughout the year to discuss outstanding matters.

In 2014, the Saugeen Ojibway Nation requested that we negotiate an agreement to complete and finalize our original negotiations with them. We met with them twice to discuss their concerns, and our work toward an agreement continues.

We also support the two First Nations through our community investment initiatives such as the School Plus program at Kikendaasogamig Elementary School, associated with the Chippewas of Nawash First Nation; and the Saugeen First Nation's Anishnabek after-school program.

Sarnia Solar

Our Sarnia Solar energy facility in Sarnia, Ontario, has the capacity to generate 80 MWs of renewable electricity, enough to power more than 12,000 homes.

We have limited Aboriginal engagement in the vicinity of our solar operations in Sarnia. However, our contractor, Williams Landscaping, offered summer employment opportunities to students from the Aamjiwnaang First Nation at our Sarnia Solar facility.

Significant Corporate Aboriginal Community Investments

School Plus Program

Our School Plus Program, which we developed in partnership with the Assembly of First Nations (AFN) in Canada, supports enriched programming and extracurricular activities in First Nations schools near our major pipeline routes in Canada. The program's goal 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 initial three-year pilot program, launched in 2009, provided funding to 42 eligible First Nations schools located close to our Mainline right-of-way between central Alberta and southwest Manitoba, and close to our windfarm near Kincardine, Ontario. The success of our pilot School Plus Program, prompted us to expand it to include communities along our Mainline right-of-way in Ontario and Quebec, and along the proposed Northern Gateway Project (NGP) right-of-way in Alberta.

In 2014, 36 on-reserve First Nation schools, plus two urban Aboriginal partnerships, received \$662,000 in grants under the School Plus Program. More than 3,700 students benefitted from the program in 2014. Since its inception in 2009, more than 25,000 students have benefitted from it.

Canadian Council for Aboriginal Business

Under a 2013 partnership with the Canadian Council for Aboriginal Business (CCAB), in 2014, we contributed \$20,000 to the Certified Aboriginal Business Program to support the development of the CCAB directory, an online database that links Aboriginal businesses in Canada with non-Aboriginal businesses to create more bid opportunities for Aboriginal businesses interested in working with industry. Certified businesses can access tender opportunities posted by CCAB members such as Enbridge.

Habitat for Humanity

The Enbridge Aboriginal Home Program represents a five-year, \$1 million (\$200,000 paid in 2014) partnership with Habitat for Humanity National to provide safe and affordable housing to 20 Aboriginal families across Canada by 2017. We have completed eight builds so far. In 2014, builds took place in Fort Qu'Appelle, Saskatchewan; Regina, Saskatchewan; Kikino Métis Settlement, Alberta; and Portage La Prairie, Manitoba. Approximately 10 Enbridge employees participated in each build.

In 2014, we also invested \$50,000 in a Métis Capital Housing Corporation (MCHC) housing project to build a half-duplex in Edmonton. The renovation project was carried out in partnership with the MCHC and Habitat for Humanity Edmonton.

Portage College Enbridge Training to Employment Program

In 2014, we invested \$100,000 in Portage College's Enbridge Training to Employment Program. Part of the program will be conducted in an Aboriginal community, while the remainder will take place at Portage College's Pipeline Training Centre in Boyle, Alberta. The centre combines patented simulation technologies with practical training.

Investments in Education

In 2014, we invested in the following scholarships and bursaries:

- Portage College: Enbridge Aboriginal Career Leadership Award (6) – \$15,000,
- Saskatchewan Indian Institute of Technology: Enbridge Aboriginal Women in Trades Scholarship (8) – \$20,000,
- Southeast Regional College: Enbridge Aboriginal Leadership Awards (10) – \$20,000,
- Brandon University: Enbridge Dakota Language Awards (10) – \$20,000,
- Belcourt Brosseau Métis Awards: Enbridge Aboriginal Awards in Engineering (1) – \$2,500,
- Alberta School for the Deaf: Enbridge Aboriginal Youth Leadership Award (2) – \$2,000,
- Blue Quills First Nations College: Enbridge Indigenous Language Awards (4) and Enbridge Indigenous Business Leader Award (4) – \$20,000,
- Queen's University: Enbridge Bursary in Arts and Science (1) – \$2,500; and Enbridge Bursary in Engineering and Applied Science (1) – \$2,500,
- University of Ontario: Enbridge Indigenous Student in Energy Bursary (1) – \$2,500; Enbridge Indigenous Women in Business Bursary (2) – \$2,500; Enbridge Indigenous Student in Engineering Bursary (1) – \$2,500,
- Leech Lake Tribal College Scholarship (1) – \$2,500, and
- Fond du Lac Tribal & Community College Scholarship (1) – \$2,500.

HUMAN HEALTH AND SAFETY



ORGANIZATIONAL STRUCTURE

One of Enbridge's three core values is safety—with governance and oversight from the board level down.



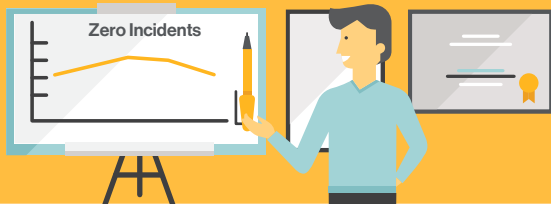
POLICIES AND PROCEDURES

Enterprise-wide policies and procedures that set a baseline of attitudes and behavior for all employees.



TRAINING

In 2014, Enbridge employees and contractors completed over 162,000 hours of safety training and participated in over 350 emergency response exercises, drills and equipment deployments, building their safety knowledge and skills.



SAFETY PERFORMANCE

Working towards achieving 100 per cent safe operations and zero incidents.



SAFETY CULTURE

Working to build a mature and interdependent safety culture.

4. Enbridge's 2014 Performance Regarding Human Health & Safety and Emergency Preparedness & Response

a. Material Topic:

Health & Safety (Employees, Contractors and Other Stakeholders)

Overview

We are committed to ensuring that everyone returns home safely at the end of each day, and that our assets are operated safely. Our commitment is based on caring for our employees, contractors, customers, communities, and the environment.

Management Approach

The Enbridge Safety Management System Framework

Our Safety Management System Framework provides all of our business segments with common guidance and structure to ensure that our efforts to deliver industry-leading safety and reliability performance are thoroughly and expertly planned, executed, monitored and continually improved upon using a shared approach.

While each of our business segments has unique operations, our Safety Management System Framework establishes the minimum standards and components to which each business segment must adhere. It comprises the following nine elements, which are based on best practices in safety management, and existing and emerging regulatory requirements:

Element 1: Leadership Commitment and Accountability

Element 2: Management Review, Safety Assurance, Stakeholder Engagement and Continuous Improvement

Element 3: Risk Management

Element 4: Operational Control

Element 5: Management of Change

Element 6: Incident Management and Investigation

Element 7: Emergency Response and Preparedness

Element 8: Competency, Awareness and Training

Element 9: Documentation and Recordkeeping

Our Safety Management System Framework employs the Plan-Do-Check-Act cycle, which is a methodical approach to managing complex systems that encourages the creation of effective plans and a built-in program of continual improvement.

Leadership Commitment

The first element of the Enbridge Safety Management System Framework is strong formal leadership.

Leaders are responsible for developing and supporting improved safety performance and a positive safety culture at Enbridge. This responsibility includes establishing, resourcing and executing

on a strong safety policy to meet ambitious and meaningful safety and reliability objectives. Leaders must also continually assess the implementation and maturity of each of the elements in the Safety Management System. As well, leaders must demonstrate their focus and support for safety and reliability through effective and active performance management of their teams, including incentives for strong safety and reliability performance that improves over time.

While leaders have specific and defined accountabilities related to safety and reliability, all members of the Enbridge team, including contractors, are encouraged to demonstrate and exercise safety leadership.

Accountabilities

Leadership/Management

Management will lead and demonstrate their commitment to the development, implementation, evaluation and continuous improvement of the safety management system by:

- establishing and maintaining policy, goals and objectives consistent with Enbridge's overall strategy,
- promoting a positive safety culture, based on mutual trust, interdependence and being a learning organization,
- ensuring clear accountability for implementation of Safety Management System elements, with a clear line of sight from objectives to day-to-day activities,
- ensuring that risk management processes reveal and mitigate risk, making compliance and risk reduction a standard part of doing business,
- ensuring that dependent and interrelated functions within the organization are collaborating, sharing information and working to achieve the policies and objectives,
- establishing a performance management policy, including recognition and discipline, that promotes strong safety performance,
- promoting safety engagement and leadership at all levels of the organization, and
- leading the allocation of resources to support strong safety performance.

Employees

Employees, supported by management, will:

- follow the procedures set forth by the organization,
- identify and promote improvements to processes and procedures,
- identify and communicate risks,
- treat the safety of the public, fellow employees and the environment as the primary consideration when addressing an abnormal condition or changes to policy, process or procedure, and
- stop work they consider unsafe and never leave a question about safety unresolved.

Enbridge's Health & Safety Principles

Our six Health & Safety Principles complement our values of Integrity, Safety and Respect by guiding our actions, policies, procedures and culture.

The principles are fundamental expectations as we drive toward 100 per cent safety. They help create a culture in which safety is everyone's responsibility, leadership is accountable for safety performance, continuous improvement is required, hazards are controlled and our commitment to caring extends beyond the workday. They are:

- all injuries, incidents, and occupational illnesses can be prevented,
- all operating exposures can be controlled,
- management is accountable for safety performance,
- all employees/contractors are responsible for safety,
- assessment and improvement are a must, and
- we promote off-the-job health and safety for our employees 24/7.

Enbridge's Six Lifesaving Rules

The Health & Safety Principles complement our six Lifesaving Rules, which are:

- **Hazard Management:** Always ensure an analysis of potential hazards has been completed and proper authorization received prior to starting the work.
- **Driving Safety:** Only drive a vehicle or operate equipment when not under the effect of alcohol or any substances that cause impairment.
- **Confined Space Entry:** Always follow procedures for confined space entry.
- **Ground Disturbance:** Always follow procedures for locating, positively identifying and excavating buried facilities.
- **Isolation of Energized Systems:** Always follow procedures for Lockout/Tag-out.
- **Reporting of Safety-Related Incidents:** Always report significant safety-related incidents.

Whereas the Health & Safety Principles outline how we think about health and safety at Enbridge, and define our philosophy and approach, the Lifesaving Rules define specific actions and behaviours that all Enbridge employees and contractors are obliged to follow. The rules are concrete and absolute, and are backed up by detailed policies and procedures.

Strategic Priorities

#1 – Achieve 100 per cent safe operations: zero injuries and zero incidents.

#2 – Foster a world-class safety culture.

2014 Performance

Achieving 100 Per Cent Safe Operations

We did not achieve a perfect safety record in 2014. Tragically, we experienced both an employee and a contractor fatality in separate incidents in 2014.

In March 2014, an employee of our Liquids Pipelines business segment (LP) in North Dakota was involved in a three-car collision in which he sustained injuries that eventually resulted in his death. Driving is the most dangerous activity our employees are involved in. In recognition of this fact and as a result of this incident, in 2014, we formed a Driving Safety Committee, which implemented several mitigation initiatives. These initiatives, along with our increased focus on driving safety, will continue into 2015.

In August 2014, a contract worker clearing vegetation along one of our Gas Pipelines & Processing business segment's (GPP) rights-of-way in Texas struck an Enbridge natural gas pipeline with his equipment, causing the pipeline to rupture. The individual sustained injuries from the rupture that resulted in his death. We shared what we learned from this tragic incident, and implemented a number of initiatives across the company to mitigate the risks associated with clearing vegetation.

In addition to the two fatalities mentioned above, our health and safety performance in 2014 included the following metrics:

- 77 recordable employee injuries (compared to 82 in 2013),
- 0.94 recordable injuries per 200,000* employee hours worked (compared with 1.14 in 2013, representing an improvement to our six-year average of 1.27), and
- 0.11 lost-days injuries per 200,000* employee hours worked (compared with 0.17 in 2013, representing an improvement to our six-year average of 0.22).

*The formula for calculating injury rate (whether it be recordable injuries or lost-days injuries) is: number of injuries X 200,000/employee hours worked, where the 200,000 hours in the formula represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year.

In 2014, our employees worked more than 16.4 million hours, which is an increase of almost two million hours above the number they worked in 2013 (14.4 million hours). While our 0.94 recordable injuries per 200,000 employee hours worked and 0.11 lost-days injuries per 200,000 employee hours worked rates did not equal zero, they were the lowest that they have been since we began tracking them – all during a time when the number of hours that employees worked increased.

All incidents, whether regulatory recordable or not, are reported to local supervisors, as well as to our Health and Safety Department for tracking, trending and communication regarding lessons learned. Every quarter, we analyze our safety incidents from several angles, including injured body parts, and nature and root cause of the injury. Our analysis leads us to take specific actions to drive down incidents and drive up repeatable safety performance.

We have included all of our health and safety metrics (company-wide and by business segment) in our Enbridge 2014 Health & Safety Metrics spreadsheet.

Absenteeism

Our absentee rate in 2014 was 4.23 days absent per employee, compared with 3.86 days in 2013. We use the “average days absent per employee” metric because we do not track scheduled hours in our Human Resources system.

Safety Culture

Looking Out for Safety

We all contribute to our safe and reliable operations by keeping safety as our primary consideration in all actions and decisions.

In addition, we all contribute by making proactive formal safety observations that help us to identify and address unsafe conditions or actions, and to recognize and acknowledge safe behaviours and situations. In 2014, employees and contractors made 161,296 safety observations.

Remembering Disastrous Incidents Through Stories

In 2014 we introduced a series of foundational safety stories to our employees and contractors. The stories focus on four disastrous incidents from our past that killed and injured members of the public and of our team, disrupted lives and communities, and damaged the environment.

As an organization we stop and remember these incidents on their anniversaries to remind ourselves of the consequences of failing in our duty to be safe. The stories include the first-hand experiences of those who witnessed and responded to the incidents, and are intended to make us uncomfortable, to create an emotional connection to safety and to bring us face-to-face with the tremendous responsibility we bear.

By remembering the incidents and the impact they had on individuals, communities and the environment, we help ensure that everyone who works for Enbridge has a common understanding of the importance of safety.

Employee Training

Each of our business segments has evaluated the training that its employees need to safely perform their jobs and has created position-specific descriptions. Using this information, we have created training matrices that enable us to ensure that each employee has the necessary training and knowledge.

Our employees spent more than 162,000 hours in 2014 building their safety knowledge and skills. Over the past eight years, we have almost quadrupled the average number of environment, health and safety (EH&S) training hours per employee, and have increased the total number of environment, health and safety training hours by more than six times.

Year	Total EH&S Training Hours	EH&S Training Hours/Employee
2007	25,015	4.9
2008	30,418	5.4
2009	38,007	6.5
2010	31,620	5.2
2011	36,567	5.6
2012	101,503	13.7
2013	161,960	19.9
2014	162,080	18.3

Health and Safety Committees

In 2011, each of our operating business segments undertook an initiative to enhance their safety culture. In 2012, the business segments established Health & Safety Committees to promote engagement at all levels and to establish clear lines of communication for decision making. In 2013, we re-conducted a safety culture perception survey that we had originally conducted in 2011 to measure the progress of this initiative. The survey results indicated that we had increased our safety culture strength by 13 per cent since 2011, thanks in part to our Health & Safety Committees.

Expanding our EH&S Team

Our team includes hundreds of experts who support our progress in the areas of health, safety, environment and the integrity of our systems, and whose sole professional focus is to drive excellent safety and reliability performance.

We have significantly increased the number of EH&S personnel, with the number rising to 270 in 2014, compared with 253 in 2013. This is representative of our business growth, and of our increased focus on EH&S excellence, operational reliability and commitment to attaining a world-class EH&S culture.

Executive Field Visits

Our senior leaders demonstrate their personal commitment to safe and reliable operations through field visits. Over the course of 2014, our executive leaders, including those outside of the operational business segments, participated in 135 field visits across the organization, connecting with hundreds of employees.

During the visits they travel to field locations and meet with employees to better understand the work they are doing, to hear about challenges they face in their daily activities, to talk about safety, and to identify areas where we can improve our safety practices and performance.

2013 Operational Reliability Report

In October 2014, we released our 2013 Operational Reliability Report, which outlines the progress we have made toward our goal of 100 per cent safety, zero incidents and industry leadership. We distributed over 110,000 printed copies to internal and external stakeholders, and posted the report on enbridge.com.

Industrial Hygiene Programs

We maintain industrial hygiene programs under which we identify stressors (such as airborne contaminants, noise, heat stress) in our workplaces, and recommend steps to prevent injury and illness. We also regularly assess the effectiveness of the various controls we use to protect workers, including engineering controls, administrative controls and personal protective equipment.

b. Material Topic:

Emergency Preparedness & Response

Overview

When it comes to safety and operational reliability incidents, prevention is the ultimate goal. However, should an incident involving our projects and operations occur, we must be ready with strong emergency preparedness and response systems throughout our operations. That is why, every year, we invest in the people and equipment we would need in the event of an emergency.

371

In 2014, hundreds of our employees and contractors participated in 371 drills, exercises and equipment deployments across our operations in North America to test and hone our readiness in the event of an incident.

Over

660

In Canada we carried out more than 660 visits in 2014 with municipal officials, first responders and 9-1-1 dispatchers near our liquids pipelines to build relationships and review emergency preparedness information.

More than
\$74 million

From 2012 to 2014, we invested more than \$74 million in equipment and training to improve our company's overall emergency preparedness and response capacity in existing operations and proposed projects.

More than
816,000

In the U.S., we sent more than 816,000 brochures in 2014 to key stakeholders near our pipelines, providing them with information about pipeline safety, how to recognize and respond to a pipeline emergency and ensuring they have the necessary contact information.

Management Approach

Procedures

When we experience a spill, leak or release, we carry out emergency response procedures to shut down and isolate the impacted asset, notify the appropriate government and regulatory agencies, contain the substance as appropriate, and manage potential safety and environmental impacts.

In responding to spills and leaks of liquids products, our Liquids Pipelines business segment (LP) typically takes the following steps:

- ensure the safety of the public, employees and contractors,
- minimize environmental impact through containment,
- engage in unified command with other jurisdictions,
- capture and safely remove the product from the environment, and take care to keep it from spreading to uncontaminated vegetation, water or soil,

THE ENBRIDGE EMERGENCY PREPAREDNESS AND RESPONSE SYSTEM

Enbridge has a thorough Emergency Preparedness and Response Plan that we exercise and share with First Responders and Community Members to ensure a successful and timely response.



- recover a high percentage of the product and inject it back into our pipelines,
- dispose of contaminated water, soil and vegetation at appropriate waste disposal facilities,
- establish what needs to be removed, based on a comprehensive clean-up plan, environmental testing and monitoring, physical inspection and guidance from government regulators,
- work closely with experts to minimize impacts on wildlife, and assist with the rehabilitation of animals that have come in contact with the product,
- develop and execute rehabilitation plans for water, soil and vegetation with the input of affected stakeholders and environmental regulators, and
- after determining the cause or causes of a spill or leak, implement corrective actions and apply lessons learned to our wider system and share our learnings internally and externally.

In responding to natural gas releases, our Gas Pipelines & Processing and Gas Distribution business segments (GPP and GD, respectively) typically take the following steps:

- identify the location of the leak,
- ensure the safety of the public, employees and the environment,
- engage in unified command with other first responders,
- isolate the leak,
- repair and verify the repair has corrected the problem,
- remediate the site, and
- apply lessons learned and share learnings with the natural gas industry.

Maintaining Effective Emergency Preparedness

We maintain high levels of emergency preparedness and response through our people, planning, investments in equipment and training, and Public Awareness Programs.

People

We have dedicated resources to support the creation and maintenance of our emergency plans. These resources include project support personnel and regional emergency response coordinators.

In 2014, LP alone, we employed 23 full-time individuals to support our emergency preparedness and response and crisis management programs throughout our company. We also involved hundreds of other employees and contractors in emergency response exercises and training.

Planning

We have comprehensive crisis management and emergency response plans in place to help us respond rapidly and completely anywhere in the company should a spill or emergency occur.

Under these plans, we have established a standardized, multi-tiered system that enables us to address varying levels of emergencies. We have also defined the roles and responsibilities of those who would be involved, including local incident support teams, regional response groups, business segments, and our crisis management team, which consists of senior executives from across the company. If an incident were to escalate into a large-scale event, the crisis management team would work closely with the business segments to provide strategic support to reduce the impact of the crisis.

Each of our business segments also has detailed location-specific emergency preparedness and response plans in place to minimize the impact of an incident and comply with regulatory requirements. These plans guide our emergency response, and are customized for different operations and specific types of terrain. They include strategic emergency response equipment storage for quick deployment, and standby personnel – including employees, contractors, and response organizations.

Our plans incorporate the use of the Incident Command System (ICS), a leading emergency response methodology used across North America by military, first-response agencies, and local, provincial, state and federal governments.

Equipment and Training

Each year we invest millions of dollars in equipment and emergency response supplies. We also continually train our employees and contractors, and provide training to first responders in our areas of operation throughout North America to help prepare them.

The training involves staging hundreds of drills, emergency exercises and equipment deployments each year, testing and refining our response plans so that we have the shared knowledge and experience to respond to any incident. Often this training includes third-party observers such as regulators, public officials and first response agencies so that our approach to emergency preparedness is comprehensive and transparent.

Public Awareness

Our commitment to emergency preparedness and response also includes our work to ensure that the public is aware of our operations and how to live and work safely near them. Our Public Awareness Programs educate landowners, residents, businesses, farmers, excavators, public officials and first responders on how to recognize and report incidents, and instruct them on how to stay safe if an incident occurs.

Stakeholder Groups

Employees

As part of our commitment to the safe and reliable operation of our systems, we provide employees with the training and information they need to recognize, respond to, and report a pipeline emergency. We also encourage them to share this information with their friends, neighbours, and family members who may live and work near our operations.

Community Neighbours

Our public awareness outreach includes community neighbors (residents, business owners, and landowners), local public officials, excavators, farmers, schools and anyone else who may work or live near our operations. In each case, we work with our neighbours and communities to ensure they are aware of our systems and what they should – and should not – do in the event of an emergency.

First Response Agencies

Maintaining strong relationships with emergency responders in our areas is also a priority for us. One of our flagship community investment programs is our Safe Community Program, under which we provide grants to first responders, law enforcement agencies, firefighters, emergency medical services, 9-1-1 dispatch centres and other organizations who would respond to emergency situations in or near communities in our operating regions.

In the U.S., we also launched a password-protected website in 2014 to provide emergency responders with access to specific emergency response plans for their area.

Industry and Emergency Response Associations

We actively participate in industry associations focused on advancing emergency preparedness and foster relationships with organizations that are connected to key emergency response audiences. For example, we have partnered with the U.S. National Association of State Fire Marshals (NASFM) to develop a free online training program for first responders near our pipeline systems. We also worked with the National Emergency Number Association (NENA) to develop online training specific to 9-1-1 dispatchers and call-takers. In addition, our Gas Distribution business segment works closely with the Ontario Fire Marshal's Public Fire Safety Council on education campaigns to promote public awareness of fire and home safety, including carbon monoxide detection and prevention.

Investments in Emergency Preparedness and Response Programs

Since 2012, we have spent more than \$74 million on equipment, training and programs to promote emergency preparedness and response. This amount includes operating costs to conduct emergency exercises and the purchase of emergency response equipment, ranging from containment booms to boats to gas safety monitoring systems.

Strategic Priorities

#1 – Continue to advance our various initiatives aimed at improving our emergency response and preparedness.

#2 – Continue to exercise leadership through our work with industry associations.

2014 Performance

Emergency Response Initiatives

Following are some of the initiatives we undertook in 2014 to boost our emergency response and preparedness. For more information, see the Stakeholder Engagement section of this report.

Safe Community Program

We consider the maintenance of strong relationships with emergency responders in our areas of operation to be a priority. Part of the way we maintain these relationships is through our Safe Community Program, under which we provide grants to first responders, law enforcement agencies, firefighters, emergency medical services and other related health providers who would respond to emergency situations in or near communities where we have operations. The grants help eligible organizations acquire new safety-related equipment, obtain professional training and deliver safety education programs in their communities. Since the program's inception in 2002 through to the end of 2014, our Safe Community Program grants to first responder organizations in Canada and the U.S. have totaled almost \$8.5 million.

Public Awareness Programs

As is the case with all pipeline operators in Canada and the U.S., we are required by law to have in place Public Awareness Programs (PAPs) that provide for extensive public outreach the maintenance of ongoing, informative relationships with those closest to our pipelines in order to ensure their safety. *For more information, see the Stakeholder Engagement section of this report.*

Incident Command System Training

We provide Incident Command System (ICS) training to anyone who could fill a leadership and response role during an incident. Over the past three years, we have trained more than 1,000 of our employees in the ICS methodology, and continue to train more. By promoting a shared understanding of the ICS, we are helping to make our emergency response safer, more efficient and more effective.

Enbridge Enterprise Emergency Response Team

The Enbridge Enterprise Emergency Response Team (E³RT) is a cross-business-unit group trained to respond to large-scale events in North America that would require more resources than a single Enbridge operating region or business segment could provide.

Since its inception in 2012, the response team has conducted annual training exercises involving all of our major business segments, emergency response contractors and consultants, as well as local, state, provincial and federal emergency response and government agencies.

In November 2014, 76 members of the E³RT gathered at Fort Worth, Texas, for an emergency response drill. Hosted by GPP, the two-day exercise started with a day of training and preparations, followed by a day-long simulation of a hydrogen sulfide release from a natural gas pipeline. The exercise simulated the release and an evacuation of residents living near the pipeline, and tested the team's expertise using the ICS. During the drill, observers from local first responders, agencies, government and industry observed the process and got a firsthand look at how we are prepared to react in the event of a large-scale incident.

Emergency Response Exercises

In 2014, we staged 371 drills, exercises and equipment deployments across our company to help us prepare to respond safely and effectively in the event of an incident.

Our approach to emergency preparedness is comprehensive and transparent. Our exercises involve hundreds of employees, contractors and third-party observers, such as regulators, public officials and first-response agencies.

Indian River Emergency Response Exercise

On September 17, 2014, we coordinated a multi-agency emergency response exercise along the Indian River in Cheboygan County, Michigan.

The full-scale exercise, situated along our Line 5 crude oil pipeline on the northern tip of Michigan's Lower Peninsula, involved crews respond to a simulated emergency caused by a third-party contractor striking the pipeline while performing maintenance work. As part of the exercise, an Enbridge Incident Management team activated an incident command post such that they could practice Incident Command System skills to manage the simulated response.

More than 18 months in the planning, this emergency exercise involved more than 300 Enbridge representatives, the U.S. Coast Guard, the U.S. Environmental Protection Agency, the Michigan Department of Environmental Management, the Great Lakes Commission, and local emergency responders. The exercise tested our ability to carry out equipment deployment on water, public notification, and protection of water intakes and public parks, and educated first responders on pipeline emergencies.

Emergency Responder Education Program

Since 2012, we have offered the Emergency Responder Education Program (EREP) to first responders to train them how to safely and effectively respond to pipeline incidents.

Available online to more than 8,000 emergency response organizations in the U.S. and Canada, EREP uses 3D interactive graphics to show how our operations work. It includes information on the ICS and on how we would work with emergency responders in the event of an emergency. In addition, it includes tactics and practice scenarios to help first responders visualize potential response scenarios.

By the end of 2014, almost 1,000 emergency responders, Enbridge employees and other interested parties had completed the program.

911 Dispatch Module

Our 911 Dispatch Module, which we developed in partnership with the National Emergency Number Association (NENA) and rolled out in 2014, is an on-line, interactive training module aimed at helping 911 dispatch and call centre personnel respond to pipeline emergencies. The module includes background on how to initiate a safe and effective response to a pipeline emergency, how to recognize leak indicators, how to contact pipeline operators, and how to relay information to emergency responders and the public. In 2014, 965 dispatch and call centre personnel, emergency responders, Enbridge employees and other interested parties completed the module (807 U.S. and 158 Canadian).

Natural Gas Awareness Program

In 2014, GD worked closely with Union Gas to train about 1,073 first responders in Ontario, mostly firefighters, through its first responder natural gas awareness program. GD also partnered with Union Gas and the Ontario Police College to supply information materials to new police recruits on what to do during a natural gas emergency.

Training for Employees who Hold Non-Operational Roles

With a workforce of more than 11,000 across North America, our employees play a vital role in pipeline safety and emergency response. In late 2014, we developed an online course to provide emergency response training for employees who hold non-operational roles, but who could be called upon to play a supporting role in an emergency.

The course, which we will launch in 2015, provides background on:

- the products we transport and their associated hazards,
- leak indicators for liquids and natural gas pipelines,
- what to do in an emergency,
- ICS methodology,
- personal protective equipment, and
- the role of emergency responders in an incident.

This course will ensure that employees receive a consistent level of emergency response training.

We also provide advanced training regarding ICS, hazardous waste operations and emergency response to employees who are responsible for day-to-day operations and who would be directly involved in responding to an incident.

Ontario Underground Infrastructure System Act

GD's largest operational threat is third-party damage to its natural gas pipeline infrastructure. Preventing these damages improves worker and public safety and maintains the integrity of GD's distribution assets.

A key prevention measure is to provide information about underground infrastructure to individuals interested in excavating – before they dig. To that end, GD strongly influenced the passing of the Ontario Underground Infrastructure Notification System Act into law in 2012. Under this legislation, all underground utility operators are required to participate in Ontario One-Call, a call centre that provides answers to third parties wanting to excavate for any reason in Ontario, with just one call. Ontario was the first of Canada's provinces and territories to pass such legislation. Since the implementation of the Ontario Underground Infrastructure Act, GD has experienced a 24 per cent increase in locate requests from third-party excavators, which has supported its initiative to prevent damages and improve worker and public safety. This legislation is key to driving the desired safety behaviours within the excavation stakeholder community and supports our damage prevention programs.

High Risk Excavation Program

In 2014, GD also implemented a High Risk Excavation Program under which its damage prevention inspectors engage with contractors involved with deep excavation. This engagement, along with GD's core programs has resulted in a 10 per cent decrease in damages per 1,000 locates from 2013 to 2014.

Leadership through Industry Associations

Through industry associations, we exchange best practices with other operators and participate in committee activities and joint exercises for the purpose of advancing safety and emergency preparedness.

In the U.S., we actively participate in public awareness groups sponsored by the American Petroleum Institute, the Association of Oil Pipe Lines, the Interstate Natural Gas Association of America, and the Common Ground Alliance. In Canada, we are a member of the Canadian Gas Association and the Canadian Energy Pipeline Association.

Enbridge is also a member of the Pipeline Operators Safety Partnership, a group of pipeline operators who work together to build relationships with first responders and promote pipeline safety at annual conferences. The group has previously participated in conferences such as Fire-Rescue International, the Fire Department Instructors Conference, and the National Emergency Number Association annual conference. We sponsor training opportunities and, in some cases, take part as presenters.

In 2014, we advanced a number of collaborative initiatives through industry associations:

- On September 24, we partnered with other pipeline companies in a joint emergency management exercise in Edmonton that was organized by the **Canadian Energy Pipeline Association** (CEPA). The event tested, for the first time, the mutual emergency assistance agreement signed by CEPA members in November 2013. The agreement formalized the industry practice of sharing human resources, equipment and tools between companies in the event of a significant pipeline incident.
- GD, working with members of the Canadian Gas Association (CGA), took an active role in developing a national natural gas awareness program for first response agencies. Starting in 2015, gas distribution companies will deliver the CGA-endorsed program to local fire and police departments across Canada. GD was also a key partner in revising and enhancing the CGA's mutual assistance program based on its experience responding to the recovery of a New York natural gas distribution system that Hurricane Sandy severely damaged in 2012.
- GD became an associate member of the Northeast Gas Association. Membership gives GD access to additional staffing and resources from nearby U.S. gas utilities in the event of a major emergency on its natural gas distribution system.

OUR NEIGHBOURS ARE OUR PARTNERS

We are deeply committed to building trusting relationships with our neighbours because they allow us to safely and reliably transport, distribute and generate the energy that fuels the quality of life for millions of people everyday. Through these important partnerships, we help to strengthen the communities where we live and work.



5. Enbridge's 2014 Performance Regarding Stakeholder Engagement, Customer Relations, Economic Impact and Benefits, Community Investment and Employee Relations

a. Material Topic:

Stakeholder Engagement

Overview

We are deeply committed to building trusting relationships with our neighbours because they allow us to safely and reliably transport, distribute and generate the energy that fuels the quality of life for millions of people every day. Through these important partnerships, we help to strengthen the communities where we live and work.

Management Approach

Policy

The manner in which we engage with stakeholders is governed by our values of Integrity, Safety and Respect; and by our CSR Policy, the Stakeholder Relations section of which states that:

Enbridge will engage stakeholders clearly, honestly and respectfully. Enbridge is committed to timely and meaningful dialogue with all stakeholders, including shareholders, customers, employees, indigenous peoples, governments, regulators and landowners, among others.

Stakeholders

Our stakeholders include all of the individuals and groups who live and work near, or who are affected by, our pipelines, power lines, operations and facilities. They also include the individuals and organizations with whom we may need to work in order to respond to an emergency.

While those with whom we engage include Aboriginal and Native American individuals and groups in Canada and the U.S., because these parties have distinct rights, we recognize them as being separate from other stakeholders. *For more information, see the Aboriginal and Native American Rights & Engagement section of this report.*

We maintain an overarching stakeholder engagement approach in Canada and the United States (see below for more information), and adapt it based on the geographic region in which our projects and operations are located; the type of project, facility or operation in question; local issues; and stakeholders' residency within specific corridors around our rights-of-way. If any individual – whether a direct stakeholder or not – is interested in talking with us, we are always available.

Approach

Throughout our engagement with stakeholders, we hold ourselves to the highest standards of openness. We engage in clear, honest and respectful communication, with the goal of developing mutually beneficial relationships. We also endeavour to meet or exceed the regulatory requirements governing our public engagement and consultation practices.

Our approach is reflected in everything we do, specifically, our:

- Public Involvement Programs,
- Public Awareness Programs,
- Emergency Response and Preparedness Initiatives, and
- Economic Inclusion and Partnership Initiatives.

When we begin engaging with stakeholders for any given project, our goal is always to learn more about the underlying social, economic, political and environmental context of the individuals and communities in question, and to understand our stakeholders' expectations, interests and concerns. To that end, as we develop our understanding, we also develop customized stakeholder involvement and awareness plans for all of our projects, from their inception. Our plans provide background on the stakeholders with whom we will be engaging, and propose the best methods for engaging with them, taking into account their individual circumstances. Among the many methods we use are:

- one-on-one consultations,
- community open houses, presentations, integrity dig site tours, municipal meetings and public meetings,
- emergency responder outreach (meetings, tours, presentations, online training, tabletop exercises and emergency response mock scenarios),
- field contact with excavators and contractors,
- direct mail and e-mail, and
- websites and social media.

We endeavour to engage with stakeholders early on in the project planning process so that we can effectively address or resolve any issues from the outset, and adjust plans wherever possible. Our goal is to engage with stakeholders throughout the entire lifecycle of the project, addressing a variety of interests, questions and concerns, including:

- community investment opportunities,
- economic opportunities, benefits and potential compensation,
- emergency response and safety procedures,
- environmental impacts of construction and environmental protection measures,
- grievances and issues,
- development and construction impact on communities,
- post-construction operation and maintenance,
- project and construction timelines, and
- risk management.

Grievance Methods

For us to be a socially responsible operator in the communities in which we live and work, we know that we must be responsive to our stakeholders, and must take their grievances, concerns, issues and requests seriously. To that end, we use a variety of methods to reach out and listen to our stakeholders, adapting them to suit the circumstance. Some of these methods include:

- toll-free telephone lines,
- meetings with individuals and groups,
- community advisors who monitor issues and respond to stakeholders,
- dedicated e-mail addresses, and
- Public Awareness Programs (PAPs) and Public Involvement Programs (PIPs), which provide opportunities for stakeholders to access us, and for us to listen and respond to them.

We are also in the process of developing new stakeholder outreach methods in response to the individual circumstances of some of our operations, regions and projects.

We carefully track the information we collect from our engagement with stakeholders so that we can incorporate it into our various plans, and can ensure that we are able to effectively follow up and verify that issues have been resolved.

Improving our Stakeholder Engagement Management Systems

As we mentioned in the Grievance Methods section of this report, we carefully track the information – both positive and negative – that we collect from our engagement with stakeholders to ensure that we have an accurate understanding of the situation at hand, and that we are able to verify that issues or concerns have been resolved. To ensure that our tracking is as effective as possible, in 2014 we began updating several of the systems that support our work in this area.

One of the updates involved LP's development of its new ProStar complaint-tracking system. The ProStar system, which LP implemented in 2014, uses geospatial cloud and mobile software, among other open standard technologies, to automate and streamline our tracking of landowner complaints, and to link their complaints to our Public Awareness Programs and to our land management records.

Another update involved implementing our new IRIS Engagement System, another cloud-based software system this is specifically designed for organizations in the resource development and energy sector. LP Canada is now using IRIS to track interactions with some stakeholders in Canada, and to analyze trends.

Measuring Effectiveness

We consider our stakeholders' support of our projects, operations and business to be the ultimate measure of the effectiveness of our stakeholder engagement. Other measures that we use internally to help us gauge our effectiveness include:

- the type and amount of concern or support expressed by elected officials,
- the effectiveness of any conflict mitigation we may have undertaken with stakeholders,
- the general level of support or opposition expressed through any means regarding our projects or operations
- positive or negative feedback expressed in meetings with community members and other stakeholders,
- media coverage, and
- timely regulatory approvals of our projects.

Our regulators also measure and evaluate the effectiveness of our stakeholder engagement. For example:

- Canada's National Energy Board (NEB) conducts at least six comprehensive audits of NEB-regulated companies each year. Each audit focuses on one of the six required areas of a company's management system: Safety, Environmental Protection, Integrity, Pipeline Crossings and Public Awareness, Emergency Management and Security. The NEB publicly releases the audit results.
- In Canada, we commission outside reviews of our Public Awareness Program (PAP) to obtain recommendations for improvement and to ensure that we are continuously improving the program.
- In the U.S., federal regulation requires us to review how we implement our Public Awareness Program each year, and to evaluate the program's effectiveness once every four years. We conduct the PAP effectiveness evaluation every two years using an industry survey that incorporates feedback from emergency responders, public officials, excavators and people who live and work near our pipelines. The survey measures stakeholders' understanding of pipeline safety and their retention of information they would have received as part of our direct mail program. U.S. government officials pair the survey results with statistics and metrics from our annual implementation review to help determine if our program is effective, and to identify any changes needed.
- In both Canada and the U.S., we use informal measures of media interest (based on our review of news clippings and social media) to gauge stakeholder interest in topics such as proposed pipeline construction in a particular area, and to help us develop materials that respond to questions that stakeholders raise through the media.

Strategic Priority

#1 – Continually engage our stakeholders through the innovative engagement practices associated with our Public Involvement Programs (PIPs), Public Awareness Programs (PAPs), Emergency Response and Preparedness Initiatives and Economic Inclusion and Partnership Initiatives.

#2 – Continually improve our stakeholder engagement management systems and accountabilities.

2014 Performance

In 2014, we made substantial progress in each of our four program areas pertaining to stakeholder engagement:

- Public Involvement Programs,
- Public Awareness Programs,
- Emergency Response and Preparedness Initiatives, and
- Economic Inclusion and Partnership Initiatives.

Following is an overview of each program area:

Public Involvement Programs

We are currently undertaking dozens of large projects across Canada and the U.S. and – whether a particular project pertains to a pipeline, storage tank, power transmission line or renewable energy project – as soon as we have proposed it, we build in a Public Involvement Program (PIP) as an integral part of the project plan.

PIPs are proactive, two-way communication and consultation programs designed to help us understand our stakeholders, gather their input, answer questions, learn about community interests and perspectives, and, when needed, implement changes.

Under a PIP we use a variety of channels – including in-person meetings, newsletters, posters, regulatory compliance mailings, telephone calls, advertising, updates through social media, and community open house meetings – to provide regular project updates to:

- landowners,
- community residents,
- stakeholder organizations,
- public officials,
- chambers of commerce and business associations,
- emergency responders, and
- media.

To ensure that our PIPs are appropriate for the projects for which we have created them, we spend time reaching out to our stakeholders and their communities to get to know them, the local environment, and the potential issues and risks associated with each of our projects. We conduct our outreach through community surveys, focus groups and one-on-one meetings with community leaders. In Canada, regulations also require us, at times, to conduct socio-economic baseline studies, which help us align our community

investments with community interests and needs. With the knowledge we gather through all of these means, we create detailed community profiles.

An example of a PIP is one that our Gas Distribution business segment (GD) created in advance of receiving Ontario Energy Board (OEB) approval to build a \$700-million, 50-kilometre large-diameter natural gas pipeline, mostly within existing utility corridors in the Greater Toronto Area (GTA).

The OEB ultimately granted GD approval to build the project in January 2014. The approval rested in part on an effective PIP.

Between 2012 and 2014, GD's PIP involved consulting with local government representatives, community members and approximately 400 property owners with backyards along the GD right-of-way. It also involved:

- Attending over 100 meetings, placing 35 ads in local newspapers, distributing more than 234,000 project notices to residents and businesses along the right-of-way, and participating in an extensive door knocking and social media outreach effort,
- Inviting community members to attend two neighbourhood meetings at which project staff were available to answer questions about the project, construction planning, impact mitigation, site preparatory work and the potential impact on trees and other vegetation within and adjacent to the pipeline route as a result of construction, and
- GD actively working with the community and other stakeholders to ensure that safe practices were adopted around the pipeline. This work included promoting the Ontario One Call program, a one-call locate system that GD helped to establish in Ontario to ensure that stakeholders knew to call for utility locations prior to digging (as required by law). It also involved improving public awareness among landowners along vital main corridors.

Another example of a PIP is one we completed in support of the integrity dig program we undertook on our Line 9 in Ontario and Quebec in 2013 and 2014. The Line 9 integrity dig program is a monitoring and inspection program that we undertake regularly to check for corrosion, cracks, dents and other features on the pipeline.

In advance of launching the program, we proactively communicated about the integrity digs that we would be undertaking with landowners, municipality representatives and other stakeholders, discussing with them the schedule, access information, and any relevant special considerations. We launched an ad campaign and showed a video that explained our preventive pipeline maintenance program at open houses. We offered representatives at each affected municipality a face-to-face meeting along with background material. In addition, we appointed a dedicated liaison agent who provided weekly updates about the work to be performed during each three-week period, and who mitigated any issues with affected municipalities. We also organized dig site tours for municipal and provincial representatives, first responders, media and other stakeholders. Once we had completed the program, we prepared a report that described the work performed in each community, and sent it to each affected municipality.

Grievances

Through our PIPs, stakeholders have the opportunity to express their interests, views, concerns and grievances. The following are some examples of the stakeholder grievances they shared with us in 2014:

Meetings with the Canadian Association of Energy and Pipeline Landowner Association – In 2014 we held meetings with a Canadian Association of Energy and Pipeline Landowners Associations (CAEPLA) negotiating team for the purpose of reaching a settlement agreement related to our Line 3 Replacement Project, and of updating the terms of our integrity dig agreement for western Canada.

Any Canadian landowner – whether a CAEPLA member or not – can reach us through our toll-free telephone lines, or by speaking with one of our regional land agents.

Outreach to Liquids Pipelines Stakeholders in our Eastern Canada Region (which includes Line 9) – The Eastern Canada Region of our Liquids Pipelines business segment (LP) comprises more than 100 communities in Ontario and Quebec.

Through our outreach in 2014, we know that stakeholders in the region are concerned about our emergency response capacity and response times; the integrity of our operations; the number and location of isolation valves along Line 9; and how we would mitigate the impacts of spills on high-consequence areas. We have addressed these concerns by hosting numerous meetings since the conclusion of the National Energy Board (NEB) 2014 hearing with landowners, municipalities, other government representatives, first responders, conservation authorities and Aboriginal groups whose land, jurisdiction or traditional territory is traversed by Line 9. The appropriate Enbridge subject matter experts attended these meetings to address overall concerns, as well as specific regional issues.

At the close of 2014, we had still not resolved all concerns, but we continue to engage with the stakeholders affected by our operations in our Eastern Canada Region (including Line 9).

Any stakeholder in the region can reach us through our toll-free telephone lines, dedicated e-mail address, or by speaking with one of our regional land agents. We post a log of all Line 9 grievances (in French and English) on the National Energy Board (NEB) website.

Outreach to Liquids Pipelines Stakeholders Affected by our Mainline Enhancement Program (Lines 67 and 61) – Our Mainline Enhancement Program will involve adding pumping capacity to several of our Mainline's existing pipelines (Lines 67 and 61) in Wisconsin and Minnesota, and upgrading the pipeline terminals in those states. When completed, the program will have expanded our shippers' access to refinery markets in the U.S. Midwest and beyond in response to their increasing North American crude production.

Through our outreach in 2014, we know that stakeholders affected by Lines 67 and 61 are concerned about the need for us to maintain safe, reliable energy transportation that protects the environment and communities, and about our responsibility to enhance economic development in rural communities. We are addressing some of these concerns by providing tours of our pump stations and terminals to provide visual references of our safety features and insight into our actual operations. In 2014, we hosted more than 20 tours with a combined attendance of more than 100 stakeholders in Minnesota and Wisconsin.

Any stakeholder affected by our Mainline Enhancement Program can reach us through our toll-free 1-800 telephone line, or speak with one of the program's community advisors.

Outreach to Liquids Pipelines Stakeholders Affected by Line 6B Phase 2 Replacement Project and Line 5 – In 2014, as part of our Line 6B Phase 2 Replacement Project, we replaced approximately 460 kilometres (285 miles) of our existing Line 6B crude oil pipeline in Indiana and Michigan. We completed the project in October 2014, and placed the line back into service.

Throughout our work in 2014, some stakeholders opposed the project. As Line 6B stakeholders had been greatly affected by our 2010 oil spill near Marshall, Michigan, they continued to express concerns about our leak history and the integrity of our pipelines.

In 2014, some environmental stakeholders in Michigan also vocally opposed our Line 5, an approximately 1,000-kilometre (645-mile) pipeline that travels through Michigan from Superior, Wisconsin to Sarnia, Ontario. In particular, they opposed the section of Line 5 that runs under the Straits of Mackinac, which connects Lake Michigan and Lake Huron, expressing specific concerns about the potential hazards associated with Line 5 crossing such an important water body and about our emergency response capabilities. They also expressed general concerns about hydrocarbon development and climate change.

To address their concerns, we invited key stakeholders on tours of our pump stations, tank farms and facility terminals. We also hosted a panel discussion about our Line 5 integrity program, and conducted emergency response demonstrations. In addition, we facilitated wildlife training and forums with environmental groups in Indiana and Michigan, and held meetings with numerous civic and social organizations such as Rotary and Kiwanis clubs. We have also presented at county, township and other governmental association meetings.

At the close of 2014, we had still not resolved all concerns, but we continue to engage with the stakeholders affected by our Line 6B Phase 2 Replacement Project and Line 5.

Any stakeholder affected by Line 6B or Line 5 can reach us through our toll-free 1-800 telephone line, or speak with one of the area's community advisors.

Outreach to Liquids Pipelines Stakeholders in our

Chicago Region – Our Chicago Region includes approximately 3,000 kilometres (1,900 miles) of right-of-way with more than 8,200 kilometres (5,100 miles) of pipeline in Wisconsin, northern Illinois, northwest Indiana, Michigan, Ohio and New York.

Many stakeholders in this area were also affected by our 2010 oil spill on our Line 6B near Marshall, Michigan. As such, in 2014 they continued to express general concerns about Enbridge's leak history, the integrity of our pipelines, and our emergency response capabilities. Some also opposed the import of fuels into the U.S. from Canada's oil sands. Still others oppose the intensive pipelines maintenance program that we have been carrying out in the area – including the integrity digs and pipeline replacement work we have been undertaking – thinking that the work reflects serious underlying issues rather than preventative maintenance.

We are addressing their concerns through a variety of channels including face-to-face meetings; facility tours and presentations at various civic, social and business organization meetings throughout the region. We reached over 280 stakeholders in 2014 through 15 in-person meetings, six facility tours and five presentations at local organizations. Participating stakeholders included elected officials, emergency responders, media, non-governmental and environmental non-governmental organization representatives and local community leaders.

In addition, several landowners in the Chicago Region complained about the property damage we caused when our contractors mowed land outside our right-of-way. As a result of these complaints, we addressed their concerns and implemented new procedures for mowing contractors that require them to accept liability for their actions, and that hold them accountable for living up to our values of Integrity, Safety and Respect.

Any stakeholder in the Chicago Region can reach us through our 1-800 telephone line, or speak with one of the area's community advisors.

Outreach to Enbridge St. Lawrence Gas Company Stakeholders –

Enbridge St. Lawrence Gas Company (ESLG) is a wholly owned subsidiary of our Gas Distribution business segment (GD). Beginning in 2012 and continuing to the end of 2018, ESLG has been – and will be – expanding its distribution system into Franklin County, New York, under a public-private partnership with the State of New York and Franklin County. The \$50-million expansion project involves adding approximately 77 kilometres (48 miles) of gas transmission lines that would be capable of serving 4,400 new commercial and residential customers. Natural gas service was made available to a portion of the expansion area in November 2013. ESLG expects to complete construction on the transmission line in the first quarter of 2015, at which time its gas service will be made available to customers throughout the expansion area.

While ESLG currently has no formal grievance mechanisms in place, it has requested that stakeholders file any grievances with the New York State Public Service Commission.

Outreach to Stakeholders Affected by Enbridge's Renewable Energy Projects –

Our Cruickshank and Underwood windfarms at Kincardine, Ontario, have had a formal dispute resolution process in place since 2007. With approval from the Kincardine Town Council, we updated the process in 2013 and formally implemented it in 2014.

The updated process addresses all types of complaints, including noise. In addition, it states that we will first cooperate with Hydro One (Ontario's electricity utility) to determine the source of any electrical concerns, and second, allow stakeholders the option of registering complaints with the Ontario Ministry of the Environment (MOE).

In 2014, a few stakeholders submitted grievances regarding noise, most through MOE. For the past several years, in response to the grievances, we have put equipment in place on two locations to continuously monitor the noise being generated by the wind turbines in question.

While we have not yet developed formal dispute resolution processes (or hired facilitators) for our other renewable energy projects in Canada or the U.S., we will do so as the need presents itself.

Outreach to Stakeholders affected by Enbridge's Superior Terminal Expansion –

Throughout 2014, we expanded our Superior Terminal in Douglas County, Wisconsin. The expansion, which we began in 2013, will add more than 1.2 million barrels to the 8.5 million barrels that we currently move through the terminal.

At the outset of the construction, neighbours complained about the associated noise, dust and vehicle traffic. In response to their complaints, we treated the road to reduce dust; presented homeowners with gift certificates enabling them to have their houses washed; posted a security guard at a problem intersection to control speed limits; and, overall, decreased traffic and reduced speeds in the area. We also hosted a tailgate party at a local restaurant to thank neighbors for their patience while we all watched a televised Green Bay Packers game.

Any stakeholder affected by our Superior Terminal can reach us through our 1-800 telephone line, or speak with one of our community advisors.

Public Awareness Programs

Our Public Awareness Programs (PAPs) consist of initiatives that improve stakeholders' awareness of pipelines in their communities. These initiatives help ensure that stakeholders – primarily individuals who live or work near our pipeline rights-of-way and first responders such as fire fighters, emergency management personnel and members of law enforcement – know:

- where our pipelines are located,
- how to recognize the warning signs of a potential pipeline emergency,
- pipeline safety procedures in the event of an emergency, and
- how to contact us.

Our PAPs also involve ensuring that members of the public, representatives from utilities and other companies, and contractors know where our pipelines are located, what products we are transporting in them, and how they can work safely near them.

One critical objective of our PAPs is to ensure that stakeholders know what they need to do before they can safely dig near pipelines. To meet this objective, we participate in Safe Digging Month each April, promote the Call Before You Dig message, and display the logo on our facilities.

Additionally, in the U.S. we raise awareness of the National Call Before You Dig number (811) through our annual participation in 811 Day each August 11. Our involvement in 811 Day involves running online advertising in areas that have had digging-related incidents and near misses, sending executive e-mails to our employees, posting intranet articles and sharing information through social media.

In support of 811 Day 2014, we contributed to a nation-wide media effort in the U.S. by running a 30-second public service announcement on primetime television and radio, including the major networks. We also sponsored a campaign to secure 811 signage behind home plate at eight Major League Baseball games across the U.S. on August 11.

The following are examples of PAPs we conducted in 2014:

School Pipeline Safety Partnership Outreach (U.S.)

Through an agreement with the Pipeline Association for Public Awareness and the Danielle Dawn Smalley Foundation, we reached out to the administration in more than 100 schools located within 365 metres (1,200 feet) of our pipelines with information. Our outreach also includes school visits and information distribution.

Information Campaigns

In Canada, our public awareness team regularly visits municipal officials, emergency response agencies and 9-1-1 dispatch call centres along our liquids pipelines rights-of-way to build relationships and review emergency preparedness information. In 2014, they conducted more than 660 stakeholder visits across the country. In Ontario, GD sent monthly safety newsletters to more than two million natural gas customers. In the U.S., we mailed more than 816,000 brochures to targeted stakeholders along our rights-of-way, and visited residential homes in close proximity to our sour gas and natural gas liquids lines in Texas to provide information on how to recognize and respond to a pipeline emergency.

Emergency Response and Preparedness Initiatives

Emergency response and preparedness initiatives make up a vitally important component of our stakeholder engagement. In 2014, we undertook the following initiatives. For more information, see the Emergency Preparedness and Response section of this report.

Crisis Communications and Response Plan

In 2014, we finalized our new Crisis Communications and Response Plan, providing our teams in Canada and the U.S. with a consistent approach to responding to operational and non-operational incidents of all sizes.

Our plan aligns us with an incident command system adopted by the U.S. Environmental Protection Agency, U.S. Coast Guard and local first responders. Under the plan, we provide critical information from our internal response to third-party emergency responders through a password-protected website.

Emergency Response Ambassador Program

Enbridge's Emergency Response Ambassadors are responsible for building relationships with the emergency response organizations that would most likely respond to an emergency involving our pipelines or facilities. The Ambassadors meet with first responders in their area to provide information about local operations and emergency response training. They also provide information about our online training and Safe Community Program, and invite responders to participate in emergency response exercises, tabletop drills, equipment deployments and facility tours. Currently, more than 70 employees across the U.S. and Canada serve as ambassadors.

National Preparedness Month

National Preparedness Month, which runs in the U.S. in September, gives us the opportunity to share important pipeline safety and emergency response information with people who live and work near our operations.

To take advantage of this opportunity, we posted online banner ads, which generated more than 32 million impressions, and directed stakeholders to pipeline safety information on our website. We also illustrated our safety procedures in an infographic and shared it on our social media channels.

Enbridge Liquids and Transportation Marketing (ELTM) Safety Training Trailer

Based in Petal, Mississippi, ELTM has enhanced its emergency preparedness by converting a transportation trailer into a safety training trailer. By retrofitting a liquid petroleum gas trailer with Plexiglas windows, ELTM helps first responders understand the trailer's inner workings – and be better prepared to respond in the event of an emergency involving a truck transporting propane or a natural gas liquid.

Features of the safety training trailer, visible through the Plexiglas walls, include internal pressure relief valves, a spray fill liquids line that shows the product's change from vapor to liquid as it enters the trailer, and a rotary gauge mechanism arm. ELTM training sessions with first responders include a detailed explanation of safety features. The ELTM training trailer serves as a key feature of firefighter training. The training trailer sessions are led by our safety experts and include a tour of the truck with an Enbridge truck driver.

Economic Inclusion and Partnership Initiatives

We are aware that stakeholders' expectations of business are changing, and that they no longer want to be merely consulted on projects, but rather, want to be key players in them. Further, we are aware that stakeholders are increasingly expecting businesses to be both profitable and to have social missions embedded into their core strategies – thereby helping to solve social and environmental problems while they build profitable companies.

While we consider ourselves still to be at the beginning of our journey toward creating shared value, we have, for many years, been involved in many mutually beneficial partnership initiatives. Some examples from 2014 include:

Green Corridor

Together with Quebec municipalities and Citizens' Projects Quebec, we undertook an urban reforestation project called the Green Corridor. For more information, see the Community Investment section of this report.

Wetland Restoration Partnership

In Sarnia, Ontario, where we have our Sarnia Solar facility and various pipelines and storage facilities, we partnered with a local environmental group on a five-year plan to restore a part of a wetland. The work has involved creating a nursery to cultivate species at risk. School groups are helping to transplant the plants to areas in the community where they are depleted.

The Environmental Technician Training Program

The Northern Gateway Project (NGP) partnered with Kitimat Community Services Society (KCSS) to design and deliver an Environmental Technician Training Program. This program, which took place from February 10, 2014 to May 31, 2014, included environmental technician training, essential skills, life skills, and marine mammal survey training. Eighteen participants from Kitimat, Terrace and Hazelton completed the training.

Project Shop Class

NGP supported the Construction Foundation of B.C. Project Shop Class initiative to upgrade classrooms with new equipment. NGP's donation was distributed across seven schools in Northern B.C. (Kitimat, Terrace, Prince George, Houston and Dawson Creek). This initiative provides new equipment for students today and will benefit those following them for years to come.

b. Material Topic:

Customer Relations

Overview

Our vision is to be the leading energy infrastructure company in North America. As such, we strive to be the leader in all aspects of our business, including customer service. We have a wide range of customers – from energy producers shipping their products on our oil and gas transportation networks; to refiners and processors; to the residential, commercial and industrial customers who consume the natural gas we distribute – and we seek opportunities to partner with, and add value for, them.

Management Approach

We fulfill our commitments to our customers by ensuring the safety of our systems and delivering the highest levels of reliability; by making sure we are efficient so that our customers pay the lowest practical costs for our services; and by delivering our growth projects on time and on budget, while attaining the high standards for safety, quality and environmental and regulatory compliance. Enbridge Gas Distribution also helps its natural gas customers adopt energy-saving equipment and practices to reduce both their natural gas consumption and their costs.

Our customer relations teams across the company aim to provide consistent and reliable service at all times. They are constantly looking for opportunities to improve by:

- listening to customers to make sure they understand their needs,
- proactively bringing important information to customers' attention, and
- being responsive to them and addressing issues effectively and in a timely fashion to our customers' satisfaction.

Strategic Priority

#1 – Provide consistent and reliable customer service to all customers.

2014 Performance

Liquids Pipelines

Our Liquids Pipelines business segment (LP) has two main customer groups: shippers (who range from integrated oil and gas companies to smaller regional producers to marketers who buy crude, aggregate volumes), and refiners.

LP works with these customers to understand their needs and business drivers. It treats customers equitably, and gives them an equal opportunity to engage with LP staff.

It engages with its customers through:

- Enbridge's online Nominations/Operations Portal,
- telephone conversations and e-mails regarding scheduling,
- regular face-to-face meetings,
- shipper meetings and conferences,
- feedback provided through regulators, and
- senior-executive-level contacts.

LP provides customers regular updates on how its pipelines are performing and gives them an opportunity to ask questions and provide feedback. Its customers are primarily concerned about pipeline capacity and capabilities, pipeline apportionment, and that LP is maximizing its network performance. In response to their concerns, LP offers its customers:

- safe, predictable and reliable pipeline operations,
- efficient scheduling of shipments,
- predictable, cost-effective tolls,
- access to pipeline capacity,
- reliable pipeline capacity and throughput,
- system optimization (i.e. maximizing pipelines' efficiency),
- market access,
- system flexibility for shipper customers (access to multiple lines; ability to take multiple commodities; interconnecting facilities), and
- ratable, reliable supply for refiner customers.

LP's Mainline system has a lot to offer shippers. It transports 23 commodities, including multiple grades of light and heavy crudes, NGLs and refined products.

LP's terminal network provides operating storage that significantly assists shippers during times of production facility or refinery upset. Batches on LP's system can access multiple markets, and LP can facilitate in-transit trading of these batches to enable customers to optimize deliveries to these markets or manage supply in the event of a disruption.

In addition, LP offers competitive tolls, and is committed to them as low as possible.

LP's goal is to be the industry leader in customer relationships. To that end, in 2014, LP restructured its customer relationship management function so as to enhance and proactively build better customer partnerships. LP takes the view that customers are unique and require well-thought-out relationship plans. Through these plans, LP aims to create a competitive advantage by understanding its customers – their needs, expectations and business drivers – so it can make better decisions about its transportation network and better serve its customers.

LP did not receive any substantiated complaints regarding breaches of customer privacy or losses of customer data in 2014.

Gas Pipelines & Processing

Our Gas Pipelines & Processing business unit (GPP), which has an Offshore and an Onshore component, defines its customers as shippers who produce and/or market gas and natural gas liquids that they transport on GPP's gathering and transmission pipeline systems.

GPP Offshore engages with its customers through various channels, including:

- daily interactions via its online Nominations Portal,
- GPP's Informational Postings website,
- formal and informal shipper meetings,
- toll-free telephone lines, email, and instant messaging,
- subscription emails that GPP Offshore distributes when it posts information regarding critical and non-critical events,
- commercial and executive-level contact,
- annual events, and
- face-to-face and teleconference meetings, as needed.

GPP Offshore provides its customers with the information they need to effectively manage their business priorities, while also ensuring equitable treatment and access to information.

Its customers are primarily concerned with operational reliability and timely access to critical information. To meet their needs, GPP Offshore ensures:

- safe and reliable pipeline operations,
- maximization of pipeline throughput,
- access to downstream markets and processing facilities,
- operational flexibility,
- prudent pipeline balancing practices,
- timely notification and ongoing updates for planned and unplanned outages,
- effective coordination of downtime and maintenance activities to reduce impact to system throughput,
- cooperation and strong working relationships with upstream and downstream operators and interconnecting pipelines,
- creative solutions to keep production flowing consistently and reliably, and
- delivery of well executed projects, on time and on budget.

GPP Offshore's pipelines primarily gather and/or transport natural gas and associated NGLs. In addition, GPP Offshore operates a crude gathering system, and is actively pursuing growth opportunities in both the offshore natural gas and crude segments of the industry.

GPP Offshore's goal is to leverage its strong reputation in the Gulf of Mexico, and to expand and continuously improve the services it provides while maintaining its focus on Integrity, Safety and Respect.

GPP Onshore (Midcoast Energy Partners) also has formal and informal engagement with its customers, including daily or weekly contact, either in person or by phone. Onshore customers are primarily concerned that GPP ensures that their gas flows – because if it is not, they are not getting paid. They also want GPP to be adaptable when issues arise, to be the lowest-pressure provider and to connect to their wells on time.

In 2014 GPP Onshore reminded its customers that it is more than a gas gathering, treating and processing company. It also provides integrated midstream solutions, including logistics and marketing services to market customers' natural gas, NGLs, condensate and crude oil, as well as truck and rail services and crude and condensate loading and storage facilities.

Neither GPP Offshore, nor GPP Onshore received any substantiated complaints regarding breaches of customer privacy or losses of customer data in 2014.

Gas Distribution

GD is the largest natural gas distributor in Canada with more than two million residential, commercial and industrial customers. In 2014, GD issued approximately 25.5 million residential utility bills and responded to approximately 2.6 million customer inquiries.

GD bills customers monthly, which gives it an opportunity to interact with customers at least 12 times a year. GD takes advantage of this situation by including information in its bills in the form of:

- a company newsletter (five times in 2014),
- rate notices (four times a year),
- safety information (carbon monoxide; Call Before You Dig; smell of gas), and
- company programs (budget billing, updated bill design).

In addition, GD monitors questions and provides information to customers through its website and through Twitter.

In 2005, GD established an Office of the Ombudsman to resolve customer issues that GD's call centre was unable to resolve. In 2014, nearly 7,000 issues were reported to EGD's Office of the Ombudsman, the majority of which (approximately 5,500) pertained to billing and collections. With few exceptions, the issues were resolved to the customer's satisfaction.

GD also engages with its customers through its wide range of demand-side management (DSM) programs. From homeowners to large industrial facilities, GD provides incentives to customers to encourage them to adopt energy-savings equipment and operating practices that reduce natural gas consumption. For more information, see the Energy & Climate Change section of this report.

GD's customers are primarily concerned that their natural gas be delivered safely and reliably, that they are given fair and reasonable delivery rates, and that GD is responsive, responsible, trustworthy and accessible.

Because customer service and satisfaction are important to GD, it measures its performance in these areas through a third-party market researcher that conducts ongoing telephone interviews with customers.

GD also conducts a reputation study to monitor its reputation vis-à-vis its residential customers based on awareness, familiarity, service quality, trust and advocacy. GD includes benchmarking questions in the study so that it can compare its performance with that of electricity providers in the GD franchise area. The study conducted during the first quarter of 2014 determined that GD led in the areas of familiarity, service quality, and advocacy.

Enbridge Gas Distribution (EGD), which is the largest company within our GD business segment, has developed a Customer Value Proposition and Commitment statement that includes the following Customer Vision statement:

"Enbridge Gas Distribution will be recognized as a leading safe and reliable distribution company. We will be known for consistent delivery on the promises we make to our customers. And, we will provide services to our customers at fair and reasonable prices."

It also includes the following customer commitments:

- provide a safe and reliable natural gas distribution system,
- operate the distribution system in an environmentally sound manner,
- deliver on our promises and provide hassle-free, quality service every time,
- offer fair and reasonable delivery rates,
- communicate with customers clearly and ensure that customers know what to expect,
- provide effective, timely recovery,
- be responsive, responsible, trustworthy and accessible,
- provide consumer education and advocacy, emphasizing the benefits of natural gas, and
- continue to enhance customer value based on feedback from employees, business partners, customers and the marketplace.

ECONOMIC IMPACT

(Millions¹)



FEDERAL CANADA

Income Taxes	\$29M
Community Investment	\$13.8M ²
Other	\$25M ³

FEDERAL US

Income Taxes	\$7M
Community Investment	\$2M ²
Other	\$20M ³

EASTERN

Income Taxes	\$1M
Property Taxes	\$54M
Base Salaries	\$214M ²
Operating Spend	\$421M
Other	\$3M ³

NORTHEAST

Property Taxes	\$2M
Sales and Use Taxes	\$1M
Base Salaries	\$5M
Operating Spend	\$47M

WESTERN

Income Taxes	\$38M ¹
Property Taxes	\$94M
Base Salaries	\$408M ²
Operating Spend	\$621M
Other	\$8M ³

WEST

Property Taxes	\$3M
Base Salaries	\$0.6M ²
Operating Spend	\$17M

MIDWEST

Property Taxes	\$94M
Income Taxes	\$3M
Sales and Uses Taxes	\$42M
Base Salaries	\$88M
Operating Spend	\$428M

SOUTH

Property Taxes	\$32M
Income Taxes	\$3M
Sales and Use Taxes	\$19M
Base Salaries	\$133M ²
Operating Spend	\$351M
Other	\$1M ³

¹ Note that certain amounts in this table have been determined and presented in view of the Global Reporting Initiative 4.0 reporting guidelines and may differ from amounts determined under the U.S. GAAP. All figures are approximate.

² This amount differs slightly from the amount presented in Enbridge CSR 2014 performance highlights due to variances in rounding methodology.

³ Includes payroll taxes, U.S. oil spills tax, carbon tax, fuel tax, excise tax, etc.

⁴ Refund recieved from government for over payment of income taxes in prior years.

c. Material Topic:

Economic Impact and Benefits

Overview

Through our consistently strong financial performance, we clearly impact on our shareholders. But we also create positive economic impacts and opportunities that benefit other stakeholders, including suppliers, community members and organizations, employees and governments.

Management Approach

Industry-Leading Growth

We are currently engaged in the largest capital growth program in our history through which we're building the infrastructure that North America needs to address its energy challenges.

By early 2015, our capital program stood at a record \$44 billion, \$34 billion of which is commercially secured and in execution. The \$10 billion of unsecured capital represents projects that are currently in early stages of development.

This growth program, which is almost entirely organic and stems from the strategic positioning of our assets, will drive our earnings and cash flow growth through 2018 and beyond. After 2018, we also expect to see growing contributions from our new business platforms, including renewable energy generation, natural gas infrastructure, power transmission, energy services and international opportunities.

Addressing Investors' Interests

We actively engage with our investors who, in 2014, expressed interest in the following areas:

How We Will Execute on Our \$44 Billion Growth Capital Program

We are in the midst of executing a record \$44 billion growth capital program that will enhance shareholder value through growing earnings and cash flows. In 2014, we placed \$10 billion of capital projects into service and expect to place another \$9 billion into service in 2015.

We enhance investor value by ensuring on-time and on-budget execution of our capital projects and, to that end, have a dedicated Major Projects business unit (MP) with the requisite project management expertise. MP's core strengths include proactive supply chain management, robust cost and schedule controls, safety and quality leadership, advanced engineering and construction expertise, and regulatory permitting experience.

Because on-time execution requires a robust funding plan, in 2014 we raised \$9.9 billion of long-term capital on attractive terms, including \$0.5 billion of incremental committed bank credit lines. At year-end, our company-wide committed bank credit lines totaled \$18.6 billion.

How We Will Extend and Diversify our Growth Beyond 2018

Investors want to know that we are positioned to grow over the long term. One of our key priorities is to extend and diversify our growth beyond our planning horizon, which ends in 2018. While we plan to continue to capture opportunities within our core Liquids Pipelines business segment, we are focused on rebalancing our business mix over time and believe that the strong fundamentals in natural gas, power generation and international investment will create opportunities that meet our strict investment criteria.

How We Use our Sponsored Vehicles

Enbridge Income Fund (EIF) and Enbridge Energy Partners, L.P. (EEP), known as our Sponsored Vehicles, play a key role in supporting our funding program by providing low-cost capital. In 2014, our asset transfers to these vehicles totaled \$3 billion and set the stage for future transactions. Further, in December 2014, we announced a Financial Strategy Optimization restructuring plan that would see the transfer of our Canadian liquids pipelines assets and some of our renewable energy portfolio to Enbridge Income Fund. At the same time, we announced that we had a potential restructuring plan under review that would involve transferring Enbridge's directly held U.S. liquids pipelines assets to EEP. We expect that the Financial Strategy Optimization restructuring plan will benefit investors in that we expect it to be accretive to adjusted earnings per share. We expect the plan will also support an initial dividend increase and higher future dividend growth, reduce our equity needs, and position us for longer-term growth.

Our Dividend Growth and Payout Policy

In December 2014, Enbridge's Board of Directors approved a 33 per cent increase to the 2015 dividend and, correspondingly, adjusted Enbridge's target dividend payout ratio to 75 to 85 per cent of adjusted earnings, up from 60 to 70 per cent previously. As a result of this adjustment, we now expect to grow the dividend by 14 to 16 per cent on average from 2015 to 2018.

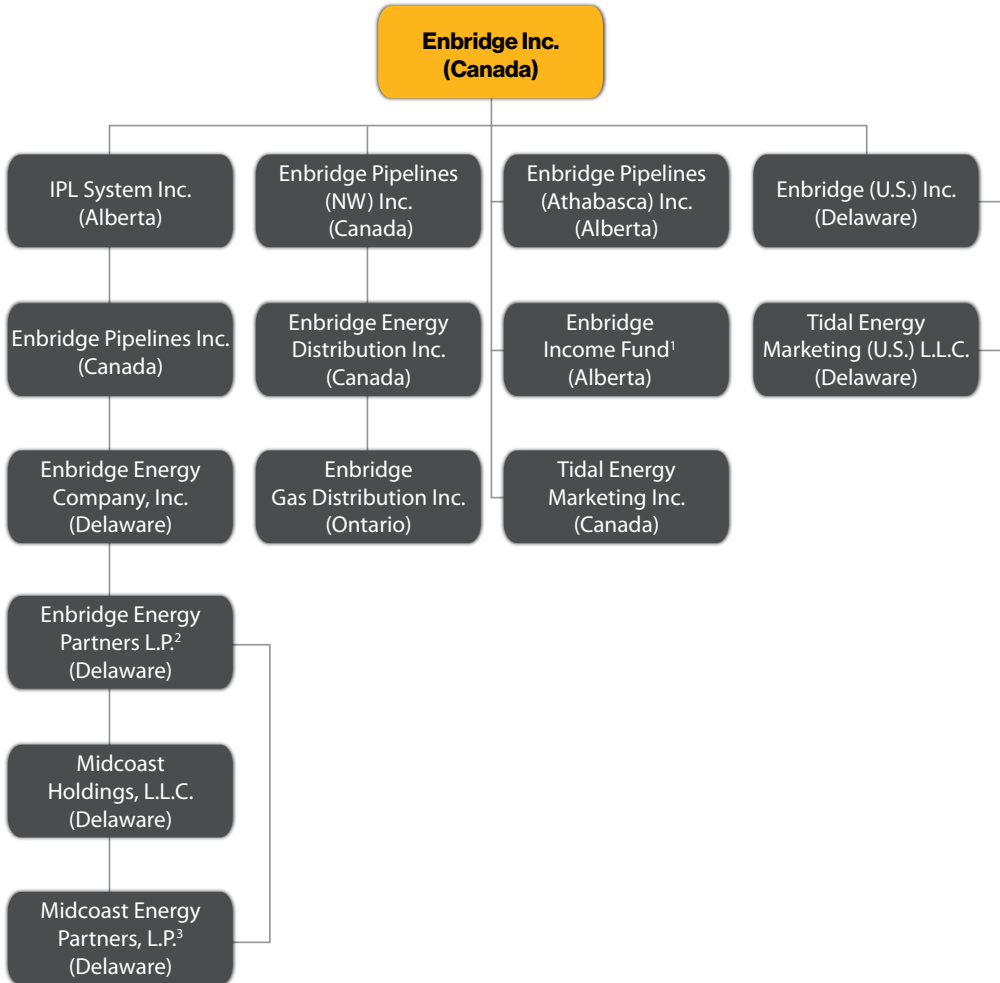
The Impact of Falling Commodity Prices

Our investors' value reliable and predictable returns so, naturally, they are concerned about volatile commodity prices and the impact these prices may have on our business. We respond by staying focused on our reliable business model which minimizes our direct commodity price exposure. Key elements of our reliable business model include:

- investing in assets supported by strong long-term fundamentals,
- conservative commercial structures that provide predictable earnings and minimize downside risk,
- disciplined investment review processes that ensure that opportunities align with our business model and earn attractive returns on a risk-adjusted basis,
- executing projects safely, on time and on budget, and
- prudent financial policies that limit exposure to financial market risks.

Enbridge's Subsidiaries

The following organization chart presents the name and the jurisdiction of incorporation of Enbridge's material subsidiaries as at year-end 2014. The chart does not include all of the subsidiaries of Enbridge. The assets and revenues of excluded subsidiaries in the aggregate did not exceed 20 per cent of the total consolidated assets or total consolidated revenues of Enbridge as at and for the year ended December 31, 2014. Unless otherwise indicated, Enbridge owns, directly or indirectly, 100 per cent of the voting securities of all of the subsidiaries listed below.



1 The Company holds a 29.4% ownership interest and a 66.4% economic interest in the Fund, held both directly and indirectly through its ownership interest in EIFH.

2 The Company holds a 33.7% economic interest in EEP, held indirectly through its ownership interest in Enbridge Energy Company, Inc.

3 EEP's interest in MEP is held through ownership of a 2% general partner interest through Midcoast Holdings, L.L.C., as well as a 51.9% limited partner interest

Strategic Priorities

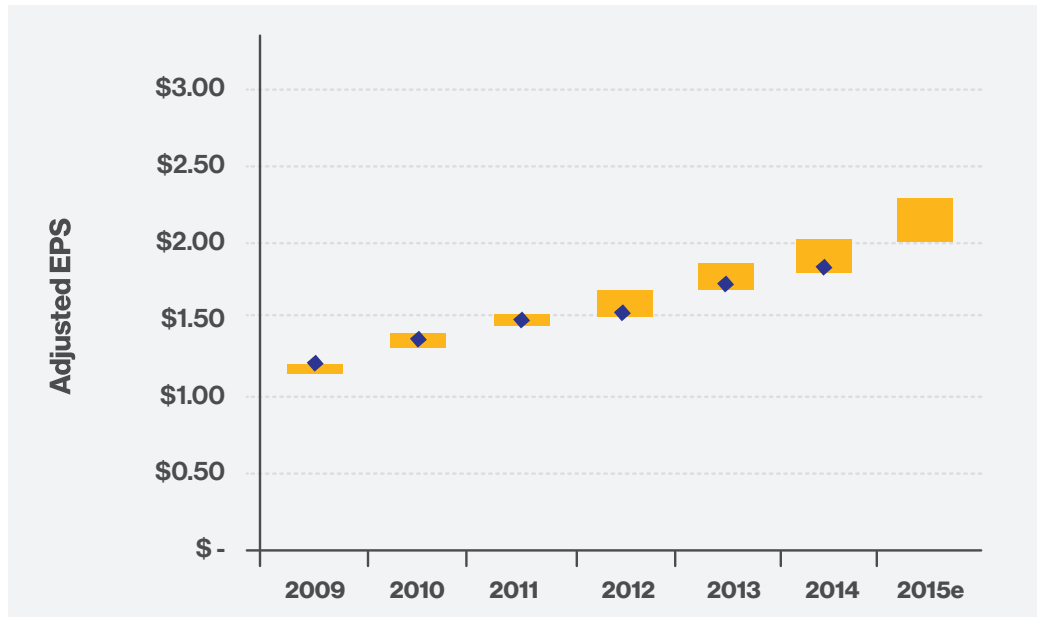
#1 - Maintain strong economic health by delivering superior long-term value to Enbridge shareholders, demonstrating high-quality and sustainable earnings per share growth, and paying out a high proportion of earnings in the form of a growing dividend stream to Enbridge shareholders.

#2 - Through our financial strength, continue to generate and distribute economic value to other shareholders, including governments, suppliers, employees, and community members and associations.

2014 Performance

Earnings Per Share Growth

In 2014, Enbridge's adjusted earnings per common share (EPS) rose seven per cent to \$1.90. This amount brings our average annual adjusted EPS growth rate over the past five years to 10 per cent. We entered 2015 well positioned to deliver 10 to 12 per cent average annual growth in adjusted EPS between 2015 and 2018. We are also confident we can extend our impressive growth rate well beyond 2018.

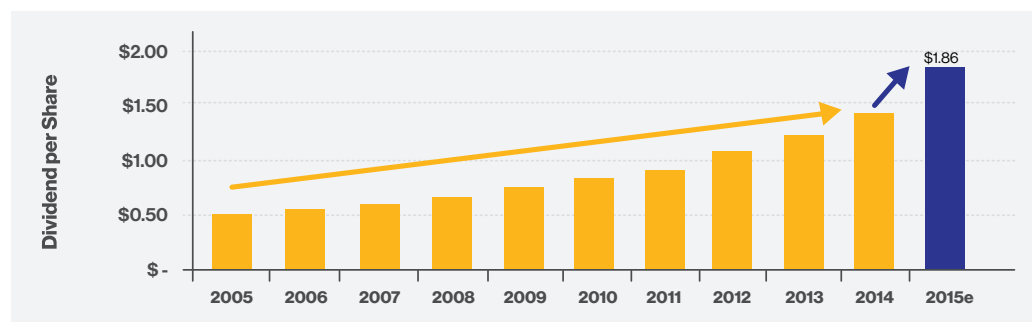


Dividend Growth and Capital Appreciation

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

Dividend Growth

We paid a dividend of \$1.40 per common share in 2014, up 11 per cent from 2013. Over the past 10 years, we have delivered average annual dividend growth of approximately 12 per cent. In December 2014, we announced a 33 per cent dividend increase and set a higher dividend payout policy range of 75 to 85 per cent of adjusted earnings per share, up from 60 to 70 per cent previously. The dividend increase represents Enbridge's 20th consecutive annual increase and reflects our confidence in the company achieving strong cash flow growth from our existing assets and the capital projects that will be put into service over our five-year planning horizon. The revised payout range means that we now expect to grow the dividend by 14 to 16 per cent on average from 2015 to 2018.



Capital Appreciation

In 2014, Enbridge Inc. (TSX:ENB) (NYSE:ENB) experienced another strong year in share price performance on the Toronto Stock Exchange. Investors holding Enbridge stock for the entire year realized share price appreciation of 29 per cent. As a result, the company's overall market value increased by \$12 billion to approximately \$51 billion. Furthermore, in 2014 we paid dividends of \$1.40 per common share or a total of \$1,177 million to Enbridge common shareholders.

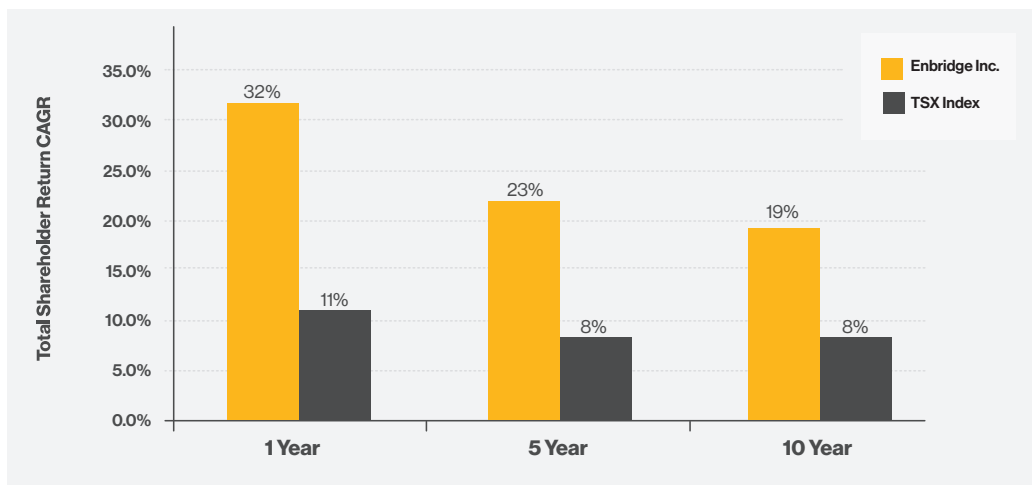
The combination of compounding dividends and capital gains equated to a Total Shareholder Return (TSR) of 32 per cent in 2014. Over the past 10 years Enbridge's TSR has, on average, outperformed the S&P/TSX Composite index by 11 percentage points per year.

Ongoing support for our share price comes in part from indices and rankings based on information about our 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 maintain and grow long-term shareholder value. As a result, a certain segment of investors choose to direct their investments toward companies listed on these indices and rankings.

In 2014, the Dow Jones Sustainability Indices named Enbridge to both its World and North America index. The DJSI indices track the performance of large companies that lead the field in terms of sustainability, financial results, community relations and environmental stewardship. Of the 149 companies listed in the DJSI North American Index, Enbridge is one of the 25 Canadian companies – eight of which are energy companies. Of the 319 companies listed on the DJSI World Index, Enbridge is one of the 11 Canadian companies – three of which are energy companies.

The Global 100 Most Sustainable Corporations in the World highlights global corporations that have been most proactive in managing environmental, social and governance issues. Enbridge was named to the Global 100 in 2010, 2011, 2012, 2013, 2014 and again in January 2015.

For more information, see the Awards and Recognition section of this report.



Economic Value Generated and Distributed - 2014

In addition to creating value for our shareholders, we also create value for our other stakeholders, including our suppliers (through the operations and capital dollars we spend), community members and organizations (through our community investments), employees (through the salaries we pay) and governments (through the taxes we pay).

As per the table below, in 2014, we spent about \$1,891 million on operating costs and about \$10,524 million on capital costs. We also spent about \$850 million on employee salaries; invested about \$16 million in donations and other community investments; and paid about \$408 million in various types of taxes.

These amounts strengthen the countries and communities in which we do business.

	For the Year Ended December 31, 2014
<i>(Dollar amounts in millions of Canadian dollars unless otherwise noted)</i>	
Revenues (Including Income from equity investments and other income)	38,009
Commodity Costs and Gas Distribution Costs	29,483
Operating Costs ¹	1,891
Capital Costs	10,524
Adjusted Earnings	1,574
Payments to Shareholders	1,428
Preference Share Dividends Declared	251
Common Share Dividends Declared	1,177
Payments to Lenders	1,435
Total Base Salaries ²	850
Donations and other Community Investments ³	16
Payments to Governments ⁴	408

Note that certain amounts in this table have been determined and presented in view of the Global Reporting Initiative 4.0 reporting guidelines and may differ from amounts determined under the U.S. GAAP.

1 Operating costs in Canada amounted to approximately \$1,042 million. Operating costs in the U.S. amounted to approximately \$845 million. Operating costs that we incurred through our international activities amounted to approximately \$4.3 million. Total 2014 operating costs were approximately \$1,891 million.

2 Total base salaries includes the base pay of permanent and temporary employees, including approximately \$622 million for employees in Canada; US\$227 million for employees in the U.S.; US\$0.69 million for employees in Colombia; and US\$0.15 million for employees in South Africa. Total base salaries for 2014 amounted to approximately \$850 million. Note that we have added Canadian currency amounts with U.S. currency amounts, and have not applied an exchange rate.

3 Donations and other community investments include approximately \$13.8 million invested in Canada and approximately \$2 million invested the U.S. Total donations and other community investments were approximately \$16 million.

4 Payments to governments (including property taxes, income taxes and other taxes) in Canada amounted to approximately \$177 million. Payments to governments (including property taxes, sales and use taxes, income taxes and other taxes) in the U.S. amounted to approximately \$227 million. Income taxes paid to other governments amounted to approximately \$4 million. Total payments to governments were approximately \$408 million. In addition to tax payments made to governments, Enbridge employs significant resources, including the cost of salaries, technology and control functions to comply with various government-imposed requirements to collect and remit taxes on their behalf. In 2014, Enbridge collected and remitted \$1.4 billion in sales, withholding, and payroll taxes on behalf of Canadian and U.S. governments.

d. Material Topic:

Community Investment

Overview

We are part of every community in which we live and work. We believe that, in collaboration with our community partners, we have a fundamental responsibility to contribute to enhancing and sustaining people's quality of life.

By investing our dollars, partnerships and human capital in charitable, non-profit and community organizations, we help them affect change, allowing us to contribute to the economic and social development of communities near our operations, and helping us to maintain our social license to operate.

Management Approach

Our approach to community investment is governed by our Board of Directors and by our Community Investment and Employee Engagement Policy that defines how we support the needs of communities where we operate to the mutual benefit of the community, Enbridge and our employees.

In addition, our Community Investment Program Criteria and Guidelines specify that we invest in charitable, non-profit and community organizations that comply with the following criteria:

- they are located in communities within a 20-kilometre (10-mile) radius of our pipeline rights-of-way or near our operations,
- they are important to our communities, as determined by best-practice comparisons, community-based research and information we gather through our stakeholder relationships,
- they benefit the greatest possible number of people,
- they create significant long-term benefits for our communities, and
- they align with at least one of our three focus areas.

Oversight

The Enbridge Inc. Board of Directors reviews and approves Enbridge's annual community investment donations and sponsorship budget. All community investment donations and sponsorships must comply with our Statement on Business Conduct.

Focus Areas

Our criteria and guidelines stipulate that we invest in organizations involved with medical research and infrastructure; community-based emergency services; health, education and social services; environmental and safety initiatives; and arts and culture. In making our investments, we focus on three core areas*:

- Everyone's Community,
- Everyone's Environment, and
- Everyone's Well-being.

Everyone's Community

We champion organizations that target social issues, that are innovative, and that are committed to making a positive, lasting impact. We invest in lifelong learning initiatives that help students in all stages of life get ahead – through scholarships for higher education, and programs that improve literacy and skills in math and science. We contribute to the cultural vibrancy of our communities by investing in the visual and performing arts.

Everyone's Well-being

Safety within our company and in our communities is our highest priority. We invest in local safety initiatives and organizations that keep our communities healthy and secure. Our health care support focuses on supporting cancer research and other initiatives. And we support disaster relief organizations.

Everyone's Environment

We take our responsibility for the environment seriously. We invest in initiatives related to environmental stewardship and awareness, and energy conservation.

*Note that certain projects may also have project-specific community investment criteria.

Strategic Priority

#1 – Invest our approved 2014 Community Investment budget in alignment with our Community Investment and Employee Engagement Policy.

2014 Performance

In 2014, we worked closely with our community partner organizations to focus our resources and support. In the course of our work, we listened to our partners' concerns, needs and aspirations through:

- our Community Investment, Community Relations and Stakeholder Relations representatives who live and work in our communities, and who regularly meet with our partners, and
- direct requests from our partners and other community organizations.

As a result, in 2014 we invested approximately \$16 million in 750 organizations, targeting our three focus areas.

Investment Highlights

Everyone's Community

In 2014 we invested more than \$10 million under our Everyone's Community focus area. Highlights included:

Keystone Science School – Through the Keystone Science School, we recognized an opportunity to build capacity and knowledge about our industry among educators in Texas. As such, we sponsored nine educators from our U.S. operational areas to attend the school's key issues institute workshop, which provides an unbiased framework to evaluate environmental issues.

Waskatenau Library – We contributed \$10,000 to the Anne Chorney Public Library in Waskatenau, Alberta, the only library in the region. In addition to funding new library resources, our investment will help expand programs such as literacy for preschoolers, author visits, and a literacy bus that will deliver resources to remote homesteads. The library, also serves as a centre where people come together to build the relationships that create strong, vibrant communities.

Reif Center – Our five-pipeline Mainline corridor passes through Grand Rapids, Minnesota, one of our key communities for the past 65 years. Given our long-standing relationship with the community, we supported the Reif Arts Council's \$8-million renovation and expansion of the Reif Center with a \$50,000 contribution. The regional performing arts facility serves more than 43,000 people throughout northern Minnesota. Our contribution supports upgrades that will enable it to meet Minnesota's B3 Energy energy conservation standards, one of the top energy efficiency programs in the U.S.

Industry Scholarships – In the U.S., we partnered with state universities and community colleges to establish over scholarships worth over \$100,000 along our pipeline rights-of-ways. The scholarships provide rights-of-way residents with educational opportunities in fields related to the energy industry and the environment.

Everyone's Wellbeing

In 2014 we invested approximately \$3.9 million under our Everyone's Wellbeing focus area. Highlights included:

The Enbridge Ride to Conquer Cancer – The 2014 Enbridge Ride to Conquer Cancer (ERTCC) proved itself again to be Canada's most successful cycling event, bringing 10,550 cyclists together to raise more than \$42.3 million to fight cancer across Canada. Since its inception in 2008, ERTCC has raised over \$262 million to support world-renowned local beneficiaries across Canada. In addition to our role as title sponsor, our employees were active participants. In 2014, 331 employees, friends and family members raised nearly \$1.2 million. Since our initial involvement as title sponsor in 2010, our participation has increased by 362 per cent and team fundraising has increased by 319 per cent.

Parker County United Way's Ride United – 2014 marked our first year as title sponsor of the Parker County, Texas. United Way Ride United, and the first year of the event. Our employees volunteered both riders and booth attendants, promoting 811 and safe digging programs. The Enbridge Liquids and Transportation Marketing training truck was at the ride's finish line promoting safety. All funds raised from the bike ride supported the Parker County United Way.

Project Zero – In 2014, the Government of Ontario passed the Hawkins-Gignac Act, making carbon monoxide detectors mandatory in Ontario homes. In response, our Gas Distribution business segment (GD) continued supporting the Fire Marshal's Public Fire Safety Council's Project Zero program, a public education campaign that provides fire and carbon monoxide alarms to residents in Ontario. GD invested \$100,000 such that the program could buy 2,857 detectors. Since the program's inception in 2009 GD has invested \$520,000 such that Project Zero could place 14,857 detectors in Ontario homes.

Disaster Relief – In November 2014, New York Governor Andrew Cuomo declared a state of emergency for several counties in and around Buffalo, New York, where a severe winter storm covered parts of the region in more than five feet of snow. The National Guard, Red Cross and other agencies worked around the clock assisting residents who were stranded due to the storm. In response, we donated \$10,000 to the local Red Cross

Everyone's Environment

In 2014 we invested approximately \$1.5 million under our Everyone's Environment focus area. Highlights include:

The Green Corridor Project – Under the Green Corridor Project we partnered with Projets Citoyens Quebec (Quebec Citizens' Projects) to plant indigenous species of trees along our pipeline route in Quebec, all with the goal of compensating for the land that we use for our rights-of-way and of leaving a natural heritage that will contribute to an improved quality of life for generations. The municipalities involved provided the land, and we provided funding such that Projets Citoyens Quebec could buy the trees, plant them and maintain them. The Green Corridor Project was initiated in 2013. The approximately 25,000 trees that will be planted in six municipalities under the project are the foundation of new public park spaces that represent more than 70 football fields of parkland in urban spaces.

National Fish & Wildlife Foundation – In 2014, we became a key corporate partner for the U.S. National Fish & Wildlife Foundation's (NFWF) National Wildlife Refuge Friends Program, and invested \$125,000 in official NFWF groups. Our investment supports start-up and capacity-building initiatives in priority areas for our Liquids Pipelines, Major Projects and Gas Pipelines & Processing business segments. It also supports NFWF outreach and application guidance.

Ducks Unlimited, Lizard Lake – In 2014, we invested \$100,000 in the Ducks Unlimited Lizard Lake restoration project to refurbish lake control structures. Our investment benefits the environment and local stakeholders of our Mainline system. The restored wetland will benefit recreational users, students, landowners and the Pembina Valley Conservation District.

Volunteers in Partnership (VIP)

We encourage our employees to actively participate in their communities, and through our Volunteers In Partnership program, we recognize their contributions of time and dollars to charitable organizations by providing paid volunteer time and top-up financial contributions. Specifically, we support employee volunteer opportunities in the following ways:

We provide \$500 grants to non-profit organizations at which employees have donated 40 hours or more of volunteer service per year outside of business hours in countries where we have operations; or we provide grants up to a maximum of \$500 to match employees' own donations (one event per year).

We provide employees the opportunity to take one paid day (or eight hours) off per year to volunteer at the non-profit organization of their choice in countries where we have operations.

We provide one paid day (or eight hours) off per year for supervisor-led team-building volunteer activities in countries where we have

operations. Through this support, we gain a better understanding of the communities in which we operate, the challenges they face and the ways we can best contribute.

In 2014, our VIP program engaged over 1,000 employees who donated more than 3,000 work hours, more than 14,000 non-work hours and more than \$280,000 to their communities across Canada and the U.S. Since its 2010 inception, our VIP program has engaged nearly 5,000 employees who have donated more than \$1.3 million and nearly 12,000 work hours.

energy4everyone Foundation

People in developing countries do not always have access to affordable energy and, as a result, the quality and length of their lives is adversely affected. Through the energy4everyone Foundation, which Enbridge founded in 2009, we tackle energy poverty in developing countries by working with the North American energy industry and third-party project-delivery partners to improve access to affordable, sustainable and reliable energy.

As a result of energy4everyone's work in 2014, about 19,000 people in Ghana, Nicaragua and Peru benefitted from improved access to energy, both on a regular basis (about 5,500 people) and on a periodic basis. Projects brought clean cook stoves and solar systems for lighting to several communities. One community received a solar-powered pump for its water well, enabling local children to attend school regularly now that the burden of collecting water from afar has been lifted from the community. The well was part of a United Nations award-winning rural community water project by Edmonton-based charity Change for Children.

energy4everyone also funded a solar literacy program that Calgary-based charity Light Up the World is delivering.

e. Material Topic:

Employee Relations (Talent Attraction, Retention, Development & Engagement)

Overview

People are the basis of our success. For us to achieve our strategic priorities, we must attract, retain, develop and engage a highly skilled workforce.

Management Approach

Enbridge Values

We maintain our foundation of operating excellence by adhering to a strong set of core values – Integrity, Safety and Respect – that reflect what is important to us in support of our communities, the environment and each other. These values represent a constant guide by which we make our decisions as a company, and as individual employees, every day. In 2014, we continued to model these values and to ensure that they are embedded in all of our employee relations programs.

Our Safety Culture

Our rigorous safety performance requirements reflect our Safety value. We demonstrate our commitment to safety by mandating that employees have a safety objective that makes up 10 per cent

of their overall job objectives. *For more information on our safety culture, please see the Human Health & Safety (Employees, Contractors and Stakeholders) section of this report.*

People Risk Management

To address the critical nature inherent in managing people, in 2014, we designed and implemented a new People Risk Management framework that enables us to identify and address the people management issues that could affect our ability to meet strategic and operating objectives. The framework helps us make program and project investment decisions.

Human Resources Strategy

In response to the risks we identified through our People Risk Management framework, and in response to current and future workforce needs, we refreshed our Human Resources Strategy in 2014 to ensure that it supports our strategic priorities. Under the refreshed strategy, we identified our Human Resources purpose to be “enhancing the capabilities of our people to maximize Enbridge's potential.”

Talent Management Priorities

Informed by a good understanding of current and emerging people-related risks, our key talent management priorities for the next three to four years include:

- attracting, developing and retaining people to support the successful execution of our business strategy,
- fostering a work environment that enables leaders and employees to be successful and to maximize their careers at Enbridge,
- linking talent management practices and leveraging key data points to make informed workforce decisions and plan for future growth,
- standardizing talent management practices across the organization, and
- building a sustainable leadership practice that articulates the required leadership competencies and behaviours.

Human Rights

Our commitment to Human Rights is reflected in our Respectful Workplace Policy, our Duty to Accommodate Policy, our Statement on Business Conduct, and our commitment to:

- achieving and maintaining a workforce that complies with Diversity and Equal Opportunity legislation, and that reflects our communities' demographics,
- identifying and removing systemic barriers in employment systems, policies, procedures and practices that may adversely affect the employment or career progression of any employee,
- implementing special measures to correct the effects of employment disadvantages, and promoting workforce participation of designated groups, and
- developing initiatives that ensure employees can work at their full potential.

In accordance with these policies and commitments, we hire based on merit and job requirements, and ensure that our recruiting fully captures the available labour force. We treat employees equitably with regard to accessing developmental and career advancement opportunities, training and other conditions of employment, consistent with their performance and qualifications. We support programs and initiatives that foster equal employment opportunities and non-discriminatory employment practices. And, we have established a Diversity and Employment Equity strategy; a Diversity Steering Committee; and an Employment Equity, Diversity and Inclusion Plan for our Canadian Liquids Pipelines business segment (LP). All of these initiatives are governed under Canada's Employment Equity Act.

Self Disclosure

LP in Canada complies with Canada's Employment Equity Act and, as such, is required to report annually on its composition of women, persons with disabilities, visible minorities and Aboriginal persons. To meet this requirement, LP Canada gives all new employees an employment equity survey that asks them to voluntarily identify themselves as members of one or more of these groups. LP Canada provides the information to the federal government, and uses it to determine areas of under-representation. While LP is required to collect this information, and LP's employees are required to return the survey to LP, employees can choose whether or not they wish to actually complete the survey, and whether or not they wish to self-identify. As some employees choose not to self-identify, the information that LP Canada obtains through its surveys is never comprehensive.

In October 2010, we implemented an Affirmative Action Plan for our U.S.-based business segments, which were already routinely tracking the composition of their workforce in compliance with government reporting requirements. To meet the objectives of our Affirmative Action Plan, our U.S.-based business segments are continuing to track the ethnicity of all job applicants and employees based on self-identification. They are also now using this information to determine areas of under-representation and are setting placement goals based on that information. In addition, they are developing recruitment efforts to diversify their applicant pool and to ensure that their workforce is geographically representative.

Human Rights Training

As a condition of employment, all new employees are required to read, and provide written acknowledgement of their agreement to follow, our Statement on Business Conduct. Thereafter, all employees must certify their compliance with the Statement on Business Conduct each year. The annual certification process includes mandatory Statement on Business Conduct refresher training.

Our value of Integrity is embodied in the Statement on Business Conduct, and reflects our requirement that employees must conduct our business in a responsible, honest and ethical manner. In addition, both our Statement on Business Conduct and our Whistle Blower Procedures require employees to report (either directly or anonymously) any fraudulent or illegal activities.

We ensure that each business segment has a training package that addresses subjects such as maintaining a respectful workplace, anti-harassment, and violence in the workplace. All new hires must

take this training, either immediately upon being hired or within three months of being hired. And, all employees must take refresher courses on these subjects every two to three years. If additional training is requested, we provide it to groups or departments between refresher training cycles. We continually revisit the content and delivery methodology of these courses to ensure that they are up-to-date and accessible.

In 2015, we will be delivering Respectful Workplace training to all employees in Canada. We also regularly participate with the Alberta Human Rights Commission to deliver human rights training to Human Resource professionals.

Diversity & Inclusion and Equal Opportunity

We are committed to creating a workforce that, at all levels, is representative of the diverse population we serve, 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.

To that end, we support programming that is unique to our industry through a variety of employee resource that employees have identified as being needed, and which they lead. These groups create new opportunities for engagement and networking, and support enriched diversity strategies. Our current groups include: Women@Enbridge (for women at Enbridge); ENBRACE (for internationally educated professionals); Prism Energy (for members of the LGBTQ, community); FEMINEN (for female engineers); PERG (for parents); and Connect (for young professionals).

We have also formed a network of employees, called Diversity Liaisons, who are charged with sharing diversity and inclusion-related ideas and issues, and for engaging other employees in conversations on these topics.

Labour Relations and Collective Bargaining

We believe that healthy and cooperative labour relations and collective bargaining contribute to our business. We continue to maintain and foster a cooperative approach to union/management relationships through joint committees with various unions and industrial councils. These committees meet regularly to resolve outstanding matters and to advise on and discuss issues of mutual concern.

We follow the labour laws of the countries in which we operate. Further, our activities are governed by our Statement on Business Conduct.

As at December 31, 2014, 894 of our employees were covered by a negotiated agreement, an amount representing 10.1 per cent of our permanent employee base of 8,868. The 894 total includes:

- 700 unionized employees, including temporary workers, who work at Enbridge Gas Distribution, and who are represented by Unifor Local 975,
- 14 collective bargaining unit employees who work at Enbridge Gas Storage in Sarnia, Ontario, and who are represented by the Joint Industrial Council,

- 26 unionized employees who work at St. Lawrence Gas Company in Messina, New York, and who are represented by the International Union Brotherhood of Electrical Workers (IBEW) Local 97,
- 128 unionized employees who work on our LP system in the Lake Superior/Chicago region in the U.S., and who are represented by the United Steelworkers (USW) Local 2-2003, and
- 26 unionized employees who work for LP in Cushing, Oklahoma, and who are represented by USW Local 348.

We are not involved in any operations in which the right to exercise freedom of association and collective bargaining may be at significant risk.

All of our formal collective agreements with trade unions in 2014 covered health and safety. However, because of strong health and safety legislation in the U.S., U.S. union workers require fewer health and safety stipulations within their agreements.

Unifor Local 975, which represents 700 GD employees in Ontario, is noteworthy with regard to its leadership on health and safety. Because Unifor and Enbridge both recognize the importance of strong health and safety commitments, we worked together in 2014 to raise awareness about employees' rights and obligations in those areas.

Notice Periods Provided to Employees prior to Implementing Significant Operational Changes

We follow all state and provincial regulations regarding the minimum notice periods we must provide to employees prior to implementing significant operational changes.

Of our collective bargaining units, only Unifor Local 975, which represents GD employees in Ontario, states in its collective agreement that we must provide 60 days' notice before implementing any significant operational changes. We would provide all of the other union members the minimum notice period stipulated by the relevant jurisdiction in question.

Formal Grievance Mechanisms

All of our collective agreements and Joint Industrial Council agreements require that we maintain a formal grievance mechanism. As such, we maintain a toll-free telephone line that unionized employees can use to report any issues or concerns regarding compliance – from fraud to disrespect in the workplace to Code of Conduct transgressions. We follow up on every call.

In 2014, 30 of our 894 unionized employees filed grievances through the toll-free telephone line:

- 10 complained about improper dismissals; we resolved seven of the cases through arbitration,
- 10 complained about health and safety-related discipline that they had received; we resolved one of the cases through arbitration, and
- 10 complained about discrepancies in contract interpretation; we resolved one of the cases through arbitration.

We were able to resolve most of the grievances without arbitration.

Local Hiring

We do not have a formal policy regarding local hiring but, in practice, most of the individuals we hire are from the local community. In 2014, in Canada, we hired 12 senior leaders (directors and above) from the local community at locations of significant operation. In 2014, in the U.S., we hired five senior leaders from the local community at locations of significant operation.

Performance Reviews

In 2014, we had created formal year-end performance review documents for 92 per cent of our permanent employees through our online performance management system. The remaining eight per cent included unionized employees whose feedback was captured through a paper-based system, employees on long-term disability insurance and small groups of employees in remote operating areas. In addition to formal year-end performance reviews, we encouraged leaders to hold frequent performance conversations, including mid-year and quarterly reviews.

Of the 92 per cent of permanent employees who received a year-end performance rating, 35 per cent were female; 65 per cent were male; 78 per cent were individual contributors; nine per cent were supervisors/team leads; nine per cent were managers; three per cent were directors; and one per cent were vice presidents or above.

Strategic Priorities

#1 – Maintain and execute on a comprehensive and aggressive resourcing strategy to find, hire and onboard new employees.

#2 – Maintain our employee turnover rate in the four to 10 per cent range, and our new-hire turnover rate in the six to eight per cent range.

#3 – Continue to implement a company-wide leadership development program to broaden our leadership base, accelerate the pace of leadership development and enhance our succession management practices.

#4 – Maintain our investment in employee training at between 1.25 and 1.5 per cent of salary costs.

#5 – Maintain our employee engagement level at 78 per cent or higher.

2014 Results

Resourcing Strategy

The resourcing strategy we launched in 2011 continued to guide and support our workforce growth efforts in 2014. We enhanced our new hire survey to better understand why recent hires chose us, and how they found out about the employment opportunities we offer. And, to ensure that we attract, retain, develop and engage our employees, we put in place comprehensive talent management programs focused on leadership development and succession planning.

By the end of 2014, we had hired 968 permanent employees and 1,958 contingent workers (temporary employees and contract employees) in 2014. Following is an overview of our workforce:

Workforce Profile

As at December 31, 2014, we employed 8,868 full- and part-time permanent employees in Canada and the U.S.; 228 temporary employees; and 2,436 provisioned contract employees who support seasonal and project work associated with specific projects. These numbers represent an increase of 2.7 per cent over our numbers in December 2013. A large majority of our 8,868 permanent employees are full time (8,755 compared with 113 part-time employees).

Permanent Employees by Business Segment and Gender

	Male	Female	Total
Liquids Pipelines (Canada & U.S.)	2,465	1,059	3,524
Major Projects (Canada & U.S.)	405	292	697
Gas Pipelines & Processing	1,192	446	1,638
Gas Distribution	1,510	919	2,429
Corporate & International	286	294	580
Enterprise	5,858	3,010	8,868

Permanent Employees (full- and part-time) by Age and Gender

	Male	Female	Total
up to 24	164	78	242
25 to 29	683	386	1,069
30 to 34	900	477	1,377
35 to 39	860	427	1,287
40 to 44	760	416	1,176
45 to 49	752	415	1,167
50 to 54	733	404	1,137
55 to 59	643	266	909
60 and above	363	141	504
Total	5,858	3,010	8,868

Permanent Employees (full- and part-time) by Level and Gender

	Male	Female	Total
Chief Executive Officer	1	0	1
SVP/EVP, President	15	4	19
Vice President	51	10	61
Director, Senior Director, GM	188	52	240
Senior Manager	226	69	295
Manager	335	125	460
Supervisor	309	137	446
Team Lead	214	90	304
Individual Contributor	4,519	2,523	7,042
Enterprise	5,858	3,010	8,868

Permanent Employees (full and part-time) by Level and Age Group

	up to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 and above	Total
Chief Executive Officer	0	0	0	0	0	0	0	1	0	1
SVP/EVP, President	0	0	0	0	0	3	7	5	4	19
Vice President	0	0	0	1	4	20	12	18	6	61
Director, Senior Director, GM	0	0	1	16	47	62	55	44	15	240
Senior Manager	0	0	8	46	65	73	52	35	16	295
Manager	0	2	44	85	94	80	73	57	25	460
Supervisor	0	10	54	85	80	83	71	45	18	446
Team Lead	0	18	49	63	50	40	27	38	19	304
Individual Contributor	242	1,039	1,221	991	836	806	840	666	401	7,042
Enterprise	242	1,069	1,377	1,287	1,176	1,167	1,137	909	504	8,868

Temporary and Contract Employees

As at December 31, 2014, we employed 228 temporary employees; of this total, 117 are male and 111 are female. As at December 31, 2014, we engaged 2,436 contract employees, working in various capacities. We do not track the gender of contract employees, but can report numbers by business segment

	Total
Liquids Pipelines (Canada & U.S.)	952
Major Projects (Canada & U.S.)	818
Gas Pipelines & Processing	119
Gas Distribution	198
Corporate & International	349
Enterprise	2,436

New Employees by Business Segment and Gender

We hired 968 permanent employees in 2014, 648 of whom are male and 320 of whom are female.

	Male	Female	Total
Liquids Pipelines (Canada & US)	311	152	463
Major Projects (Canada & US)	61	40	101
Gas Pipelines & Processing	160	56	216
Gas Distribution	71	26	97
Corporate & International	45	46	91
Enterprise	648	320	968

Compensation and Bonuses

Our remuneration policies apply to the company as a whole. We determine salary levels 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. We also use an objective performance management system that permits top performers to achieve higher-than-average increases in any given year.

We used only the salaries of permanent, full-time, active, non-union employees to determine our compensation-related statistics for 2014.

Base Salaries – Our base salaries offer fixed compensation for performing day-to-day responsibilities, while balancing an employees' role and competency, market conditions, and attraction and retention issues. To determine base salaries, we benchmark ourselves against large pipeline, energy, utility and railway companies that are similar to us in size, enterprise value, revenues and risk profile.

Ratio of Female Employees' Salaries to Male Employees' Salaries, by Level

2014 Canada and US	Average Salary Ratio Male to Female by Job Ladder Level %
Level 1	99.2%
Level 2	100.2%
Level 3	101.2%
Level 4	102.0%
Level 5	101.0%
Level 6	100.3%
Level 7	101.3%

2014 Enbridge Start Rate versus Provincial/State Minimum Wage

Region	Minimum Wage	Enbridge Entry-level Minimum Wage	Enbridge Entry-level Maximum Wage	Enbridge Entry-level Rates as a Percentage to Minimum Wage
Ontario				
Toronto	\$11.00	\$17.74	\$28.41	161.3% – 258.3%
Alberta				
Calgary	\$10.20	\$17.74	\$28.41	173.9% – 278.6%
Edmonton				
Texas				
Houston	\$7.25	\$13.56	\$21.63	187.0% – 298.4%

Ratio of CEO's Base Salary to that of Average Employee – In 2014, the ratio of our President and Chief Executive Officer's base salary to that of the average employee salary was 11.20. Mr. Monaco's base salary in 2014 was \$1,144,000. As reported in our 2015 Management Information Circular, Mr. Monaco's total compensation for 2014 was \$5,928,132.

Ratio of CEO's Percentage Increase in Annual Total Compensation to the Median Percentage Increase in the Annual Total Compensation for all of Other Employees – In 2014 the ratio of our President and Chief Executive Officer's per cent base salary increase to that of the average employee salary was 3.02. Mr. Monaco's base salary increase in 2014 was 10 per cent. As reported in our 2015 Management Information Circular, Mr. Monaco's total compensation per cent increase in 2014 was 8.9 per cent.

Percentage of Executive Bonuses Tied to Safety, System Integrity and Environmental Performance – To meet our strategic priorities, we must relentlessly focus on safety, system integrity and environmental performance. We reward our senior executives for their performance in these areas through our executive bonus system, which is made up of three components:

- company-level ranking, based on earnings per share,
- business segment ranking, based on whether business segment-specific objectives have been met, and
- personal performance ranking, based on whether individual objectives have been met.

The following chart shows the percentages that safety, system integrity and environmental performance account for within each of the above three components, as they apply to our Chief Executive Officer, Executive Vice Presidents (business segments) and Executive Vice Presidents (corporate).

The Overall Total column shows the percentage (or percentage range) of an executive's ultimate annual bonus that is tied to his or her safety, system integrity and environmental performance. For example, between 15.5 per cent and 21.5 per cent of our Chief Executive Officer's annual bonus is tied to his safety, system integrity and environmental performance.

Percentage of Executive Annual Bonuses Tied to Safety, System Integrity and Environmental Performance

	Company-level Ranking	Business Segment Ranking	Personal Performance Ranking	Overall Total
Chief Executive Officer	60%, 100% of which pertains to financial performance	20% , 67% of which pertains to safety, system integrity and environmental performance	20%, 10% of which pertains to safety performance	15.5 – 21.5% (higher end more likely)
Executive Vice Presidents (business segments)	25%, 100% of which pertains to financial performance	50%, 40% of which pertains to safety, system integrity and environmental performance	25%, 10% of which pertains to safety performance	22.5 – 30% (higher end more likely)
Executive Vice Presidents (corporate)	60%, 100%of which pertains to financial performance	20%, 10% of which pertains to safety performance; and 26.8% of which pertains to system integrity and environmental performance	20%, 10% of which pertains to safety performance	9.5% (higher for corporate Executive Vice presidents who have responsibilities for operating functions in addition to their corporate functions)

Benefits – Our benefits program is flexible in that it allows each employee to choose the plan that best meets his or her needs. In Canada, we give permanent full- and part-time employees flex credits that they can use to purchase their benefit selections. We also give permanent part-time employees who work 16 or more hours per week but less than 24 hours per week flex credits, but at a reduced level. The flex credit amount that we give to each employee is determined based on:

- base salary percentage,
- family status (i.e. single, couple, family), and
- participation in the Enbridge Savings Plan (In Canada, we match up to 2.5 per cent of employees' salaries for those who participate).

In Canada, employees must purchase a minimum level of life insurance (1x salary) and long-term disability insurance (60 per cent of base salary). All other benefit purchases are at the employee's discretion, and employees may choose to allocate their flex credits.

We automatically provide coverage for 100 per cent of any emergency medical expense that employees or their eligible dependents may incur while travelling outside their home country, whether for pleasure or business. We also cover 50 per cent of employee and family provincial health care premiums, where applicable.

Our flexible benefits program also provides employees with the option to choose any of the following coverages:

- health spending account,
- extended health care plan (choice of three coverage levels),
- dental plan (choice of three coverage levels),
- voluntary life insurance for employees, spouses and children,
- voluntary accidental death and disability Insurance for employees, spouses and children,
- long-term disability (choice of five alternate coverage levels),
- critical illness insurance for employees and spouses (coverage is continued for surviving dependents at Enbridge's expense),
- health and dental Insurance for dependents for one year after an employee has died if he or she died during active service, and
- retiree benefits for the lifetime of the surviving spouse when an employee dies after retirement.

Other Benefits – In addition to the benefits that we provide under our flexible benefits program, we also provide the following other benefits to full and part-time permanent employees:

- short-term disability benefits (60 to 100 per cent of base salary, depending on length of service, for up to 26 weeks),
- business travel accident insurance,
- fitness subsidy reimbursement (this subsidy was in place until the end of 2014. In 2015, we replaced it with a comprehensive web-based wellness program that focuses on physical, mental and financial health),
- education and training cost reimbursement for approved external courses,
- employee scholarship program for employees' children who attend post-secondary educational institutions,
- paid vacation and paid personal days off (depending on location),
- employee and family assistance program,
- emergency childcare program,
- flexible work hours and alternative work arrangements, and
- group savings plan.

Benefits for Temporary Employees – In Canada, we do not differentiate between full- and part-time permanent employees with respect to our benefits program. However, we provide a limited set of fixed benefits to full- and part-time temporary employees, including business travel accident insurance, life insurance equal to their annual salary, health and dental coverage subject to 50 per cent co-insurance, and 50-per cent provincial health care coverage (where applicable).

2014 Defined Benefit Plan Obligations – Enbridge maintains pension plans, which provide defined benefit and/or defined contribution pension benefits.

Pension costs and obligations for the defined benefit pension plans are based on actuarial calculations using several assumptions, including discount rates, expected rates of return on plan assets, projected salary increases, retirement age, mortality and termination rates. These assumptions are determined by Enbridge management and are reviewed annually by an actuary. At year-end 2014, the value of the assets in our defined benefit pension plans was \$2,062 million and our pension obligation was \$2,470 million, leaving a shortfall of \$408 million which equals about 0.8 per cent of the Enbridge's market capitalization. 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.

Enbridge remains able to pay the current benefit obligations using cash from operations. In 2015 we expect to pay approximately \$109 million into our defined benefit pension plans. *For more information, please see Note 25 on pages 54-58 of Enbridge Inc.'s Consolidated Financial Statements for the year ended December 31, 2014.*

Benefits payable from the defined benefit plans are based on members' years of service and final average remuneration. These benefits are partially inflation-indexed after a member's retirement. Enbridge's contributions are made in accordance with independent actuarial valuations and are invested primarily in publicly traded equity and fixed-income securities.

Turnover and Retention Rates

In 2014, our voluntary turnover rate as a percentage of our total workforce population was 4.2 per cent and our new-hire voluntary turnover rate was 7.4 per cent, both within our target range.

Turnover Rate by Gender and Business Segment – Our total turnover for 2014 was 812 permanent employees. As at December 31, 2014, our turnover rate by gender and business segment was as follows:

		Liquids Pipelines (Canada & U.S.)	Major Projects (Canada & U.S.)	Gas Pipelines & Processing	Gas Distribution	Corporate & International	Enterprise
Voluntary	Male	3.4%	4.7%	9.4%	1.3%	4.2%	4.2%
	Female	5.1%	5.1%	6.3%	2.1%	4.4%	4.3%
	Total	3.9%	4.9%	8.5%	1.6%	4.3%	4.2%
Involuntary	Male	2.2%	2.5%	9.0%	1.3%	2.8%	3.4%
	Female	1.5%	2.1%	7.4%	2.2%	2.4%	2.7%
	Total	2.0%	2.3%	8.5%	1.6%	2.6%	3.2%
Retirement	Male	1.5%	1.0%	1.6%	2.8%	0.7%	1.8%
	Female	0.6%	0.3%	1.1%	3.0%	0.7%	1.4%
	Total	1.2%	0.7%	1.5%	2.9%	0.7%	1.6%
Deaths in Service	Male	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%
	Female	0.2%	0.3%	0.0%	0.0%	0.0%	0.1%
	Total	0.2%	0.3%	0.1%	0.1%	0.0%	0.1%
Total Turnover	Male	7.3%	8.4%	20.1%	5.4%	7.7%	9.5%
	Female	7.4%	7.9%	14.8%	7.3%	7.5%	8.5%
	Total	7.3%	8.2%	18.6%	6.1%	7.6%	9.2%

Turnover Rate by Age – As at December 31, 2014, our turnover by age group was as follows:

		up to 24	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 and above	Total
Voluntary	Male	7.3%	7.2%	4.4%	4.4%	4.2%	3.5%	3.7%	2.0%	2.5%	4.2%
	Female	5.1%	7.0%	5.0%	5.9%	4.6%	2.7%	3.7%	0.8%	1.4%	4.3%
	Total	6.6%	7.1%	4.6%	4.9%	4.3%	3.2%	3.7%	1.7%	2.2%	4.2%
Involuntary	Male	0.6%	1.2%	1.4%	2.0%	3.4%	3.6%	4.8%	4.8%	11.3%	3.4%
	Female	1.3%	0.8%	1.7%	2.6%	2.9%	4.3%	3.0%	4.5%	3.5%	2.7%
	Total	0.8%	1.0%	1.5%	2.2%	3.2%	3.9%	4.1%	4.7%	9.1%	3.2%
Retirement	Male	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.1%	17.6%	1.8%
	Female	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	16.3%	1.4%
	Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	17.3%	1.6%
Deaths in Service	Male	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.3%	0.8%	0.0%	0.1%
	Female	0.0%	0.0%	0.0%	0.2%	0.0%	0.2%	0.2%	0.0%	0.0%	0.1%
	Total	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%	0.3%	0.6%	0.0%	0.1%
Total Turnover	Male	7.9%	8.3%	6.0%	6.4%	7.6%	7.0%	8.7%	13.7%	31.4%	9.5%
	Female	6.4%	7.8%	6.7%	8.7%	7.5%	7.2%	6.9%	12.4%	21.3%	8.5%
	Total	7.4%	8.1%	6.2%	7.1%	7.6%	7.1%	8.1%	13.3%	28.6%	9.2%

Return-to-Work and Retention Rates Following Parental Leave – As at December 31, 2014, 21 of our permanent employees had taken parental leave in 2014. Ten are male and 11 are female.

As of December 31, 2014, 85 of the 86 (98.8 per cent) employees who started parental leave in 2013 returned to work in either 2013 or 2014. All of the six males (100 per cent) who took parental leave in 2013 returned to work when their parental leave ended. Seventy-nine of the 80 females (98.8 per cent) who took parental leave in 2013 returned to work after their parental leave ended.

As at December 31, 2014, five out of the six male employees (83.3 per cent) who returned to work after their parental leave ended were still employed 12 months after their return to work. For the same time period, 75 out of the 80 female employees (93.8 per cent) who returned to work after their parental leave ended were still employed 12 months after their return to work.

Critical Talent Retention – Understanding our critical talent is an important aspect of how we manage people at Enbridge. Although all employees contribute to the successful execution of our strategic priorities, certain roles and individuals have the ability to make an even greater impact. As such, it is critical that we retain these individuals. We manage the risk of losing critical talent primarily by providing

differentiated rewards, variable compensation, and targeted career planning and development. In 2014, we introduced clearer definitions of critical talent and critical roles, and a streamlined process to enhance the consistency of how we identify this pool of individuals. We refreshed the critical talent list in September and are using this information as a baseline profile from which we will monitor how well we manage this group.

Leadership Development

In 2013, we launched a Leadership Development Program to cultivate a shared leadership philosophy among our leaders. Under the program, which we continued to roll out in 2014, we established clear accountabilities for leadership development, and defined the competencies that guide broad-based development and behavioural change. In 2014, we also:

- engaged 2,139 leaders in leadership forums (an 87 per cent participation rate),
- enhanced our commitment to developing and retaining senior leaders for succession purposes,
- involved 82 per cent of our executive leaders and 78 per cent of our senior leaders in 360-degree feedback assessments,
- hosted 10 new leader transition workshops for 146 new leaders, and
- designed the LEAD 1 Essentials two-year certificate program for first-level leaders and hosted two sessions of the program involving 46 participants.

Employee Development

Employee development is fundamental to our values and to our success, and we strongly support it at all levels.

Each year, each employee creates an individual development plan in partnership with his or her leader. These form the basis of skill and competency development and career progression, and are based on a 70:20:10 philosophy under which:

- 70 per cent of learning takes place on the job with performance support,
- 20 per cent of learning is the product of social interaction, including formal and informal coaching, mentoring and strong social networks, and
- 10 per cent of learning takes place as part of formal learning programs that are delivered by a variety of approaches.

To aid the formal learning component, we provide relevant, high-calibre internal programs that enhance core and leadership competencies through our Enbridge University (ENBU) via three unique campuses – two in Canada and one in the U.S. Each campus offers a variety of programming in the areas of energy studies, business acumen, leadership development, project and risk management and personal excellence. Courses are delivered through instructor-led sessions using either external facilitators or subject matter experts from within Enbridge and via self-directed online modules depending on the nature of the course material. Courses are focused on concepts and skills that our employees and leaders can apply directly in their current roles, and will help them qualify for future opportunities.

Learning Metrics

In 2014, our investment in training and development equaled about 1.15 per cent of our total salary costs. This amount equated to about \$1,358 per employee.

We use a learning management system (LMS) to track our employee training information, but are unable to track training that we do not centrally manage. As such, we can only provide data on the learning programs represented in the LMS.

Based on our LMS data, in 2014, our employees (including permanent employees, temporary employees and contract employees) benefited from a total of 1,015 courses delivered primarily through 5,894 instructor-led offerings and 201 web-based offerings. On average, male and female employees completed 13.4 courses each, which amounts to an average of 23.8 hours of learning. Female employees made up 33.8 per cent of the learners, with an average of 12.4 courses each, which is an average of 20.5 hours of learning. Male workers made up the remaining 66.2 per cent of learners, with an average of 13.9 courses each, which is an average of 25.5 hours of learning.

When we analyze learning by leadership role, our 2,130 executives, vice presidents, directors, managers and supervisors/leads completed an average of 12 courses each, which is an average of 21.1 hours of learning. Our 8,053 individual contributors (including advisors, analysts, coordinators, administrative assistants and others) completed an average of 14.7 courses each, which is an average of 26.9 hours of learning.

Employee Engagement

Employee Perspectives Survey

Through our employee Perspectives Survey, which we hire a third-party to administer every second year, we offer a dedicated channel through which employees can communicate their feedback to leaders. This survey, the latest of which was completed in 2014, is an important part of our commitment to employees, and an insightful gauge of their engagement levels.

Through the survey, we invite employees to give us feedback on topics such as benefits, work-life balance, work processes and corporate social responsibility. We use the results to identify opportunities for improvement that we can incorporate into our strategies.

The employee engagement scores we get from the survey are based on employees' answers to questions that reflect their emotional and intellectual commitment to the company. Employee engagement is a vital measure because high engagement equates to high organizational performance, productivity, team member satisfaction and retention.

In 2014, we achieved an employee engagement score of 74 per cent, which is slightly lower than our 2012 score. Based on the results, we identified the following areas of opportunity:

- employees want more career learning and development opportunities,
- employees are concerned about our reputation, particularly in western Canada,

- employees think our technology and software processes are too complex and not user friendly,
- leaders are concerned about the rapid growth within Enbridge and the difficulties in finding the right people to fill positions, and
- employees want more transparency regarding our Human Resources strategies.

We have created departmental and company-wide action plans based on the survey results and are in the process of executing on them. Some of the action plans are included in our four-year corporate plan that will take us to 2018.

6. Enbridge's 2014 Performance Regarding Business Conduct and Ethics/Permitting and Licensing Compliance

a. Material Topic:

Business Conduct & Ethics/ Permitting & Licensing Compliance

Overview

Our intent is always to comply with all legal and regulatory requirements, including those pertaining to employment practices, and business conduct. We are also committed to preventing all forms of corruption within the scope of our business and operations.

Management Approach

Role of Employees

Our directors, employees (including executives and senior management) and contractors all play an integral role in ensuring that we carry out business honestly, ethically and responsibly. Their role is reflected in our Statement on Business Conduct, our Ethics & Conduct Hotline and our Whistle Blower Policy and Procedures, which provide mechanisms for employees to report non-compliance with any applicable legal requirements or Enbridge policy.

All employees and contractors receive training on our Statement on Business Conduct annually. Additionally, we ask a cross-section of employees and contractors to complete a compliance and ethics survey each year to help our Compliance department to identify and act on concerns and trends.

Enbridge's Compliance Program

Our Compliance Program mainly focusses on ensuring that our employees and contractors understand and uphold our values of Integrity, Safety and Respect, our Statement on Business Conduct and all other Enbridge policies. We mandate that all employees and contractors strictly adhere to our Statement on Business Conduct and to our other policies. Failure to comply may result in disciplinary action up to and including termination.

Additionally, we have established a Compliance Policy that defines clear responsibilities for our Vice President & Chief Compliance Officer and for our business segment Compliance Officers, who collectively oversee our Compliance Program. The program is

designed to minimize opportunities for unethical behaviour, and to support and demonstrate our commitment to corporate responsibility and good governance.

As part of our Compliance Program, we routinely monitor and take steps to improve on our compliance and ethics culture through the following practices:

Policies

We have established a number of policies designed to ensure that our employees and contractors conduct their work ethically, legally and responsibly. These policies include our Statement on Business Conduct, our Whistle Blower Procedures and our Compliance Policy.

Enbridge Ethics & Conduct Hotline

We maintain an Ethics & Conduct Hotline that individuals can use at any time to raise issues (anonymously if they desire) through a third-party service provider that also provides similar services for other major North American companies. The service provider gives each hotline report directly to our Vice President & Chief Compliance Officer, as well as to the responsible business segment Compliance Officer. All reports are investigated so that issues raised can be addressed and resolved. *For more information, see the 2014 Performance portion of the Business Conduct & Ethics/Permitting & Licensing Compliance section of this report.*

Gas Distribution's Office of the Ombudsman

In 2005, our Gas Distribution business segment (GD) established an Office of the Ombudsman to resolve customer issues that its call centre was unable to resolve. *For more information, see the 2014 Performance portion of the Business Conduct & Ethics/Permitting & Licensing Compliance section of this report.*

Tone at the Top

We have had a Chief Compliance Officer and Compliance Officers in our three primary operating business segments since 2009. In 2012, we appointed our first dedicated Vice President & Chief Compliance Officer, who is responsible for company-wide oversight of our overall state of compliance, and for enhancing our culture of ethics and integrity.

Internal Audit

Our Internal Audit Department helps us accomplish our objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of our governance processes, risk management processes and internal controls. Internal Audit functions as an independent and objective assurance and consulting service. It also maintains our anti-fraud program, and assists with investigations into any unethical conduct, including allegations of bribery, fraud and corruption.

Training

At the commencement of employment and annually thereafter, all employees and provisioned contractors are required to complete a Statement on Business Conduct training course. Each year, employees and provisioned contractors are also required to certify their compliance with the Statement over the previous year. They are also required to disclose any actual or potential conflicts of interests.

Compliance Investigations and Reports

Our Compliance Officers coordinate investigations into material compliance matters, whether they arise directly from employees, as a result of incidents or via hotline reports. Our Vice President & Chief Compliance Officer reports all material events of non-compliance, auditing matters and general ethics issues to the Audit, Finance & Risk Committee and the Safety & Reliability Committee of Enbridge Inc.'s Board of Directors.

We also engage employees who possess expertise in the area of audits and investigations to assist the Compliance Officers with investigations into material non-compliance issues. If necessary, we retain third-party experts to assist with these investigations.

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, contractors and the public can feel confident that issues will be fairly and impartially reviewed and addressed.

Compliance/Ethics Affiliations

Our Compliance Officers and Enbridge employees in other departments participate in activities sponsored by a number of organizations that promote the advancement of ethical conduct in organizations throughout North America. Some of the organizations to which Enbridge staff members 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).

Human Rights

Our Statement on Business Conduct contains provisions that support the protection of human rights and freedoms within Enbridge's sphere of influence. These provisions are based on the Voluntary Principles on Security and Human Rights issued by the U.S. Bureau of Democracy, Human Rights and Labor. Additionally, all of our business segments have adopted policies that establish the rights of all employees and contractors to enjoy a workplace free of harassment and discrimination.

Addressing Fraud Risk

We review our operations annually for potential risks associated with fraud, using the control evaluation procedures we established to ensure that we meet the requirements of both the U.S. Sarbanes-Oxley Act and our Statement on Business Conduct.

To mitigate corruption-related risk, we also routinely conduct due diligence on prospective contractors, consultants and third parties in connection with our international business opportunities.

Addressing Corruption

We are committed to preventing all forms of corruption, including extortion and bribery. We are also committed to preventing discrimination in all forms within our sphere of influence.

Our Statement on Business Conduct, Whistle Blower Procedures, Compliance Policy and other policies describe the procedures we follow in response to any allegations of corruption.

Strategic Priority

#1 – Tie ethical conduct and compliance to employees' bonus incentives.

2014 Performance

Tie Ethical Conduct and Compliance to Employees' Bonus Incentives

In 2014, our Liquids Pipelines business segment (LP) maintained a compliance index metric that ties ethical conduct and compliance to employees' bonus incentives. The metric, which serves as a continuous reminder of the importance we place on ethical behaviour, includes data on the number of times LP's vice presidents and directors speak about ethics and compliance to groups of five or more employees or provisioned contractors. It also measures the number of medium and high-impact events of non-compliance, ethics violations and regulatory actions.

Issues and Complaints

In 2014, we received 93 new Ethics & Conduct Hotline reports, of which 58 related to human resources issues, 15 related to safety issues, nine related to financial concerns, five related to allegations of misappropriation or misuse of assets, five related to policy and process integrity and one related to a customer concern. By way of comparison, we received 107 hotline reports in 2013.

Nearly 7,000 issues were reported to EGD's Office of the Ombudsman, the majority of which (approximately 5,500) pertained to billing and collections. With few exceptions, the issues were resolved to the customer's satisfaction.

One employee filed a complaint with the Canadian Human Rights Commission, alleging discrimination on the basis of sex and age. While no conclusion has yet been reached, we take all complaints seriously and fully investigate them. We are also required to report the results of the complaint to the commission.

We are not aware of any ruling or decision of a court, administrative tribunal or quasi-judicial authority in 2014 that alleged that Enbridge discriminated against anyone. We did, however, investigate and resolve several allegations of discriminatory action that arose in the workplace in 2014.

We are not aware of any incidents of corruption during 2014.

There were no substantiated complaints regarding breaches of privacy arising from Enbridge's operations in 2014. There were four instances of misdirected customer billing information due to human error, each of which was quickly resolved and none of which resulted in customer complaints.

Training

In addition to the training we provided on our Statement of Business Conduct, in 2014, we provided privacy training to targeted employees and provisioned contractors in Canada and the United States who have regular access to employee, customer and landowner personal information.

Also in 2014, we provided an online anti-corruption training program to members of senior management and all employees and provisioned contractors whose roles, responsibilities or geographic focus may directly or indirectly involve corruption- or bribery-related risks. The training covers applicable anti-corruption and anti-bribery laws and how they can affect our business globally. It also provides guidance regarding our policies, expectations and reporting procedures to help identify and avoid corruption-related risks and pitfalls. In total, more than 800 employees and contractors received the training.

In 2015, we expect to deliver a fraud awareness training program to all of our employees and provisioned contractors. We deliver this program once every three years

In 2014, compliance personnel held dozens of in-person training sessions and presentations on compliance-related issues to hundreds of employees and provisioned contractors.

Monetary Value of Significant Fines and Total Number of Non-monetary Sanctions for Non-compliance with Laws and Regulations

We manage our 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.

Regulatory notifications are formal written notices that are issued by regulators to indicate potential or alleged breaches of legal, regulatory or permit requirements. Examples include enforcement actions, summonses, charges, stop and control orders, Notices of Violation, Notices of Enforcement, Notices of Penalty, Letters of Noncompliance and formal warnings. In response, we carry out rigorous reviews and institute corrective actions.

In 2014, the following fines and non-monetary sanctions were issued to Enbridge subsidiaries or controlled entities, and/or paid by Enbridge:

Significant Fines and Non-Monetary Sanctions

Canada:

- Enbridge paid a fine of \$60,000, plus a 25 per cent victim surcharge, in relation to an offence under the Ontario Water Resources Act for non-compliance with the Ontario Ministry of Environment and its Environmental Compliance Approval.
- Enbridge Gas Distribution paid a \$60,000 fine, plus a 25 per cent victim surcharge, relating to an offence under the Ontario Technical Standards and Safety Act regarding unauthorized work on its gas distribution system that resulted in an indoor fire and personal injury in Toronto in 2010.

U.S.:

- Enbridge paid a US\$29,000 fine to the State of Michigan for non-compliance with five Michigan Department of Environmental Quality violation notices.
- In response to a release at Mokena in 2012, Enbridge resolved all issues with the Illinois Environmental Protection Agency through a settlement agreement and paid US\$60,000.

7. Enbridge's 2014 Performance Regarding Our Supply Chain Sustainability

a. Material Topic:

Sustainable Supply Chain and Procurement

Overview

Connecting people to the energy they need for their quality of life – and doing so safely and reliably – is our primary social responsibility. We recognize that our supply chain plays a key role in our ability to live up to that responsibility, which is why we are building strong relationships with our suppliers and developing a comprehensive and consistent approach to supply chain management.

Management Approach

Our acquisition of goods and services is primarily carried out through our Supply Chain Management (SCM) and Procurement groups in our Major Projects business unit (MP), Liquids Pipelines business segment (LP), Gas Distribution (GD) business segment, Gas Pipelines & Processing business segment (GPP), and Corporate business segment.

Governance

All of our business segments incorporate our core values – Integrity, Safety and Respect – and our Statement on Business Conduct into their Supply Chain Management (SCM) practices, policies and procedures.

For example, MP has a comprehensive SCM Protocol that sets out guidelines and standards for establishing the effective SCM controls that are essential to mitigating Enbridge's risks. In this protocol, MP states that all SCM activities must be conducted in an ethical manner while also delivering the best value for Enbridge and ensuring adherence to Enbridge's values, Statement on Business Conduct and Compliance Policy.

MP has also established Social License Guiding Principles that state that:

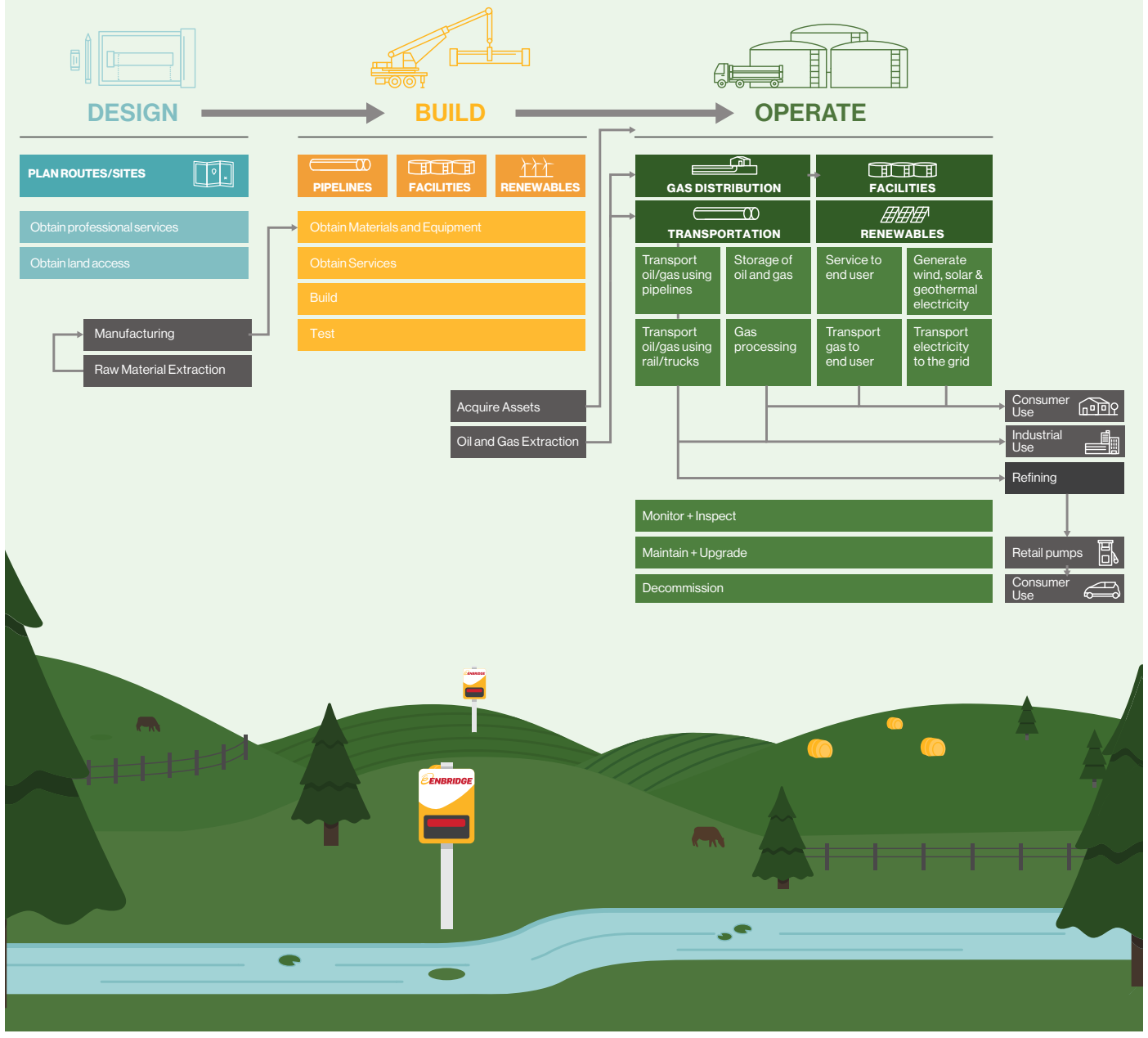
Enbridge's commitment to corporate responsibility performance goes beyond compliance with regulations, to living our values and engaging stakeholders in ways that are beneficial to both the company and our stakeholders. It is evident that our customers, investors, internal and external stakeholders, landowners, the public, suppliers and regulators want to deal with responsible and reputable organizations that continue to earn and maintain their social license to operate. Enbridge is committed to meeting or exceeding their expectations.

MP's Social License Guiding Principles guide its actions. For example, in alignment with them, and to the extent possible, MP ensures that the pipe it buys to build our pipelines is made from recycled content.

VALUE & SUPPLY CHAIN



External to Enbridge



In addition to MP's Social License Guiding Principles, MP, LP, GD and GPP follow several established principles, policies and guidelines that define the way we relate with our stakeholders and the communities in which we operate:

- Enbridge Values—Integrity, Safety and Respect,
- Statement on Business Conduct,
- Corporate Social Responsibility Policy,
- Aboriginal and Native American Policy,
- Enbridge's Safety and Environmental Guidelines for Contractors,
- Enbridge's Environmental Guidelines for Construction,
- Enbridge's Major Projects Environment Policy, and
- Enbridge's Liquids Pipelines Environment Policy.

Compliance with these principles, policies and guidelines is a condition of both conducting business with and on behalf of Enbridge.

Pre-qualification

Our business segments use ISNetwork (ISN), a global resource for connecting corporations with safe, reliable contractors and suppliers, as a safety pre-qualification standard for service-providing suppliers. Through ISN, GPP is also a member of the Facility Audit Network (FAN) through which five pipeline companies agree to perform standardized audits of contractors and share the results with the other members.

In addition, LP utilizes a Pre-qualification Committee consisting of a diverse range of leaders representing MP and LP SCM, Engineering, Operations, Control Systems and MP Quality. The committee provides an important forum for its members to obtain input into supplier pre-qualification and disqualification processes, and to share emerging issues. It also ensures that our standards regarding safety, quality, human rights and environmental practices are upheld throughout our supply chain.

GD employs a Vendor Policy that outlines the qualifications that suppliers must have before they can be hired. These qualifications include financial stability, product quality, technical competence, quality assurance programming and adherence to Enbridge's CSR Policy. GD's Vendor Policy also includes criteria on how GD must select and evaluate suppliers, and the environmental responsibility criteria that suppliers must meet.

Contracts

In addition to incorporating Enbridge's Statement on Business Conduct, some of our supplier contracts also incorporate scorecards focused on financial and non-financial criteria. For example, LP and MP employ Master Service Agreements (MSAs) that incorporate scorecards based on safety, quality, corporate responsibility, financial, environmental and customer service objectives.

Similarly, GD uses Extended Alliance contracts to govern its relationships with its three largest suppliers, which include a customer services firm and two large pipeline construction companies. These contracts include scorecards for safety, quality, customer care and delivery-related objectives. GD gives each objective a weighting and a target score and then scores each supplier against the objectives. The supplier's actual score becomes a variable that determines the rate at which GD pays the supplier. In areas where the supplier does not meet objectives, GD meets with the supplier to discuss appropriate corrective actions. Suppliers with Extended Alliance contracts must also meet regularly with GD, undergo various types of audits (quality assurance audits, for example) and meet the requirements of GD's stringent quality assurance program.

Supplier Development/Relationships

While all of our business segments have always maintained informal relationships with their suppliers, most of them are also developing formal meetings with key suppliers to ensure that existing agreements and supplier performance are regularly reviewed, tracked and updated.

For example, MP has created formal governance structures with key suppliers under a Supplier Relationship Management (SRM) program so that their performance can be tracked and improved, and so that MP can better manage its supplier relationships.

LP has also established an SRM program that focuses on strategic suppliers whose role is critical to our success. Through the SRM program, LP engages with internal and external stakeholders regarding strategic categories of goods and services and their suppliers. Also, through ongoing communication, LP has analyzed its suppliers' concerns and developed ways to collaboratively improve relationships, safety, community awareness and public engagement. LP's communication efforts include providing suppliers opportunities to engage with our executive management.

Safety Roundtables

Because safety is one of our core values, we are responsible for ensuring that this value is extended to our suppliers of services and materials. As such, we involve our suppliers in industry-organized safety roundtables.

The principal safety roundtable in which we participate is the Pipeline Construction Safety Roundtable (PCSR), which helps us raise the caliber of safety performance among pipeline owners and Mainline construction contractors. We understand that other North American companies hire many of the same major contractors that we hire, so, by inviting all of the parties to join the safety conversation, we can help turn good practices into industry standards.

Restricted-Party Screening

Working with our Law department, MP, GD and GPP are cross-referencing the suppliers with which we do, or intend to do, business against various databases to ensure that we do not inadvertently contract with suppliers who have behaved in a socially irresponsible manner anywhere in the world. This initiative has proved invaluable because it enables us to be aware of supplier restrictions throughout our company. LP also screens its suppliers with the assistance of our Risk, Compliance and Law departments.

Strategic Priority

#1 – Continue developing a comprehensive and consistent set of policies and practices to govern supply chain and procurement.

2014 Performance

Total 2014 Capital Spend

In 2014, we spent approximately \$10,524 million on capital costs.

For more information about Enbridge's economic impact, see the Economic Impact and Benefits section of this report.

Comprehensive and Consistent Policies and Practices

Until recently, each of our business segments had its own SCM practices but, in 2014, they made significant strides toward aligning and standardizing them.

One of the steps taken toward achieving this alignment was the strengthening of a company-wide Supply Chain Council, consisting of SCM and procurement leaders from our various business segments. This council is paving the way for the development of a comprehensive and consistent approach to SCM throughout Enbridge. In 2014, council members held a collaborative working session to progress their work toward better internal SCM alignment and consistent governing processes.

In addition, in 2014, we implemented a company-wide SCM Policy that governs the acquisition activities for all goods and services.

Supplier Code of Conduct

We believe that a strong commitment and a strategic approach to corporate responsibility are essential for managing the challenges and opportunities of a rapidly changing global environment.

To that end, MP is developing a Supplier Code of Conduct that will provide a governance structure for our suppliers and ensure their alignment with our commitment to Environmental, Social and Governance (ESG) considerations and principles.

Contractor Safety

To further our goal of creating an industry-leading health and safety program, LP and MP are working to standardize the minimum safety requirements for all personnel at all Enbridge locations.

In 2014, LP and MP representatives worked collaboratively to review and align our safety policy, standards, processes and safe work practices. The result was two governing documents: the Safety Manual; and the Occupational Health and Safety Management System (OHSMS).

A joint working group first researched legislation and industry best practices and then adopted the best practice into the LP/MP Safety Manual, which was implemented in early 2015.

Also in 2014, MP developed a new Safety Incentive Program for its major contracts. By year-end, the program was implemented in two contracts.

Regarding safety of our employees and our contractors, the LP and MP Safety departments were merged into one group in 2014 and, as of January 2015, both LP SCM and MP SCM will require that our contractors meet consistent safety requirements.

Real Estate Construction Safety Manual

Our Corporate business segment took the lead in developing a Real Estate Construction Safety Manual in 2014. In 2015, we will be rolling out and applying the procedures in the manual, which establishes safety standards and expectations that are specific to real estate construction projects.

Supplier Development/Relationships

LP and MP held one-day interactive vendor forums in 2013 and 2014 in Canada and the U.S. to strengthen our relationships with our suppliers. The forums provide an opportunity for our suppliers to meet members of our executive and SCM leaders, and for us to hear and address the vendors' collective concerns. In 2014, the theme was Partnering for Success through Flexible Supply Chains. Each forum involved approximately 100 representatives from about 75 of LP's and MP's key materials and services suppliers. LP and MP plan to continue to host similar supplier events in the future.

Responsible Procurement

The most significant purchase we make is steel pipe. In 2014, MP purchased approximately 310,000 short tons of steel pipe, almost 94.2 per cent of which was made from recycled steel.

In 2014, GD purchased approximately 11,544 tonnes of steel pipe. Approximately five per cent of that total comprised steel that had recycled content of 61 per cent, while the remainder comprised steel that had recycled content of between three to 17.5 per cent. GD also purchased approximately 928 tonnes of polyethylene pipe in 2014, none of which included recycled content.

Appendices

Awards and Recognition

By focusing on our core values of Integrity, Safety and Respect, we have received many awards and much recognition over the years from independent third parties for our performance in the areas of sustainability; environmental performance; financial health; workplace health, safety and fairness; community relations; and public disclosure. Listed below are some of the awards and recognition we received in 2014.

Sustainability

Global 100 Most Sustainable Corporations in the World

The Global 100 Most Sustainable Corporations in the World, which is an annual assessment initiated by Corporate Knights magazine, highlights global corporations that have been most proactive in managing environmental, social and governance issues. Enbridge was named to the Global 100 in 2010, 2011, 2012, 2013, 2014 and again in January 2015.

Dow Jones Sustainability Indices (DJSI)

DJSI selected Enbridge as an index component of both its World and North America indices. The DJSI indices track the financial performance of the leading sustainability-driven companies in the world based on an analysis of financially material economic, environmental and social factors.

World's Greenest Companies

Newsweek added Enbridge to its list of the World's Greenest Companies, which ranks the 500 largest publicly traded companies globally on their corporate sustainability and environmental impact.

Best 50 Corporate Citizens in Canada

Corporate Knights magazine recognized Enbridge as being one of Canada's Best 50 Corporate Citizens, the 12th year in a row we have been recognized as such. The ranking is the longest running of its kind and is determined based on a thorough analysis of contenders' publicly disclosed environmental, social and governance indicators.

Top Employer

Canada's Top 100 Employers

Canada's Top 100 Employers listing is a national evaluation of the employers that lead their industries in creating exceptional workplaces for their employees. This is the 10th consecutive year Enbridge has been on the list and 13th since the list's inception 15 years ago.

The Financial Post's 10 Best Companies to Work For

This listing recognizes fast-growing companies in Canada that offer tremendous career advancement opportunities together with leading-edge employee perks and benefits.

Diversity Leadership Award of Distinction / Employer of Persons with Disabilities Award

Enbridge received these two awards from the Alberta Chambers of Commerce. The Diversity Leadership Award of Distinction recognizes organizations that embrace diversity in their workforce, encourage respect and inclusion, are eliminating discrimination and barriers, and help create welcoming and inclusive workplaces and communities. The Employer of Persons with Disabilities Award is given to a business demonstrating creative, leading-edge practice in hiring, training and developing employees with disabilities.

Canadian Awards for Training Excellence

Enbridge received the Canadian Society for Training and Development's WOW! Award for having successfully built a leadership development program that is positively impacting Enbridge's leadership capacity.

Canada's Best Diversity Employers

Enbridge was recognized for a number of its programs, including our FeminEn (Females in Engineering) employee resource group that encourages women who are building engineering careers at Enbridge.

Alberta's Top Employers

Alberta's Top Employers is an annual competition that recognizes Alberta employers that lead their industries in offering exceptional places to work.

Houston's Healthiest Employers / Top Workplaces

The Houston Business Journal ranked Enbridge sixth in its Healthiest Employer survey for 2013. The survey gauges the effectiveness of companies' wellness programs. Enbridge also ranked 14th in the large company division of the Houston Chronicle's 2014 Top Workplaces Awards.

Community Investment

United Way Spirit of Community Award

United Way Toronto presented Enbridge Gas Distribution with its inaugural Spirit of Community Award, which recognizes creativity, innovation and overall commitment to building a better city for everyone.

Aboriginal Relations

Silver Level, Progressive Aboriginal Relations (PAR) Certification (2012—2014), Canadian Council for Aboriginal Business (CCAB)

CCAB is a national business organization whose members include Aboriginal businesses, Aboriginal community-owned economic development corporations, and companies operating in Canada. CCAB's PAR certification program recognizes and supports continuous improvement in Aboriginal relations.

Financial Reporting

Corporate Reporting Award, Chartered Professional Accountants of Canada (CPA Canada)

The Corporate Reporting Awards, presented annually by CPA Canada, recognize the best reporting practices in the country. For the second consecutive year, Enbridge received the 2014 Award of Excellence for Corporate Reporting in the "Utilities and Pipelines/ Real Estate" industry sector.

