

# ***ENBRIDGE 2011 CORPORATE SOCIAL RESPONSIBILITY REPORT***

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- 53 **EN25** – Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
- 61 **EN26** – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
- 61 **EN27** – Percentage of products sold and their packaging materials that are reclaimed by category. (Note: Not relevant to Enbridge).
- 68 **EN28** – Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.
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- 82 **LA1** – Total workforce by employment type, employment contract and region.
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- 83 **LA3** – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
- 84 **LA4** – Percentage of employees covered by collective bargaining agreements.
- 84 **LA5** – Minimum notice period(s) regarding operational changes, including whether they are specified in collective agreements.
- 84 **LA6** – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
- 85 **LA7** – Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region.
- 85 **LA8** – Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.

- 86 **LA9** – Health and safety topics covered in formal agreements with trade unions.
- 86 **LA10** – Average hours of training per year per employee by employee category.
- 87 **LA11** – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
- 87 **LA12** – Percentage of employees receiving regular performance and career development reviews.
- 88 **LA13** – Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.
- 90 **LA14** – Ratio of basic salary of men to women by employee category.

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- 91 **HR1** – Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.
- 91 **HR2** – Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
- 91 **HR3** – Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
- 92 **HR4** – Total number of incidents of discrimination and actions taken.
- 92 **HR5** – Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.
- 92 **HR6** – Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.
- 92 **HR7** – Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour.
- 92 **HR8** – Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
- 93 **HR9** – Total number of incidents of violations involving rights of indigenous people and actions taken.

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- 140 **PR2** – Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
- 141 **PR3** – Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
- 142 **PR4** – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling by type of outcomes.
- 142 **PR5** – Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
- 142 **PR6** – Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.
- 142 **PR7** – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.
- 143 **PR8** – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.
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Visit [www.enbridge.com](http://www.enbridge.com) to learn more.

# ABOUT ENBRIDGE

Over the past 60 years, Enbridge has become a leader in the safe and reliable delivery of energy in North America and is proud to be recognized as one of the Global 100 Most Sustainable Corporations in the World.

**We transport energy**, operating the world's longest, most sophisticated crude oil and liquids transportation system. We have a significant, and growing, position in natural gas gathering, transmission and midstream businesses, and an emerging focus on power transmission. We're also developing our expertise in carbon dioxide transportation and sequestration.

**We generate energy**, expanding our interests in renewable and alternative energy technologies including wind and solar energy, geothermal and hybrid fuel cells.

**We distribute energy**, owning and operating Canada's largest natural gas distribution company, and provide distribution services in Ontario, Quebec, New Brunswick and New York State.

Enbridge manages and has a 72.3 per cent overall interest in Enbridge Income Fund and a 25.5 per cent overall ownership in Enbridge Energy Partners, L.P.

Enbridge's corporate headquarters are in Calgary, Alberta, and we employ about 6,400 people in Canada and the United States. We are ranked as one of the Top 100 Employers to Work for in Canada, and one of Canada's Greenest Employers. Enbridge Inc. common shares trade on the Toronto and New York stock exchanges under the symbol ENB.

For more information about Enbridge, please visit [www.enbridge.com](http://www.enbridge.com).

# ***ABOUT THE ENBRIDGE 2011 CORPORATE SOCIAL RESPONSIBILITY REPORT***

Enbridge's 2011 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 sustainability reporting guidelines, which serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. Abbreviations such as EC1, EN3 and PR6 refer to GRI Performance Indicators, which Enbridge addresses in this report. For more information on the GRI, please visit [www.globalreporting.org](http://www.globalreporting.org).

# FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in Enbridge's 2011 Corporate Social Responsibility Report to provide the company's shareholders, potential investors and other stakeholders with information about the company and its subsidiaries and affiliates, including management's assessment of Enbridge's 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" 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: expected earnings or adjusted earnings; expected earnings or adjusted earnings per share; expected costs related to projects under construction; expected in-service dates for projects under construction; expected capital expenditures; estimated future dividends; expected costs related to leak remediation and potential insurance recoveries; 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 the climate change issue; and future power consumption by the company and its subsidiaries.

Although Enbridge believes that 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 expected supply and demand for crude oil, natural gas and natural gas liquids; prices of crude oil, natural gas and natural gas liquids; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project 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 demand for renewable energy and alternative energy technologies; and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas and natural gas liquids, 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, 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 or adjusted earnings and associated per share amounts, or estimated future dividends. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated in-service dates, and expected capital expenditures include: the availability and price of labour and pipeline construction materials; the effects of inflation and foreign exchange rates on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather and customer and regulatory approvals on construction schedules.

Enbridge's forward-looking statements are subject to risks and uncertainties pertaining to operating performance; changes to regulatory parameters, including those related to GHG emissions; project approval and ongoing support; weather; economic and competitive conditions; exchange rates; interest rates; commodity prices; and supply and demand for commodities. These include, but are not limited to, those risks and uncertainties discussed in this 2011 Corporate Social Responsibility 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 law, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made in this 2011 Corporate Social Responsibility 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.

# AWARDS AND RECOGNITION

## Corporate Social Responsibility Awards and Recognition

Enbridge received many CSR-related awards and recognition in 2010 and 2011. Criteria such as financial health; environmental performance; workplace health, safety and fairness; community relations; and public disclosure were considered in the following awarding organizations:

- **100 Most Trustworthy Companies (Enbridge Energy Partners) 2010**
- **Alberta's Top Employers 2010, 2011**
- **Alberta's Most Respected Corporations (*Alberta Venture*)** – Top three for Financial Performance 2010
- **Best Crisis Management (*IR Magazine Canada Awards*) 2011**
- **Best Utility-Scale Project in North America, Renewable Energy World**  
(for Enbridge's Sarnia Solar Project) 2010
- **Canada's Greenest Employers 2010, 2011**
- **Canada's Top 100 Employers 2010, 2011**
- **Canada's Top Employers for Young People 2011**
- **Corporate Knights Best 50 Corporate Citizens in Canada 2010, 2011**
- **Corporate Knights Global 100 list of the Most Sustainable Large Corporations in the World 2010, 2011**
- **Dow Jones Sustainability Index (North America) 2010**
- **Financial Post's Ten Best Companies to Work For 2010**
- **FTSE4Good Index 2010**
- **Global 500 Carbon Disclosure Leadership List (Carbon Disclosure Project) 2010**
- **Intranet Design Annual 2010: The Year's 10 Best Intranets 2010**
- **Jantzi-Sustainalytics 50 Most Responsible Corporations in Canada 2010**
- **Outstanding Corporate and Employee Campaign Award**  
(United Way/Centraide Central New Brunswick for Enbridge Gas New Brunswick) 2010, 2011



# STRATEGY AND PROFILE

## ORGANIZATIONAL PROFILE

Enbridge Inc. is a leader in energy transportation and distribution in North America. As a transporter of energy, Enbridge operates the world's longest crude oil and liquids transportation system. In 2010, Enbridge delivered an average of 2.2 million barrels per day of crude oil along its Mainline system to customers in Canada and the United States.

As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company and provides distribution services in Ontario, Quebec, New Brunswick and New York State. Enbridge also has a growing interest in natural gas transmission and midstream businesses, and is expanding its interests in renewable and alternative energy technologies, including wind and solar energy, hybrid fuel cells, geothermal and carbon dioxide sequestration.

Enbridge employs approximately 6,400 people, primarily in Canada and the U.S.

## OPERATIONS AND ASSETS

Enbridge's activities are carried out through five business segments: Liquids Pipelines; Gas Distribution; Gas Pipelines, Processing and Energy Services; Sponsored Investments and Corporate.

**Liquids Pipelines** – consists of common carrier and contract crude oil, natural gas liquids (NGLs) and refined products pipelines and terminals in Canada and the United States, including the Enbridge System, the Enbridge Regional Oil Sands System, Southern Lights Pipeline and other feeder pipelines.

**Gas Distribution** – consists of natural gas utility operations, the core of which is Enbridge Gas Distribution Inc. (EGD), which serves residential, commercial and industrial customers, primarily in central and eastern Ontario as well as northern New York State. This business segment also includes natural gas distribution activities in Quebec and New Brunswick.

**Gas Pipelines, Processing and Energy Services** – consists of investments in natural gas pipelines, processing and green energy projects, Enbridge's commodity marketing businesses, and international activities.

Investments in natural gas pipelines include Enbridge's interests in the United States portion of Alliance Pipeline (Alliance Pipeline U.S.), Vector Pipeline and transmission and gathering pipelines in the Gulf of Mexico. Investments in processing includes Enbridge's investment in Aux Sable, a natural gas fractionation and extraction business. The commodity marketing businesses manage Enbridge's volume commitments on Alliance and Vector Pipelines, as well as perform commodity storage, transport and supply management services, as principal and agent.

**Sponsored Investments** – includes Enbridge's 25.5 per cent ownership interest in Enbridge Energy Partners, L.P. (EEP), Enbridge's 66.7 per cent investment in the United States segment of the Alberta Clipper Project through EEP and Enbridge Energy, Limited Partnership (EELP), and an overall 72 per cent economic interest in Enbridge Income Fund (EIF), held both directly and indirectly through Enbridge Income Fund Holdings Inc. (EIFH). Enbridge manages the day-to-day operations of, and develops and assesses opportunities for each of these investments, including both organic growth and acquisition opportunities.

EEP transports crude oil and other liquid hydrocarbons through common carrier and feeder pipelines and transports, gathers, processes and markets natural gas and NGLs. The primary operations of EIF include a crude oil and liquids pipeline and gathering system, a 50 per cent interest in the Canadian portion of Alliance Pipeline (Alliance Pipeline Canada) and partial interests in several green energy investments.

**Corporate** – consists of the Enbridge's investment in Noverco Inc. (Noverco), new business development activities, general corporate investments and financing costs not allocated to the business segments.

## REPORT PARAMETERS

### REPORT PROFILE

Enbridge's 2011 Corporate Social Responsibility Report predominantly focuses on data collected and events that took place in 2010, although some significant events that took place in the first half of 2011 are also covered. Enbridge prepares a CSR Report each year. It published its previous CSR Report, which focused primarily on 2009 data, in 2010.

Enbridge's 2011 CSR Report covers only information on the assets that Enbridge operates. The word "Enbridge," refers to the entire company, its subsidiaries and affiliates. Where possible, the data and statistics refer collectively to all of the facilities that Enbridge operates. However, when information pertaining to a specific company, business segment or project – for example, Enbridge Gas Distribution, Liquids Pipelines or the Enbridge Northern Gateway Project – is reported on, it is noted in the text.

Dollar figures refer to Canadian dollars unless otherwise indicated.

Enbridge's 2011 CSR Report was prepared using the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. These Guidelines are intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. They were designed for use by organizations of any size, sector or location and take into account the practical considerations faced by organizations ranging from small enterprises to those with extensive and geographically dispersed operations. The Guidelines contain general and sector-specific content that has been agreed on by a wide range of stakeholders around the world to be generally applicable for reporting an organization's sustainability performance.

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

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

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

To determine the **materiality** of the information that Enbridge included in its 2011 CSR Report, the company took into account the following factors:

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

With these factors in mind, members of each of Enbridge's Expert Reporting Groups:

- Environment & Climate Change
- Community Investment
- Community & Landowner Relations
- Aboriginal Relations

- Health & Safety
- Human Resources
- EGD Customer Services
- Governance
- Economic Benefits
- Spill Prevention & Response

met throughout the spring of 2011 to determine which topic areas were most material to Enbridge based on stakeholder interest and business impact.

Enbridge amalgamated the topic area into three materiality matrices: one for economic, one for environmental and one for social:

Economic Materiality Matrix				
		High	Medium	Low
Stakeholder Interest	High			<ul style="list-style-type: none"> <li>• Economic benefit to:               <ul style="list-style-type: none"> <li>• Customers</li> <li>• Aboriginal communities</li> <li>• Communities</li> <li>• Shareholders/Investors</li> </ul> </li> </ul>
	Medium		<ul style="list-style-type: none"> <li>• Economic benefit to:               <ul style="list-style-type: none"> <li>• Employees</li> <li>• Governments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Economic benefit to suppliers</li> <li>• Financial implications of climate change</li> </ul>
	Low			
Business Impact				

Environmental Materiality Matrix				
		High	Medium	Low
Stakeholder Interest	High		<ul style="list-style-type: none"> <li>• Air emissions</li> <li>• Fines/penalties</li> </ul>	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Energy use</li> <li>• Investing in renewables</li> <li>• Spills and releases/ Prevention and response</li> <li>• Pipeline integrity</li> <li>• Process safety</li> <li>• Emergency response</li> <li>• Public awareness and communication</li> <li>• Compliance with laws and regulations</li> </ul>
	Medium	<ul style="list-style-type: none"> <li>• Water use</li> <li>• Environmental expenditures</li> <li>• Land use</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity/Habitat protection</li> <li>• Reclamation</li> <li>• Hazardous waste</li> <li>• Pipeline route selection</li> </ul>	<ul style="list-style-type: none"> <li>• Remediation</li> <li>• Facility maintenance</li> </ul>
	Low	<ul style="list-style-type: none"> <li>• Material use</li> <li>• Water discharges</li> <li>• Non-hazardous waste</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Facility design</li> </ul>	
Business Impact				

Social Materiality Matrix				
		High	Medium	Low
Stakeholder Interest	High		<ul style="list-style-type: none"> <li>Employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Employee compensation</li> <li>Employee engagement</li> <li>Succession management</li> <li>Injury rates</li> <li>Stakeholder engagement</li> <li>Landowner relations</li> <li>Process safety management</li> <li>Contractor safety management</li> <li>Emergency response</li> <li>Indigenous rights</li> </ul>
	Medium	<ul style="list-style-type: none"> <li>Career transition services</li> </ul>	<ul style="list-style-type: none"> <li>Diversity</li> <li>Discrimination</li> <li>Pay equity</li> <li>Disease prevention/Industrial hygiene</li> <li>Traditional knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Employee turnover</li> <li>Performance management</li> <li>Recruitment</li> <li>Community development and investment</li> <li>Facility maintenance</li> </ul>
	Low	<ul style="list-style-type: none"> <li>Unions</li> <li>Child labour/Forced labour</li> </ul>	<ul style="list-style-type: none"> <li>Internal stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Absenteeism</li> </ul>
Business Impact				

The results of this exercise have influenced the structure of Enbridge's 2011 CSR Report microsite, as well as level of detail and analysis the company provides for each topic area. For example, Enbridge has provided the greatest level of detail and analysis for topic areas that the Expert Reporting Groups have determined to have high stakeholder interest and high business impact.

Enbridge plans to repeat the exercise each year to ensure that the company accounts for shifting levels of stakeholder interest and business impact.

To ensure that the information Enbridge included in its 2011 CSR Report met **stakeholder inclusiveness** guidelines, the company applied the following tests suggested by the GRI:

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

Enbridge's content passed these tests because it engaged the input of key employees through the CSR Expert Reporting Groups that it formed in early 2009.

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

One of the Expert Reporting Groups is responsible for providing input on Enbridge's community and landowner relations programs. Another is responsible for providing input on the company's Aboriginal relations programs.

Enbridge's content also passed the stakeholder pertinence tests based on an exercise the company hired Canadian Business for Social Responsibility to complete a couple of years ago. CBSR is a business-led, non-profit CSR consultancy and peer-to-peer learning organization that counsels its members on how to improve CSR performance.

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

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

To determine the **sustainability context** of the information Enbridge included in its 2011 CSR Report, it applied the tests suggested by the GRI:

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

To determine the **completeness** of the information Enbridge included in its 2011 CSR Report, it applied the tests suggested by the GRI:

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

Enbridge's CSR Report covers the activities of each of its business segments, but focuses on the assets that the company operates.


## GRI CONTENT INDEX

The following table identifies the location of the GRI Standard Disclosures on Enbridge's website, [www.enbridge.com/csr2011](http://www.enbridge.com/csr2011).

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

In preparing its 2011 CSR Report, Enbridge has addressed all of the GRI G3 Performance Indicators. Enbridge has also responded to each core G3 Indicator with due regard to the G3 "Materiality Principle." As a result of having met these requirements, and as per the Report Application Levels grid shown below, Enbridge has self-declared this report to be at the "A" application level. For more information on the GRI application levels, please visit [www.globalreporting.org/GRIReports/ApplicationLevels/](http://www.globalreporting.org/GRIReports/ApplicationLevels/).

### Report Application Levels

		2010 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared							
	Third Party Checked			Report Extremely Assured		Report Extremely Assured		Report Extremely Assured
	GRI Checked							

### Data Quality Statement

The information contained in the Enbridge 2011 Corporate Social Responsibility Report was supplied by subject matter experts from each of Enbridge's business segments. Where relevant, some information was sourced from Enbridge's 2010 Annual Report. Enbridge's internal auditors verified the statistics associated with Enbridge's energy consumption, greenhouse gas emissions, and spills and releases, health and safety performance and human resources statistics.

# GOVERNANCE, COMMITMENTS AND ENGAGEMENT

## GOVERNANCE (ENBRIDGE INC.)

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

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

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

## BOARD OF DIRECTORS

Enbridge's Board of Directors functions independently of management and is accountable to its shareholders. The Board of Directors comprises 12 Directors, 11 of whom are considered to be independent and one of whom also serves as Enbridge's President & CEO.

The Enbridge Board of Directors is ultimately responsible for governance at Enbridge and for Enbridge's overall stewardship. The Board has full power to oversee Enbridge's business affairs and management, particularly in key areas such as governance, strategic planning, risk management, succession planning and corporate disclosure.

### **The Board:**

- reviews and approves the strategic plan and provides guidance and monitors Enbridge's progress;
- monitors Enbridge's risk management programs and helps Enbridge identify principal risks;
- makes sure Enbridge has appropriate internal control and management systems in place to manage money, compliance and risk and that these systems are functioning appropriately;
- approves major projects, plans and initiatives that could materially affect Enbridge;
- approves all of Enbridge's major corporate communications policies, including Enbridge's corporate disclosure guidelines and all corporate disclosure documents; and
- appoints the CEO and other members of senior management, monitors senior management's performance and reviews the succession strategy for all senior management positions every year.

## BOARD COMMITTEES

Enbridge's Board has four standing committees:

**Audit, Finance & Risk Committee** – The principal function of this committee is to review Enbridge's quarterly and annual financial statements and recommend their approval or otherwise to the Board. Committee members, who are required to possess financial knowledge and experience, are also responsible for recommending the appointment of Enbridge's external auditor and for compensating, retaining and overseeing the external auditor. The external auditors report directly to the committee. The committee also supervises internal audit functions and monitors disclosure in the financial statements, communicates directly with both internal and external auditors, has overview responsibility for management reporting on internal controls, and meets with external auditors and internal auditors independently of management to discuss, among other things, their qualifications, independence and objectivity. The committee also recommends the approval of news releases of financial results, reviews all financial information and financial statements, reviews the Management Discussion & Analysis section of Enbridge's quarterly and annual financial reports and reviews the Annual Information Form.

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

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

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

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

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

One of the Governance Committee's objectives is to nominate a balanced mix of members to the Board who have the necessary experience and expertise to make a meaningful contribution in carrying out duties on behalf of the Board. The Governance Committee sets guidelines for recruiting new talent with criteria for relevant expertise, senior management experience or other qualifications, recognizing Enbridge's diversity goal of having more women and visible minorities on the Board.

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

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

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

## **EXECUTIVE AND DIRECTOR COMPENSATION**

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

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

Short-term incentive compensation for senior management is based on company, business segment and individual performance. Effective in 2011, company performance is measured by an annual earnings per share (EPS) target, as this metric best reflects Enbridge's overall corporate performance on an annual basis. EPS features prominently in the company's quarterly results discussions with external stakeholders and it is a metric that is broadly accepted by investment analysts and shareholders.



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

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

Enbridge compensates its directors (other than the CEO) in accordance with its directors' compensation plan. The main objectives of that plan are to attract and retain the most qualified individuals to serve as directors, to compensate directors to reflect the risks and responsibilities they assume when serving on the Board and Board Committees, and to offer directors compensation that is competitive with other comparable public companies. A further objective is to align the interests of directors with those of Enbridge's shareholders.

Enbridge's directors' compensation plan is based on annual retainers, rather than pay-for-performance. Annual retainers are paid in order to meet the directors' compensation objectives and help ensure the directors are unbiased when making decisions and carrying out their duties. While directors may elect to receive the annual retainer in the form of cash, Enbridge shares or Deferred Share Units (DSUs), a minimum portion of the retainer must be received in the form of DSUs. The DSUs serve to align the directors' interests with those of shareholders as the monetary benefit parallels the benefits received by the shareholders and cannot be accessed until directors resign from the Board.

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

## **COMMITMENTS TO EXTERNAL INITIATIVES**

### **United Nations Principle 15, the "Precautionary Approach."**

With the goal of establishing a new and equitable global partnership through the creation of new levels of cooperation among states, societies and people, and recognizing the integral and interdependent nature of the Earth, the United Nations adopted 27 principles at its Conference on Environment and Development in Rio de Janeiro in June 1992. Among these was Principle 15, the "Precautionary Approach," which states that:

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

While Enbridge has not formally adopted the precautionary approach, the company has informally done so by developing renewable and alternative energy solutions – in the form of wind, solar and geothermal power, waste heat recovery and integrated fuel cell technology.

Enbridge has also committed to stabilizing its environmental footprint at January 2009 levels in the areas on which the company has the greatest impact: on the trees it removes, the natural habitat it permanently alters, and the energy it uses to power its operations.

To that end, in May 2009, Enbridge announced that it would commit to three "Neutral Footprint" goals. Enbridge will:

1. Plant a tree for every tree it removes to build new pipelines and facilities.
2. Conserve an acre of land for every acre of natural habitat it permanently impacts.
3. Generate a kilowatt of renewable power for every kilowatt of power its operations consume.

In June 2011, Enbridge created a Neutral Footprint dashboard, which shows where the company stands with regard to these three commitments. Enbridge updates the dashboard quarterly.

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

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

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

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

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

- Alberta Chamber of Commerce
- Alberta Emerald Foundation
- American Association of Oil Pipelines
- American Gas Association
- American Petroleum Institute
- Association for Financial Professionals
- Atlantic Centre for Energy
- Canadian Association of Petroleum Producers
- Canadian Business for Social Responsibility
- Canadian Chamber of Commerce
- Canadian Defense and Foreign Affairs Institute
- Canadian District Energy Association
- Canadian Energy Efficiency Alliance
- Canadian Energy Pipeline Association
- Canadian Gas Association
- Canadian Petroleum Tax Society
- Canadian Solar Industries Association
- Canadian Standards Association
- Canadian Wind Energy Association
- Circle for Aboriginal Relations
- Common Ground Alliance
- Conference Board of Canada
- Energy Council/Center for Environmental Energy Research
- Energy Council of Canada
- 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
- Ontario Energy Association
- Petroleum Technology Alliance Canada
- Pipeline Research Council International
- Smart Commute Initiative (Toronto)
- Southern Gas Association
- 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 (Joliet, IL)
- Wisconsin Manufacturers & Commerce
- Wisconsin Taxpayers Alliance

## **STAKEHOLDER ENGAGEMENT**

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

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

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

- Associations and civil society groups
- Employees, contractors, unions, Board of Directors
- CSR rating organizations such as the Dow Jones Sustainability Index and Jantzi Research
- Customers (of Enbridge's pipeline and gas distribution businesses)
- Environmental non-governmental organizations
- Governments and government regulatory bodies in Canada and the U.S.
- Landowners

- Media
- Right-of-way communities, including Aboriginal and Native American communities
- Shareholders (retail and institutional investors)

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

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

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

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

Enbridge engages stakeholders proactively and on an ongoing basis.

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

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

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

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

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

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

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

# ***OVERALL MANAGEMENT APPROACH TO CORPORATE SOCIAL RESPONSIBILITY***

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

Enbridge has adopted a CSR Policy that covers business ethics and transparency; environment, health and safety; stakeholder relations; employee relations; human rights; and community investment. This policy applies to activities undertaken by, or on behalf of, Enbridge and its subsidiaries and affiliates, whose operations it manages, anywhere in the world.

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

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

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

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

# ECONOMIC PERFORMANCE

## *CSR IS INTEGRAL TO HOW WE RUN OUR BUSINESS AND IS AT THE HEART OF OUR SUCCESS.*

Energy is essential. It powers our society and economy. It moves people, goods and information. It fuels our cars, heats our homes and lights our neighbourhoods.

Enbridge exists to deliver the energy North Americans need – crude oil, natural gas, environmentally responsible power – safely, reliably and efficiently. That is our primary corporate social responsibility.

Enbridge transports and delivers this energy through its pipeline networks that connect vital sources of supply with refiners and consumers across the North American continent. Enbridge's existing infrastructure extends throughout Canada and the United States. This puts the company in a strong position to move energy from where it is found to where it is needed – growing North American and global markets.

Enbridge operates the world's longest, most complex crude oil and liquids pipeline system, shipping more than two million barrels of crude oil and petroleum products every day.

The company's natural gas gathering and transmission system spans the continent, from northern British Columbia to the ultra-deep water of the Gulf of Mexico, moving over six billion cubic feet of gas daily.

In addition to moving energy to where it is needed, Enbridge also delivers energy directly to the people who use it through Canada's largest natural gas distribution company, Enbridge Gas Distribution (EGD), which serves two million customers and is adding over 30,000 new customers every year. EGD has been delivering energy to consumers for over 160 years.

Moreover, Enbridge's portfolio of wind, solar, geothermal, fuel cell and waste heat recovery power generation facilities supports society's desire for a lower impact energy future and provides a broad renewable and alternative energy platform from which to grow.

For Enbridge, CSR is also about ensuring the company's financial strength. Enbridge's future growth is predictable. The steady growth of our liquids pipelines, natural gas transportation and distribution, and renewable and alternative energy businesses will continue to drive strong earnings growth and even more significant cash flow growth in coming years. The company has already secured a large portion of the projects that will help it achieve an expected 10 per cent average annual growth rate of adjusted earnings per share through the middle of the decade. The company brought over \$10 billion in projects into service over the past three years, has secured more than \$6 billion in projects that will come into service between 2011 and 2014, and has another \$30 billion in projects under development.

Over a period of almost 60 years, Enbridge has delivered a 13.6 per cent average annual return to shareholders and the company is focused on maintaining this strong track record. In 2010, Enbridge paid dividends of \$0.85 a share, or a total of \$648 million to Enbridge Inc. shareholders. The combination of dividend and capital gains equated to a total shareholder return in 2010 of 19.6 per cent.

Enbridge also delivers significant and quantifiable direct economic benefits to employees in the form of compensation, to communities in the form of donations and other investments, to governments in the form of taxes, and to customers in the form of access to markets and enhanced services.

Enbridge invests significantly in hundreds of charitable, non-profit and community organizations every year with the aim of building sustainable communities across its operating regions in Canada and the United States. Enbridge believes these investments – in 2010, they reached \$11.5 million – are an essential part of being a good neighbour and are a contributing factor in maintaining the company's social license to operate.

## GOALS AND PERFORMANCE

Economic Scorecard Results			
Objective	2010 Result	2009 Result	Challenges
1. Deliver superior long-term value to Enbridge shareholders as measured by Total Shareholder Return (TSR)	19.6% TSR (for more details, please see Part 1 of the Economic Scorecard Commentary below)	27.5% TSR (for more details, please see the 2010 CSR report)	Enbridge's value proposition is based on maintaining a reliable business model. However, Enbridge's business activities are subject to various risks. For details about Enbridge's risk profile, please see the section titled 'Risks' below, as well as GRI Performance Indicator section 'EC2'. For additional details on Enbridge's risk management practices and principal risks, please see the Risk Management section of Enbridge Inc.'s 2010 Annual Report.
2. Demonstrate high-quality and sustainable earnings per share growth	13% growth to \$2.66 of adjusted earnings per common share (for more details, please see Part 2 of the Economic Scorecard Commentary below)	25% growth to \$2.35 of adjusted earnings per common share (for more details, please see the 2010 CSR report)	
3. Payout a high proportion of earnings in the form of a growing dividend stream to Enbridge shareholders	\$0.85 per common share, up 15% year over year (for more details, please see Part 3 of the Economic Scorecard Commentary below)	\$0.74 per common share (for more details, please see the 2010 CSR report)	
4. Establish a long-term track record of growth in supporting the communities in which Enbridge operates	Invested \$11.5 million in more than 350 charitable, non-profit and community organizations (for more details, please see Part 4 of the Economic Scorecard Commentary below)	Invested almost \$10 million in more than 350 charitable, non-profit and community organizations (for more details, please see the 2010 CSR report)	



## ECONOMIC SCORECARD COMMENTARY – 2010

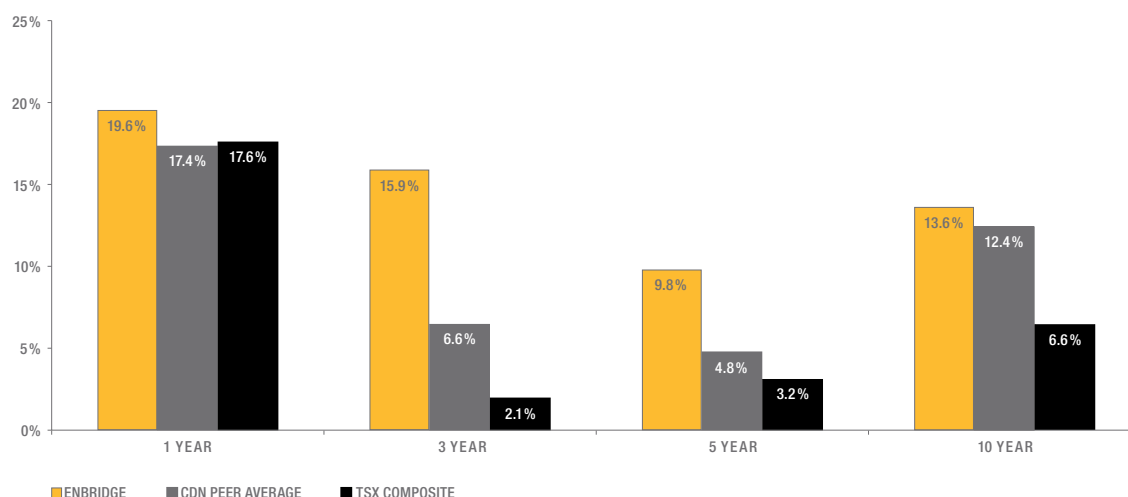
Note: Where relevant, figures in this commentary section have been adjusted to account for the 2-for-1 stock split that took effect on May 20, 2011.

### 1. DELIVER SUPERIOR LONG-TERM VALUE TO ENBRIDGE SHAREHOLDERS AS MEASURED BY TOTAL SHAREHOLDER RETURN (TSR)<sup>1</sup>.

During 2010, Enbridge achieved a solid 19.6 per cent TSR as a result of the company's growing earnings and dividends and its lower risk profile when compared to its Peer Group<sup>2</sup>. Enbridge's Peer Group averaged a TSR performance of 17.4 per cent during 2010. Enbridge also outperformed the TSX index during 2010 by nearly two per cent. Further, over a longer term horizon (three, five and 10 years), Enbridge has consistently outperformed both the TSX index and the Peer Group as indicated in the chart below.

#### TOTAL SHAREHOLDER RETURN – TSX

As at December 31, 2010



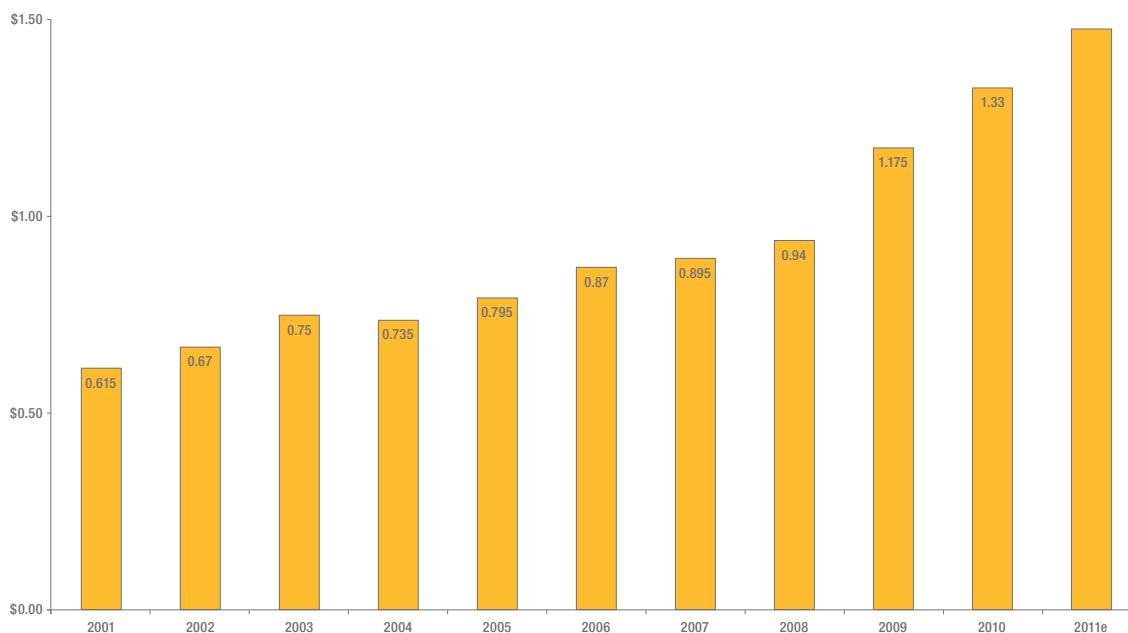
1 Total Shareholder Return: the total return of a stock to an investor that includes both capital gains and re-invested dividends.

2 Peer Group: Canadian Utilities, Fortis, TransCanada, TransAlta and Emera.

## 2. DEMONSTRATE HIGH-QUALITY AND SUSTAINABLE EARNINGS PER SHARE GROWTH.

The diversity of Enbridge's businesses and strategic positioning of its assets contribute to the reliability of the company's growth. Adjusted earnings<sup>3</sup> per share (EPS) grew 13 per cent in 2010, and are expected to grow by 10 per cent per year on average through the middle of the decade. In addition, Enbridge's track record for EPS growth over the last decade has averaged about 10 per cent per year as indicated in the chart below.

### 10-YEAR ADJUSTED EARNINGS PER SHARE GROWTH



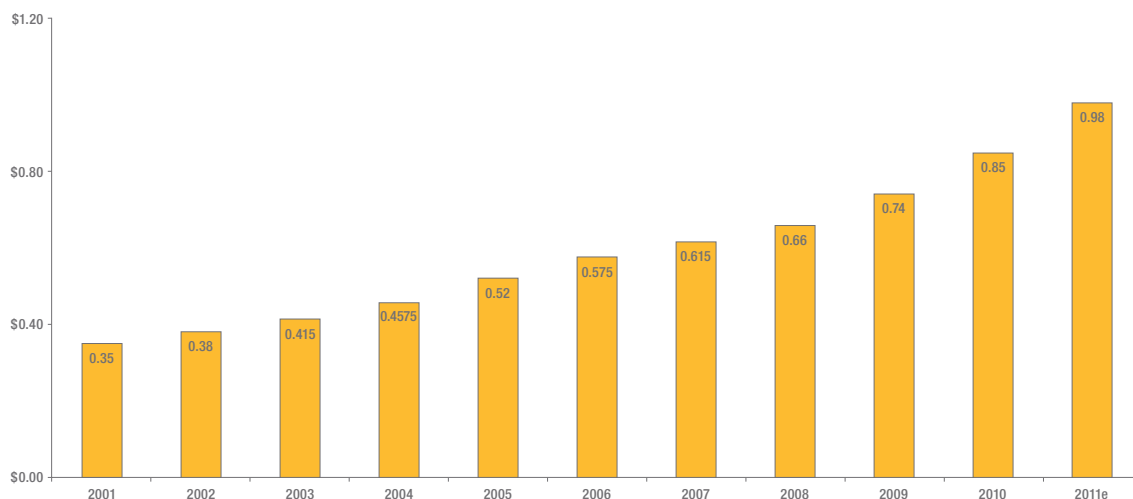
\*2011 earnings per share guidance range: \$1.375 to \$1.475.

- Adjusted Earnings: This document contains references to adjusted earnings/(loss), which represent earnings or loss applicable to common shareholders adjusted for non-recurring or non-operating factors on both a consolidated and segmented basis. Management believes that the presentation of adjusted earnings/(loss) provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted earnings/(loss) to set targets, assess performance of the company and set the company's dividend payout target. Adjusted earnings/(loss) and adjusted earnings/(loss) for each of the segments are not measures that have a standardized meaning prescribed by Canadian GAAP and are not considered GAAP measures; therefore, these measures may not be comparable with similar measures presented by other issuers. See the Non-GAAP Reconciliations section on page 106 of the 2010 year end [Management Discussion & Analysis](#) for a reconciliation of the GAAP and non-GAAP measures.

**3. PAYOUT A HIGH PROPORTION OF EARNINGS IN THE FORM OF A GROWING DIVIDEND STREAM TO ENBRIDGE SHAREHOLDERS.**

Enbridge's record in this category is unmatched in its sector. The 15 per cent dividend increase the company announced in December 2010 was its 16th consecutive annual increase. Over the last decade, Enbridge's dividend growth has significantly outperformed that of its peers and the company is focused on continuing this performance. It is expected that dividend growth will track or exceed earnings growth through the middle of the decade.

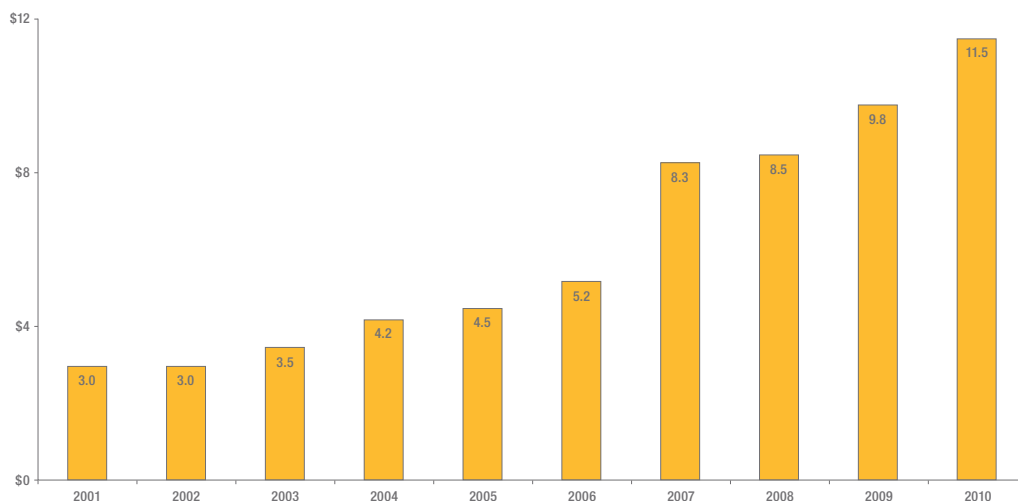
**10-YEAR HISTORICAL DIVIDEND PER SHARE GROWTH**



**4. ESTABLISH A LONG-TERM TRACK RECORD OF GROWTH IN SUPPORTING THE COMMUNITIES IN WHICH ENBRIDGE OPERATES.**

In 2010, Enbridge invested \$11.5 million in more than 350 charitable, non-profit and community organizations. This investment amount is growing with corporate earnings, and represents over one per cent of Enbridge's profits.

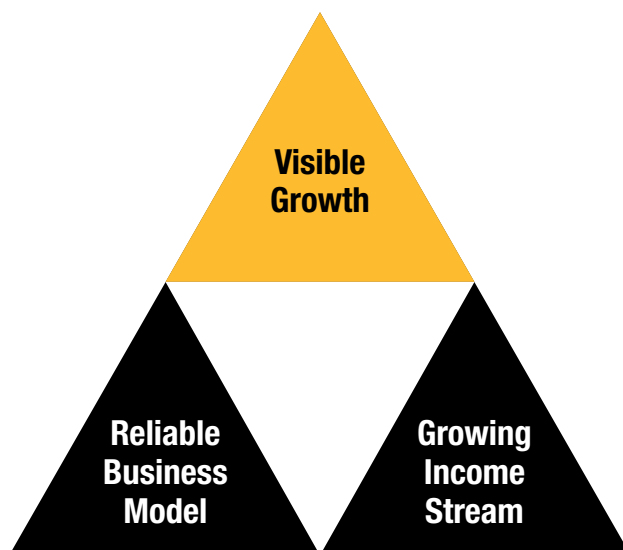
**10-YEAR HISTORICAL COMMUNITY INVESTMENT (\$ MILLIONS)**



## CORPORATE STRATEGY

### Enbridge's Investment Proposition

Enbridge's unique investment proposition is based on an overarching strategy that brings together three desirable characteristics: Growth, Income and Reliability.



This combination has served the company and shareholders well. Enbridge's long history of successfully implementing this strategy is evidenced by its sector leading total shareholder return, whether measured on a one-year, 10-year or even a 55-year basis.

Enbridge expects to continue to build on its strong track record of growth through the middle of this decade, with a full slate of potential investment opportunities that fit within the reliable business model that the company's investors have come to count on.

### VISIBLE GROWTH

Enbridge has established a clear track record of earnings growth over time. This has been fueled by successfully bringing new assets into service to expand the company's strategic infrastructure footprint. Further, the company has significant future growth opportunities ahead of it, given the ongoing need for energy infrastructure development.

#### Asset Growth

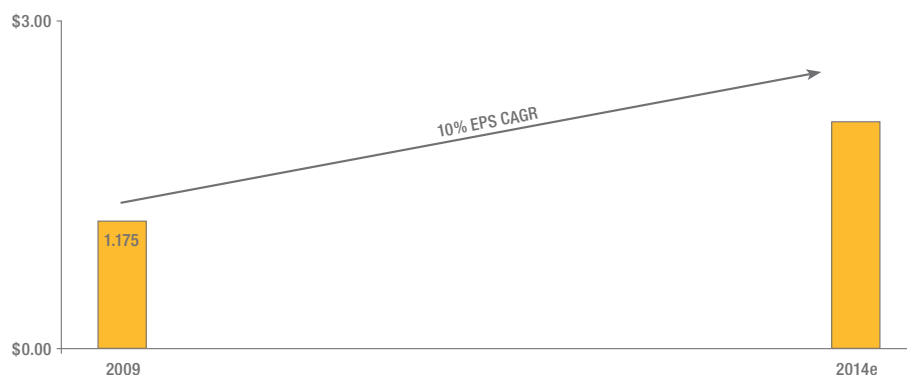
- \$10+ billion of projects placed into service in 2009/2010
- \$6 billion of commercially secured projects to come into service by 2014
- \$30+ billion of additional projects under development

As a result of these new projects, earnings per share have grown steadily over time at an attractive rate. Further, given the prospect for additional projects, Enbridge expects to see that growth rate continue through at least the middle of the decade.

#### Earnings Growth

- 10 per cent average earnings per share (EPS) growth over the last decade
  - o 25 per cent EPS growth in 2009
  - o 13 per cent EPS growth in 2010
- 10 per cent expected average EPS growth from 2009 through the middle of the decade

### LONG-TERM EARNINGS PER SHARE GROWTH



CAGR: Compound Annual Growth Rate

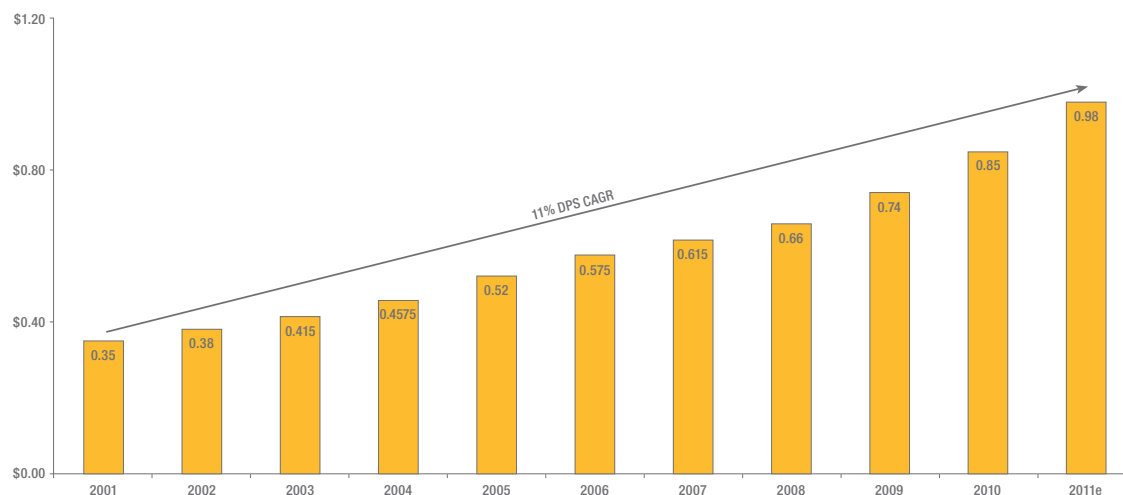
Along with higher EPS, the company's healthy slate of growth projects is expected to drive an even greater growth in its cash flows. Enbridge's ability to generate free cash flow adds further value to its shareholders by allowing the company to fund its growth projects internally rather than through dilutive equity issuances.

### GROWING INCOME STREAM

At no point in the company's long history has it ever decreased its dividend payment. In fact, the dividend has been increased each of the last 16 years, and over the past decade the dividend has grown on average by 11 per cent. The dividend provides an attractive yield to the investor, and given the expected growth in earnings and free cash flow, Enbridge expects to continue to grow the dividend through the middle of the decade.

- 15 per cent dividend increase in 2010 and 2011
- Expected continued dividend growth in line with or exceeding earnings (10+ per cent per year)

### DIVIDEND PER SHARE GROWTH 2001 – 2011e



DPS CAGR: Dividend per Share Compound Annual Growth Rate

## RELIABLE BUSINESS MODEL

Enbridge looks to consistently structure its business to reliably deliver steady, visible and predictable results. This is evidenced in its contractual arrangements, its risk management frameworks, and its overall philosophy and approach to business.

- 85 per cent of the company's earnings come from rate-regulated businesses
- 60 per cent of the remaining earnings come from long-term take-or-pay contracts
- 90+ per cent of the company's revenues are generated from investment grade counterparties
- 5 per cent corporate Earnings at Risk limit for commodity price, interest rate and foreign exchange exposures over the next 12 months

For more information on Enbridge's corporate strategy, industry fundamentals, growth projects and company performance, please see the company's 2010 year-end Management Discussion and Analysis.

## ECONOMIC PERFORMANCE INDICATORS

### ECONOMIC PERFORMANCE

#### EC1

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

#### SUMMARY TABLE OF DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Enbridge Inc.	2010 (\$million)	2009 (\$million)	2008 (\$million)
Revenues	15,127	12,466	16,131
Commodity costs	11,291	9,011	12,792
Operating and administrative expenses	1,466	1,430	1,312
Adjusted earnings <sup>1</sup>	984	855	677
Payments to shareholders <sup>2</sup>	648	555	489
Payments to lenders <sup>3</sup>	711	656	607
Total compensation <sup>4</sup>	813	786	691
Donations and other community investments <sup>5</sup>	11.5	10	9
Payments to governments <sup>6</sup>	233	325	269

1. Adjusted earnings is a non-GAAP measure representing earnings attributable to common shareholders adjusted for non-recurring factors.

2. Includes cash dividends and dividends reinvested through the Common Share Dividend Reinvestment and Share Purchase Plan.

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

4. Includes amounts for annual payroll, annual incentive rewards, employee benefits, employee training and development, and employee relocations.  
At December 31, 2010, Enbridge had 6,345 employees.

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

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

For information pertaining to Enbridge Income Fund Holdings Inc., please visit [www.enbridgeincomefund.com](http://www.enbridgeincomefund.com); to Enbridge Energy Partners, please visit [www.enbridgepartners.com/eep/](http://www.enbridgepartners.com/eep/); and to Enbridge Energy Management, please visit [www.enbridgemanagement.com/eeq/](http://www.enbridgemanagement.com/eeq/).

## **DISCUSSION ON DIRECT STAKEHOLDER ECONOMIC VALUE ADDED**

In helping to satisfy society's need for secure supplies of energy through Enbridge's core business of transporting natural gas and petroleum products, the company's activities provide a significant and quantifiable direct economic benefit to a broad group of stakeholders.

### **Shareholders / Lenders**

Enbridge Inc. shareholders realize returns through a combination of capital appreciation and dividends. 2010 was another strong year for share price performance on the Toronto Stock Exchange. Investors holding Enbridge Inc. stock for the entire year realized share price appreciation of 15.7 per cent. As a result, Enbridge's overall market value increased by \$3.8 billion to \$21.7 billion. Furthermore, in 2010, Enbridge paid dividends of \$0.85/share, or a total of \$648 million to Enbridge Inc. shareholders. The combination of dividend and capital gains equated to a total shareholder return of 19.6 per cent in 2010.

Ongoing support for Enbridge's share price comes in part from investor indices that provide business rankings based on information about the social, ethical and environmental policies and practices of organizations. These indices are based on the concept that a company's commitment to CSR will sustain and grow long-term shareholder value. As a result, a certain segment of investors choose to direct their investments towards these companies. Enbridge is included in the following indices:

- Dow Jones Sustainability Index (North America)
- Ethibel Sustainability Indices (ESI) – Pioneer and Excellence
- FTSE4Good Index
- Jantzi Social Index (JSI)
- Carbon Disclosure Project

Enbridge Inc. lenders realize returns through interest payments on short- and long-term debt and repayment of principal at maturity. Enbridge Inc. once again met all contractual debt obligations for the year. Interest payments made to lenders during 2010 totaled \$711 million.

For information on shareholder/unitholder returns for Enbridge Income Fund Holdings Inc., please visit [www.enbridgeincomefund.com](http://www.enbridgeincomefund.com); for Enbridge Energy Partners, please visit [www.enbridgepartners.com/eeep/](http://www.enbridgepartners.com/eeep/); and for Enbridge Energy Management, please visit [www.enbridgemanagement.com/eeq/](http://www.enbridgemanagement.com/eeq/).

### **Employees**

Enbridge's business operations provide jobs and contracting opportunities in many communities in Canada and the U.S. Headquartered in Calgary, Enbridge has major offices in Edmonton, Toronto and Houston and numerous field offices in its areas of operations. Combined, Enbridge has over 6,300 employees. In 2010, Enbridge's payments to employees for salary as well as annual incentive programs totaled approximately \$633 million. The company also provides direct economic benefits to employees through savings plans, retirement/pension plans, training programs, as well as health benefit plans. The value of these totaled \$180 million in 2010.

For more information on Enbridge's employment practices, please refer to the section 'Social Performance: Labour Practices and Decent Work' of this report.

### **Community**

Directed by its social vision statement, Enbridge concentrates its investments in focus areas that contribute to enriching its communities.

Through 2010, Enbridge grouped its community investment activities by four focus areas: Education; Health & Safety; Environment; and Culture & Community. In early 2011, Enbridge further refined the definition of its focus areas, expanding them to six, as follows: Arts and Culture; Community Leadership; Lifelong Learning; Natural Legacy; Safe Community; and School Plus. For descriptions of these six areas, please see 'Policy' in the 'Social Performance: Society' section of this report.

By investing in each of these key areas with its dollars, partnerships and human capital, Enbridge is able to support organizations that contribute to the economic and social development of communities near the company's operations. Enbridge believes these investments are essential to being a good neighbour and are a contributing factor in maintaining the company's social license to operate.

Enbridge partners with charitable and non-profit organizations in its various geographic regions in Canada and the U.S. that have the skills and expertise to effect change.

In the year ended December 31, 2010, Enbridge's actual enterprise-wide Community Investment expenditure totaled \$11.5 million, which the company invested in more than 350 charitable, non-profit, and community organizations. This total represents over one per cent of Enbridge's profits in 2010.

Other direct economic community benefits, although more difficult to quantify, arise as a result of new projects in and around Enbridge's right-of-way communities. These include job creation, skills training, as well as the purchase of goods and services in and around those communities. Please see 'EC9' for recent examples of projects highlighting these direct and indirect economic benefits.

For more information on Enbridge's community investment, please refer to the section 'Social Performance: Society' of this report.

### Government

As a result of its operations within communities across North America, Enbridge pays income, property, business and other required taxes to local, state, provincial and federal governments in Canada and the U.S. These funds are ultimately used in part to fund and operate public services and infrastructure, both locally and nationally. In 2010, Enbridge paid \$108 million in income taxes and \$125 million in property, business and other required taxes in the two countries.

### Customers

Enbridge's gas distribution business provides close to 2 million customers in Canada and upper New York State with access to one of the lowest cost, and cleanest burning, fuel sources – natural gas. Accessing this essential service at a lower cost helps families to manage their cost of living.

Ontario-based Enbridge Gas Distribution (EGD) has returned over \$44 million to customers through the incentive regulation sharing model, which entered its fourth year in 2011. This agreement has benefited Enbridge's customers and improved returns to shareholders. EGD is one of the fastest growing utilities in North America, adding over 30,000 new customers a year. (For more information on incentive regulation, please see page 63 of the company's 2010 year-end [Management Discussion and Analysis](#).)

Enbridge also works with its gas distribution customers through its Demand-Side Management (DSM) Programs to increase the efficient use of valuable energy resources, thereby further reducing each household's costs, while at the same time reducing environmental impact. Since 1995, EGD has helped customers reduce their natural gas cumulative consumption by about 6.1 billion cubic metres through participation in its DSM Programs (the equivalent of enough gas to supply approximately 1.9 million homes<sup>1</sup> for one year) and net energy savings to customer of approximately \$1.9 billion. Through these DSM activities, EGD has helped its customers avoid cumulatively approximately 11.5 million tonnes of carbon dioxide emissions<sup>2</sup>. Measures like these move Enbridge closer to realizing its emission reduction targets, despite the pressures of significant growth in its customer base.

<sup>1</sup> Assumes a typical residential customer uses 3,064 m<sup>3</sup> per year to heat their home and water

<sup>2</sup> Assumes 1.89 kgs of CO<sub>2</sub> are emitted for each m<sup>3</sup> gas that is consumed

Enbridge's activities also provide a direct, yet not so easily quantifiable, economic benefit to its hydrocarbon transportation customers. Every day through its energy transportation systems in Canada and the U.S., Enbridge provides its energy producer customers with direct access to markets. Pipelines are the lowest cost and safest transportation solution for large volumes of hydrocarbons. Without this infrastructure, these customers would not be able to achieve the netback pricing that they do for their products. Furthermore, their resulting increased profitability in turn can lead to their growth, which can in turn lead to increased employment and community investment.



## EC2

*Financial implications and other risks and opportunities for the organization's activities due to climate change.*

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

### **1. INCREASED REGULATORY BURDEN RESULTING FROM GOVERNMENTS' RESPONSE TO CLIMATE CHANGE AND THE IMPERATIVE TO REDUCE GHG EMISSIONS**

The GHG-related regulations under which the company will have to operate in the future will most likely conform in a broad sense to the final U.S. regulations currently being debated in the U.S. Senate.

Regulatory risks to the company include the issue of local gas distribution companies being required to take responsibility for their customers' emissions from the use of natural gas. Under the proposed cap-and-trade system, the company likely will also be managing both the free allocation and purchase of credits on behalf of customers, a function that companies such as Enbridge Gas Distribution have not traditionally been required to do.

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

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

### **2. THE LONG-TERM DRIVE TOWARD A MORE CARBON CONSTRAINED FUTURE AND LESS RELIANCE ON FOSSIL FUELS**

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

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

Increased investment in renewable and alternative energy is expected to provide opportunities for Enbridge in the longer term and contribute to offsetting the risks associated with a carbon-constrained future. Electricity generation from renewable sources is the fastest growing segment of Enbridge's business.

### **3. THE IMPACTS OF INCREASED SEVERE WEATHER EVENTS ON ENBRIDGE'S INFRASTRUCTURE SYSTEM**

The most severe weather events that Enbridge operations experience are hurricanes along the Texas Gulf coast. However, Enbridge systems are part of a broadly based logistics network that connects producers to consumers, where all parties are aligned in their contingency planning to shut-down in advance of severe storms and resume operations and energy supply as a first priority, following the storm event, thus limiting impacts.

### **4. INVESTOR RISK**

There is a growing pool of investment capital worldwide that is dedicated to investments in environmentally responsible and sustainable companies. Further, Enbridge is experiencing growing interest in its business from CSR rating services whose reports can influence these investors' perceptions. Enbridge believes that its ability to respond in a timely and transparent manner to requests for information regarding its environmental commitment enhances its corporate reputation. Enbridge's policy is clear on establishing targets to offset impacts and publicly reporting on progress.

## 5. TECHNOLOGY DEVELOPMENTS

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

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

### Opportunities arising from climate change

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

- With an increased focus on demand-side management activities and conservation, the company's recognized expertise in this area is expected to provide a good platform for growth and for offering fee-for-service services to current customers and others.
- There will be increased opportunities for select "green" energy delivery services in the realm of district energy, which will change the way customers will receive energy in the future. Services along these lines may be offered to third parties.
- As Enbridge's customers become more aware and educated about their carbon exposure issues, the company is expected to be in a strong position to be able to help them manage their emissions, thus creating a stronger link with them for further collaborative activities.
- Enbridge is involved in seven wind power projects, three solar farms, four waste heat recovery facilities, and one geothermal facility. Together, these projects have a combined capacity of more than 850 megawatts, which is enough electricity to meet the power requirements of about 300,000 homes, while also avoiding the emissions of over 1.5 million tonnes of CO<sub>2</sub>e each year. Enbridge expects future wind and solar opportunities to come through expanding its existing operations, as well as developing new greenfield projects near Enbridge operations throughout North America, particularly where operating synergies can be applied.
- In 2008, Enbridge officially launched the world's first hybrid fuel cell power plant that is designed for gas utility pressure reduction stations. The plant harvests pipeline energy that would otherwise be wasted and the fuel cell operates without burning any fuel to produce about 2.2 megawatts of environmentally preferred, near zero-emissions electricity – enough to serve about 1,700 homes. Enbridge has exclusive North American distribution rights for the hybrid fuel cell technology. Enbridge plans to replicate the plant throughout its distribution network in Ontario and market the hybrid fuel cell to other natural gas pipeline companies in North America.
- Enbridge is active in two carbon capture and sequestration projects: one in Alberta in partnership with a coal-fired electricity generator, and the other in Saskatchewan, as one of five participants in the Saskatchewan Aquistore project, which is managed by the Petroleum Technology Research Centre. These initiatives are expected to play a major role in advancing industry and government's knowledge of CO<sub>2</sub> capture and sequestration.

## EC3

### *Coverage of the organization's defined benefit plan obligations.*

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

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

The company remains able to pay the current benefit obligations using cash from operations. Please see [Note 27](#) to Enbridge's Consolidated Financial Statements for the year ended December 31, 2010, which appears on pages 153-158 of the 2010 Annual Report, for disclosure of the difference between the actual and the expected results for the past two years.

Funding in 2011 will be approximately \$74 million.

## EC4

### *Significant financial assistance received from government.*

Enbridge sells the power that it produces from its Ontario renewable energy projects (listed in the table below) to the Ontario Power Authority (OPA) under long-term – generally, 20-year – Power Purchase Agreements. The contracted power prices per MWh for these projects are currently higher than the market rates for the Ontario wholesale electricity market, and are generally comparable to the prices paid by the OPA under their new Feed-in Tariff (FIT) program. For more information on the FIT program, please visit their website at [fit.powerauthority.on.ca](http://fit.powerauthority.on.ca).

Enbridge also receives incentives for energy production over a 10-year period for three projects under the Government of Canada's ecoENERGY for Renewable Power program. Under the program, the Sarnia Solar project receives \$5 per MWh for energy production, while the Enbridge Ontario Wind and Talbot Wind projects receive \$10 per MWh.

In the U.S., the Cedar Point wind project will qualify for the U.S. Department of the Treasury 1603 grant program, under which the project is expected to receive a cash grant of up to 30 per cent of the project capital costs upon completion of the project.

### ENBRIDGE'S RENEWABLE ENERGY PROJECTS

#### Ontario Green Energy Projects

	Output	Capital Cost	Status
Enbridge Ontario Wind	190 MW	\$500 million	Operating
Sarnia Solar – Phase I	20 MW	\$100 million	Operating
Sarnia Solar – Phase II	60 MW	\$300 million	Operating
Talbot Wind	100 MW	\$285 million	Operating
Greenwich Wind	100 MW	\$275 million	Under construction
Tilbury Solar	5 MW	\$20 million	Operating
Amherstburg Solar	15 MW	\$70 million	Operating
Total	470 MW	\$1.5 billion	

#### U.S. Green Energy Projects

	Output	Capital Cost	Status
Cedar Point Wind	250 MW	US\$500 million	Operating
Neal Hot Springs Geothermal Project	23 MW (net)	US\$500 million	Under construction

Enbridge is a partner along with TransAlta and Capital Power in Project Pioneer, which when completed will be a large-scale carbon capture and storage facility at a coal-fired generating station located west of Edmonton. In total, Project Pioneer will receive \$779 million in public funding, with the Government of Canada contributing \$343 million through the Clean Energy Fund and ecoEnergy Technology Initiative. The Government of Alberta will commit \$431 million to the project, including 10 years of operating expenses. The Global Carbon Capture and Storage Institute has agreed to contribute \$5 million to advancing carbon capture and storage knowledge on the project.

Enbridge is leading an industry and government consortium in the development of CO<sub>2</sub> Slurry Pipeline Project. The consortium has been awarded \$1 million from the Government of Alberta through the ecoTrust Fund to advance the initiative.

Enbridge is a consortium member of Project Aquistore, a carbon capture and storage research project led by the Petroleum Technology Research Centre in Saskatchewan. Project Aquistore has received \$5 million from the Government of Canada through the Sustainable Technology Development Corporation as well as a \$5 million commitment from the Government of Saskatchewan through the Go Green Fund. Project Aquistore has also applied for \$9 million from NRCAN through the ecoEnergy Technology Initiative (ecoETI).

Enbridge receives no other financial assistance from governments other than as described above.

## MARKET PRESENCE

### EC5

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

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

- Alberta – \$16.48 – \$27.30 per hour
- Ontario – \$21.64 – \$27.30 per hour
- Texas – USD \$13.91 – USD \$27.30 per hour

Minimum wages at these locations are as follows:

- Alberta – \$8.80 per hour
- Ontario – \$10.00 per hour
- Texas – USD \$7.25 per hour

### EC6

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

Enbridge's CSR Policy states that "Enbridge will strive to provide employment and economic opportunities in the communities where we operate."

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

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

For example, over the last four to five years, Enbridge Major Projects has sourced finished pipe worth approximately \$1.5 billion from Canadian-located manufacturing facilities. This has had positive impacts on local businesses and the people they employ. At any given time during Enbridge's pipe production, these manufacturers could employ approximately 700 employees in their facilities working directly on Enbridge's pipeline manufacturing needs. Additionally, there would be a number of businesses and workers that would be positively impacted indirectly by this local pipe production.

Furthermore, as part of its Aboriginal and Native American Policy, Enbridge commits to offering sole-sourced contracting opportunities to qualified Aboriginal and Native American suppliers and contractors where appropriate, and encourage joint venture opportunities between Aboriginal/Native American businesses and non-Aboriginal/Native American businesses when it builds capacity and supports mutual business interests.

### EC7

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

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

Through its Aboriginal and Native American Policy, Enbridge commits the company to implementing measures to enable Aboriginals and Native Americans to become part of its permanent workforce at a level that is representative of regional demographics and encompasses a wide spectrum of career levels. For information on Enbridge's approach to Aboriginal economic development, please refer to the section 'Social Performance: Society – SO1 – Aboriginal & Native American Relations' of this report.

## INDIRECT ECONOMIC IMPACTS

### EC8

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

Energy is the great enabler and is fundamental to almost everything people do. Yet, in developing countries, access to and affordability of energy can be prohibitive and has a very real impact on the quality and length of life of people in those countries. Enbridge, through the energy4everyone Foundation (e4e), is making a very real and positive difference by applying its industry knowledge and collaborative relationship-building approach in Canada and abroad.

With a vision of empowering people and communities to improve their own lives by providing energy to everyone, e4e seeks to implement practical and sustainable solutions to improve access to energy for communities in need. Since its inception in 2009, the Foundation had completed eight projects, improving access to energy for approximately 23,000 people (as of April 2011).

e4e self-manages several projects in Ghana, including a micro financing project that allows women to purchase high-efficient charcoal stoves for fish smokers and a project to support an orphanage with similar stoves and solar light. 2010 also saw an e4e co-leader work in Tanzania for six months, developing connections and managing a program that provided PV solar power and lighting where no grid access is available and improved cooking facilities for one medical clinic, four schools, one orphanage and seven teachers' residences. e4e also supports program work of other established and experienced result-oriented Canadian charities, specifically in Costa Rica, Peru and Nicaragua.

For more information on energy4everyone and the projects in which it is currently engaged, please visit e4e's website at <http://www.energy4everyone.com>.

### EC9

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

Pipeline construction is one way that Enbridge generates positive direct economic benefits.

However, the company's pipeline projects also provide significant related indirect economic benefits to stakeholders, such as surrounding communities. For example, it is estimated that in the U.S. in 2009, the construction of the Alberta Clipper and Southern Lights projects created more than 3,000 temporary construction-related jobs. The workers hired for these jobs earned family-supporting wages and benefits and made purchases estimated to total more than \$60 million at lodging facilities, restaurants, gasoline service stations, laundry facilities, convenience stores and other retail establishments, all of which provided an economic boost to communities along the pipeline right-of-way.

In another recent example, on Enbridge's upstream projects (projects north of Edmonton), the total value of economic opportunities provided to the Aboriginal community in 2010 was \$7.7 million. This was comprised of \$7.2 million paid in direct and indirect employment, and \$500,000 for contracting work. In total, 245 Aboriginal people were employed during 2010, representing about 31 per cent of the upstream projects' construction workforce.

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

Another excellent example of a project that will contribute significant direct and indirect economic benefits to the communities along its right-of-way, and other stakeholders across the country, is Enbridge's Northern Gateway Pipelines project. Please refer to its stand alone CSR report (<http://csr.enbridge.com/northerngateway2010/>) for further details.

For more information on the direct economic benefits that Enbridge generates, please see EC1 above.

# ENVIRONMENTAL PERFORMANCE

## ***OUR APPROACH TO CSR INCLUDES CONDUCTING OUR BUSINESS IN AN ENVIRONMENTALLY SUSTAINABLE MANNER.***

Enbridge takes great pride in meeting its primary social responsibility of safely and reliably delivering energy to people. This service has immeasurably improved the lives of North Americans and has enabled a quality of life that none of us could have attained without it. Enbridge looks forward to continuing to provide this service for many years to come.

At the same time, Enbridge recognizes that its relationship with hydrocarbons comes with great responsibilities. These include reducing its own use of these fuels, minimizing its environmental impact and improving safety for its employees and the communities it serves.

In July 2010, Enbridge experienced the most serious environmental incident in our long history – the leak of approximately 20,000 barrels of crude oil on our Line 6B pipeline near Marshall, Michigan. We immediately accepted responsibility and made a clear commitment to local residents: to clean up the spill and address the impacts on the environment and to the people of Marshall, Battle Creek and area. Enbridge is more resolved than ever to meet our responsibilities and live up to and exceed the expectations of our stakeholders.

Enbridge is also resolved to lead the way in not only helping others use hydrocarbons responsibly, but in finding alternative and renewable energy sources that have less impact on the environment.

Enbridge continues to make significant investments in renewable and alternative energy technologies. Enbridge is involved in seven wind power projects, three solar farms, four waste heat recovery facilities, one geothermal facility and integrated fuel cells. Together, these projects have a combined capacity of over 865 megawatts, which is enough electricity to supply the equivalent of about 300,000 homes. Enbridge's renewable and alternative energy investments also result in the avoidance of over 1.5 million tonnes of greenhouse gas emissions each year.

The company is also involved in several initiatives in Canada that are investigating the feasibility of the long-term commercial sequestration of CO<sub>2</sub> in deep saline aquifers, which is widely considered to be one of the most immediate, feasible and meaningful ways to reduce greenhouse gas emissions on a large scale and address the challenges posed by climate change.

For its part, Enbridge Gas Distribution is working with its customers through its demand-side management (DSM) programs to increase the efficient use of valuable energy resources, thereby further reducing each household's costs, while at the same time reducing environmental impact. Since 1995, EGD has helped customers reduce their natural gas cumulative consumption by about 6.1 billion cubic metres through participation in its DSM programs (the equivalent of enough gas to supply approximately 1.9 million homes for one year) and net energy savings to customer of approximately \$1.9 billion. Through these DSM activities, EGD has helped its customers avoid cumulatively approximately 11.5 million tonnes of carbon dioxide emissions. Measures like these also move Enbridge closer to realizing its emission reduction targets, despite the pressures of significant growth in its customer base.

Enbridge has also formally committed to stabilizing its own environmental footprint as of January 2009. Enbridge's Neutral Footprint initiative is designed to offset the impacts to trees and natural habitat when we construct new projects. In addition, Enbridge will generate renewable electricity proportional to consumption by our operations a strategic approach to CSR that benefits all of the company's stakeholders.

## GOALS AND PERFORMANCE

Environment Scorecard Results				
Objective	2010 Result	2009 Result	Details available in GRI Performance Indicator Section	Challenges
Reduce Canadian absolute direct GHG emissions to 20% below 1990 levels by 2010.	21% reduction from 1990 levels.	23% reduction from 1990 levels.	EN18	Operational growth. Diversity of operations.
Develop enterprise-wide carbon data and GHG management strategies.	Implementation under way. System will be operational by Q1 2012.	Continued development of a comprehensive carbon management strategy that will include further actions to reduce direct emissions.	EN18	Operational differences between jurisdictions. Company-wide growth.
Help customers use energy wisely through demand-side management programs.	Saved about 65 million cubic metres of natural gas (enough to supply about 21,000 homes with natural gas for a year)	Saved over 74 million cubic metres of natural gas (enough to supply about 24,000 homes with natural gas for a year)	EN26/EN27	Enbridge can encourage customer efficiency but cannot enforce it.
Invest in renewable and alternative energy technologies.	<p>Achieved commercial operation of the 80-megawatt (MW) Sarnia Solar Project, one of the largest photovoltaic solar energy facilities in North America</p> <p>Acquired majority interest in the 99-MW Greenwich Wind Energy Project in Ontario, which is scheduled to begin operations by the end of 2011</p> <p>Announced investment in the 250-MW Cedar Point Wind Energy Project in Colorado, which is scheduled to begin operations by late 2011</p> <p>Invested in the 35-MW Neal Hot Springs Geothermal Project in Oregon (to be completed in late 2012)</p> <p>In Ontario in the first half of 2011, completed the 99-MW Talbot Wind Project; and acquired the 5-MW Tilbury Solar Project (completed in 2010) and 15-MW Amherstburg II Solar Project (to be completed in late 2011)</p>	<p>Acquired the 99-MW Talbot Wind Project in Ontario.</p> <p>Invested in the 80-MW Sarnia Solar facility.</p>	EN6	<p>Identifying opportunities and applying technologies.</p> <p>Competitive rates of return for renewable and alternative energy projects.</p>
Lead climate change solutions.	In June 2010, announced participation in the development of Project Pioneer, Canada's first fully-integrated carbon capture and storage project involving retro-fitting a coal-fired electricity plant.	The ASAP project was terminated in October 2009 when its main partner and source of the CO <sub>2</sub> withdrew.	EN18	<p>Uncertainty surrounding proposed GHG regulations and legislation.</p> <p>High costs associated with implementing climate change technologies.</p>



Objective	2010 Result	2009 Result	Details available in GRI Performance Indicator Section	Challenges
<p>Zero releases.</p> <p>Minimize environmental impacts should releases occur.</p>	<p>91 reportable spills, leaks and releases totaling approximately 34,258 barrels, of which 78 had a volume of less than 10 barrels and seven were significant (greater than 100 barrels). In July 2010, Enbridge experienced the most serious environmental incident in its long history – the leak of approximately 20,000 barrels of crude oil on its Line 6B pipeline near Marshall, Michigan.</p>	<p>103 reportable spills, leaks and releases totaling approximately 8,441 barrels, of which: 86 had a volume of less than 10 barrels and three were significant (greater than 100 barrels). The vast majority (92) occurred at Enbridge facilities and were completely contained and recovered/quickly cleaned up with minimal or no environmental impact.</p>	EN23-25	<p>While Enbridge's pipeline and system integrity initiatives contribute to reducing the risk of spills, leaks and releases, these measures cannot completely eliminate the risk. Therefore, Enbridge has comprehensive spill preparedness and response and environmental mitigation plans in place to respond rapidly and completely if a spill does occur.</p>
<p>Ensure no net increase to Enbridge's environmental footprint as a result of new projects in operation between 2009 and 2015.<sup>1</sup> Enbridge's Neutral Footprint commitments: tree for a tree; acre for an acre; kilowatt for a kilowatt</p>	<p>From the start of January 2009 through to the end of the second quarter of 2011: just over half a million trees removed and 250,000 tree seedlings planted; 1,008 acres of natural habitat disturbed and 2,484 acres conserved (surplus of 1,476 acres will be applied to future project impacts). Enbridge's annual electricity consumption forecast to increase by 1,852 gigawatt hours (GWh). Enbridge's existing renewable power generating facilities and those under construction will produce approximately 2,327 GWh.</p>	<p>Identified the requirements needed to meet the Neutral Footprint objective with respect to land impacts and electricity consumptions.</p> <p>Created an implementation guide from which individual Enbridge projects are developing plans for executing and meeting the Neutral Footprint commitments.</p>	<p>EN6 re electricity consumption; and EN11-EN15 re land impacts</p>	<p>Identification of comparable areas for conservation.</p> <p>Development of appropriate partnerships for tree planting.</p> <p>The need to increase investments in demand-side management programs that help customers use energy wisely.</p> <p>The need to increase investments in renewable and alternative energy technologies.</p> <p>Enbridge is confident of meeting its three Neutral Footprint commitments within a five-year timeframe.</p>

<sup>1</sup> Enbridge President & CEO Patrick D. Daniel announced this objective, called Neutral Footprint, on May 6, 2009, at Enbridge's Annual Meeting of Shareholders in Toronto, Ontario.



## ENVIRONMENTAL PERFORMANCE INDICATORS

### MATERIALS

#### EN1

*Materials used by weight or volume.*

#### EN2

*Percentage of materials used that are recycled input materials.*

##### Pipe

Because it is used to make Enbridge's pipelines, steel, by weight and volume, is by far the most significant material that the company uses. About 92 per cent of the pipe that Enbridge's primary supplier, Evraz Inc. NA, manufactures for the company is made from recycled steel. In 2010, Enbridge purchased approximately 8,020 tonnes of pipe from Evraz. This equates to 7,380 tonnes of recycled steel being used.

Enbridge Gas Distribution purchased approximately 1,825 tonnes of steel pipe and 800 tonnes of polyethylene pipe in 2010. The recycled content of its steel pipe ranges from 25 to 100 per cent. Regarding polyethylene pipe, 51 per cent of total pipe (above NPS 2 in size) purchased includes up to 30 per cent recycled material.

##### Paper

In 2010, Enbridge offices in Calgary used approximately 38 tonnes of photocopying paper with 26 tonnes having 30 per cent recycled content. Enbridge's Calgary office recycled approximately 30 tonnes of paper in 2010.

In 2010, Enbridge Gas Distribution (EGD) used approximately 39 tonnes of paper, with 30 per cent recycled content. This is down from 42 tonnes in 2009.

Figures are not available for Liquids Pipelines or Gas Transportation.

### ENERGY

#### EN3

*Direct energy consumption by primary energy source.*

#### EN4

*Indirect energy consumption by primary source.*

### ENBRIDGE'S IMPACTS

Enbridge's Liquids Pipeline systems in Canada and the U.S. primarily use electrical pumps, while the company's natural gas gathering and transmission systems mainly use natural gas as fuel for the compressors that move the gas along the pipeline. Enbridge's gas distribution systems in Ontario, Quebec, New Brunswick and New York state are powered by electricity and natural gas. The company uses diesel fuel and natural gas to drive pumps in remote locations along the Enbridge Norman Wells Pipeline system in the Northwest Territories.

#### Direct energy consumption

The table below summarizes direct energy consumption associated with operations of Liquids Pipelines (Canada), Liquids Pipeline (U.S.), Vector Pipeline (U.S.), and Enbridge Gas Distribution (EGD). There are minor variances from previous CSR reports due to accounting/measurement refinements.

Liquids Pipelines (Canada)		2010	2009	2008	2007
Stationary equipment – natural gas	(GJ)	74,033	84,661	103,040	100,228
Stationary equipment – propane, diesel	(GJ)	43,179	35,837	29,239	37,136
Mobile sources – all fuel types	(GJ)	63,103	57,536	59,644	55,836
<b>Total</b>	<b>(GJ)</b>	<b>180,314</b>	<b>178,033</b>	<b>191,923</b>	<b>193,199</b>

Table note: The above data includes natural gas energy used at Enbridge Inc.'s office in Edmonton.

Liquids Pipelines (U.S.)		2010	2009	2008	2007
Stationary equipment – natural gas	(GJ)	2,957	0	133,887	0
Stationary equipment – propane, diesel	(GJ)	52	32	100	172
Mobile sources – all fuel types	(GJ)	40,585	38,352	36,033	34,399
<b>Total</b>	<b>(GJ)</b>	<b>43,594</b>	<b>38,384</b>	<b>170,019</b>	<b>34,571</b>

Vector Pipeline (U.S.)		2010	2009	2008	2007
Stationary equipment – natural gas	(GJ)	6,071,251	5,295,566	4,875,194	3,372,394
Stationary equipment – propane, diesel	(GJ)	0	0	0	0
Mobile sources – all fuel types	(GJ)	1,580	1,364	1,216	1,125
<b>Total</b>	<b>(GJ)</b>	<b>6,072,831</b>	<b>5,296,930</b>	<b>4,876,410</b>	<b>3,373,519</b>

Table note: natural gas use for 2007 and 2008 has been calculated based on the 2009 fuel-use rate per HP-hour.

Enbridge Gas Distribution		2010	2009	2008	2007
<b>Buildings and Operations</b>					
Natural gas combustion	(GJ)	540,795	480,362	482,328	580,722
<b>Fleet and Equipment</b>					
Diesel vehicles	(GJ)	50,195	46,154	40,302	37,070
Gasoline vehicles	(GJ)	53,499	55,844	64,500	70,046
NGV (natural gas vehicles)	(GJ)	50,847	44,534	49,015	50,027
<b>Total</b>		<b>695,337</b>	<b>626,894</b>	<b>636,145</b>	<b>737,865</b>

Table note: The above table includes data for Enbridge Gas Distribution Inc., Gazifère, Enbridge Gas New Brunswick and St. Lawrence Gas.

## Other business segments

Also in 2010:

- The Enbridge corporate office used 12,119 GJ of natural gas for space-heating; and
- Gas Transportation used 601,758 GJ of electricity, plus 86,457 GJ of gasoline and 414,190 GJ of diesel fuel.

## Indirect energy consumption

The table below summarizes indirect energy consumption associated with operations of Liquids Pipelines (Canada), Liquids Pipeline (U.S.), and Enbridge Gas Distribution. Data on electricity consumption on the Vector Pipeline (U.S.) system has not been compiled but it is comparatively minor relative to the direct energy use on this natural gas transmission pipeline operation.

Liquids Pipelines (Canada)		2010	2009	2008	2007
Electricity	(GJ)	7,247,633	7,245,021	6,953,207	6,843,397

Table note: The above data includes the electricity used in Enbridge's Edmonton and Calgary offices.

Vector Pipeline (U.S.)		2010	2009	2008	2007
Electricity	(GJ)	7,591,274	7,576,462	8,065,406	7,182,489

Enbridge Gas Distribution		2010	2009	2008	2007
<b>Buildings and Operations</b>					
Electricity	(GJ)	71,825	73,261	69,394	69,931

**EN5**

*Energy saved due to conservation and efficiency improvements.*

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

**Liquids Pipelines**

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

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

From 2000 through 2010, energy savings on Enbridge's Canadian mainline system were quantified through the industry's Incentive Tolling Agreement. Under this tolling agreement, the operating performance of Enbridge's mainline system in Canada was evaluated against a baseline using detailed hydraulic modeling of the system's equipment and the operating parameters for that particular year. This assessment was performed by an independent consultant. During the course of this multi-year tolling agreement, Enbridge consistently delivered electricity savings by optimizing the operation of its pipeline system, averaging an annual energy savings of approximately 65 GWh.

Liquids Pipelines also continued to improve the energy efficiency of its offices. In 2010, the upgrading of approximately 6,700 light fixtures in two of the company's Edmonton offices will potentially yield utility cost savings of \$200,000 per year.

**Enbridge Gas Distribution**

Enbridge Gas Distribution continues to implement energy efficiency measures in its buildings and operations. For example, line heater energy efficiency efforts implemented since 2000 are saving, on average, about 142,000 GJ per year.

**EN6**

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

The public's focus on conservation and climate change continues to motivate governments to increase their emphasis on energy efficiency and renewable and alternative energy initiatives, including wind, water, biomass, biogas, solar, waste heat, fuel cell and geothermal energy generation.

Enbridge is investing in low-environmental-impact energy sources both renewable and alternative that complement its core operations and provide environmental benefits, thus helping reduce greenhouse gas emissions and address the issue of global climate change.

Moreover, in May 2009, Enbridge's President and Chief Executive Officer Patrick D. Daniel announced an ambitious plan to stabilize Enbridge's environmental footprint. The company's Neutral Footprint Initiative is designed to reduce Enbridge's environmental impact where it is felt most: on the trees the company removes, the natural habitat Enbridge permanently alters, and the energy the company uses to power its operations. As part of this Neutral Footprint Initiative, Enbridge has committed to generating a kilowatt hour of renewable energy for every kilowatt hour of power the company's operations consume. Please see below for more information on the Kilowatt for a Kilowatt aspect of the Neutral Footprint Initiative.

**Renewable and Alternative Energy**

Enbridge's renewable and alternative energy portfolio is diversified and growing. The company has interests in over 865 megawatts (MW) of green power capacity – wind, solar, geothermal, waste heat and integrated fuel cells. Enbridge's interests in alternative and renewable generation, in operation and under construction, have the capacity to supply the equivalent of more than 295,000 homes. Enbridge's renewable and alternative energy investments also result in the avoidance of over 1.5 million tonnes of greenhouse gas emissions each year.

The following table provides an overview of Enbridge's current renewable and alternative energy investments. More details about these are provided below the table:

## RENEWABLE ENERGY

100 per cent owned and operated by Enbridge and its affiliates, except where less than full ownership/operatorship is indicated.

Project Name	Type	Generating capacity	Ownership	Location	In-service date
SunBridge	wind	11 MW	Enbridge Income Fund (50%)*	Gull Lake, Saskatchewan	2002
Magrath	wind	30 MW	Enbridge Income Fund (33%)*	Magrath, Alberta	2004
Chin Chute	wind	30 MW	Enbridge Income Fund (33%)*	Taber, Alberta	2006
Enbridge Ontario Wind Project	wind	190 MW	Enbridge Inc.	Bruce County, Ontario	2009
Talbot	wind	99 MW	Enbridge Inc.	Chatham, Ontario	2010
Greenwich	wind	99 MW	Enbridge Inc. (90%)	Dorian, Ontario	2011
Cedar Point	wind	250 MW	Enbridge Inc.	Cedar Point, Colorado	2011
Sarnia Solar Project	solar	80 MW	Enbridge Inc.	Sarnia, Ontario	2009 (20 MW) 2010 (60 MW)
Tilbury Solar Project	solar	5 MW	Enbridge Inc.	Tilbury, Ontario	2010
Amherstburg II Solar Project	solar	15 MW	Enbridge Inc.	Amherstburg, Ontario	2011
Neal Hot Springs Geothermal Project	geothermal	35 MW	Enbridge Inc. (20%)	Malheur County, Oregon	2012

## ALTERNATIVE ENERGY

100 per cent owned and operated by Enbridge and its affiliates, except where less than full ownership/operatorship is indicated.

Project Name	Type	Generating capacity	Ownership	Location	In-service date
NRGreen Power	waste heat recovery	20 MW	Enbridge Income Fund (50%)*	Saskatchewan	2008
Enbridge Hybrid Fuel Cell	fuel cells	2.2 MW	Enbridge Inc.	Toronto, Ontario	2008

\*Enbridge Inc. owns 27.4 per cent of Enbridge Income Fund ordinary trust units, but holds a 72 per cent economic interest in the Fund assets due to its holdings in Enbridge Income Fund Holdings Inc. and ownership of ECT Preferred Units.

## RENEWABLE ENERGY

### Wind Power

Enbridge currently has interests in wind farms in Alberta, Saskatchewan, Ontario and Colorado, which, once completed, will have a combined capacity of about 711 MW.

In 2010, Enbridge:

- substantially completed the 99-MW Talbot Wind Project;
- acquired a majority interest in the Greenwich Wind Energy Project, a 99-MW facility expected to be delivering emissions-free energy to the Ontario grid by the end of 2011; and
- acquired the 250-MW Cedar Point Wind Energy Project in Colorado, which began delivering power to the Public Service Company (PSCo) electricity transmission grid in 2011.

Wind-generated electricity is the fastest-growing sector of electricity generation in North America, as substantial technological advances and feed-in tariffs that offer a premium for wind power have enabled such projects to become economically attractive investments.

Enbridge expects future wind opportunities to come through expanding its existing operations and developing new greenfield projects throughout North America.

Today, Enbridge's wind power investments have the capacity to supply 212,000 homes and avoid the emission of approximately 1.2 million tonnes of CO<sub>2</sub> per year.

### Solar Power

Enbridge believes that solar energy represents meaningful opportunities for long-term growth.

The company first entered into solar energy in a significant way in 2009 with its investment in the 80-MW Sarnia Solar facility, one of the largest photovoltaic solar energy facilities in North America.

In early 2011, Enbridge acquired two new solar energy projects in Ontario from First Solar, a leading manufacturer of photovoltaic solar panels. The Tilbury Solar Project and the Amherstburg II Solar Project have a combined generating capacity of 20 MW.

Today, Enbridge's solar power investments have the capacity to supply 16,000 homes and avoid the emission of approximately 50,000 tonnes of CO<sub>2</sub> per year.

#### **Geothermal Power**

In mid-2010, Enbridge invested in the 35-MW Neal Hot Springs Geothermal Project. The project, which is located in Oregon's Malheur County, is being developed by U.S. Geothermal Inc, which will also construct and operate the facility. It will deliver electricity to the Idaho Power grid under a 25-year power purchase agreement. Geothermal energy is energy recovered from the heat of the earth's interior. The annual yield for the project will be about 191,400 MWh, which is enough to power about 17,500 homes.

### **ALTERNATIVE ENERGY TECHNOLOGIES**

#### **Waste Heat Recovery**

Enbridge Income Fund has a 50 per cent investment in NRGreen, which operates four non-regulated waste heat recovery facilities located in Saskatchewan along the Alliance Pipeline. (Enbridge Inc. has a 72 per cent economic interest in Enbridge Income Fund.)

NRGreen generates electricity by harnessing the waste heat produced by Alliance Canada's gas turbines at its compressor stations and using it to produce electricity. The four facilities combined produce approximately 20 MW of power enough energy to meet the power needs of approximately 20,000 homes and avoid the emission of approximately 149,000 tonnes of CO<sub>2</sub> per year.

#### **Fuel Cells**

Enbridge launched the world's first integrated energy recovery and fuel cell power plant at Enbridge Gas Distribution's head office in Toronto in 2008.

This leading edge technology harvests pipeline energy that would otherwise be wasted and combines it with a fuel cell to generate 2.2 MW of clean electricity, or enough to serve up to 1,700 homes.

### **ENBRIDGE'S NEUTRAL FOOTPRINT INITIATIVE – KILOWATT FOR A KILOWATT**

As part of its Neutral Footprint Initiative, Enbridge has committed to generating a kilowatt hour of renewable energy for every kilowatt hour of additional power its operations consume, above 2008 levels (January 1, 2009, being the start date for applying the company's neutral footprint commitment). The company will fulfill this commitment within five years of the additional power consumption.

Each year, Enbridge will compile the forecasted power consumption for Enbridge's company-wide operations. Any net increase in power consumption will be counterbalanced by the company's investments in economically viable renewable energy production. Enbridge will address growth in its electricity consumption on a five-year rolling basis consistent with the long-range planning horizon.

Enbridge's investments in new renewable power generation will, at a minimum, be proportional to the growth in electricity consumption by its operations, beginning January 1, 2009.

#### **EN7**

*Initiatives to reduce indirect energy consumption and reductions achieved.*

#### **Organization-wide**

Enbridge has installed TelePresence video conference units in a number of its North American offices in order to increase efficiency in the organization by making it easier for employees to meet virtually face-to-face. This reduces travel and increases productivity. In 2010, Enbridge estimates that this resulted in over 1,100 fewer trips between the company's major centres: Edmonton, Calgary, Toronto, Houston and Superior, Wisconsin. This avoided 1.7 million kilometres (about 1 million miles) of air travel, which resulted in about 70 tonnes of CO<sub>2</sub> emissions being avoided. These estimates are based on just one third of the actual usage of the video conference facilities.

### **Enbridge Gas Distribution**

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

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

These actions include:

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

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

Please see EN5 for additional information about other EGD initiatives.

### **Liquids Pipelines**

Liquids Pipelines has various energy savings initiatives in place, including the following:

#### ***Edmonton office***

- installed energy-efficient lighting
- battery recycling program
- motion sensors installed in new meeting rooms to turn out lights when inactive
- in 2009, in order to reduce waste, Enbridge has created 'water bottle free zones' in its Calgary and Edmonton offices. Instead of using plastic water bottles, water chillers have been installed
- locker room renovations to promote health and wellness and cycling to work
- toner cartridges are recycled

#### ***Calgary office***

- battery recycling program
- printers/copiers use 30 per cent recycled paper
- light/motion sensors installed to control lighting
- washroom renovations included low-flush toilets and sinks and hands-free flush and sinks for less water use
- Styrofoam-free kitchens
- new carpet tiles are made of recyclable materials
- locker rooms to promote health and wellness, and walking, running and cycling to work
- low-flow showerheads

#### ***Superior office***

- light/motion sensors installed to control lighting
- restrooms have low-flush toilets and sinks
- Styrofoam-free kitchens

## **WATER**

### **EN8**

*Total water withdrawal by source.*

### **EN9**

*Water sources significantly affected by withdrawal of water.*

### **EN10**

*Percentage and total volume of water recycled and reused.*

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

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

Water withdrawal by Gas Transportation is insignificant and, therefore, is not tracked.

#### **Surface water**

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

Liquids Pipelines occasionally acquires and discharges water to hydrostatically test the integrity of new or existing pipelines and tanks. Since existing pipeline sections have transported liquid petroleum or natural gas, the company analyzes and treats this test water, as needed, before returning it to the environment. Water returned to source meets discharge criteria established by local regulatory bodies. To ensure compliance with all regulatory requirements relating to the use of hydrostatic test water, Liquids Pipelines developed a new Hydrostatic Test Policy in 2010. This policy provides direction to company staff and contractors regarding the sourcing, use and disposal of hydrostatic test waters.

In 2010, Enbridge Gas Distribution used approximately 438,500 litres of water from municipal sources to conduct hydrostatic testing of newly installed pipelines. Water used for hydrostatic testing cannot be recycled or reused prior to disposal.

#### **Groundwater**

In 2010, Liquids Pipelines continued its system-wide groundwater monitoring program. This program provides regular monitoring of Enbridge facilities to proactively identify potential impacts to groundwater, allowing the company to identify potential issues and maintain compliance with regulatory requirements. In 2010, the company expanded its network by adding groundwater monitoring networks at its facilities at Alida, Saskatchewan Terminal; Zama, Wrigley and Norman Wells Stations; and Cactus Lake, Mildred, Odessa, Langbank and Rowatt.

Liquids Pipelines also continued its remediation efforts to manage groundwater contamination associated with Enbridge's Hardisty Caverns. Prior to Enbridge's acquisition of the facility, the clay liner used to contain the brine in cavern operations leaked. Enbridge operates 10 deep recovery wells to extract the contaminated groundwater either for reuse in the brine pond as makeup water, or for disposal in an onsite disposal well. The recovery wells will serve two purposes: (1) to slowly clean the groundwater by removing the contaminated water; and (2) to hydraulically contain the site, stopping further migration of the salt contamination. It is anticipated that all deep recovery wells will be installed by the end of 2012.

In 2010, Enbridge continued operation of a groundwater remediation system at its Metiskow (Saskatchewan) station. This system is required to treat groundwater contamination identified at the site. It involves groundwater recovery, treatment and reinjection systems that are designed to contain and treat groundwater contamination.

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



## BIODIVERSITY

### EN11

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

### EN12

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

### EN13

*Habitats protected or restored.*

### EN14

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

### EN15

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

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

Moreover, in May 2009, Enbridge's President and Chief Executive Officer Patrick D. Daniel announced an ambitious plan to stabilize Enbridge's environmental footprint. The company's Neutral Footprint Initiative is designed to reduce Enbridge's environmental impact where it is felt most: on the trees the company removes, the natural habitat Enbridge permanently alters, and the energy the company uses to power its operations. As part of this Neutral Footprint Initiative, Enbridge has committed to planting a tree for every merchantable tree the company removes and helping to conserve an acre (or hectare) of natural habitat for every acre (or hectare) the company permanently impacts. Please see below for more information on the Tree for a Tree and Acre for an Acre aspects of the Neutral Footprint Initiative.

#### Enbridge's Approach

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

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

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

#### Mapping pipelines for species at risk

In Canada, Enbridge's Liquids Pipelines business is regulated under the Species at Risk Act (SARA), which aims to protect wildlife species and conserve biological diversity. Enbridge first mapped its Canadian mainline system in 2004, using digital mapping technology, to identify areas along parts of its right-of-way where there may be species at risk. In 2010, Enbridge continued to update this system to ensure the company is working with the most accurate and effective data. This enables environment staff to identify sensitive wildlife habitat at specific locations before Enbridge undertakes projects or pipeline maintenance activities.

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



***Managing vegetation***

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

***Protecting soils and waterways***

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

***Protecting sensitive habitats***

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

Where sensitive habitats have been identified, Enbridge implements situation specific operational plans and protocols to minimize impacts to sensitive species. Examples of this include measures to protect Boreal Caribou populations in the Northwest Territories and Alberta, moose habitat along the Athabasca Pipeline system, and the Karner Blue butterfly in Wisconsin. Enbridge restricts maintenance activities and implements special precautions to ensure its operations have minimal impact on these species.

Enbridge Gas Distribution implements either environmental screening or environmental assessment (depending on project scope) to identify any features that may be impacted by construction and puts into place mitigation measures to protect them. The company uses horizontal directional drilling when crossing beneath watercourses, and before doing so always obtains permits from respective conservation authorities and provincial ministries as required. It further ensures protection of watercourses through regular pipe inspections. In 2010, Enbridge Gas Distribution 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, which is located near Midhurst, Ontario, Enbridge Gas Distribution does not have any pipe installed in environmentally sensitive areas.

In the U.S., some of Gas Transportation's pipelines are located in lakes/navigable waterways and within high bio-diverse land areas. Gas Transportation undertakes all activities in such a way as to ensure that it minimizes impacts and complies with regulations.

***Enbridge's Neutral Footprint Initiative***

As part of its Neutral Footprint Initiative, Enbridge has committed to:

- planting a tree for every merchantable tree the company removes; and
- helping to conserve an acre (or hectare) of land for every acre (or hectare) of natural habitat the company permanently impacts.

These measures will be implemented within five years of the impact occurring.

***Tree for a Tree***

Enbridge will plant a tree for every merchantable tree the company removes to construct or expand its facilities or rights-of-way. The trees Enbridge counts and therefore replaces will be of adequate size to be considered “merchantable timber” as defined by the relevant local regulator.

Enbridge will replace trees from either forested or non-forested land (such as brush/scrub, prairie, grassland, alpine, rangeland, meadows, pasture or cultivated land). The company will plant them in such a way that it takes into account the following priority considerations:

1. Enbridge will plant trees to meet regulatory commitments and approval conditions.
2. Enbridge will plant trees to maintain slope stability, control erosion and meet reclamation guidelines and aesthetic requirements.
3. Enbridge will plant trees to meet the needs of local communities.

Enbridge will not always replace trees in the immediate area of impact, but will take into account land availability, local desire and consent. From the start of January 2009 through to the end of the second quarter of 2011, just over half a million trees had been removed and 250,000 tree seedlings had been planted. (Planting numbers lag removal numbers because in northern regions trees are removed during the winter season when the ground is frozen and seedlings are planted during the spring and summer.)

***Acre for an Acre***

Enbridge will help conserve an acre of natural habitat for every acre that it permanently impacts. The natural habitat Enbridge conserves could be forested land, wetlands or native prairie.

Enbridge will conserve the land while working with the Nature Conservancy of Canada and other organizations. As such, their guidelines and recommendations will determine how and where the land is conserved, and will ensure that it is of high ecological value.

The land Enbridge conserves may not be in the same area or region as the land that is impacted, and may not be “like for like.” Rather, Enbridge and its partners will make conservation decisions based on biological value and availability.

This commitment does not replace or negate Enbridge’s regulatory obligations to reclaim land when it is decommissioning an asset. Since the beginning of 2009, approximately 1,000 acres of natural habitat have been disturbed and Enbridge has contributed to conserving almost 2,500 acres. The surplus will be applied to future projects.

***EMISSIONS, EFFLUENTS AND WASTE******GHG EMISSIONS******EN16***

*Total direct and indirect GHG emissions by weight.*

***EN17***

*Other relevant indirect GHG emissions by weight.*

***Note regarding the tables below:***

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

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

## Liquids Pipelines

The tables below summarize total direct (Scope 1) and indirect (Scope 2) GHG emissions associated with Enbridge's Liquids Pipelines operations in Canada and the U.S. The emissions are measured by tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e). In addition, estimated Scope 1 GHG emissions for Vector Pipeline Ltd., which is operated by the U.S. Liquids business segment, are provided in a separate table below.

Scope 1		2010	2009	2008	2007
Enbridge Pipelines Inc. <sup>1</sup>	(t CO <sub>2</sub> e)	5,307	4,753	4,816	4,450
Enbridge Pipelines (Saskatchewan) Inc.	(t CO <sub>2</sub> e)	1,865	1,798	2,059	2,075
Enbridge Pipelines (Athabasca) Inc.	(t CO <sub>2</sub> e)	948	949	862	854
Enbridge Pipelines (NW) Inc.	(t CO <sub>2</sub> e)	4,247	4,517	5,018	5,526
<b>Total</b>	<b>(t CO<sub>2</sub>e)</b>	<b>12,367</b>	<b>12,017</b>	<b>12,755</b>	<b>12,905</b>

<sup>1</sup> Includes Enbridge Midstream Inc., Hardisty Caverns Limited Partnership, Enbridge Southern Lights LP and MidCoast Canada Operating Corporation

Scope 2		2010	2009	2008	2007
Enbridge Pipelines Inc. <sup>1</sup>	(t CO <sub>2</sub> e)	960,206	955,475	880,465	990,101
Enbridge Pipelines (Saskatchewan) Inc.	(t CO <sub>2</sub> e)	62,292	46,524	44,837	44,373
Enbridge Pipelines (Athabasca) Inc.	(t CO <sub>2</sub> e)	112,275	98,888	99,915	40,027
Enbridge Pipelines (NW) Inc.	(t CO <sub>2</sub> e)	218	210	217	202
<b>Total</b>	<b>(t CO<sub>2</sub>e)</b>	<b>1,134,991</b>	<b>1,101,096</b>	<b>1,025,434</b>	<b>1,074,702</b>

<sup>1</sup> Includes Enbridge Midstream Inc., Hardisty Caverns Limited Partnership, Enbridge Southern Lights LP and MidCoast Canada Operating Corporation

Scope 1		2010	2009	2008	2007
Enbridge Energy, Limited Partnership	(t CO <sub>2</sub> e)	1,988	1,762	8,468	1,627
Enbridge Pipelines (North Dakota) LLC	(t CO <sub>2</sub> e)	515	496	457	343
CCPS Transportation, LLC	(t CO <sub>2</sub> e)	10	14	0	0
Enbridge Pipelines (Ozark) LLC	(t CO <sub>2</sub> e)	754	699	704	683
Enbridge Pipelines (Toledo) Inc.	(t CO <sub>2</sub> e)	6	6	4	5
Enbridge Storage (Patoka) LLC	(t CO <sub>2</sub> e)	2	3	5	10
<b>Total</b>	<b>(t CO<sub>2</sub>e)</b>	<b>3,275</b>	<b>2,980</b>	<b>9,639</b>	<b>2,668</b>

Table note: The Scope 1 estimates for the U.S. subsidiaries include vehicle emissions and fugitives (CH<sub>4</sub> and CO<sub>2</sub>) from terminal operations. Line heater, fire pump, and emergency generator combustion-related GHG emissions are also included for Enbridge Energy, Limited Partnership. 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' total Scope 1 and 2 emissions profile.

Scope 2		2010	2009	2008	2007
Enbridge Energy, Limited Partnership	(t CO <sub>2</sub> e)	1,267,843	1,357,215	1,482,116	1,315,555
Enbridge Pipelines (North Dakota) LLC	(t CO <sub>2</sub> e)	125,640	71,851	60,844	53,981
CCPS Transportation, LLC	(t CO <sub>2</sub> e)	115,782	81,185	69,805	62,025
Enbridge Pipelines (Ozark) LLC	(t CO <sub>2</sub> e)	102,794	97,472	97,296	96,295
Enbridge Pipelines (Toledo) Inc.	(t CO <sub>2</sub> e)	18,368	16,670	15,908	9,931
Enbridge Storage (Patoka) LLC	(t CO <sub>2</sub> e)	366	353	477	488
<b>Total</b>	<b>(t CO<sub>2</sub>e)</b>	<b>1,630,793</b>	<b>1,624,746</b>	<b>1,726,446</b>	<b>1,538,275</b>

Scope 1		2010	2009	2008	2007
Vector Pipeline L.P.	(t CO <sub>2</sub> e)	377,010	337,586	316,213	232,563

Table notes: The Scope 1 estimate for Vector Pipelines includes stationary combustion (primarily the gas-fired compressor turbines), vehicles and system vented and fugitive emissions. The vented and fugitive estimates are based on default industry (INGAA) emission factors.

Scope 2 emissions for Vector Pipeline have not been estimated at this time, but would be comparatively minor relative to the company's Scope 1 emissions profile.

### Enbridge Gas Distribution

Enbridge Gas Distribution also operates three smaller gas distribution companies in New Brunswick (Enbridge Gas New Brunswick), Quebec (Gazifère) and upper New York state (St. Lawrence Gas). Each of these companies' emissions is about 1 per cent of those of Enbridge Gas Distribution. However, Enbridge continues to track these emissions by tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e).

#### Scope 1 – Direct Emissions

		2010	2009	2008	2007
Enbridge Gas Distribution Inc.	(t CO <sub>2</sub> e)	306,791	303,468	303,659	301,091
Enbridge Gas New Brunswick, Limited Partnership	(t CO <sub>2</sub> e)	5,504	5,150	4,798	4,253
Gazifère Inc.	(t CO <sub>2</sub> e)	4,127	3,973	3,925	3,732
St. Lawrence Gas Company, Inc.	(t CO <sub>2</sub> e)	3,384	3,215	3,170	3,104
Total	(t CO <sub>2</sub> e)	319,807	315,806	315,552	312,179

#### Scope 2 – Indirect Emissions

		2010	2009	2008	2007
Enbridge Gas Distribution Inc.	(t CO <sub>2</sub> e)	3,104	3,175	2,995	3,568
Enbridge Gas New Brunswick, Limited Partnership	(t CO <sub>2</sub> e)	566	569	563	472
Gazifère Inc.	(t CO <sub>2</sub> e)	0.2	0.2	0.2	1
St. Lawrence Gas Company, Inc.	(t CO <sub>2</sub> e)	113	104	105	112
Total	(t CO <sub>2</sub> e)	3,783	3,849	3,663	4,154

### Gas Transportation

Gas Transportation implemented in 2010 a greenhouse gas database to calculate CO<sub>2</sub>e emissions. Estimated emissions for 2010 are:

Scope 1 – Direct – 1,020,388 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e). The decrease in the number reported in previous years reflects adjustments in the reporting scope for some U.S. operations subject to EPA's GHG mandatory reporting rule and year-to-year variability across the corporation.

Scope 2 – Indirect – 95,327 t CO<sub>2</sub>e.

## EN18

*Initiatives to reduce GHG emissions and reductions achieved.*

### Our Targets

In 2005, Enbridge achieved its corporate target to reduce its Canadian direct GHG emissions by 15 per cent below 1990 levels. The company actually achieved an 18 per cent reduction.

Enbridge subsequently set a new reduction target for the 2010 inventory year of 20 per cent below 1990 levels and in 2010 achieved a 21 per cent reduction.

Enbridge has achieved these reductions at the same time as increasing throughput by 45 per cent. These emissions reductions were primarily due to upgrading of facilities and equipment.

### Reducing Direct Emissions

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

Enbridge will set future targets for reducing direct emissions from its assets once it has fully completed an emissions inventory and once there is greater clarity regarding the regulatory framework(s) emerging across the North American jurisdictions where the company has operations.

### Enbridge Gas Distribution's GHG Reduction Initiatives

Since the early 1990s, Enbridge Gas Distribution (EGD) in Ontario has undertaken many initiatives to reduce GHG emissions from its natural gas distribution operations. The largest of these initiatives is the multi-year, multi-million dollar cast iron replacement program, which is scheduled for completion in 2012. In 2010, EGD replaced 65 kilometres (40 miles) of cast iron mains, reducing annual GHG emissions by an estimated 4,400 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e). This cast iron pipe program, combined with the replacement of unprotected steel and copper piping, has delivered an estimated, cumulative reduction in annual emissions of 132,000 t CO<sub>2</sub>e.

EGD has also replaced the high-bleed pneumatic devices that vent natural gas to the atmosphere as part of their normal operating procedure with devices that are low or no bleed, and reduced the venting associated with odorant pumps. These efforts have reduced annual GHG emissions levels from pneumatic equipment by 16,800 t CO<sub>2</sub>e, a 96 per cent decrease over 1990 levels.

Ongoing efforts to save energy and reduce GHG emissions from line heater fuel use – for example, the installation of new heater technologies and application of improved temperature control strategies – also continue to yield reductions. The most recent three-year average of line heater GHG emissions is 7,400 t CO<sub>2</sub>e below 2000 levels, which represents a 69 per cent reduction in emissions. This significant reduction is attributed in part to these efficiency efforts and in part to external variables such as lower natural gas transmission system delivery pressures.

EGD's management of GHG emissions from its operations extends to many other activities that are more difficult to quantify. For example, emissions from third-party damages are reduced through public awareness campaigns, the "Ontario One Call" service and installation of excess flow valves on all new service line installations. Also, newer station designs now incorporate more welded connections, reducing the number of threaded or flanged connections where fugitive emissions can occur.

A significant portion of EGD's light-duty fleet vehicles as well as five of its heavy-duty dump trucks run on natural gas, reducing EGD's GHG emissions compared to operating them on gasoline and diesel. Also, through aggressive energy-efficiency upgrades, energy use and GHG emissions at EGD's Toronto-area, five-storey headquarters are now lower than in 1977 when the building was only two storeys high.

### **Carbon Dioxide Sequestration**

Carbon capture and sequestration (CCS) involves capturing carbon dioxide (CO<sub>2</sub>) from large industrial sources before it is emitted into the atmosphere. Once captured, CO<sub>2</sub> can be safely and permanently stored in deep geological formations or injected into mature oil reservoirs to enhance oil recovery.

Enbridge is involved in several initiatives in Canada that are investigating the feasibility of the long-term commercial sequestration of CO<sub>2</sub> in deep saline aquifers.

CO<sub>2</sub> capture, pipelining and sequestration developments are widely considered to be one of the most immediate, feasible and meaningful ways to reduce greenhouse gas emissions on a large scale and address the challenges posed by climate change.

These initiatives will play a major role in advancing industry and government's knowledge of CO<sub>2</sub> capture and sequestration.

### ***Project Aquistore (Saskatchewan)***

Enbridge is participating in Project Aquistore, a collaborative effort among government, industry and research institutions to demonstrate that storage of CO<sub>2</sub> in deep geologic formations is a safe, effective solution for greenhouse gas emissions reduction.

This integrated carbon capture, transportation, injection and storage project will see CO<sub>2</sub> captured from a source in southeast Saskatchewan. This is targeted to begin in 2014. Approximately 500 to 1,000 tonnes per day will be transported via pipeline for injection into a nearby deep saline formation at 2,000 to 3,000 metres in depth. Results of the project will be available for the benefit of future carbon capture storage projects, government policy and regulation development, and for large stationary industries to consider geological storage as an option for mitigating greenhouse gas emissions.

The project proponent is Petroleum Technology Research Centre and contributing partners include Sustainable Development Technology Canada, CCRL, SaskEnergy, Enbridge, the Government of Saskatchewan, SaskPower and Schlumberger.

### ***Project Pioneer (Alberta)***

On June 28, 2010, Enbridge jointly announced with TransAlta Corporation that Enbridge will participate in the development of Project Pioneer, Canada's first fully-integrated carbon capture and storage project involving retro-fitting a coal-fired electricity generating plant.

When complete, Project Pioneer is expected to be one of the largest CCS facilities in the world and among the first to have an integrated underground storage system. The project will be designed to capture one megatonne (Mt) per year of CO<sub>2</sub> from Keephills 3, a coal-fired plant west of Edmonton that is jointly owned by Project Pioneer partners TransAlta and Capital Power Corporation. The majority of the captured CO<sub>2</sub> is intended to be used for enhanced oil recovery (EOR), while the remainder is expected to be injected safely in deep underground storage for permanent storage.

Enbridge brings to Project Pioneer expertise in the design and construction of pipeline infrastructure, as well as extensive knowledge in CO<sub>2</sub> sequestration.

Project Pioneer is expected to account for at least 20 per cent of the Government of Alberta's target of reducing five Mt of CO<sub>2</sub> emissions per year by 2015. In addition, the project's technology has wide potential applications. It could be used by other coal-fired power plants in Alberta and throughout the world, as well as by other industrial sectors.

On October 14, 2009, Project Pioneer was awarded \$778 million in federal and provincial funding to advance the project.

#### ***CO<sub>2</sub> Slurry Project (Alberta)***

The CO<sub>2</sub> Slurry Pipeline Project is an industry consortium initiative being led by Enbridge to build a CO<sub>2</sub> slurry pipeline in Alberta.

On March 15, 2010, the Government of Alberta announced that it had awarded Enbridge funding of \$1 million for the "CO<sub>2</sub> Slurry Pipeline Research Initiative" under the government's Clean Air and Climate Change: Technology and Innovation Program.

The "CO<sub>2</sub> Slurry Pipeline Research Initiative" represents Phase 1 of the three-phase CO<sub>2</sub> Slurry Pipeline Project. Phase 1 will involve demonstrating proof of the concept, as well as demonstrating the technical viability of a long-distance CO<sub>2</sub> slurry pipeline for transporting petroleum coke, sulphur and other solids, such as limestone. Phase 1 is expected to be completed in September 2011.

By providing a useful purpose for CO<sub>2</sub>, companies such as oil sands producers can offset some of the costs associated with capturing and storing it. They can also create new markets for products (such as sulphur, petroleum coke and limestone) that are in demand throughout the world, but that have been stranded from their markets due to a lack of suitable transportation infrastructure. In addition, a slurry pipeline will help industry benefit the environment. CO<sub>2</sub> that would otherwise be emitted into the atmosphere would be used to transport goods. Once that objective has been met, the CO<sub>2</sub> would then be pipelined to sites where it could be used for enhanced oil recovery, or to areas where it could be permanently sequestered in deep saline aquifers.

### ***OZONE DEPLETING SUBSTANCES***

#### ***EN19***

##### ***Emissions of ozone-depleting substances by weight.***

While Enbridge continues to use halocarbon-containing equipment (in some vehicles, drinking water fountains, refrigeration and air conditioning systems), the company no longer has any infrastructure containing a significant quantity of ozone depleting substances. Enbridge had no reportable releases in 2010.

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

Enbridge Gas Distribution does not have ozone-depleting substances in its fire suppressant equipment and reported zero emissions of ozone-depleting substances in 2010.

## EMISSIONS

### EN20

*NO, SO and other significant air emissions.*

#### Enbridge's Impacts

The major air emissions released by Enbridge facilities include methane, carbon monoxide, nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs). Other contaminants released, but in much smaller quantities, include sulphur dioxide (SO<sub>2</sub>), hydrogen sulphide and particulate matter and hazardous air pollutants such as hexane.

Enbridge works to keep air emissions from its operations below regulated limits. In some cases, it has exceeded regulatory requirements and has installed environmentally friendly technologies in its facilities that reduce air contaminant emissions. The largest source of VOC emissions from Enbridge's Liquids Pipelines operations is from tank storage. In 2010, Liquids Pipelines continued with a comprehensive assessment of emissions controls in its U.S. terminals, and made a number of improvements in its process and procedures for controlling and managing these emissions. A rigorous maintenance program includes regular inspections of emission control devices and repair or replacement of them to ensure they meet regulatory criteria.

In 2010, Enbridge reached a settlement agreement with the Wisconsin Department of Justice for air compliance violations received at its crude oil pipeline breakout storage terminal at Superior, Wisconsin. Many of the violations were self-reported to the Wisconsin Department of Natural Resources after Enbridge discovered them during the course of a facility audit. Since then, Enbridge has corrected the issues or is in the process of correcting them. The settlement agreement represents a concerted effort by the Departments of Justice and Natural Resources and Enbridge to come to a fair resolution to this matter. Enbridge Energy, Limited Partnership agreed to pay USD \$1 million to settle state claims under Wisconsin's air pollution laws. The judgment resolves charges that Enbridge Energy failed to comply with certain requirements under those laws at its Superior Terminal.

Enbridge Energy's facility in Superior consists of crude oil storage tanks of varying capacity and other equipment necessary for the transport, transfer and storage of crude oil.

Under Wisconsin law, Enbridge Energy was required to obtain permits that govern its operation and maintenance of the facility. However, Enbridge Energy inadvertently violated state air requirements by failing to acquire required permits related to construction, operations, and maintenance and repair.

Enbridge self-reported a majority of the issues to the Wisconsin Department of Natural Resources as soon as the company was aware of them.

Enbridge worked cooperatively with the Wisconsin Department of Natural Resources and the Wisconsin Department of Justice on the settlement agreement.

#### Reporting Criteria Air Contaminants

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

In Canada, Liquids Pipelines and Enbridge Gas Distribution track and report annual criteria air contaminant (CAC) emissions under the National Pollutant Release Inventory. The air contaminants covered under the regulation include NO<sub>x</sub>, SO<sub>2</sub>, VOCs, carbon monoxide and particulate matter. In the U.S., Enbridge Liquids Pipelines monitors and reports on CAC emissions in compliance with state and federal regulations.



## Liquids Pipelines

With the completion of the first phase of Enbridge Liquids Pipeline' contract tankage project in Hardisty, Alberta, in 2009, Enbridge and other industry partners established an ambient air monitoring network to monitor the air quality in the area. The stations collect and monitor the air quality both continuously and on the National Air Pollution Surveillance schedule. In addition to the air monitoring stations, Enbridge conducts semi-annual head space air sampling on each storage tank to ensure emission-control devices are functioning.

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

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

## Enbridge Gas Distribution

In Canada, Enbridge Gas Distribution reports annual criteria air contaminant emissions under the National Pollutant Release Inventory (NPRI). The air contaminants covered under the regulation include NO<sub>x</sub>, SO<sub>2</sub>, VOCs, carbon monoxide and particulate matter. In 2010, Enbridge Gas Distribution exceeded the reporting threshold for two locations and voluntarily reported the CACs for a third location. All three locations are natural gas compressor stations. Emissions are calculated using emission factors or site/equipment specific data.

### ENBRIDGE GAS DISTRIBUTION

Location	CO (tonnes)	NO <sub>2</sub> (tonnes)	VOCs (tonnes)
Tecumseh	43.05	182.99	14.71
Seckerton Battery	3.96	5.91	0
Chatham D	38.82	57.87	

## Gas Transportation

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

Enbridge opened its second acid gas injection well near the Aker Treating Plant in 2006. In 2010, the facility injected 32,820 tonnes of carbon dioxide and avoided 309 tonnes of sulphur dioxide that would have resulted from a traditional gas treating facility.

The following criteria pollutant emissions were reported by the Gas Transportation facilities that are required to provide emission inventories:

	CO	NO <sub>x</sub>	VOCs	SO <sub>2</sub>
Tonnes	2,085	3,266	1,811	764

## EFFLUENTS

### EN21

*Total water discharge by quality and destination.*

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



## WASTE

### EN22

*Total weight of waste by type and disposal method.*

Enbridge's operations produce mostly non-hazardous wastes consisting of paper, scrap metals, package materials and construction-related materials. Typically, Enbridge's operations generate only limited amounts of hazardous wastes.

Enbridge promotes consistent waste management practices across the company's businesses.

Overall, Enbridge makes every effort to reduce and minimize its waste volumes, regardless of hazard classification, through measurement and management programs at its various facilities. The company also tries to find beneficial ways to reuse waste by-products.

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

Following are some examples of Enbridge's waste management and minimization practices:

- Liquids Pipelines' operations in the U.S. provide employees across all of its operating areas site-specific guidance to help ensure sound waste management handling and disposal.
- EGD reports liquid and solid hazardous waste and liquid industrial non-hazardous waste to the Ontario Ministry of the Environment's Hazardous Waste Information Network. These registerable wastes are generated through operation of EGD's facilities, as well as through its field operations.

## SPILLS AND RELEASES

### EN23

*Total number and volume of significant spills.*

### EN24

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

### EN25

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

Enbridge's goal is to prevent all spills, leaks and releases from its energy transportation and distribution systems.

Enbridge implements rigorous mitigation measures during design, construction and operation of its pipelines to prevent spills from occurring. These measures include, among others, avoidance of environmentally sensitive areas, meeting all special design requirements for areas such as road, river and creek crossings, and investing heavily in pipeline safety and integrity programs. These measures contribute to reducing the risk of a release but they cannot eliminate it.

In order to address these residual risks, Enbridge has comprehensive spill response and environmental mitigation plans in place to respond rapidly and completely if spills do occur.

No matter what the size or location of the spill, Enbridge takes every incident very seriously and treats it as a top priority. Each release occurrence is investigated to determine a root cause and findings are incorporated into the company's Integrity Management programs.

For a detailed report on Enbridge's ongoing initiatives to mitigate the environmental impacts of its services, including pipeline and system integrity initiatives, spill mitigation, and spill preparedness and response measures, please see 'Products and Services – EN26/EN27 – Pipeline and System Integrity' below.

The vast majority of the spills that Enbridge experiences:

- are small (less than 10 barrels each);
- occur at Enbridge facilities such as pump stations and terminals and are completely contained within those facilities and never leave the site; and
- are discovered very soon after they occur, which allows for rapid response and clean-up and results in low or no environmental impact.

Also, spills are infrequent relative to the volume of liquids products that Enbridge transports. For example, in 2010, Enbridge delivered an average of 2.2 million barrels per day along its Mainline liquids pipeline system and recorded a total of 80 reportable spills with a total spill volume of 34,122 barrels, with 69 of those spills or 86 per cent having a volume of less than 10 barrels and 61 of them or 76 per cent occurring at Enbridge facilities. Typically, Enbridge safely delivers over 99.99 per cent of the volume it ships in any given year, including in 2010.

However, in July 2010, Enbridge Energy, Limited Partnership (EELP) experienced the most serious environmental incident in its long history – the leak of approximately 20,000 barrels of crude oil on its Line 6B pipeline near Marshall, Michigan. EELP immediately accepted responsibility and made a clear commitment to local residents to clean up the spill and address the impacts on the environment and the people of Marshall, Battle Creek and area.

No spill will ever be acceptable to Enbridge and the company is more determined than ever to meet its goal of zero incidents. The safety and integrity of Enbridge's operations remains the company's highest priority.

#### **Definitions**

Technically, a reportable spill, leak or release is one that is large or significant enough that the company is required to formally notify a regulatory agency. (Enbridge uses the terms 'spills', 'leaks' and 'releases' interchangeably.)

Despite this technical definition, as part of the company's efforts to continually improve its operations, Enbridge records and addresses even small releases that it is not required to report to regulators.

### ***ENBRIDGE'S PERFORMANCE – 2010 REPORTABLE SPILLS***

In this section, Enbridge reports 2010 spills firstly on a company-wide basis and secondly by its three business segments Liquids Pipelines; Gas Transportation; and Enbridge Gas Distribution.

#### ***Notes regarding the tables in this section:***

- "Onsite" refers to spills that occurred at Enbridge facilities. Most onsite spills are completely contained within the company's facilities and are quickly cleaned up with minimal or no environmental impact.
- "Offsite" refers to spills that occurred on Enbridge rights-of-way.
- A reportable spill, leak or release is one that meets the requirements for formal notification to a regulator.

#### ***2010 Reportable Spills – Company-wide***

Enbridge company-wide had a total of 91 reportable spills, leaks and releases in 2010 totaling approximately 34,258 barrels (Liquids Pipelines: 34,122 barrels; Gas Transportation: 35 barrels; Enbridge Gas Distribution: 101 barrels).

Of the 91 spills:

- 78 of them or 86 per cent had a volume of less than 10 barrels;
- 62 of them or 68 per cent occurred at Enbridge facilities ("onsite"); and
- 29 of them or 32 per cent occurred on Enbridge rights-of-way ("offsite").

**2010 REPORTABLE SPILLS, LEAKS AND RELEASES – COMPANY-WIDE**

	0-1 barrels	2-9 barrels	10-100 barrels	> 100 barrels
Onsite	33	23	2	4
Offsite	19	3	4	3
Sub-total	52	26	6	7
Total	91			

**REPORTABLE SPILLS, LEAKS AND RELEASES (COMPANY-WIDE) – FIVE-YEAR CONSOLIDATED DATA**

Year	Total Number of Spills	Total Spills Volume
2010	91	34,258 barrels
2009	103	8,441 barrels
2008	92 <sup>1</sup>	2,842 barrels
2007	65	13,772 barrels
2006	68 <sup>2</sup>	5,734 barrels

1 Adjusted down from the 93 spills reported in Enbridge's 2009 CSR Report because one Enbridge Gas Distribution planned and permitted release of water in 2008 was incorrectly counted as a spill.

2 Adjusted up from 67 spills reported in Enbridge's annual CSR reports prior to 2010's report because one Liquids Pipelines spill was inadvertently omitted from those totals.

**2010 Reportable Spills – Liquids Pipelines**

In 2010, Liquids Pipelines delivered an average of 2.2 million barrels per day on its Mainline system in Canada and the U.S. and recorded 80 reportable liquid spills, leaks or releases totaling approximately 34,122 barrels (Canada: 55 spills totaling 1,213 barrels; U.S.: 25 spills totaling 32,909 barrels).

Of Liquids Pipelines' 80 spills in 2010:

- 69 of them or 86 per cent had a volume of less than 10 barrels;
- 61 of them or 76 per cent occurred at Enbridge facilities ("onsite"); and
- 19 of them or 24 per cent occurred on Enbridge rights-of-way ("offsite").

Please see below for reports on Liquids Pipelines' significant spills in 2010 and the first half of 2011, including the leak in July 2010 of approximately 20,000 barrels of crude oil on Enbridge's Line 6B pipeline near Marshall, Michigan.

**LIQUIDS PIPELINES – 2010 REPORTABLE SPILLS BY VOLUME AND LOCATION**

	0-1 barrels	2-9 barrels	10-100 barrels	> 100 barrels
Onsite	33	23	1	4
Offsite	11	3	2	3
Sub-total	44	26	3	7
Total	80			

**LIQUIDS PIPELINES – VOLUME OF TOTAL REPORTABLE SPILLS**

Year	Total Number of Spills	Total Spills Volume
2010	80	34,122 barrels
2009	89	8,353 barrels
2008	80	2,681 barrels
2007	59	13,756 <sup>1</sup> barrels
2006 <sup>2</sup>	62	5,434 barrels

1 Total Spills Volume in 2007 has been adjusted upward from the 11,956 barrels reported in the 2009 CSR Report because a volume correction for one spill that occurred in 2007, which was included in the 2008 CSR Report, was inadvertently omitted in the 2009 CSR Report.

2 Number of Spills and Total Spills Volume in 2006 have been adjusted upward from CSR reports prior to 2010's report because one spill was inadvertently omitted from those totals.

## ***SPILL COSTS – LIQUIDS PIPELINES – JANUARY 2010 TO JUNE 2011***

Note: Enbridge defines “significant spill” as any release greater than 100 barrels or that entails clean-up costs of \$1,000,000 or more.

### ***Significant Spills in 2010 (excluding Line 6B spill near Marshall Michigan, and Line 6A incident in Romeoville, Illinois)***

Life-to-date costs (January 2010 to June 2011) incurred by Enbridge as a result of significant product spills and leaks that occurred across its entire Canada and U.S. liquids pipelines system in 2010, total approximately \$9 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities. This excludes the Line 6B spill near Marshall, Michigan, and the Line 6A incident in Romeoville, Illinois, which are reported separately immediately below.

### ***Line 6B Spill (near Marshall, Michigan) – July 2010***

On July 26, 2010, a leak of approximately 20,000 barrels of crude oil occurred on Line 6B on EELP’s Lakehead System near Marshall, Michigan. (Please see ‘Significant Spills Summary – Liquids Pipelines’ below for more details).

Life-to-date costs (July 2010 to June 2011) incurred as a result of this leak total approximately USD \$439 million.

Following the release, EELP initially estimated that response efforts would result in aggregate gross costs of USD \$430 million, before insurance recoveries, fines and penalties, and approximately USD \$13 million of lost revenue. These costs included the emergency response, environmental remediation and clean-up activities associated with the crude oil release, and potential claims by third parties. The company has revised its estimate to USD \$585 million at June 30, 2011, based on a review of costs and commitments incurred, as well as additional information concerning the requirements for environmental restoration and remediation. This amount represents the gross estimate before insurance recoveries.

The company expects to pay approximately 90 per cent of the estimated costs by the end of 2011. The company has the potential of incurring additional costs in connection with this incident, including fines and penalties as well as expenditures associated with litigation.

### ***Line 6A Incident (in Romeoville, Illinois) – September 2010***

On September 9, 2010, a leak of approximately 9,000 barrels of crude oil occurred on Line 6A on EELP’s Lakehead System in Romeoville, Illinois (please see ‘Significant Spills Summary – Liquids Pipelines’ below for more details). Life-to-date costs (September 2010 to June 2011) incurred as a result of this incident total approximately USD \$46 million. The company estimates costs associated with this incident of USD \$48 million at June 30, 2011, before insurance recoveries and excluding fines and penalties. The company has the potential to incur additional costs in connection with this crude oil release, including fines and penalties as well as expenditures associated with litigation.

### ***Significant Spills in 2011***

Life-to-date costs (January to June 2011) incurred by Enbridge as a result of significant product spills and leaks that occurred on its Canada and U.S. liquids pipelines system in 2011 total approximately \$3 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities.

### ***Future Costs and Liabilities***

Future costs associated with monitoring and rehabilitating affected areas are determined only after clean-up and assessment, which is often a multi-seasonal process. Liabilities such as fines and penalties are only determined subsequent to investigations and legal and regulatory processes. Therefore, total costs and liabilities cannot yet be determined for spills that occurred in 2010 and 2011.

## ***SIGNIFICANT SPILLS SUMMARY – LIQUIDS PIPELINES – JANUARY 2010 TO JUNE 2011***

Despite Enbridge’s best efforts, Liquids Pipelines experienced several significant releases in 2010 and the first six months of 2011. Following are brief reports on some of these.

### ***Near Neche, North Dakota***

On January 8, 2010, approximately 596 m<sup>3</sup> (3,748 barrels) of synthetic crude oil was released from Line 2b at milepost 774.18, just across the international border downstream from the Gretna (Manitoba) Station near Neche, North Dakota. Enbridge’s Control Centre detected the release and immediately shutdown, isolated the line and implemented spill response procedures including dispatching crews to the site and notifying all regulatory agencies.

The spill was contained within a low-lying section of agricultural land measuring approximately 700 feet by 90 feet (213 metres by 27 metres) and adjacent to the pipeline right-of-way that had been cleared during Alberta Clipper construction. Crews initiated oil recovery while the failed section of the pipe was removed and replaced with pretested pipe. Safety of the public and responders was the company's primary consideration and despite challenging winter conditions, all work was completed without incident.

All contaminated soil, snow and water was removed from the site and trucked to approved disposal facilities. Final site remediation and reclamation was completed in the summer of 2010, and Enbridge received regulatory closure on the site from the North Dakota Department of Public Health in July 2010.

#### ***Near Edmonton, Alberta***

On February 25, 2010, a release of crude oil occurred at a broken nipple on the drain valve of a booster pump at Enbridge's Edmonton, Alberta, terminal. The National Energy Board and Alberta Environment were notified of the spill, and Enbridge's emergency response plans were activated. Approximately 130 m<sup>3</sup> (818 barrels) of diluent was released into a concrete containment pit. The leak was contained within the pit and spill crews initiated recovery. The diluent was transferred from the containment area to a storage tank by vacuum truck. The containment pit was steam cleaned and the resulting water was disposed of at an approved off-site facility. No significant long-term environmental impacts are anticipated.

#### ***Near Virden, Manitoba***

On April 1, 2010, Enbridge Pipelines (Virden) Inc. was notified of a potential release of crude oil just southwest of the town of Virden, Manitoba. The company immediately shut down the 6-inch pipeline gathering lateral and dispatched response personnel to the area. The company also notified regulatory authorities, including Environment Canada and Fisheries and Oceans Canada. Approximately 2.5 m<sup>3</sup> (16 barrels) of oil were released from the pipeline into the creek bed of Bosshill Creek, causing an oily sheen to form in a portion of the creek. Spill response crews deployed booms to contain the leak and initiated oil recovery using skimmers and vacuum trucks. The most contaminated portion of the creek was diverted for 100 metres to allow for repair of the line and clean-up of the affected creek bank. Enbridge worked with regulators and local stakeholders to develop comprehensive remediation and monitoring plans. No significant long-term environmental impacts are anticipated.

#### ***Near Cactus Lake, Saskatchewan***

On June 22, 2010, a release of crude oil occurred due to an o-ring seal failure at the Line 4 sending trap located at Enbridge's Cactus Lake, Saskatchewan, pump station. The National Energy Board and Saskatchewan Industry and Resources were notified of the spill, and Enbridge's emergency response plans were activated. Approximately 25 m<sup>3</sup> (157 barrels) of crude oil was released onsite. The crude oil was found in the area of the sending trap, drainage ditch and on the surface of the stormwater pond. Spill response crews initiated recovery of the product. Impacted soil and oil/water mixture were recovered and disposed of at an approved off-site facility; and impacted stormwater was treated on-site. The site was remediated and no additional work is required to address the release.

#### ***Near Marshall, Michigan***

On July 26, 2010, a release of crude oil on Line 6B of Enbridge Energy, Limited Partnership's Lakehead system was reported near Marshall, Michigan. The company estimates that 20,000 barrels of crude oil leaked at the site, and of that an estimated 8,000 barrels reached Talmadge Creek, a tributary that feeds the Kalamazoo River. The released crude oil affected approximately 38 miles (61 kilometres) of area along the Talmadge Creek and Kalamazoo River waterways between Marshall and downstream of Battle Creek, Michigan. A multi-agency effort led by the U.S. Environmental Protection Agency (EPA), the Michigan Department of Natural Resources and Environment (MDNRE), and other federal, state and local agencies are guiding the clean-up and remediation efforts. By spring 2011, 18,245 barrels of oil were recovered and re-injected into Enbridge's terminal in Griffith, Indiana.

The cause of the release remains the subject of an investigation by the National Transportation Safety Board (NTSB). The removal and replacement of the pipeline segment that leaked was completed under the supervision of the United States Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), which required Enbridge to perform specific tasks to ensure the safety of the pipeline before returning it to service. These steps were completed, and the pipeline was safely returned to service on September 27, 2010.

A reassessment of all potentially affected portions of Talmadge Creek, the Kalamazoo River and overbank areas was started in March 2011 and completed in June 2011. The reassessment showed areas of submerged oil that was primarily found in natural collection points along the river, including upstream of Ceresco Dam, the Mill Ponds in Battle Creek, and the delta leading into Morrow Lake. With the information from the reassessment, a clean-up plan for summer 2011 was developed with oversight by the EPA and the Michigan Department of Environmental Quality, a branch of the MDNRE that became the primary overseer for the state in January. At the time of writing this report, Enbridge's submerged oil work was not 100% completed and did not meet the EPA's August 31, 2011, deadline.

Efforts to determine when the river and affected areas can be reopened are also under way. Evaluations of the river, nearby wetlands, bottom sediment and shoreline were conducted by clean-up experts from the EPA and the Michigan Department of Environmental Quality (DEQ) in the spring of 2011. The results of this on-going work are being used by the local and state health agencies to make decisions about whether the river and impacted areas are safe for public use.

As part of the Corrective Action Order on Line 6B, PHMSA also directed Enbridge to replace a section of the pipeline located beneath the St. Clair River, which forms the border between Michigan and Ontario. A dent in that section had been confirmed during a 2009 in-line inspection. While the dent was most likely there since installation in the late 1960s, following the Marshall leak the public tolerance for any risk on Enbridge's system was understandably low and scrutiny by elected and regulatory officials was very high. Enbridge completed the repair in June 2011, well before the September 2011 PHMSA deadline.

The Line 6B release was unprecedented for Enbridge. The company has committed since the outset of the incident to restore the area as close as possible to its pre-spill condition, and to the satisfaction of the EPA, the DEQ and the local community. Enbridge remains fully committed to that goal.

For more detailed and up-to-date information about Enbridge's response to the Line 6B leak, please visit <http://response.enbridgeus.com/response/>.

#### ***Near Cass Lake, Minnesota***

On July 29, 2010, a leaking flange was discovered on Line 2 at the North Cass Lake, Minnesota, Station. The Enbridge control centre was contacted immediately and the station was isolated. The State of Minnesota and the Leech Lake Band of Ojibwe, on whose land the property is located, were notified. Released crude oil was collected and approximately 200 cubic metres of impacted soil was removed and disposed of. While the initial volume estimate of the leak was several barrels of oil, a low water table at the site allowed oil to travel downward and away from detection. Reassessment of the release, through the installation of additional monitoring wells, now estimates that oil was leaking for some time and as much as 238.5 m<sup>3</sup> (1,500 barrels) of oil is present on the groundwater table, extending both on and off Enbridge's property. Existing groundwater monitoring wells did not indicate any significant hydrocarbons prior to this release. Automated systems to recover the released oil were installed at the site and groundwater monitoring indicates that the contamination plume extends slightly onto the westerly adjacent property. Product recovery and groundwater monitoring is on-going. The Leech Lake Band of Ojibwe has requested assistance and oversight of Enbridge's remediation activities from the United States Environmental Protection Agency.

#### ***In Romeoville, Illinois***

On September 9, 2010, a crude oil release from Line 6A of EELP's Lakehead System was reported in an industrial area of Romeoville, Illinois. The pipeline was shut down within minutes of the company being notified of the leak and the section of the pipeline where the leak occurred was isolated. Oil was released onto a roadway and then into a storm water retention pond. Approximately 300 personnel and contractors were deployed to clean up and remediate the affected areas. Approximately 9,000 barrels of crude oil were released, of which approximately 1,400 barrels were removed from the pipeline as part of the repair. Excavation and replacement of the pipeline segment were completed and the pipeline was returned to service on September 17, 2010. The company has fulfilled its obligations under the clean-up and remediation order from the U.S. Environmental Protection Agency and is continuing to pursue final remediation obligations with the Illinois Environmental Protection Agency. The cause of the crude oil release is being investigated by the U.S. National Transportation Safety Board.



***Near Nanticoke, Ontario***

On October 15, 2010, a release of crude oil occurred at a sample port in a meter bank at Enbridge's Nanticoke, Ontario, terminal. The National Energy Board and Ontario Ministry of the Environment Spills Action Centre were notified of the spill, and Enbridge's emergency response plans were activated. Approximately 19.7 m<sup>3</sup> (124 barrels) was released onto industrial property in the area. Spill response crews contained the leak and initiated oil recovery. Contaminated soils were excavated and disposed of at an approved off-site facility. Enbridge worked with regulators and local stakeholders to develop comprehensive remediation and monitoring plans. No significant long-term environmental impacts are anticipated.

***Near Wrigley, Northwest Territories***

On May 9, 2011, a leak was discovered on Enbridge's Norman Wells Pipeline approximately 50 metres south of Wrigley and 150 metres south of Willowlake River in the Northwest Territories. The leak was reported to the Northwest Territories 24-hour Spill Report Line and Enbridge's emergency response plans were activated. Within 24 hours of the leak, Enbridge estimated the leak volume to be about four barrels. This initial estimate, which was confirmed by onsite representatives from the National Energy Board (NEB), was based on oil observed at the surface.

After implementing a full-scale environmental site assessment (ESA) program, which included subsurface analysis and investigation, Enbridge discovered the leak volume and subsurface contamination was greater than originally estimated. The ESA indicated that a large quantity of oil was held below the surface by perma frost, which served as a cap preventing the upward movement of the oil and an initial visual determination of the full extent of the leak volumes.

Based on estimates provided by third-party experts on site, Enbridge later reported that it anticipated the leak volume to range from 111.29 m<sup>3</sup> to 238.5 m<sup>3</sup> (700 to 1,500 barrels). The subsurface that was affected is about one acre, and an interceptor trench was installed to contain and recover the subsurface oil. The oil remains contained along and in an area along and directly adjacent to the right-of-way and there have been no impacts to the Willowlake River.

Contaminated water, which is generated as part of the remediation and from precipitation, is being treated on-site by a water treatment system or hauled to an off-site licensed facility. Contaminated soil from the leak repair excavation was stored in an on-site, lined containment cell and then hauled to a licensed waste management facility. Excavation and removal of contaminated soil commenced in August 2011. To monitor and assess potential impacts to the surrounding environment, Enbridge also implemented a comprehensive monitoring program of air and surface water bodies around the site.

After completing necessary repairs, Enbridge returned the Norman Wells line to service under a voluntary pressure restriction on May 20, 2011. Enbridge prepared a Remedial Action Plan (RAP), which was approved by the National Energy Board (NEB) on August 26, 2011. The RAP, would see Enbridge undertake excavation of the site, removing all remaining contamination. The RAP was shared with First Nations, regulators and other stakeholders prior to its submission to the NEB. Enbridge is consulting with Aboriginal governments and organizations in Wrigley and Fort Simpson, and regularly provides updates on clean-up activities, obtains feedback, and discuss the company's long-term remediation plans.

***2010 REPORTABLE RELEASES – GAS TRANSPORTATION***

In 2010, Gas Transportation had seven reportable releases totaling 35 barrels in its pipelines division and had no reportable releases in its trucking division. All seven spills were categorized as offsite and five of the seven involved one barrel or less.

Gas Transportation delivered approximately 57.9 million barrels in 2010 and safely delivered over 99.99 per cent of that volume.

***Note to the following two tables:***

- Unless otherwise noted, data covers natural gas transmission, gathering, processing and trucking operations of Enbridge Energy Partners, L.P. and Enbridge Offshore operated by Enbridge Inc.
- Number of spills includes liquid spills from gas transmission and the limited number of liquids pipelines that are included in Enbridge's Gas Transportation Business.
- 1 barrel = 0.159 cubic metres or 42 United States gallons (all liquid products).

**GAS TRANSPORTATION – 2010 REPORTABLE SPILLS BY VOLUME AND LOCATION**

	0-1 barrels	2-9 barrels	10-100 barrels	> 100 barrels
Onsite	0	0	0	0
Offsite	5	0	2	0
Sub-total	5	0	2	0
Total	7			

**GAS TRANSPORTATION – VOLUME OF TOTAL REPORTABLE SPILLS**

Year	Total Number of Spills	Total Spills Volume
2010	7	35 barrels
2009	13	88 barrels
2008	9	159 barrels
2007	4	10 barrels
2006	6	300 barrels

**2010 REPORTABLE SPILLS – ENBRIDGE GAS DISTRIBUTION**

Enbridge Gas Distribution experienced four reportable spills in 2010, totaling 101 barrels.

**ENBRIDGE GAS DISTRIBUTION – 2010 REPORTABLE SPILLS BY VOLUME AND LOCATION OF SPILL**

	0-1 barrels	2-9 barrels	10-100 barrels	> 100 barrels
Onsite	0	0	1	0
Offsite	3	0	0	0
Sub-total	3	0	1	0
Total	4			

**GAS TRANSPORTATION – VOLUME OF TOTAL REPORTABLE SPILLS**

Year	Total Number of Spills	Total Spills Volume
2010	4	101 barrels
2009	1	0.02 barrels
2008 <sup>1</sup>	3	2 barrels
2007	2	6 barrels
2006	0	0 barrels

<sup>1</sup> Totals have been adjusted down from those reported in Enbridge's 2009 CSR Report because a planned and permitted release of water by EGD in 2008 was incorrectly counted as a spill.

**Monitoring and remediating past actions**

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

Some examples include:

- Enbridge continued to work on delineating, monitoring and/or remediating historic leak sites with work occurring at various locations along the pipeline system. A number of historic leak sites were successfully 'closed' in 2010, meaning that Enbridge had remediated the sites to the satisfaction of the landowners and appropriate regulatory agencies. Examples include closure of the 2010 incident near Neche, North Dakota, and a 2003 leak at Superior Terminal.
- Enbridge's Gas Transportation business segment's plant in Springtown, Texas, treats and processes gas and its plant in Harmony, Mississippi, which is no longer in operation, previously treated and processed gas. Past operations at these plants, before Enbridge ownership, released hydrocarbons, which have been detected in local groundwater. Also, in November 2008, Enbridge experienced a spill of hydrocarbons at its Alliance Sales Meter, located in Alliance, Louisiana, that was subsequently detected in the soil and local groundwater. Enbridge is currently working with those states' agencies to aggressively remediate soil and groundwater contamination. Regarding the Louisiana spill, Enbridge concluded remediation activities in November 2009 and submitted a summary report to the Louisiana Department of Environmental Quality. In Mississippi, an in-situ air sparging/soil vapour extraction system was installed



in 2010 to aid in remediation of groundwater contamination. While ongoing monitoring indicates that the company's efforts are having a positive effect, it will continue to monitor this progress under the supervision of the states and will take any necessary actions should the situation change.

## **EN26**

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

## **EN27**

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

## **PIPELINE AND SYSTEM INTEGRITY**

According to the Association of Oil Pipelines (AOPL), pipelines are the safest and most efficient method of transporting fuels.

Replacing even a modest-size pipeline, which might transport 150,000 barrels per day, would require 750 tanker-truck loads a day, which equates to a load delivered every two minutes around the clock. Replacing the same pipeline with a railway train of tank cars carrying 2,000 barrels each would require a 75-car train to arrive and be unloaded every day.

Pipelines also have the least amount of releases of any transportation mode. Liquids pipeline spills along rights-of-way have decreased over the past decade, in terms of both the number of spills and the amount of product spilled, so that today ruptures on pipelines are rare. According to the Canadian Energy Pipeline Association (CEPA), in Canada between 2002 and 2009: ruptures on federally regulated pipelines averaged slightly more than one per year, a decline of 55 per cent from the previous eight years; and the average annual volume released from liquids pipelines was two litres for every million litres transported, meaning 99.9998 per cent of the product was transported safely.

In addition to the fewest releases, pipeline transportation has the lowest energy input requirements and carbon footprint as compared to other transportation modes (barge, truck, rail and marine).

With the volumes that must be transported, pipelines are the only feasible method for moving the enormous quantities of petroleum North America consumes each day.

## **PIPELINE AND SYSTEM INTEGRITY – ENBRIDGE'S APPROACH**

Enbridge aims to be a North American leader in pipeline and system facility integrity, and the company's goal is to prevent all spills, leaks and releases from its energy transportation and distribution systems.

Enbridge underpins these objectives in its [Environment, Health and Safety Policy](#), which states that "our goal is to have no accidents and to cause no harm to the environment."

To achieve these objectives, Enbridge invests heavily every year in pipeline safety through a branch of technology known as pipeline integrity management and maintenance. For example, in both 2009 and 2010, Enbridge's Liquids Pipelines business segment alone invested approximately \$150 million annually in programs and initiatives related to pipeline and system integrity.

Enbridge has in place a comprehensive, company-wide integrity management system that focuses on the integrity of the whole system – pipelines and facilities.

For Enbridge, pipeline integrity management and maintenance encompasses the tools, technologies and strategies needed to ensure that pipeline networks have the strength and operating fitness to perform safely, reliably and in an environmentally responsible manner.

As part of this discipline, Enbridge:

- follows environmentally sound practices;
- takes a proactive approach to pipeline testing and repair;
- invests in advanced leak and damage prevention and pipeline integrity management technologies;
- implements rigorous monitoring programs that include Enbridge's leadership in the use of sophisticated inline inspection tools ("pigs") that identify threats to pipe integrity before leaks occur;
- implements preventive maintenance programs, including inspection and repair digs;
- participates in industry forums to share and exchange knowledge;
- pursues and supports technology research;

- contributes to the development of national pipeline safety standards and industry recommended practices;
- supports state and provincial excavation one-call efforts to reduce the risk of third-party damage to pipelines and enforcement of “Call Before You Dig” and three-digit (811) one-call systems for excavators;
- implements public awareness programs to keep property owners, neighbours and contractors along Enbridge’s rights-of-way informed about the company’s pipeline system and remind them of their obligation to call before digging;
- conducts mock emergency exercises to train employees and external stakeholders should an emergency occur;
- sets company-wide leak reduction targets across its liquids pipelines system;
- reports leaks or spills from its pipelines in accordance with the requirements of regulatory authorities in Canada and the U.S.; and
- investigates all spills, leaks and releases to determine the root cause and incorporate findings into Enbridge’s prevention programs to minimize future risk.

Generally speaking, Enbridge’s full range of ongoing pipeline and system integrity initiatives fall within the following seven focus areas:

1. Design, materials and construction
2. Public awareness
3. Monitoring and preventive maintenance
4. Long-term integrity planning
5. Leak detection
6. Preparedness and response
7. Environmental mitigation

Please see below for reports on these seven focus areas.

### **1. FOCUS ON DESIGN, MATERIALS AND CONSTRUCTION**

Enbridge’s focus on pipeline safety begins at the planning stage.

The company implements rigorous mitigation measures during design and construction to ensure the operational integrity of its pipelines.

Design and construction measures include, among others:

- having a rigorous, multi-disciplinary route selection process that identifies pipeline corridors and line locations that achieve an acceptable balance of engineering, environmental and economic considerations;
- maintaining world-class standards for engineering and design, including meeting all special design requirements for areas such as road, river and creek crossings;
- maintaining world-class standards for materials procurement, including selection of pipeline materials, corrosion inhibiting coatings, and cathodic protection; and
- using world-class construction practices, including a commitment to identify, mitigate and proactively manage potential construction project effects on the environment and also paying close attention to environmentally sensitive areas and at-risk species.

### **2. FOCUS ON PUBLIC AWARENESS**

Public awareness of pipeline activity is a vital element of pipeline safety.

Enbridge ensures that emergency officials and residents along its pipeline routes are well informed of all pipeline activities and safety procedures.

Enbridge pursues this in a number of different ways, beginning with an ongoing commitment to open and transparent consultation with the individuals who live along the company’s pipelines and those who may become neighbors as the pipeline network grows.

For example, Enbridge Gas Distribution's commitment to its customers does not stop at natural gas delivery. EGD is also committed to safety, and a key factor is educating its customers on natural gas safety through ongoing communication. EGD provides information and tips to help ensure safe natural gas use through both bill inserts and media campaigns. The media campaigns cover EGD's franchise area and include radio ads for Call Before You Dig and Carbon Monoxide (CO). The CO campaign was supported by billboard advertisements.

In the U.S., Enbridge is involved in the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) Pipelines and Informed Planning Alliance (PIPA) program, which is a multi-stakeholder consensus effort to develop best practices for development near pipelines and for assuring that those who host pipelines on their property understand how those pipelines are operated and what pipeline companies do to protect their near neighbours. In 2010, the program issued two reports: *Partnering to Further Enhance Pipeline Safety In Communities Through Risk-Informed Land Use Planning: Final Report of Recommended Practices*; and *Building Safe Communities: Pipeline Risk and its Application to Local Development Decisions*. Copies of these reports, as well as current information about the program are available at PHMSA's website at <http://primis.phmsa.dot.gov/comm/pipa/LandUsePlanning.htm>.

### 3. FOCUS ON MONITORING AND PREVENTIVE MAINTENANCE

Enbridge believes that pipeline safety and reliability begin with prevention.

This means recognizing conditions that have been known to cause pipeline failures in the past and then working to minimize the risk.

It also means adopting advanced leak and release prevention technologies, following environmentally sound practices and taking a proactive approach to pipeline testing and repair. Following are some of the monitoring and maintenance measures that Enbridge takes:

#### Combating Corrosion

Because of their location and the products they carry, pipelines may come in contact with water, bacteria and various chemicals, all of which can corrode steel.

Both the interior and exterior of the line are potentially subject to corrosion.

Enbridge mitigates the threat of corrosion by:

- using high-quality materials and anti-corrosion coatings that are specified during the design phase of the pipeline;
- using cathodic protection (a low-level electric current applied directly to the pipe) to inhibit external corrosion of underground pipelines;
- using modeling to predict corrosion growth rates along pipelines;
- using specialized corrosion inhibitors injected directly into the crude fluid to address internal corrosion;
- scheduling regular monitoring and inline inspections to check for corrosion;
- using inline devices known as "pigs" to clean and inspect pipelines from the inside; and
- scheduling excavation and repair programs identified by inline inspections.

Enbridge continues to pursue new methods to prevent or manage corrosion. Currently, the company is helping to lead research and development that will further cathodic protection, coating science, inline inspection technologies and improved methods to monitor and mitigate internal corrosion.

#### Managing Cracking

Cracking of pipelines requires an initiation and growth process.

The initiation of cracks can be related to pre-existing manufacturing flaws, particularly at the long-seam weld, stress concentrations related to geometrical shapes such as weld reinforcements, and areas on the pipe surface that are subjected to environmental conditions.

The initiation as well as the growth of cracks typically requires a fluctuation in stress. This fluctuation is commonly understood to create a condition known as fatigue that results in the newly initiated crack growing a very tiny amount with each fluctuation in stress. Over a long period of time, the crack has the potential to grow to a significant size. Fluctuations in stress are also known to contribute to the initiation and growth of a type of cracking called stress corrosion cracking (SCC).

Research has shown that SCC is caused by a number of factors, including pipe material, stress and the environment surrounding the pipe. SCC typically occurs on the exterior of the pipe. This type of cracking has the potential to penetrate the steel and cause a pipeline break.

Enbridge is committed to being at the forefront of technological developments and research relating to the cracking phenomenon and its diagnosis. These efforts have resulted in rigorous programs for monitoring and managing cracking, with the key activity being the use of ultrasonic inline inspection technologies.

Over the past 15 years, Enbridge has carried out a number of actions to enhance industry's development of advanced inspection technologies and enhanced field evaluation methods. The company also continues to actively participate in a variety of industry forums with a focus on cracking.

### **Managing Mechanical Damage**

Mechanical damage describes conditions on a pipeline such as dents (created by a variety of outside forces such as rocks, impact from equipment during construction, or impact from excavating equipment while the pipeline is in service), gouges, scrapes, etc.

These types of conditions may result in either a penetration of the pipeline at the time of occurrence or the initiation and growth of a crack over time.

Managing mechanical damage requires the integration of data from several inspection technologies, including caliper tools (deformation sizing), metal-loss tools, and crack tools, as each of them provides detail that can be used to characterize these conditions.

Enbridge has actively pursued improvements to both inline inspection technologies and engineering models that characterize the pipe condition through sponsorship and technical leadership of joint industry research projects. This work has provided the industry with improved methods of managing mechanical damage to pipelines.

### **Carrying Out Inline Inspections**

Sophisticated inline inspection (ILI) technology is a vital element in Enbridge's pipeline integrity program.

The company uses sensitive ILI tools to measure the size, frequency and location of even minute changes in the walls of its major pipelines.

These sophisticated tools enable Enbridge to inspect the inside and outside of its pipes on a millimetre-by-millimetre scale.

Although most defects are minor and do not threaten the integrity of Enbridge's system, the company analyzes and monitors all of them through periodic inspections to see how defects change over time.

### **Implementing a Comprehensive Program of Pipeline Integrity Digs**

Enbridge's constant monitoring and inspection of its pipelines alerts the company to locations to check for corrosion, cracks or other defects.

If inline inspections identify significant features, the company follows up by carrying out inspection or integrity digs in the field. Each dig involves digging up a section of buried line to examine and, if needed, repair and recoat the pipe and rebury the line.

Enbridge conducts all digs to a high environmental standard. In natural environments, before beginning work, the company completes screening tests to identify environmental issues and measures needed to minimize impacts to land, vegetation and wildlife.

Enbridge conducts similar environmental reviews for other small engineering and operation and maintenance projects.

In 2010, Enbridge completed over 1,500 integrity verification digs along its mainline liquids pipelines system in Canada and the United States, compared with approximately 900 in 2009.

For its part, Enbridge Gas Distribution (EGD) started a 10-year program in 2004 for high-stress pipelines (lines operating at higher pressure). In 2010, EGD completed 27 integrity verification digs on the 365 kilometres (227 miles) of pipeline that were in the program.

### **Patrolling the Line**

Prevention depends on a constant round of inspections to spot potential trouble spots along major pipeline rights-of-way.

Using aircraft, land vehicles or foot patrols, Enbridge regularly monitors its major pipeline routes, on the lookout for potentially damaging activities such as unauthorized digging and construction.

#### **Monitoring Pipeline Depth**

To help ensure the protection and integrity of its pipelines, Enbridge has implemented a pipeline depth monitoring program.

The program was developed with the aim of making sure major pipelines are covered by the appropriate amount of soil.

To monitor pipeline depth, the company uses specialized electronic equipment that locates and records the pipeline depth for these pipelines every 50 metres.

In addition to monitoring the pipeline depth, a global positioning system (GPS) is also used to record pipeline coordinates and observe right-of-way conditions such as terrain, land use, damages or deficiencies.

### **4. FOCUS ON LONG-TERM INTEGRITY PLANNING**

Enbridge evaluates the condition of its pipeline system to determine the optimal method of ensuring long-term operability and reliability.

The methods considered include pipe replacement, pipeline rehabilitation (coating replacements), continued inline inspections and repairs.

The analysis considers factors such as ease and safety of implementation, economic evaluations, and operational expectations – all with the requirement that pipeline safety will not be compromised.

Long-term planning is focused on the pipeline system, with its condition assessed using inline inspection and other key parameters from Enbridge's operations. For example, 14 sections of new pipe and a river crossing will be completed on Line 6B by the end of 2011 with a further 75 miles of pipe replacement scheduled on this line by year-end 2012.

### **5. LEAK DETECTION**

Spills, leaks and releases happen for a variety of reasons. Pipelines that come into contact with water, bacteria and chemicals can corrode, both internally and externally. People can inadvertently damage pipelines through unauthorized digging and construction.

Enbridge has adopted advanced leak-detection technologies.

The company monitors its pipelines for possible leaks using four methods, each with a different focus and technology, resources and timing. Used together, these methods provide overlapping leak-detection capabilities.

Enbridge's leak detection capabilities are compliant with the United States Code of Federal Regulations (CFR), Title 49: Transportation, Part 195.

**Monitoring** – Enbridge's Pipeline Controller monitors pipeline conditions (such as pipeline pressure) through the Supervisory Control and Data Acquisition (SCADA) system, which is designed to identify unexpected operational changes such as pressure drops that may indicate a release.

**Visual surveillance and reports** – These are reports of oil or oil odours from third parties and from Enbridge's aerial and ground line patrols. Third-party reports are handled through an emergency telephone line, which affected publics and local emergency officials are made aware of through a Public Awareness Program. Enbridge typically conducts aerial line patrols every two weeks. The company's gas systems also conduct a series of leak survey programs, including mobile surveys and walking surveys.

**Scheduled line-balance calculations** – Sometimes called "over/short reports" in the industry, these are calculations of oil inventory that are carried out at fixed intervals, typically every two and 24 hours. A rolling, 24-hour calculation is also maintained at a set time each day. The purpose of these calculations is to identify unexpected losses of pipeline inventory that may indicate a possible leak.

**Computational Pipeline Monitoring (CPM)** – CPM is a computer-based system that utilizes measurements and pipeline data to detect anomalies that could indicate possible leaks. The CPM system provides a sophisticated computer model of Enbridge's pipelines that continuously monitors changes in the

calculated volume of oil between two fixed points on the system. If the calculated volume of oil is less than expected, then an alarm is triggered in Enbridge's control centre. The cause of the alarm is investigated immediately.

#### **Reducing facility leaks**

In 2004, Enbridge added system integrity measures such as a leak reduction team and small piping integrity initiatives to its existing integrity program.

Since 2005, a cross-functional team of 12 experts in engineering, operations and integrity has helped to guide a leak reduction program for Enbridge's continental network of facilities, including pump stations and terminals.

In addition to its direct-response, investigation and remediation activities, this group meets monthly to review recent leaks and plan actions to prevent incidents from occurring in the future.

Enbridge expects to complete inspections of all pump stations/terminal locations by the end of 2011. This aspect of the leak reduction program commenced in 2009 with the development of a Facility Inspection Protocol that focused on the reduction of releases. Recommendations in the inspection reports will be addressed and completed in 2012.

### **6. FOCUS ON SPILL PREPAREDNESS AND RESPONSE**

While Enbridge's pipeline and system integrity initiatives described above contribute to reducing the risk of spills, leaks and releases and mitigating their impacts, these measures cannot completely eliminate the risk.

Therefore, Enbridge has comprehensive spill preparedness and response and environmental mitigation plans in place to respond rapidly and completely if a spill does occur.

#### **Preparedness**

Enbridge's emergency and crisis preparedness plans are designed to minimize the impact of an incident and comply with regulatory requirements.

Employees throughout Enbridge's business units in Canada and the United States participate in regular emergency response drills and simulations to test and improve procedures. These range from tabletop exercises, where employees discuss responses to various scenarios, to full-scale deployment exercises with local emergency agencies, using equipment to practice recovery and clean-up in various terrains and on water as applicable.

All of the company's operating facilities maintain regular contact with communities and first responder organizations to keep them up to date and coordinated with Enbridge's operations and contingency plans.

#### **Enbridge Safe Community Program**

One of Enbridge's flagship community investment programs is its Safe Community Program, which provides monetary grant support for first responders, police agencies, fire-fighters, emergency medical services and other related health providers who would respond to emergency situations along any of Enbridge's pipeline rights-of-way.

The grant support helps eligible organizations acquire new safety-related equipment, obtain professional training and deliver safety education programs in their communities.

#### **Response**

When a spill occurs, Enbridge carries out emergency response procedures to shut down and isolate the impacted pipe, notify the appropriate government and regulatory agencies, contain the substance and manage potential environmental and safety impacts.

In addition, Enbridge works closely with landowners, regulatory agencies and other concerned parties to develop remediation and monitoring plans.

Enbridge also conducts root-cause incident investigations and reviews the effectiveness of the incident response. Lessons learned are shared within the company and with industry and local responders.



## 7. FOCUS ON ENVIRONMENTAL MITIGATION

Enbridge has a strong record of environmental stewardship and regulatory compliance and it works closely with federal, provincial and state regulators and authorities to ensure that it builds, operates and maintains its pipelines and facilities safely and with the utmost regard for the protection of the environment.

When Enbridge experiences a leak, the company's highest priority is the safety and protection of people and the environment and the rapid response and, where applicable, thorough containment and clean-up in such a way as to minimize the impacts. Following are the typical steps that Enbridge takes for an oil spill:

- Containment is the first order of business as Enbridge works to address the environmental impact. Simply put, the smaller the area that is touched by the oil, the less damage is done and the easier it is to clean up.
- As it contains the oil, Enbridge works to capture it and safely remove it from the environment. As it removes the oil, Enbridge is very careful to keep it from spreading to uncontaminated vegetation, water or soil.
- Water, soil and vegetation that have come into contact with oil is typically removed and disposed of at an appropriate waste disposal facility. As affected water, soil and vegetation are removed, Enbridge is very careful not to spread the oil to uncontaminated areas. The company establishes what needs to be removed based on a comprehensive clean-up plan, environmental testing and monitoring, physical inspection and guidance from government regulators.
- Enbridge works closely with wildlife experts to minimize impacts on wildlife and assist and rehabilitate animals that have come in contact with oil.

Enbridge develops plans for remediation and reclamation with the input of affected stakeholders and environmental regulators. The company's goal is to address the requirements of all regulators and stakeholders and to restore the area as closely as possible to its pre-spill condition or to a state that is acceptable to the local community.

### DEMAND-SIDE MANAGEMENT

Enbridge is committed to helping customers use energy wisely. Enbridge Gas Distribution (EGD) has more than 30 demand-side management (DSM) programs covering all market sectors that encourage customers to adopt energy-saving equipment and reduce consumption of natural gas. EGD does this by:

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

In 2010, EGD's DSM programs saved approximately 65 million cubic metres<sup>1</sup> of natural gas, which is enough to supply approximately 21,000 homes<sup>2</sup> with natural gas for a year.

Since 1995, EGD's DSM programs have cumulatively delivered about 6.1 billion cubic metres of natural gas savings (the equivalent of enough gas to supply approximately 1.9 million homes for one year<sup>2</sup>) and net energy savings to customers of about \$1.9 billion. Through these DSM activities, EGD has helped its customers avoid cumulatively approximately 11.5 million tonnes of carbon dioxide emissions<sup>3</sup>.

1 2010 natural gas m<sup>3</sup> savings have been audited; however, they are still subject to final regulatory approval and the clearance of accounts with the Ontario Energy Board.

2 Assumes that a typical residential customer uses 3,064 m<sup>3</sup> of natural gas per year to heat their home and water.

3 Assumes that 1.89 kgs of CO<sub>2</sub> are emitted for each m<sup>3</sup> of gas that is consumed.

### Contributing to policy on DSM

As a recognized DSM leader in the natural gas industry, EGD is frequently invited to provide advice on DSM initiatives. In 2006, it participated in an Ontario Energy Board Natural Gas DSM Generic Issues Proceeding, the results of which proved to be positive. Through this proceeding, EGD was able to help establish a new framework for natural gas DSM in Ontario. As a result, EGD is now operating its DSM Programs under the stability of a multi-year plan (original plan was from 2007 to 2009 and further extended to 2011).

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

## COMPLIANCE

### EN28

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

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

#### Liquids Pipelines

In 2010, Liquids Pipelines received eight regulatory notifications from government agencies for environmental issues. These included separate orders from the United States Environmental Protection Agency (U.S. EPA) and the State of Michigan Department of Natural Resources and Environment relating to clean-up and remediation of the Line 6B spill near Marshall, Michigan; and separate orders from the U.S. EPA, as well as the Illinois Attorney General upon an original request from the Illinois Environmental Protection Agency relating to clean-up and remediation of the Line 6A incident in Romeoville, Illinois.

Also in 2010, Enbridge Energy, Limited Partnership finalized and executed a settlement agreement with the Wisconsin Department of Justice on the complaint relating to alleged violations of air management statutes and permit requirements at the company's Superior Terminal. Enbridge Energy, Limited Partnership agreed to pay USD \$1 million to settle state claims under Wisconsin's air pollution laws.



## Gas Transportation

Gas Transportation in the U.S. received 12 NOV's in 2010 with a total fine amount of USD \$135,630.

## Enbridge Gas Distribution

Enbridge Gas Distribution (EGD) received five notifications for non-compliance with environmental regulations in 2010, but received no fines or orders during the year.

## COMPANY-WIDE REGULATORY NOTIFICATIONS AND FINES

	2010	2009	2008	2007	2006
Regulatory Notifications <sup>1</sup>	25	25	14 <sup>4</sup>	15	10
Regulatory Fines Incurred (thousands of Canadian dollars)	\$1,176 <sup>2</sup>	\$1,159.3 <sup>3</sup>	\$59.9	\$4.9	\$4.1

1 Enbridge responded promptly to address the concerns associated with all notifications.

2 Includes USD \$1-million settlement agreement with the Wisconsin Department of Justice for air compliance violations received at Enbridge's crude oil pipeline breakout storage terminal at Superior, Wisconsin. Many of the violations were self-reported by Enbridge to the Wisconsin Department of Natural Resources after Enbridge discovered them during the course of a facility audit. Since then, Enbridge has corrected the issues or is in the process of correcting them.

3 A settlement regarding three NOV's issued by the Wisconsin Department of Natural Resources was reached in January 2009 and included a USD \$730,000 fine and a USD \$370,000 statutory assessment. The NOV's pertained to environmental infractions that Enbridge allegedly committed while constructing its Southern Access pipeline in 2007.

4 Reduced from the total of 12 reported in the 2009 CSR Report because one U.S. Department of transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) notification was incorrectly counted as an environmental regulatory notification.

## TRANSPORT

### EN29

*Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce.*

Enbridge Gas Distribution (EGD) has the largest natural gas vehicle fleet in Canada, with over 544 of its 766 vehicles running on low-emission fuel. By converting these vehicles to natural gas, EGD has reduced carbon dioxide fleet emissions by an estimated 700 tonnes annually.

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

EGD also operates eight natural gas vanpools for its employees living in the Greater Toronto Area who commute to work at its Victoria Park offices in Toronto. Each vanpool has a complement of eight passengers and a driver and in total the program saves about 300 tonnes of CO<sub>2</sub> annually. Employees benefit by reducing their vehicle fuel and maintenance costs, lowering stress, having preferred parking at the EGD office and having pride in knowing that they are doing their part for the environment and to relieve traffic congestion.

## TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES

### EN30

*Total environmental protection expenditures and investments by type.*

Enbridge spends millions of dollars annually on environmental assessment, protection and other initiatives. While some of these actions are mandatory, such as impact assessments and reporting of operational emissions, many others are voluntary, such as tree-planting, conserving natural habitats, and public disclosures about the company's environmental, social, and economic performance.

Enbridge's environmental activities include:

- Pipeline integrity
- Emissions Data Management System
- Tree planting
- Conservation of natural habitat

- GHG management and reporting
- GHG auditing
- Groundwater monitoring
- Site containment / drainage
- Environmental seminars for staff
- Environmental Management System audit
- Earth Week Campaign
- Soil assessments
- Sponsorships of environmental groups (e.g. Ducks Unlimited; Trout Unlimited; Pheasants Forever; etc.)
- Corporate Social Responsibility reporting
- Waste management (e.g. minimization, reuse, and recycling)
- Participation in industry association activities
- Compliance with all applicable regulatory requirements
- Regulatory reporting
- Government approvals
- Aquatic assessments
- Geo-technical assessments
- Contaminated soil management
- Environmental assessments

### ***SPILL COSTS – LIQUIDS PIPELINES – JANUARY 2010 TO JUNE 2011***

Note: Enbridge defines “significant spill” as any release greater than 100 barrels or that entails clean-up costs of \$1,000,000 or more.

#### ***Significant Spills in 2010 (excluding Line 6B spill near Marshall Michigan, and Line 6A incident in Romeoville, Illinois)***

Life-to-date costs (January 2010 to June 2011) incurred by Enbridge as a result of significant product spills and leaks that occurred across its entire Canada and U.S. liquids pipelines system in 2010, total approximately \$9 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities. This excludes the Line 6B spill near Marshall, Michigan, and the Line 6A incident in Romeoville, Illinois, which are reported separately immediately below.

#### ***Line 6B Spill (near Marshall, Michigan) – July 2010***

On July 26, 2010, a leak of approximately 20,000 barrels of crude oil occurred on Line 6B on EELP’s Lakehead System near Marshall, Michigan. (Please see ‘Significant Spills Summary – Liquids Pipelines’ below for more details).

Life-to-date costs (July 2010 to June 2011) incurred as a result of this leak total approximately USD \$439 million.

Following the release, EELP initially estimated that response efforts would result in aggregate gross costs of USD \$430 million, before insurance recoveries, fines and penalties, and approximately USD \$13 million of lost revenue. These costs included the emergency response, environmental remediation and clean-up activities associated with the crude oil release, and potential claims by third parties. The company has revised its estimate to USD \$585 million at June 30, 2011, based on a review of costs and commitments incurred, as well as additional information concerning the requirements for environmental restoration and remediation. This amount represents the gross estimate before insurance recoveries. The company expects to pay approximately 90 per cent of the estimated costs by the end of 2011. The company has the potential of incurring additional costs in connection with this incident, including fines and penalties as well as expenditures associated with litigation.

***Line 6A Incident (in Romeoville, Illinois) – September 2010***

On September 9, 2010, a leak of approximately 9,000 barrels of crude oil occurred on Line 6A on EELP's Lakehead System in Romeoville, Illinois (please see 'Significant Spills Summary – Liquids Pipelines' below for more details). Life-to-date costs (September 2010 to June 2011) incurred as a result of this incident total approximately USD \$46 million. The company estimates costs associated with this incident of USD \$48 million at June 30, 2011, before insurance recoveries and excluding fines and penalties. The company has the potential to incur additional costs in connection with this crude oil release, including fines and penalties as well as expenditures associated with litigation.

***Significant Spills in 2011***

Life-to-date costs (January to June 2011) incurred by Enbridge as a result of significant product spills and leaks that occurred on its Canada and U.S. liquids pipelines system in 2011 total approximately \$3 million. This total includes internal and external costs relating to spill response, repair, clean-up and remediation activities.

***Future Costs and Liabilities***

Future costs associated with monitoring and rehabilitating affected areas are determined only after clean-up and assessment, which is often a multi-seasonal process. Liabilities such as fines and penalties are only determined subsequent to investigations and legal and regulatory processes. Therefore, total costs and liabilities cannot yet be determined for spills that occurred in 2010 and 2011.

# SOCIAL PERFORMANCE

## ***WE ARE COMMITTED TO SUSTAINING SAFETY FOR OUR EMPLOYEES AND THE PUBLIC AND BUILDING STRONG AND VIBRANT COMMUNITIES.***

People, of course, are the basis of everything. They create companies and are the reason companies exist. They determine a company's failure or success. Our core social responsibility is delivering energy to people.

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

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

The Enbridge team was deeply saddened by the death in January 2010 of their colleague Nalvester Maxie in a hydrogen sulfide leak at the company's gas treating plant near Bryans Mill, Texas. Richard Youngblood was seriously injured and several other colleagues were hospitalized and later released the same day.

The company's liquid pipeline system also experienced the most serious environmental incident in our long history – the leak of approximately 20,000 barrels of crude oil on our Line 6B pipeline near Marshall, Michigan. The Enbridge team committed itself wholly to containing the spill quickly, cleaning up the contamination completely and making things right again. Enbridge has always prided itself on being a good neighbour, and throughout its response to this spill the company aimed to demonstrate to its neighbours that it will always live up to its core values of integrity, accountability and social responsibility.

All Enbridge employees strive for zero safety incidents and work hard every day to minimize the company's environmental impact, and these incidents heighten the company's resolve to meet those commitments.

Enbridge endeavours to demonstrate its values and commitments through the actions it takes year round in its communities.

They are reflected in Enbridge's support to help fight cancer by becoming the national title sponsor in support of the Enbridge Ride to Conquer Cancer in Quebec, Ontario, Alberta and British Columbia.

Our values and commitments are also demonstrated through our Safe Community Program through which we provide monetary support to emergency responders in the communities where Enbridge operates. In 2010, Enbridge contributed over \$1 million to the program, supporting approximately 240 first-responder organizations in right-of-way communities in Canada and the U.S.

They are the basis for the Enbridge Natural Legacy Program, which provides us with an opportunity to demonstrate our ongoing commitment to environmental stewardship, habitat remediation and protection.

They are the basis for the Winter Warmth Program that Enbridge Gas Distribution initiated in Ontario with the United Way to help people in financial difficulty keep their homes warm, and for the almost \$300,000 that Enbridge and its employees contributed in 2010 to Haiti earthquake relief.

Enbridge's values and commitments are also at the heart of its School Plus Program, which is geared to inspiring young Aboriginal students in Canada to remain in school in order to achieve their full potential. In 2010, our School Plus Program funded 36 eligible schools and benefited over 3,850 youth.

## GOALS AND PERFORMANCE

Social Scorecard Results				
Objective	2010 Result	2009 Result	Details available in GRI Performance Indicator Section	Challenges
<b>SAFETY</b>				
Strive for zero accidents, injuries or incidents.	In 2010, there was one incident that claimed the life of one employee and injured another seriously. <sup>1</sup>	In 2009, there were no Enbridge employee fatalities. However, one incident claimed the life of an employee of a contractor. <sup>2</sup>	LA7	Maintaining the best possible health and safety practices in a time of significant growth for the company.
<b>HUMAN RESOURCES</b>				
<p>Attract the best talent</p> <p>Develop, engage, and retain workforce</p> <p>Maintain employee turnover rate</p> <p>Develop and retain critical talent</p>	<p>Enterprise-wide employee engagement score – 75%</p> <p>Voluntary turnover as a percentage of total workforce population – 2.6%</p> <p>Critical talent turnover: Voluntary employee turnover as a percentage of total critical workforce – 1%</p> <p>Percentage of employees enterprise-wide who positively rate the statement “Employee Learning &amp; Development is strongly supported at this organization.” – 76%</p> <p>Average expenditure per employee on Learning &amp; Development – approximately \$1,300</p>	<p>Enterprise-wide employee engagement score – 77%</p> <p>Voluntary turnover as a percentage of total workforce population – 2.8%</p> <p>Critical talent turnover: Voluntary employee turnover as a percentage of total critical workforce – 0.8%</p>	<p>Engagement: Labour Practices and Decent Work – Goals and Performance – Employee Communications</p> <p>Turnover: LA2</p> <p>Average Learning &amp; Development expenditure: LA10</p>	<p>The potential for critical talent shortages brought on by a combination of projected retirements, economic recovery, new business ventures, and acquisitions; and the need to retain key resources and manage the effective transition of upcoming key retirements.</p> <p>Organizational readiness for growth, acquisitions, entry into new emerging markets, and the extent of significant change associated with large-scale initiatives impacting our business model and processes.</p> <p>Gaps in leadership competency levels driven by such factors as retirements and turnovers.</p> <p>Helping employees achieve and maintain an appropriate work-life balance.</p> <p>Ability to accurately forecast the number and type of resources needed to successfully deliver business objectives.</p>

<sup>1</sup> Nalvester Maxie died in January 2010 after a hydrogen sulfide release at the Bryans Mill natural gas treating plant near Douglassville, Texas.

<sup>2</sup> A truck driver from Bertil's Gravel and Excavation LLC died in November 2009 after being run over by another gravel truck from the same company during civil work related to station construction on the Liquids Pipelines Phase 6 North Dakota System Expansion project at Crookston, Minnesota.

Objective	2010 Result	2009 Result	Details available in GRI Performance Indicator Section	Challenges
<b>COMMUNITY AND LANDOWNER RELATIONS / ABORIGINAL AND NATIVE AMERICAN RELATIONS</b>				
Transparent, proactive and frequent communication  Opportunities for communities to benefit from relationships with Enbridge	<p>For Alberta Clipper and Southern Lights pipelines, Enbridge and landowner association representatives formed a joint committee to address systemic issues along the right-of-way.</p> <p>Enbridge upstream projects (projects north of Edmonton) provided a total of \$7.7 million of economic opportunities to Aboriginal communities in Canada.</p> <p>The 2010 Enbridge School Plus Program funded 36 eligible schools and benefited over 3,850 youth.</p> <p>Northern Gateway announced an Aboriginal Economic Benefits Package, which included an offer to eligible Aboriginal groups of a long-term equity partnership with Northern Gateway and potential opportunities arising from the project, such as employment, training and procurement.</p>	<p>Alberta Clipper Project provided total of \$34 million of economic opportunities to Aboriginal communities in Canada and provided employment to 645 Aboriginal people, representing about 22% of the Alberta Clipper construction workforce.</p> <p>Launched Enbridge School Plus Program to support enriched programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes. Initial pilot program funded 42 eligible schools and benefited over 2,650 youth.</p>	S01 – Community and Landowner Relations; Aboriginal & Native American Relations	Meeting stakeholders' diverse needs and expectations.
<b>COMMUNITY PARTNERSHIPS AND INVESTMENTS</b>				
Invest in building sustainable communities, focusing on four areas: Education; Health & Safety; Environment; and Culture & Community.	<p>Invested \$11.5 million in more than 350 charitable, non-profit and community organizations.</p> <p>In early 2011, refined and expanded Enbridge's community investment focus areas to six: Arts &amp; Culture; Community Leadership; Lifelong Learning; Natural Legacy; Safe Community; and School Plus.</p>	<p>Invested almost \$10 million in over 350 charitable, non-profit and community organizations.</p> <p>Launched the Enbridge Volunteers in Partnership (VIP) program, which recognizes employee contributions of time and dollars to charitable organizations by providing additional support in terms of paid volunteer time and top-up financial contributions.</p>	S01 – Community Partnerships and Investments	<p>Ensuring the greatest returns on investment.</p> <p>Ensuring that investments truly help communities be sustainable.</p> <p>Highly diverse communities and needs.</p>

## ***SOCIAL PERFORMANCE: LABOUR PRACTICES AND DECENT WORK***

### ***GOALS AND PERFORMANCE***

In 2010, Enbridge continued to implement the reorganization of its Human Resources (HR) function that had begun in 2009, amalgamating several localized services within the company's various business units into enterprise-wide Centres of Expertise (COEs) to improve efficiencies and provide the ability to leverage existing programs and service offerings across the company. The Enbridge Human Resources Leadership Team, which is the executive team consisting of senior HR professionals who represent all business segments and COEs, defined a long-term (3-5 year) strategic plan to address Enbridge's business needs. Key initiatives related to the plan are as follows:

#### **Talent Management**

By the end of 2010, Enbridge's workforce comprised 6,345 permanent employees (full time and part time) in Canada and the U.S., as well as 242 temporary and 1,200 contract employees who support seasonal and project work associated with specific projects.

Enbridge's leaders actively manage the attraction, retention, development and transition of the company's workforce, with support from Human Resources. Their work focuses on employee engagement, leadership and employee development, succession and career management, mentorship, and knowledge transfer.

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

In 2010, Enbridge continued to enhance its leadership and employee development programs with a focus on expanding its mentorship, project management and leadership programs. Senior level succession management was another area of focus, resulting in a broader range of job rotations across multiple business units and functions.

With the creation of the COEs and the enhanced ability to share practices and services across the enterprise, Enbridge's focus will continue to be on leveraging existing programs between business units for quick, efficient utilization and further maximization of initial investment costs.

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

Talent management is a fundamental focus at Enbridge and a critical component of the value proposition offered to employees. Strong talent management processes also support Enbridge's success during periods of growth and change, and will ensure a seamless transition with the potential loss of an increasing number of experienced employees to retirement. Enbridge's commitment to effective people management practices, including employee recognition, identification of high-potential and succession candidates, enhanced employee development and career planning, have contributed to securing Enbridge's position as an employer of choice within the various markets in which the company operates.

#### **Performance Management**

Performance management at Enbridge is central to the company's ability to meet its business objectives and manage and sustain a high-performance workforce. Leaders help employees contribute to Enbridge's business success by developing performance objectives that are aligned with the company's strategic business goals. Leaders provide regular performance feedback to employees to guide their performance, work planning and ongoing development in each performance year. Leaders are also accountable for working collaboratively with employees to address future development requirements through the creation of individual development plans.

Effective performance management ensures strong performance, provides an opportunity for leaders to recognize and reward performance, and gives leaders the information they need to support employees' ongoing development with a view to skills and career advancement.

**Total Compensation**

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

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

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

**Positive Work Environment**

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

Enbridge's work environment promotes a diversity of roles and enriched job experience through project work, secondment opportunities, cross-business segment mobility and participation on cross-functional teams. Enbridge also supports employees who are interested in actively contributing to the communities in which they live and work, through a variety of volunteer opportunities and through the company's annual employee-led United Way campaign. Employees who significantly contribute to their communities on their own time are recognized annually and a donation is made by Enbridge to their respective charities.

The value of mentoring and being mentored contributes to a positive work environment. Enbridge's mentorship programs, both internal and external, offer an additional opportunity for the company to support employees in their roles and enhance their workplace experience. Enbridge's internal mentoring program has now been expanded and is operating across the enterprise.

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

**Employee Communications**

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

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

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

The Employee Perspectives Survey is an important component of Enbridge's commitment to its people and is an important gauge of employee engagement levels. Enbridge employees are invited to provide their feedback on a wide variety of topics, such as benefits, work-life balance, work processes, social responsibility and more. The results are then used to generate insights that are incorporated in the development of business and people-focused strategies. To allow full involvement of employees at all levels in determining solutions and provide sufficient time to implement action plans, Enbridge has recently moved from an annual to a bi-annual survey process.

Participation in the 2010 Employee Perspectives Survey was high, with 90 per cent of employees in all business segments responding. Administered by the third-party consulting firm Hewitt Associates, Enbridge's 2010 employee engagement score of 75 per cent placed the company within the



“Best Employer” zone, significantly exceeding the North American average and several other benchmarks, including the averages for all Alberta employers, the Canadian oil and gas industry and the North American energy industry.

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

- Enbridge’s organizational reputation and people-focused policies are among its key strengths;
- challenging and enjoyable work keeps them engaged; and
- Enbridge should continue to focus on increasing performance-related drivers such as career opportunities and recognition, which were critical engagement drivers across all demographic groups.

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

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

- *elink*, the Enbridge Intranet, which was significantly improved in 2007 and 2008 in response to employee feedback and was recognized in 2009 by the Neilson Norman Group as being one of the 10 Best Company Intranets in the World;
- *Link*, Enbridge’s quarterly employee magazine; and
- regular electronic bulletins for various business segments.

One Enbridge business segment has implemented an executive “blog” feature that provides an opportunity for employees to post responses to blogs written by various Executive Team members.

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

### **Labour Relations and Collective Bargaining**

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

### **Health and Safety Management**

Enbridge is committed to excellence in health and safety performance throughout the organization.

The company’s business segments have health and safety management systems in place and implement annual health and safety initiatives aimed at reducing risks and incidents and ensuring continuous improvement.

Following is a summary of current health and safety actions by business segment:

#### ***Liquids Pipelines***

To complement Enbridge’s health and safety philosophy, Enbridge Liquids Pipelines has developed and implemented comprehensive health and safety management systems (H&SMS) that provide a structured approach to health and safety management.

Liquids Pipelines has also contracted DuPont Sustainable Solutions to provide consulting services related to assessment, implementation and sustainability of an improved safety culture within the organization. DuPont’s scope of work includes: employee safety, process safety and contractor safety. To help ensure continuous improvement, Liquids Pipelines implements annual health and safety initiatives. In 2010, these include:

- Health & Safety Integration: ensure that health and safety factors are considered and integrated in the design of facilities and in all aspects of company field activities.

- Health and Safety Management Systems: monitor and measure the success of Liquids Pipelines' H&SMS to ensure continuous improvement of Enbridge's health and safety program and culture.
- Contractor Safety: identify and implement leading performance enhancement initiatives to improve contractor safety performance.
- Competent Workforce: allow for the development of the technical and administrative skills necessary for employees to safely and efficiently perform their roles or duties.
- Loss Prevention: eliminate potential sources of loss through investigation of incidents and analysis of incident reports; and improve driving safety performance.
- Health and Wellness: foster a healthy and productive work environment and increased awareness and understanding of health and wellness issues among employees and their families.

### **Major Projects**

Enbridge currently has over \$6 billion of secured growth projects in Canada and the U.S. – pipelines serving Canada's oil sands and the Bakken region in Saskatchewan and North Dakota, as well as green energy projects – and another \$30 billion in development opportunities.

Through decades of experience overseeing planning and construction of mega pipeline and facilities projects, Enbridge has honed an effective Major Projects Health and Safety Management System (HSMS) that reduces the risks to workers and controls costs associated with on-the-job accidents.

The HSMS improves health and safety performance within short- and long-term project cycles through a continuous improvement process, which includes auditing, remedial actions, and change management.

Major Projects' HSMS is aligned with several industry standards for health and safety management systems, including those published by the Canadian Standards Association, American National Standards Institute, and British Standards Institute.

When executing a major project, Enbridge's executive team establishes resources and expectations for safety performance of a project team via the nine major HSMS elements:

**Management and Administration:** includes the development of Major Projects work plans to coordinate health and safety activities to meet HSMS goals, including scheduling, budgets, safety performance targets / objectives and the provision of resources.

1. Contractor Safety Management: includes the processes, procedures, and controls established to help protect both company employees and contractor personnel from workplace injury and occupational illnesses.
2. Hazard Identification, Assessment and Control: includes project performance expectations for the identification, assessment and controls of inherent hazards within a major project.
3. Incident Reporting and Investigation: sets out procedures and practices for reporting, investigating, and ensuring contingency plans are in place should incidents occur.
4. Inspections and Assessments: includes inspection and quality assurance assessment programs, which provide feedback regarding health and safety performance and are used to guide project teams through the continuous improvement process.
5. Health and Safety Recognition: acknowledges the health and safety related achievements of employees and contractor employees.
6. Training and Awareness: includes the identification, development, and delivery of training to ensure that all Enbridge and contractor personnel have the skills needed to safely perform their duties.
7. Performance Monitoring: outlines expectations for Enbridge and its contractors to monitor health and safety performance, including progress on action items, health and safety scorecard indicators, and incident data.
8. Emergency Response: sets out expectations for projects to define the actions to be taken to protect people, the environment, the organization's assets and reputation in the event of an emergency or security threat.

Based on the performance requirements outlined in the HSMS, a unique and comprehensive Project Safety Management Plan is developed for construction of each of Enbridge's Major Projects. This plan addresses safety requirements, responsibilities and lines of communication during construction and commissioning. All project field crews are trained and random internal audits are carried out to ensure that personnel comply with the health, environmental and safety plan. All field personnel are provided with a condensed field handbook describing the main features of this plan. In addition, both general contractors and subcontractors are required to adhere to all local safety regulations, contractor safety manuals, their own company-specific safety manuals and Enbridge safety manuals. Enbridge places experienced safety inspectors on project teams who are on site during construction to ensure that all personnel follow safety procedures.

#### ***Enbridge Gas Distribution***

EGD dedicates tremendous effort to keep its employees, customers, and contractors safe, and is committed to improve its performance and strive toward zero accidents and incidents.

EGD is strengthening its health and safety culture through a number of ongoing initiatives:

***Safety Culture:*** EGD recognizes the role of a strong and positive health and safety culture in keeping employees safe. Part of this involves management engagement and the establishment of clear expectations.

In 2010, external consultants completed a Safety Culture Assessment and a Safety Management Benchmarking Assessment and EGD reviewed the recommendations and developed an action plan for implementation. Several activities were started as part of the action plan, for example establishing a central safety committee and, following that, local safety committees to drive safety innovations both top down and from the field upwards, and to enhance focus and direction for safety within line management.

EGD is also continuing to enhance its Enbridge Safety Challenge program. For example, in 2010, EGD focused on reducing the number of incidents, i.e., lagging indicators such as lost-time injuries and preventable vehicle accidents.

***Safety Performance Measurement:*** EGD is aiming to increase the quality of measurement for its safety performance metrics (Employee Safety Index, Public Safety and Reliability Index). For example, in early 2011, EGD added two new indicators related to corrosion prevention. Going forward, EGD will continue to adjust the metrics to be more relevant to individual managers and encourage them to take the initiative in completing actions to improve safety prevention in their groups.

***Hazard Identification, Assessment and Control:*** Enbridge believes prevention is the best way to protect employees. Therefore, hazards have to be identified and corrected to prevent injury and damage. EGD is encouraging employees to report any potential hazards through a revamped Near Miss reporting program. Going forward, one area of focus is to ensure Near Miss reports are communicated and follow-up actions completed consistently and in a timely manner across EGD to share lessons learned and correct hazards.

#### ***Gas Transportation***

Gas Transportation's health and safety philosophy reflects Enbridge's strong, company-wide commitment to excellence in health and safety performance.

In 2010, Gas Transportation developed and implemented a comprehensive Health and Safety Management System (HSMS) to provide a structured approach and a framework for measurement and accountability of activities.

In 2011, Gas Transportation is carrying out the following initiatives to support its HSMS objectives and priorities and drive continuous improvement:

***Management & Administration:*** Enbridge recognizes the important role management plays in fostering a positive EH&S culture. A world class EH&S culture is established and flourishes through a visible and engaged management team establishing clear expectations.

Gas Transportation made good progress in 2010 with its HSMS Leader Enhancements initiative and it is being continued in 2011 with a goal of increasing participation by Leaders.

In early 2011, a Safety Culture Assessment was completed by an outside consultant. The results of this assessment were presented to Gas Transportation employees in early 2011, along with recommendations for areas of improvement in the business segment's Safety Culture. During 2011, these recommendations will be reviewed and an action plan developed for implementation.

**Contractor Safety Management:** Gas Transportation works with its contractors to minimize risks to everyone's health and safety. In order to succeed, it is imperative that contractors are aware of Enbridge's expectations and qualified to meet Enbridge's requirements before entering a site or beginning work on a project.

In 2011, Gas Transportation is investigating use of ISNetworld as a business segment-wide contractor pre-qualification and clearing tool. The tool is being reviewed for use in managing such contractor areas as insurance, H&S performance, costs, overall job performance and operator qualification.

**Hazard Identification, Assessment & Control:** The overall goal of this area is to ensure that hazards within the workplace and hazardous behaviors are identified and controlled to prevent injury and property damage.

Gas Transportation is continuing with the implementation of its Safety Observation program in both the field and its offices. In 2011, the focus will be on increasing employee participation and improving the quality of the observations performed and submitted.

**Incident Investigation and Reporting:** Gas Transportation provides clear expectations of employees on proper reporting and investigation of incidents. This element ensures that (a) incidents are reported and investigated and (b) the root causes are determined and corrective actions completed to prevent a recurrence.

In 2011, Gas Transportation is placing an increased focus on identifying and reporting all incidents, including those that are less serious, such as close calls and first-aid injuries. Communication of the findings to employees and management will help prevent similar incidents.

**Inspections and Audits:** These are essential for measuring performance and ensuring compliance. Quality inspections and audits will enable Gas Transportation to continuously improve its policies and procedures by providing snapshots of the effectiveness of hazard controls.

For 2011, Gas Transportation has set itself a target of conducting a minimum of 10 Process Safety Management (PSM) audits and a minimum of 10 PSM Process Hazard Assessments (PHAs) within its PSM-regulated facilities.

## **POLICY**

### **The Enbridge People Strategy**

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

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

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

The Enbridge People Strategy was adopted by the Corporate Leadership Team in July 2005 and was integrated into the 2005 Enbridge Strategic Plan. It remains a foundational cornerstone today.

The strategy incorporates the following elements:

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

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

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

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

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

### **Enbridge's Health & Safety Commitment**

Enbridge's strong commitment to the protection of the health and safety of its employees and the general public is spelled out in its Environment, Health & Safety Policy.

The company believes that prevention of accidents and injuries benefits everyone, and delivers increased value to its shareholders, customers and employees.

Enbridge's goal is to have no accidents. To this end, Enbridge conducts business in a manner that recognizes health and safety management as an integral part of its activities, and Enbridge employees are responsible for conducting their activities in a manner that makes health and safety a primary part of their daily activities.

### **TRAINING AND AWARENESS**

In keeping with the People Strategy, in 2010 Enbridge's Human Resources department and the company's leadership refined and strengthened a number of initiatives to advance and reinforce Enbridge's focus on people and relationships.

Among these are:

- enhanced orientation and 'onboarding' programs and practices for new employees;
- workforce transition programs for employees leaving Enbridge;
- leadership and employee development programs;
- internal and external mentorship programs;
- the Woman@Enbridge community and the delivery of programs in each business segment;
- the Enbridge Intranet to support employee communications;
- recruitment and career development programs;
- employee benefit programs; and
- individual development and career planning.

### **Health and Safety Training**

Enbridge's individual business segments are responsible for health and safety training, which includes such elements as company-wide Safety Stand Downs and in-house training to ensure that all Enbridge employees and contractors have the skills needed to safely perform their duties.

### **ADDITIONAL CONTEXTUAL INFORMATION**

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

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

**Diversity and Equal Opportunity** – Enbridge has a diverse workforce that is represented by multiple generations and minority group members.

With increasing frequency, women are taking leadership roles. As at December 31, 2010, women occupied 28.7 per cent of supervisory roles in the company, and 17.4 per cent of female employees were in senior management roles (director level and above).

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

## LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS

### EMPLOYMENT

#### LA1

*Total workforce by employment type, employment contract and region.*

##### Permanent employees

As at December 31, 2010, Enbridge employed 6,345 permanent employees, as follows:

Liquids Pipelines (Canada & U.S.)	2,249
Major Projects (Canada & U.S.)	224
Gas Pipelines (Gas Transportation), including International	1,492
Gas Distribution and Services	2,105
Corporate	275
Enterprise total	6,345

A large majority (99 per cent) of Enbridge's permanent workforce is full time. The breakdown at December 31, 2010, was 6,270 full-time and 75 part-time permanent employees.

##### Temporary and contract employees

As at December 31, 2010, Enbridge also employed 242 temporary employees and 1,200 contractors working in various capacities. The contractor workforce by business segment was as follows:

Liquids Pipelines (Canada & U.S.)	461
Major Projects (Canada & U.S.)	254
Gas Pipelines (Gas Transportation), including International	134
Gas Distribution and Services	241
Corporate	110
Enterprise total	1,200

#### LA2

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

For the year ended December 31, 2010, Enbridge's total employee turnover was 409 permanent employees, reflecting rates that were better than industry average.

Voluntary turnover as a percentage of the total workforce population was 2.6%.

The turnover rate breakdown by business segment was as follows:

<i>(% of workforce – year ended December 31, 2010)</i>	Voluntary	Involuntary	Retirement	Total
Liquids Pipelines (Canada & U.S.)	1.9	1.5	1.0	4.4
Major Projects (Canada & U.S.)	4.9	3.1	2.7	10.7
Gas Pipelines (Gas Transportation), including International	5.0	2.5	1.2	8.7
Gas Distribution and Services	1.1	1.9	3.3	6.3
Corporate	4.4	1.1	2.9	8.4
Enterprise total	2.6	1.9	1.9	6.4

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

### LA3

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

Enbridge believes in sharing the success of the company with the people who make it happen – its employees.

Enbridge's competitive and flexible Total Compensation package – which includes compensation, benefits, career development and time off – allows each employee to choose the plan that best suits the needs of his or her situation.

Enbridge provides competitive base salaries for its employees, as well as an incentive compensation program that rewards employees' personal performance.

Enbridge's benefit programs include a comprehensive selection of health and welfare, income protection, savings, and defined-benefit and defined-contribution pension plan options that are market based and competitively positioned to ensure they are meeting employees' needs.

Some of the highlights of Enbridge's Total Compensation package include:

- a flexible benefits program that allows each employee to select the level of coverage needed for his or her family in the areas of health, dental, insurance and disability;
- a pension plan to help employees in their retirement;
- an incentive compensation package tied directly to the company's performance and focused on helping employees develop the core competencies that will help them progress within their career;
- education and training cost subsidy for courses that are approved by the employee's supervisor;
- an employee scholarship program offered to employees' children who attend post-secondary educational institutions;
- paid time off/vacation, plus paid personal days off (depending on location);
- an Employee and Family Assistance Program;
- flexible work hours and alternative work arrangements; and
- a group savings plan.

Enbridge also encourages its employees to actively participate in community organizations. Through the company's Volunteers in Partnership (VIP) program, Enbridge recognizes employee contributions of time and dollars to charitable organizations by providing additional support in terms of paid volunteer time and top-up financial contributions.

#### **Part-time and temporary employees**

In Canada, permanent part-time employees receive the same benefits as full-time employees, as long as they work three days or more per week. If they work between 14 and 24 hours per week, the benefits are the same except that the credits they receive to purchase health and dental coverage are reduced, although they are eligible to purchase full coverage. Temporary employees have reduced coverage and are only eligible for one-time life insurance, 50 per cent coverage for health and dental, business travel accident insurance and 50 per cent provincial health care coverage (where applicable).

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



## LABOUR/MANAGEMENT RELATIONS

### LA4

*Percentage of employees covered by collective bargaining agreements.*

As of December 31, 2010, there were 1,057 employees covered by a negotiated agreement, representing 16.7 per cent of the permanent employee base.

Area within Enbridge	Bargaining Unit	Geographical Area	Number of Employees as of December 31, 2010
Enbridge Gas Distribution	Local 975, Communications, Energy and Paperworkers Union of Canada (CEP)	Ontario (Franchise Area)	750
Enbridge Gas Storage	Joint Industrial Council	Sarnia, Ontario	20
Liquids Pipelines – Canada	Joint Industrial Councils (3)	Northwest Territories, Alberta, Saskatchewan	126
Liquids Pipelines – U.S.: Chicago and Superior Regions	Local 2003, United Steel Workers of America (USW)	Minnesota, Wisconsin, Michigan, Illinois, Indiana	116
Liquids Pipelines – U.S.: Cushing Region	United Steel Workers of America (USW)	Kansas, Oklahoma, Missouri	20
St. Lawrence Gas	International Brotherhood of Electrical Workers (IBEW)	Massena, New York	25
Total Number of Employees Covered by a Negotiated Agreement			1,057

### LA5

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

The Enbridge Gas Distribution/Local 975 CEP collective agreement contains a 60-day minimum notice period.

Enbridge's other collective bargaining agreements do not contain any minimum notice periods.

## OCCUPATIONAL HEALTH AND SAFETY

### LA6

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

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

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



## LA7

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

Enbridge's health and safety performance for 2006 to 2010 is outlined in Consolidated Enbridge BU Health & Safety Performance (2006 – 2010) spreadsheet. The spreadsheet provides consolidated data for the following operating business segments and units: Liquids Pipelines; Gas Pipelines (the Enbridge operated portion of the Vector natural gas pipeline); Enbridge Gas Distribution (EGD); Gas Pipelines (Gas Transportation); and Major Projects. The statistics included in the spreadsheet and quoted below are based on the 6,045 employees working for those entities as at December 31, 2010, and exclude Corporate (head office) employees.

Enbridge's injury rate in 2010 was 1.81 recordable injuries per 200,000 hours worked, compared with 1.70 in 2009. First-aid incidents, while reported and tracked, are not included in the frequency rate. The rate of 1.81 is slightly higher than the six-year average of 1.73, but is in line with historical performance in this area.

Enbridge's lost-day rate in 2010 was 0.28 lost days injuries per 200,000 hours worked, which is unchanged from 2009 and is the company's strongest performance in the last five years for this important measure. Lost days begin the day after the incident and include calendar days after the date of the injury. The rate of 0.28 is slightly lower than the six-year average of 0.36, which is a positive trend resulting from there being fewer incidents of more significant severity.

All incidents, whether regulatory recordable or not, are reported to local supervisors, as well as the company's Health & Safety Department for tracking, trending and communications regarding potential lessons learned.

Enbridge's absentee rate in 2010 was 3.88 days absent per employee.

### **Work-related fatality**

Enbridge had one employee fatality in 2010. The company is deeply saddened to report that one employee died on January 9, 2010, at its Bryans Mill natural gas treating plant near Douglassville, Texas. Nalvester Maxie, a long-time plant operator, died after a hydrogen sulfide release occurred at the plant, which is part of Gas Transportation's East Texas System. Another plant operator, Richard Youngblood, suffered serious injuries from the H<sub>2</sub>S release. As a precaution, five others were transported to a hospital in Linden, Texas; all were treated and released the night of the incident. Enbridge has conducted an internal investigation into the incident and cooperated fully with the emergency officials and regulators in their incident investigation. The company has taken steps to avoid a similar occurrence.

## LA8

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

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

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

- alcohol and drug dependencies;
- marital and family concerns;
- outplacement and retirement issues;
- bereavement;
- depression;
- stress and anxiety; and
- long-term or major illness.

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

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

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

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

## LA9

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

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

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

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

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

## TRAINING AND EDUCATION

### LA10

*Average hours of training per year per employee by employee category.*

In 2010, Enbridge's investment in training and development was approximately one per cent of total salary costs. This equated to about \$1,380 per employee.

Enbridge uses learning management systems to track training information pertaining to its employees. However, because Enbridge's business units have specific training needs and training programs that are not centrally managed, no data is available to report enterprise-wide statistics on the yearly average number of training hours.

#### Health and Safety Training

Environment, Health & Safety training in 2010 totaled 31,620 hours, or an average of 5.2 hours per employee.\*

\* This includes the 6,045 employees working for Liquids Pipelines, Gas Pipelines (the Enbridge operated portion of the Vector natural gas pipeline), Enbridge Gas Distribution, Gas Pipelines (Gas Transportation), and Major Projects as at December 31, 2010, and excludes Corporate (head office) employees.

## LA11

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

Enbridge values its employees and believes in continuously developing their skills and capabilities. For this reason, the company has learning and development programs available to all employees and leaders.

Enbridge regularly evaluates its programs to enhance them and standardize the offerings across the company where it makes sense to.

Moving forward, Enbridge is aiming to have a consistent learning framework that supports employees and leaders across the company in achieving their development goals.

In order to ensure that Enbridge continues to offer relevant, high-calibre programming and meets the diverse non-technical learning and development needs of its employees across North America, the company has created a more consistent vehicle for its curriculum across Enbridge called Enbridge University (ENBU), with three unique campuses in the south, east and west.

Each campus offers a variety of programming intended to reinforce or expand knowledge in such areas as energy studies, business acumen, leadership development, project and risk management, and personal excellence. Courses are delivered face-to-face or online, depending on the nature of the course material. Programs are led by either external facilitators or subject-matter experts from within Enbridge. The company has focused its courses on concepts and skills that can be directly applied during the day-to-day activities of Enbridge employees at all levels and in a variety of positions.

Enbridge also supports development opportunities through:

- externally-offered courses, certificates, designations, degrees, etc.;
- on-the-job training and rotations through participation in special projects or volunteer experiences;
- expanding relationships through coaching and mentoring; and
- self-directed learning such as reading and e-learning options.
- Other approaches that Enbridge uses to broaden and develop staff, include:
- in-house career planning workshops;
- providing information to employees regarding flexible job progression pathways for key senior roles;
- providing opportunities for targeted internal job rotations or job assignments;
- and specific training on the Individual Development Planning process across Enbridge.

Enbridge also offers a Tuition Reimbursement Program, which provides financial support to employees who advance their education through external learning programs in support of their current and future careers at Enbridge.

As employees approach retirement, Enbridge offers pre-retirement workshops to assist them in making a successful transition to retirement from the workplace. This includes segments on financial planning, goal setting and lifestyle changes.

## LA12

*Percentage of employees receiving regular performance and career development reviews.*

In 2010, Enbridge leaders completed performance reviews – via Enbridge’s online performance management system – covering 98 per cent of the company’s permanent employees. Performance feedback for the remaining two per cent was captured through another mechanism.

As at December 31, 2010, there were 6,345 permanent employees (full time and part time) at Enbridge. Enbridge’s review process is as follows:

- At the beginning of each reporting period, employees, in conjunction with their leaders, set performance objectives that will be used to monitor and assess their performance at the end of the fiscal year.
- Throughout the year, leaders verbally review progress with employees against their objectives and provide coaching for completion of objectives.
- Employees participate in a formal year-end assessment of their accomplishments and identify a future-based development plan with their leaders.

## DIVERSITY AND EQUAL OPPORTUNITY

### LA13

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

#### Board of Directors

Enbridge Inc.'s Board of Directors consists of the following directors:

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

Biographies of the directors are available at

[www.enbridge.com/InvestorRelations/CorporateGovernance/BoardofDirectors.aspx](http://www.enbridge.com/InvestorRelations/CorporateGovernance/BoardofDirectors.aspx).

#### Permanent employees

As at December 31, 2010, Enbridge employed 6,345 permanent employees. The approximate breakdown by gender was 68 per cent male and 32 per cent female. The breakdown by age group was as follows:

Age Group	Employee Count
up to 24	150
25 to 29	627
30 to 34	772
35 to 39	764
40 to 44	929
45 to 49	992
50 to 54	1,038
55 to 59	723
60 and above	350
Enterprise Total – Permanent	6,345

The average age was 44.0 years.

With increasing frequency, women are taking leadership roles. As at December 31, 2010, women occupied 28.7 per cent of supervisory roles in the company, and 17.4 per cent of female employees were in senior management roles (director level and above).

### Temporary employees

Enbridge employed 242 temporary employees at December 31, 2010. The approximate breakdown by gender was 52 per cent male and 48 per cent female. The breakdown by age group was as follows:

Age Group	Employee Count
up to 24	70
25 to 29	48
30 to 34	19
35 to 39	13
40 to 44	13
45 to 49	14
50 to 54	11
55 to 59	26
60 and above	28
Enterprise Total – Temporary	242

### Diversity

Enbridge does not track minority group membership on an enterprise-wide basis.

In Canada, individual business units comply with jurisdictional requirements for reporting.

Liquid Pipelines (Canada) complies with the regulations of the Employment Equity Act, and as such, is required to report annually on workforce composition in relation to the four equity groups covered by the Act: women; people with disabilities; visible minorities; and Aboriginal people. Each new employee receives a workforce survey questionnaire, asking him or her to voluntarily self-identify if they are a member of one of the four groups. This information is provided to the federal government and is also utilized internally to provide information on areas of under-representation. The information guides Enbridge's strategic diversity and equity initiatives with the goal of developing a workforce that aligns with the availability of the equity groups in the labour force, as well as becoming more representative of the communities in which the company operates.

Enbridge's U.S. operations routinely track the minority composition of its workforce to comply with government reporting. Effective October 1, 2010, the company implemented an Affirmative Action Plan. In compliance with the plan, Enbridge tracks the ethnicity of all job applicants and employees based on a self-identification process. Through tracking efforts, the company identifies specific jobs in which it has an under-representation of minority groups. Through analysis of this information, Enbridge has established placement goals and has enhanced recruitment efforts to diversify its applicant pool, with the goal of establishing a workforce that is more representative of the geographic areas in which the company operates.

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

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

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

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

As such, management will:

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

## LA14

*Ratio of basic salary of men to women by employee category.*

The following table indicates the salary ratio of men to women throughout Enbridge as at December 31, 2010, by permanent and temporary employees. The ratios were calculated by dividing the average male salary by the average female salary.

Enbridge uses an objective and equitable process to determine salary levels that considers the internal value of the role, market rates of pay, as well as employee skill and competency.

	Salary Ratio Men to Women (%)
Permanent Employee	118
Temporary Employee	124
Overall	119

## SOCIAL PERFORMANCE: HUMAN RIGHTS

### POLICY

The Human Rights section of Enbridge's CSR Policy states that:

- Enbridge recognizes that governments have the primary responsibility to promote and protect human rights. Enbridge will work with governments and agencies to support and respect human rights within our sphere of influence.
- Enbridge will not tolerate human rights abuses and will not engage or be complicit in any activity that solicits or encourages human rights abuse.
- Enbridge will always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups.

In addition, Enbridge's Statement on Business Conduct states that:

- Enbridge is committed to ensuring its employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.
- Enbridge shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and comply with Enbridge's applicable health, safety and environmental policies.
- Enbridge shall support the protection and observance of human rights and freedoms within our sphere of influence and has adopted the Voluntary Principles on Security and Human Rights as set forth by the U.S. Bureau of Democracy, Human Rights and Labor.
- The Statement on Business Conduct is applicable to the Enbridge Group of Companies, their directors, officers, employees, consultants and contractors in all countries in which Enbridge conducts business.

## TRAINING AND AWARENESS

As a condition of employment, all Enbridge employees must review and confirm each year their compliance with Enbridge's Statement on Business Conduct, the human rights elements of which are outlined in the Policy section above.

Please see Enbridge's response to GRI Performance Indicator HR3 below for details about the company's ongoing mandatory employee training on human rights-related subjects.

## MONITORING AND FOLLOW-UP

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

Enbridge recognizes the increasing public demand for corporations to be accountable and transparent in all of their business activities and to be seen as proactively dealing with the issues of the day. With that in mind, and in keeping with its commitment to transparency and CSR, in 2002, Enbridge adopted the Voluntary Principles on Security and Human Rights, which deal with responsible corporate action in conflict zones. These principles were incorporated into the company's Statement on Business Conduct.

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

## HUMAN RIGHTS PERFORMANCE INDICATORS

### INVESTMENT AND PROCUREMENT PRACTICES

#### HR1

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

#### HR2

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

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

#### HR3

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

Enbridge recognizes and ensures compliance to all human rights laws and regulations. Policy and practice are reinforced throughout the company via ongoing mandatory training.

Each business unit has courses that address such subjects as maintaining a respectful workplace, anti-harassment, violence in the workplace and Enbridge's Statement on Business Conduct.

Enbridge continually revisits the content and delivery methodology of these courses to ensure that the information is up-to-date and accessible. Employees are required to undertake refresher courses every two to three years.



## **NON-DISCRIMINATION**

### **HR4**

*Total number of incidents of discrimination and actions taken.*

Enbridge management is not aware of any incidents of discrimination taking place in the company in 2010.

## **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

### **HR5**

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

Enbridge is not involved in any operations in which the right to exercise freedom of association and collective bargaining may be at significant risk.

## **CHILD LABOUR**

### **HR6**

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

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

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

## **FORCED AND COMPULSORY LABOUR**

### **HR7**

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

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

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

## **SECURITY PRACTICES**

### **HR8**

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

Enbridge employs two full-time and two part-time security personnel. All have a full understanding of the company's [Statement on Business Conduct](#).

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



## INDIGENOUS RIGHTS

### HR9

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

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

Enbridge is not aware of any incidents of violations involving the rights of indigenous people in 2010.

## SOCIAL PERFORMANCE: SOCIETY

### POLICY

Enbridge's CSR Policy and its Aboriginal and Native American Policy govern the company's stakeholder relations.

Enbridge also has a set of Community Partnerships & Investment program criteria and guidelines, which guide its community investment activities. They are as follows:

#### Community Partnerships & Investments – Program Criteria and Guidelines

The company considers investment and sponsorship opportunities in communities where Enbridge operates that are:

- within a 20-kilometre (10-mile) radius of its pipeline right-of-way; or, in the case of Enbridge Gas Distribution (EGD), within EGD's franchise areas in Ontario and New Brunswick;
- important to the community as determined by best practice comparison, community-based research, and information gathered through on-going stakeholder relationships;
- beneficial to the greatest possible number of people;
- significant to the long-term interests of the community; and
- supportive of one of the focus areas (see below) that Enbridge views as integral for a sustainable community.

#### Focus Areas

Directed by the company's social vision statement, Enbridge concentrates its investments in focus areas that contribute to enriching our communities.

Through 2010, Enbridge grouped its community investment activities by four focus areas: Education; Health & Safety; Environment; and Culture & Community. (In this 2011 CSR Report, which largely covers the company's activities in 2010, Enbridge reports on its community investment activities according to these four areas.)

In early 2011, Enbridge further refined the definition of these focus areas, expanding them to six, as follows:

**Arts & Culture:** Enbridge contributes to making communities culturally vibrant places where its employees want to live and work. Enbridge does that by investing in visual and performing arts, as well as programs and organizations that bring culture to communities.

**Community Leadership:** Enbridge's community investment focus on community leadership reflects the company's commitment to innovative initiatives that improve the quality of life for members of Enbridge communities. Enbridge strives to promote leadership in its communities by supporting the United Way, health care institutions and health programs; and social services organizations. Enbridge encourages employee volunteerism by offering Volunteers in Partnership, a program to support organizations for which Enbridge's employees volunteer.

**Lifelong Learning:** Enbridge recognizes that education is one of the most powerful gifts one can give. Enbridge is committed to educational opportunities for students and adults, and Enbridge focuses its investments on scholarships for higher education and programs that improve literacy and skills in math and science.

**Natural Legacy:** Because Enbridge recognizes that the way we treat the planet is our natural legacy, Enbridge invests in programs that promote environmental stewardship, conservation, habitat remediation and habitat protection. Additionally, Enbridge invests in environmental education to help equip the next generation to take on environmental challenges.

**Safe Community:** The safety of the communities in which Enbridge operates and the people who live and work along Enbridge's system remains the company's highest priority. Therefore, Enbridge appreciates the important contributions of police, EMS, firefighters and others who help keep our communities safe. Through its Safe Community program, Enbridge provides grants to local first responders in areas of Enbridge operations to help with equipment, training, public awareness and volunteer recognition. Additionally, Enbridge supports safety initiatives that are important in the communities where the company operates.

**School Plus:** Enbridge provides Canadian Aboriginal youth in grades K to 12 with enrichment programs to engage them in the education process, encouraging them to remain in school. This will enable them to pursue advanced education or training, and to secure better jobs in the future, which will contribute to positive and sustainable change in their communities.

(Enbridge will report on its community investment activities by these six focus areas starting with the 2012 CSR Report.)

#### **Qualified Organizations**

- Medical research and infrastructure
- Community-based emergency services
- Health-based organizations
- Education providers
- Social services agencies
- Environmental and safety initiatives
- Arts and cultural organizations

#### **Ineligible Organizations**

- Organizations without a Revenue Canada Taxation number OR non-profit organizations established under 501(3)(c) of the U.S. tax code
- Organizations discriminating on the basis of race, religion, gender or sexual orientation
- Individuals
- Religious, political organizations or special interest groups
- Advocacy or lobby initiatives
- Recreation or sports organizations and events
- Trips, tours or conferences
- Foundations or third-party fundraisers
- Advertising, memberships, ticket sales or lotteries
- Mass-mailed or non-addressed solicitation

### **TRAINING AND AWARENESS**

Several employees within Enbridge's Public, Government and Aboriginal Affairs department have taken the Certificate in CSR, offered by the University of St. Michael's College, Continuing Education in the University of Toronto, in partnership with the Conference Board of Canada.

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

## **MONITORING AND FOLLOW-UP**

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

For more information on the benchmarking Enbridge is doing through its association with LBG Canada and recent assessment results, please see the report below in “Society Performance Indicators – S01 – Community Partnerships and Investments – Benchmarking and Assessment”.

## **SOCIETY PERFORMANCE INDICATORS**

### **COMMUNITY**

#### **S01**

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

Enbridge manages the impacts of its operations on communities through three areas of activity that have complementary programs and practices: community and landowner relations; Aboriginal and Native American relations; and community partnerships and investments. Following are detailed reports on all three of these areas.

### **COMMUNITY AND LANDOWNER RELATIONS**

#### **Assessing Impacts**

Many of Enbridge’s projects require the company, as the proponent, to develop and submit a comprehensive Environmental and Socio-Economic Assessment (ESA) or similar study and document. An ESA is prepared to provide the current environmental and socio-economic baseline conditions along a proposed pipeline route and in the vicinity of proposed facilities. An ESA also typically evaluates project alternatives, and determines and compares potential effects a proposed project will have on the natural and human environment.

The socio-economic component of an ESA evaluates potential adverse and positive impacts to communities by assessing aspects such as human occupancy and resource use, heritage resources, traditional land and resource use, social and cultural well-being, human health and aesthetics, infrastructure and services, employment, and the economy.

An integral component in determining socio-economic effects of a project includes collecting and evaluating information obtained during consultations with numerous stakeholders, including: environmental interest groups; landowners and occupants; municipal, provincial and federal agencies; as well as Aboriginal groups. Once potential effects have been identified and analyzed, residual effects are predicted and their significance is assessed. Measures are then proposed to avoid or mitigate the identified effects.

#### **Major Projects – Public Involvement Programs**

Enbridge is undertaking or completing an unprecedented number of construction projects in North America. Whether a particular project pertains to adding pipeline along a new or existing pipeline right-of-way, construction of Green Energy projects or crude oil tanks, or the acquisition of land, the company uses proactive public communications and consultation programs to ensure timely two-way communication. Enbridge’s philosophy is to be as transparent as possible with its stakeholders, and the company accomplishes this by providing frequent, honest and open communications with all stakeholders and communities located near planned projects that may have an impact on them.

When it proposes a new project, Enbridge, as a first step, implements a comprehensive Public Involvement Program, the purpose of which is to build public awareness and understanding, gather community and stakeholder input, answer stakeholders’ questions, and whenever possible implement changes to project design or scope to minimize adverse impacts.

As part of this program, landowners and land occupants, disposition holders, Aboriginal communities, community residents, stakeholder organizations, public officials, chambers of commerce and the media in communities proximate to Enbridge's activities receive regular project updates via newsletters, posters, regulatory compliance mailings, telephone calls, community open house meetings and in-person visits.

While many stakeholders are satisfied to receive the company's project information at the start of the process and then simply be informed on a timely basis about progress and new developments, other individuals or groups may have interests or concerns that require personal consultations. These consultations can vary widely – from negotiations with First Nations, private landowners and recreational users of public land; to engagement with multi-stakeholder advisory groups and landowner associations; to discussions about economic opportunities with local contractors.

### **Operations – Public Awareness Programs**

Enbridge knows that its neighbours during construction will also be its neighbours for the many years that the project will be in operation, and the company looks for and welcomes the opportunity to invest in long-term collaborative consultation relationships towards building sustainable communities.

Through its Public Awareness Program, Enbridge has a scheduled communication process through which (a) landowners, communities and all other relevant stakeholders are kept informed about a pipeline and related initiatives and issues and (b) the company seeks comments from the affected public and addresses questions and concerns.

Our programs take many forms. For example:

- Enbridge representatives meet regularly with local emergency responders, excavators, schools, public officials and other community stakeholders along the company's rights-of-way to share information about the pipelines, damage prevention, leak detection, and Enbridge's emergency contact information.
- In addition, Enbridge's Safe Community program provides contributions to local emergency responders to purchase equipment or to fund training activities that help keep communities safe. Enbridge also makes targeted donations in communities near its rights-of-way to support environmental, educational, health and safety, cultural and other community initiatives. Enbridge representatives often hand-deliver the cheques and use those face-to-face meetings as an opportunity to talk about the company's Public Awareness Program and encourage stakeholders to contact their Enbridge representative at any time with any questions or concerns.
- Further, Enbridge personnel conduct regular emergency response drills and training exercises and invite local emergency responders to participate as they would in the event of an actual emergency.
- The meetings, the community investment program and the emergency response drills all provide opportunities to foster relationships, while also increasing the community's understanding of Enbridge's pipelines.

### **Landowner Relations**

Enbridge involves landowners in the decision-making process pertaining to their property and seeks to provide fair compensation for any damages experienced as a direct result of the company's activities.

Following are some examples of the company's recent landowner relations initiatives that are designed to meet regulatory requirements and incorporate feedback from landowners:

***Alberta Clipper and Southern Lights pipelines joint committee:*** In 2010, Enbridge put into service the \$3.5-billion Alberta Clipper Project, which represents the largest mainline expansion in the company's history, and the unique \$2.3-billion Southern Lights pipeline from Chicago to Edmonton that is the first to deliver diluent to western Canada. For these pipelines, Enbridge and landowner association representatives have formed a joint committee to address systemic issues along the right-of-way. One example of the committee's usefulness: when, due to weather conditions, Enbridge was anticipating that it would be unable to complete reclamation work as previously indicated in the project schedule, Enbridge was able, through the Joint Committee, to inform the landowner associations of the situation, obtain their buy-in and involve them in the strategic planning for completing the reclamation activities.

**Enbridge agricultural screening tool:** Enbridge has developed a screening tool to assist landowners in making decisions regarding crossing the company's rights-of-way with their heavy equipment. This has been a concern for some landowners for some time, so Enbridge developed this practical, user friendly tool based on an industry-agreed-upon science called the Keifner Model, which examines axle weight, tire pressure, depth of cover, and ground pressure to determine whether equipment can safely cross a pipeline. While the vast majority of agricultural equipment can do so, some extremely heavy equipment may require the landowner to call Enbridge for a site-specific assessment. Enbridge's agricultural screening tool is the first of its kind in the world to address pipeline crossings and the company is optimistic the tool will provide landowners with greater confidence on surface loadings and depth of cover.

In 2010, Enbridge circulated 9,000 English-language and 1,000 French-language versions of the tool in Canada. Subsequently, a small call centre that Enbridge set up to respond to landowners' questions received about a dozen calls from landowners wishing to verify their equipment.

**Pipeline Depth Monitoring Program (PDMP):** In response to the National Energy Board's certificate conditions, Enbridge developed a Pipeline Depth Monitoring Program for its Alberta Clipper and Southern Lights pipelines that went into service in 2010. The program includes a methodological approach to how and when to survey these pipelines for sufficient depth of cover and how to remediate deficiencies in concert with the affected landowners. During the consultation process, a draft proposal was reviewed by affected landowners and the company received comments and suggestions from a sizeable segment of the landowner population. Where possible, feedback was then incorporated into the working draft, which was then submitted to the NEB for approval. Enbridge is currently examining the feasibility of implementing a PDMP for all of its Canadian pipelines.

#### **Community Relations Advisors**

In early 2010, Enbridge added a specific Community Relations Advisor function to Liquids Pipelines operations to focus on building healthy, open and long-lasting relationships with communities and residents near the company's operating assets as well as the projects it is planning or constructing.

Reporting to a Senior Manager in either Canada or the United States, Enbridge's Community Relations Advisors are helping to develop and implement local community engagement plans that meet the needs of local stakeholders. They are also identifying and proactively addressing and resolving emerging concerns in key communities and regions and ensuring that the company's Corporate Social Responsibility initiatives are promoted and implemented within local communities.

#### ***Leak on July 26, 2010, on Enbridge's Line 6B near Marshall, Michigan – Responding to Community Needs***

Taking care of the communities is a vital part of Enbridge's ongoing response to the leak on its Line 6B in Michigan.

Enbridge opened community centres in Marshall and Battle Creek within days following the incident to provide a way for the public to ask questions about the spill or to submit claims for damages. As of July 19, 2011, a total of 2,392 claims have been filed in person with staff at the Enbridge community centres or by mail to the company's Houston office. In general, the claims issues range from property impacts to expenses incurred as a direct result of the leak to medical issues.

Enbridge also initiated a home purchase program for people living within 200 feet (61 metres) of Talmadge Creek and the Kalamazoo River. The program was designed to help maintain property values to help minimize any immediate adverse reactions to the housing market because of the spill. As of July 2011, the company had purchased more than 130 homes, and one had already resold.

A toll-free information hotline was established immediately following the incident. Through July 19, 2011, more than 11,360 calls have been received on the hotline with issues ranging from questions about air and water quality to reporting locations of oiled wildlife. In conjunction with U.S. Fish and Wildlife, a Wildlife Response Center was established in Marshall and began taking in animals within a few days following the spill. Several types of oiled wildlife, including ducks, geese, beavers and turtles were treated at the centre, and most have been released back into their natural habitat.

### Measuring Effectiveness

There are many long-term benefits to fostering good relations with stakeholders and building trust and goodwill with the landowners and communities along Enbridge's rights-of-way.

For one, if landowners and communities already know Enbridge and believe they have been treated fairly by the company in the past and that the company cares about its communities and the safety of everything it does, then they are more likely to support Enbridge and any of its future expansion initiatives and will be more open to discuss and negotiate their needs with Enbridge.

Moreover, Enbridge employees and their families live in these same communities, and they share the same goals as their neighbours, which is to build strong, thriving, safe and sustainable communities.

Pipeline safety also enters into the equation. When stakeholders are well informed about Enbridge and its operations and trust the company and know that the company wants to hear from them, then they are more likely to be quicker to call the company if they smell, hear or see something out of the ordinary with regards to the company's operations.

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

- positive or negative feedback gathered in meetings with stakeholders;
- concern/support from elected officials regarding matters important to the projects;
- letters of support;
- positive, negative or balanced media coverage;
- level of opposition to projects;
- timely regulatory approvals of the projects; and
- conflict mitigation through effective communication and a meaningful consultation process with stakeholders.

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

Enbridge conducts formal and informal surveys to measure the effectiveness of its programs.

For example:

- In order to provide a benchmark assessment of the reputation of Enbridge Gas Distribution (EGD), a research study was conducted in late 2009 and early 2010 among various external stakeholder groups. More than 95 per cent of stakeholders said they have a favourable impression of Enbridge and reported a high degree of trust. Stakeholders told EGD that safety and reliability are the most important factors when assessing the company's reputation, and almost all stakeholders agree that Enbridge is delivering on that promise.
- In the U.S., Enbridge measures the effectiveness of its federally mandated pipeline Public Awareness Programs (PAPs) and adjusts them, if necessary. Informally, the company polls a group of its field operations and compliance partners to gauge their understanding of the PAP and seeks recommendations for improvements.
- Also in the U.S., Enbridge participates with several other companies in an American Petroleum Institute-sponsored nationwide survey of local public officials, emergency responders and members of the affected public (i.e., pipeline neighbours) to measure their understanding of pipeline safety and retention of information they would have received as part of a company's pipeline public awareness baseline direct mail program.
- Enbridge also uses informal measures of media interest (news and blog clips) to gauge stakeholder interest in certain topics such as proposed pipeline construction in their area, as well as to develop educational and open house materials that are responsive to stakeholder questions that are raised in media stories.



### Engagement with Regulators

In 2010, Enbridge participated in survey meetings with the National Energy Board (NEB) to discuss the NEB's Draft Expectations for Public Involvement Programs and existing company programs. The NEB's objectives for these meetings were to provide it with:

- a greater understanding of how individual companies manage public involvement during different project phases, how the company manages public involvement during the transition from one phase to the next, and how the public involvement program complements other programs within a company;
- a baseline of industry best practices; and
- additional feedback on the NEB's draft expectations.

Enbridge provided detailed information on its proactive and reactive approaches during the planning, construction, operations and abandonment phases of a project.

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

### Constant Improvement

Enbridge aims for constant improvement of its community relations initiatives to reinforce the company's long-standing commitment to being a good neighbor and maintain positive relationships with landowners, tenants and communities along the company's rights-of-way.

For example, in Westover, Ontario, Enbridge, for more than 20 years, has leased four acres of land to the community for use as a baseball field. Enbridge leases the land for the nominal fee of \$1 per year and in the past provided the funding to install lights for nighttime games and for a picnic shelter to further enhance the ball-park facility. The baseball field contributes to the positive development of youth and adds to the health of the community. Enbridge also leases a lot at a nominal fee to the City of Sarnia for use as a play park.

Enbridge applies the same level of energy to building relations with communities it is entering for the first time. For example, regarding recent renewable energy projects that Enbridge has under way or has recently completed, the company is supporting communities in a variety of ways:

- Enbridge contributes \$50,000 annually to the Community Grant Program of the Municipality of Kincardine on the Bruce Peninsula where the company's Ontario Wind Power Project is located. The funds are distributed annually to non-profit groups (maximum of \$5,000 per application) that are qualified to receive a grant. The process is managed by representatives from the Municipality and Enbridge staff.
- The Saugeen First Nation is participating in Enbridge's Post-construction Environmental Monitoring Program at the Ontario Wind Power Project as the result of an Environmental Agreement between Enbridge and the Saugeen Ojibway First Nation.
- Enbridge supports the Nawash First Nation, which is located on the Bruce Peninsula, in their annual golf tournament, as well as the Aamjiwnaang First Nation, which is located near Sarnia, Ontario, in their young people's participation in the Little NHL tournament. In 2010, Enbridge also provided funding to the Aamjiwnaang First Nation to support the training of a band employee to assume the role of Emergency Response Coordinator for the community.

For its part, Enbridge Gas Distribution (EGD) enters a new community when it is requested to do so by a developer or a municipality and upon approval of the Ontario Energy Board. If the community already exists and has residents, EGD conducts a community consultation. In the case of new communities under development, then the developers will incorporate natural gas into their marketing program with EGD's assistance.

Responsibility for reviewing any social and environmental impacts rest with EGD's regional general managers with assistance from various company departments, including Public & Government Affairs and Environment, Health & Safety. EGD then works closely with the community, supporting it with sponsorships and donations that promote a healthy and vibrant community and ensuring proper maintenance and monitoring.

The relationships that EGD builds with communities through its community events, sponsorships of community activities or meetings with key stakeholders have helped establish a powerful brand as a good corporate citizen. Some recent examples include:

- Through EGD's sponsorship of Project Zero, which is a public education program aimed at reducing residential fire and carbon monoxide deaths to zero, the Ontario Fire Marshal's office was able to distribute over 2,700 combination smoke and CO<sub>2</sub> alarms to nine municipalities across the province in 2010.
- Through EGD's commitment to the Winter Warmth program, EGD assisted over 1,400 low-income families and individuals with payment of their natural gas bill during the winter of 2009/2010.
- Through EGD's title sponsorship for the Enbridge CN Tower Stair Climb for United Way, United Way Toronto raised almost \$2.1 million in 2010.

## **ABORIGINAL & NATIVE AMERICAN RELATIONS**

Aboriginal and Native American communities comprise some of Enbridge's most important neighbours.

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

Enbridge recognizes the history, uniqueness and diversity of Aboriginal and Native American Peoples. Positive relationships with Aboriginal and Native American Peoples, based on mutual respect and trust will help them and the company to realize our respective aspirations and will help Enbridge to reach its strategic business objectives.

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

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

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

### **Aboriginal and Native American Policy**

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

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

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

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

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



In the new policy, Enbridge affirms that the company:

- recognizes the legal and constitutional rights possessed by Aboriginal people in Canada and by Native Americans in the U.S.;
- respects the traditional ways, Aboriginal and Native American heritage sites, and the relationship that Aboriginal and Native American peoples have with the land and the environment;
- engages in forthright and sincere consultation with Aboriginal and Native American peoples about Enbridge's projects and operations that have an impact upon their legally and constitutionally protected rights;
- commits to working with Aboriginal and Native American peoples to achieve sustainable benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development and community investment; and
- fosters understanding and respect for local Aboriginal and Native American Peoples among Enbridge's employees and contractors.

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

#### **Enbridge's Approach**

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

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

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

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

- identify the interests and concerns of the people who may be affected by Enbridge operations; and
- explain Enbridge's plans, expectations and constraints.

Enbridge's wide range of engagement activities include:

- regular communication through correspondence and project update newsletters;
- presentations at tribal government meetings;
- community open houses;
- job fairs;
- emergency preparedness exercises; and
- community investments and sponsorships.

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

### **RECENT INITIATIVES AND SIGNIFICANT EVENTS**

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

#### **Canada – Corporate**

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

**Major Aboriginal Community Investment**

The Enbridge School Plus Program, which the company developed in partnership with the Assembly of First Nations (AFN), supports enriched programming and extracurricular activities in First Nations schools near major Enbridge pipeline routes in Canada. The overall goal of the program is to encourage First Nations youth to stay in school by assisting schools in offering sports activities, music or arts programs, field trips and school clubs.

The company launched the program in 2009 and expects it will be in place for three years.

The initial pilot program provided funding to 42 eligible First Nations schools located in proximity to Enbridge's mainline right-of-way between Fort McMurray, Alberta, and Gretna, Manitoba, and in proximity to the company's Ontario Wind Farm. In 2010, Enbridge made grants to 36 eligible First Nations schools, and over 3,850 First Nations youth benefited from the program.

The first funded program took place in May 2009 when students at the Nakoda Oyade Education Centre from the Carry the Kettle First Nation in Saskatchewan took part in a cultural and historical field trip to the Cypress Hills in southeastern Saskatchewan, which are part of their ancestral traditional lands. Enbridge School Plus supported the same program at Nakoda Oyade in the spring of 2010, along with numerous other extracurricular programs at other eligible schools. These programs included photography clubs, sports and music programs, traditional arts and crafts instruction, and cultural field trips.

In 2010, Enbridge expanded School Plus to support initiatives that strengthen Métis and urban Aboriginal communities. In school year 2010-2011, the expanded program includes a partnership with the Mackenzie Art Gallery in Regina, Saskatchewan, to support its Urban Outreach program, which provides enriched arts instruction to students at inner-city Regina schools, which have a high Aboriginal enrollment. Enbridge has also partnered with the University of Winnipeg to fund a program that provides inner-city students with the chance to engage in enriched science-oriented educational activities through the Enbridge Eco-Kids on Campus program. The expanded School Plus program also includes partnerships with Métis Child and Family Services of Edmonton and the Stardale Women's Group of Calgary.

**Major National Partnerships**

In 2010, Enbridge continued its commitment to provide \$1 million over seven years to the Banff Centre to support Aboriginal leadership and management programming, including a program dedicated to developing the leadership skills of Indigenous women leaders. In addition to supporting the Centre's Aboriginal leadership programming as a whole, Enbridge's partnership with the Banff Centre guarantees 12 annual scholarships for First Nations members whose communities are located in proximity to Enbridge's proposed Northern Gateway Pipeline right-of-way.

**National Corporate Investment**

Enbridge is the presenting sponsor for the Historica-Dominion Institute's annual Canadian Aboriginal Writing Challenge, a national short-story contest inviting young Aboriginal Canadians to showcase their creative writing talent. In 2010, this program was expanded to include a visual arts competition. In June 2011, the Canadian Aboriginal Writing and Arts Challenge awarded scholarship prizes to the best submissions in each of two age categories in both the writing and arts components. For more information, please visit [www.our-story.ca](http://www.our-story.ca).

**Canada – Projects and Operations**

In 2010, Enbridge made excellent progress on Aboriginal economic development related to its Major Projects. On upstream projects (projects north of Edmonton), the total value of economic opportunities provided to the Aboriginal community in 2010 was \$7.7 million. This was comprised of \$7.2 million paid in direct and indirect employment, and \$500,000 for contracting work. In total, 245 Aboriginal people were employed during 2010, representing about 13 per cent of the upstream projects' construction workforce.

To enhance Aboriginal business participation in oil and gas projects in Alberta, including future pipeline projects, Enbridge teamed up with the Northern Alberta Aboriginal Business Association, the Government of Alberta and Meyers Norris Penny LLP to deliver Contract Readiness, Entrepreneur, and Project Management training to First Nations of Treaty 8 and Métis in Fort McMurray.

Training initiatives such as these have been successfully complemented by the 2009 development and deployment of an Aboriginal economic development strategy for the company's proposed project expansion in the Athabasca (Alberta) and Bakken (Saskatchewan) regions. For example, in addition

to the \$7.7 million in economic opportunities provided to the Aboriginal community in 2010 referred to above, four recently approved projects in the Athabasca area have yielded in early 2011 over \$15 million in direct and indirect contracting opportunities for Aboriginal businesses, as well as \$500,000 in wages for Aboriginal employees.

As a result of the St. Clair River pipe replacement project, Enbridge was able to provide a grant of approximately \$34,000 in support of a traditional and medicinal plant study to the Aamjiwnaang First Nation in Sarnia, Ontario. Enbridge also provided support to the Walpole Island First Nation Land Trust to support the preservation and rehabilitation of St. John's Marsh, a 171-acre wetland in the St. Clair Flats, the largest freshwater delta in North America.

Enbridge's Liquids Pipelines system in Canada spans over 3,500 kilometres – from Norman Wells in the Northwest Territories, through Alberta, southern Saskatchewan and Manitoba, and to central Ontario and Quebec.

The combined efforts of Enbridge's Aboriginal Affairs staff ensured communication with most of the 60+ Aboriginal communities along the entire right-of-way in 2010.

Reaching out to these communities comes in many forms, including Enbridge's hallmark CSR programs. In 2010, three Aboriginal first-responder organizations took advantage of the company's successful Safe Community program: the Elizabeth Métis Settlement Fire Department for equipment; the Dakota Ojibway Police Service for equipment; and the Mohawks of Akwasasne in support of the establishment of a hazardous materials team on their reserve.

Enbridge has also entered into a partnership with Ducks Unlimited Canada on Project Webfoot, which provides environmental-awareness classroom and wetland experiences to over 15 elementary schools with high Aboriginal enrollment along the company's operational right-of-way in Alberta, Saskatchewan and Manitoba.

Enbridge has partnered with Habitat for Humanity Edmonton and the Technical Services Advisory Group (TSAG) in support of Urban Aboriginal housing. TSAG is a First Nations organization in Alberta that provides technical services and training to First Nations in Treaty 6, 7 and 8 areas, and receives its mandate from the Alberta Chiefs. Enbridge's partnership donation of \$100,000 has resulted in homes for two First Nation families, one in 2010 and another to be completed in 2011.

Enbridge Pipelines (NW) Inc. contributed funding towards the Take-a-Kid trapping program delivered to school children in Deline, Tulita, and Colville Lake, Northwest Territories, as part of traditional Aboriginal studies facilitated by the Sahtu Renewable Resources Board. The program included winter safety and survival skills, setting and checking fishing nets, preparation of rabbit snares, setting up a traditional campsite, maintaining a trapline, and snowmobile maintenance.

#### **Canada – Enbridge Northern Gateway Project**

In May 2010, Enbridge filed its application for the construction and operation of the Enbridge Northern Gateway Project with the National Energy Board (NEB). The project involves a new twin pipeline system between Edmonton, Alberta, and a new marine terminal in Kitimat, British Columbia, to export petroleum and import condensate.

Northern Gateway Pipelines Limited Partnership (Northern Gateway) continued to implement its Aboriginal Engagement and Consultation Program (Aboriginal Engagement Program) with Aboriginal groups in the provinces of British Columbia and Alberta. The highlights of the Aboriginal Engagement Program during the 2010-11 reporting period are as follows.

#### ***Consultation and Engagement:***

On March 22 and 23, 2010, Northern Gateway hosted a Northern Gateway Business Summit in Vancouver, British Columbia, with the participation of 42 Aboriginal groups from British Columbia and Alberta. The purpose of the Summit was to further Northern Gateway's engagement program with Aboriginal groups by providing project information to the Aboriginal groups in close proximity to the right-of-way, particularly in regard to potential business opportunities that may arise from the project, should it receive regulatory approval. The Summit also provided a venue for Aboriginal groups to come together to discuss potential project-related business opportunities, and to foster a networking environment between Aboriginal groups, and between Aboriginal groups and companies, that could potentially lead to business ventures between the parties.

Northern Gateway also commenced meetings with Aboriginal groups that had filed Aboriginal Traditional Knowledge (ATK) studies, for the purpose of addressing issues and concerns specific to the summary of issues tables filed in the project application.

In addition, Northern Gateway conducted open houses in the communities of the Alexis Nakota Sioux Nation (Whitecourt), Horse Lake, Sucker Creek, Whitefish First Nations, Tl'azt'en Nation, and McLeod Lake Indian Band.

***Filing of the Project Application:***

A major milestone was achieved by Northern Gateway with the filing of the project application with the NEB on May 27, 2010. Northern Gateway notified the Aboriginal groups, who are the subject of the Aboriginal Engagement Program, of the project application shortly after the filing date, and subsequently met with the groups to inform them of the regulatory process, including the Joint Review Panel process.

***Aboriginal Economic Benefits Package:***

In the latter part of 2010, Northern Gateway presented an Aboriginal Economic Benefits Package to eligible Aboriginal groups within three geographic regions: Alberta, interior British Columbia, and coastal British Columbia. The Aboriginal Economic Benefits Package included an offering of a long-term equity partnership with Northern Gateway, as well as an opportunity to enter into a memorandum of understanding (MOU) with Northern Gateway to further discuss potential opportunities arising from the project, such as employment, training, and procurement. As of early 2011, a total of 12 British Columbia and Alberta First Nations had signed MOUs in relation to the Aboriginal Economic Benefits Package.

***Community Advisory Boards:***

Northern Gateway has established five Community Advisory Boards (CABs) made up of a cross-section of interested groups, including First Nations, First Nation organizations, Métis organizations, business leaders, local government and environmental organizations. Aboriginal groups continue to participate in the CABs on an ongoing basis, with a total of 20 Aboriginal groups in British Columbia and Alberta attending meetings of the CABs during 2010.

***Yinka Dene Meeting with Patrick Daniel and Board of Directors:***

In May 2011, representatives of the Yinka Dene Alliance, representing five First Nations from the interior of British Columbia, met privately in Calgary with Enbridge's President & Chief Executive Officer Patrick D. Daniel and the company's Board of Directors. They relayed their concerns about the project at this meeting, and again at the company's Annual General Meeting the following day.

***Community Sponsorships:***

Northern Gateway continued to support and demonstrate its commitment to Aboriginal groups by making community investment contributions during 2010 and early 2011, to the following Aboriginal groups in British Columbia and Alberta:

**2010**

- Alexander First Nation – golf tournament
- Alexis Nakota Sioux Nation – annual powwow celebrations
- Alexis Nakota Sioux Nation – Christmas hampers and gifts for children for members of the Alexis Nakota Sioux Nation
- Alexis Nakota Sioux Nation – summer student employment funding
- B.C. Métis Elders – 3rd Annual Riverside Festival
- British Columbia Achievement Foundation – B.C. Aboriginal Business Awards
- Canadian Council for Aboriginal Business – Business Session
- Canadian Council for Aboriginal Business – Gala Dinner
- Cheslatta Carrier Nation – Chief Louie Paddle Company
- Classic Rock CFNR – All Native Basketball Tournament
- Doig River First Nation – 10th Annual Doig River Rodeo
- Gitxsan Treaty Office – Gitxsan Open 2010 Golf Tournament
- Horse Lake First Nation – HLFN Industry Relations Corporation golf tournament

- Industry Council for Aboriginal Business – “On Common Ground” Dinner
- Kitamaat Village Council – Annual Golf Scramble
- Lake Babine First Nation – Community Program
- Lesser Slave Lake Indian Regional Council – annual golf tournament
- Lheidli T’enneh Nation – Christmas Community Dinner
- McLeod Lake Indian Band – Annual General Assembly
- Métis Nation of Alberta – Annual General Assembly
- Métis Nation of Alberta – Grand Prairie Local #1990 Youth Talent Show , a community event for purposes of raising funds for local charities
- National Aboriginal Achievement Foundation – Blue Print for the Future
- Northeast Native Advancing Society – Go Karts for Girls
- Northwest B.C. Métis Association – Annual Christmas Party
- Saulteau First Nations – Christmas Gathering
- Skin Tyee First Nation – Education and Training Program
- Sturgeon Lake Cree Nation – annual golf tournament
- Treaty 8 First Nations of Alberta / Sucker Creek First Nation – annual Elder’s gathering
- Treaty 8 First Nations of Alberta, Christmas Gala – event held in Edmonton and attended by Alberta First Nations and Treaty 8 staff for purposes of raising funds for local charities specific to Aboriginal women in need
- Treaty 8 Tribal Association – Community Economic Development Strategy
- Treaty 8 Tribal Association – Spirit of the Peace Powwow Society
- Yekooche First Nation – Christmas Celebration
- Yekooche First Nation – Traditional Dance and Song Program

## 2011

- Duncan’s First Nation – community sponsorship
- Kapawe’no First Nation – community sponsorship of elder and youth initiatives
- Kelly Lake First Nation – Community Investment/Community Sponsorship
- Kikino Métis Settlement – community sponsorship of community rodeo
- Lheidli T’enneh Nation – Honour Your Health Challenge – 2011 Vancouver Sun Run
- Prince George Aboriginal Youth Hockey – 15th Annual Youth Hockey Championships
- Prince George Métis Elders Society – Sharing Our Aboriginal Culture – A Celebration
- Sucker Creek First Nation – community sponsorship of elder and youth Initiatives
- Whitefish Lake First Nation – community sponsorship of Annual Treaty Days

### ***Community Events, 2010-2011:***

#### **Yekooche First Nation – Health Centre Grand Opening**

On September 9, 2010, the Yekooche First Nation held a grand opening in the community for its newly constructed health centre. The event was attended by a representative from Northern Gateway and a number of dignitaries from northern British Columbia, and consisted of a ribbon cutting ceremony as well as a tour of the health centre, which is located in close proximity to Stuart Lake. The health centre is of great importance to the Yekooche First Nation, which is located in a geographically isolated part of British Columbia.

#### **Regional Meeting in Prince George**

On November 17, 2010, the Cheslatta Carrier Nation, Skin Tyee Nation, Yekooche First Nation, Lheidli T'enneh Band, McLeod Lake Indian Band, and Tl'azt'en Nation attended a meeting organized by Northern Gateway in the terrestrial heartland of British Columbia to address three principal matters:

1. How Northern Gateway will build and operate the proposed project pipeline safely.
2. The introduction and a review of the Economic Benefits Package prepared by Northern Gateway, which included a discussion on the equity offer, as well as potential employment, training, and procurement opportunities to be made available to Aboriginal communities in terrestrial British Columbia.
3. The provision of technical information about the project.

These discussions were followed by a question-and-answer period to enable the Aboriginal attendees to voice their interests and concerns, and to have these responded to by engineers and other experts made available by Northern Gateway.

Key speakers from Northern Gateway included John Carruthers, President of Northern Gateway, who provided opening remarks as well as feedback to questions from the audience; Morgan Yates, Director, Aboriginal and Stakeholder Relations, Enbridge, who provided a formal overview of the equity ownership component of the Economic Benefits Package; a panel of engineers; and Chief Ken Chalmers of the Birdtail Sioux Dakota Nation, who spoke about his experiences to date with Enbridge and pipelines through his nation's traditional territory.

#### **Best Practices in Aboriginal Business and Economic Development**

As a result of scholarships provided by Enbridge, representatives from the following British Columbia Aboriginal communities participated in the Banff Centre's week-long "Best Practices in Aboriginal Business and Economic Development" course, in January of 2011: Cheslatta Carrier Nation; Skin Tyee Nation; Tl'azt'en Nation; Yekooche First Nation; and West Moberly First Nations.

The course examined the fundamental issues of governance, such as the creation of culturally appropriate governmental institutions and the role of Aboriginal leaders in effectively planning, creating, and promoting economic policy for self-determined Aboriginal development.

The following topics were examined and explored:

- The Harvard Project on American Indian Economic Development
- Nation-building: tools, policies, and leadership for Aboriginal governments Rethinking Aboriginal economic policy: insights and implications
- Case study presentations of "best practices" in Aboriginal economic policy and Aboriginal governance made by invited representatives
- Nation-building components: asserting self-governance, building institutions, setting strategic direction, and taking action through strong leadership
- Separating politics and business – a community necessity
- Community economics model from an Aboriginal perspective
- All aspects of community economic development and business planning Financing Aboriginal economic ventures



### **Northern Gateway Government Relations – Ottawa meetings**

In March 2011, Hereditary Chief Elmer Derrick, who is Lead Negotiator of the Gitksan Chiefs' Office, joined the Northern Gateway government relations team in Ottawa for a series of meetings that included one-on-one meetings with parliamentarians as well as the Natural Resources Committee. Hereditary Chief Elmer Derrick relayed his community's experiences to date in working with Northern Gateway on matters of consultation and project benefits.

### **Paul First Nation Career Fair**

During the first quarter of 2011, Northern Gateway attended the Paul First Nation's career fair for the purposes of providing project information and project handouts, including a National Energy Board pamphlet and a Northern Gateway Skills Development catalogue. The fair was well attended by Paul First Nation members and Northern Gateway was pleased to be part of this successful event.

### **Canada – Federal Court Decisions**

Enbridge's Alberta Clipper pipeline passes through lands claimed by the Sweetgrass, Moosomin and Standing Buffalo Dakota First Nations in Saskatchewan. In October 2009, all three First Nations appealed the NEB decisions to approve the Alberta Clipper and Southern Lights Projects, as well as TransCanada's Keystone Project. The issue raised by the appellants at the Federal Court of Appeal was whether the NEB can consider a project without first deciding whether the Crown has a duty to consult with First Nations and if so, whether this duty has been adequately discharged. The Federal Court of Appeal dismissed the applications and on December 2, 2010, the Supreme Court of Canada denied the First Nations' leave to appeal.

### **Canada – Enbridge Gas Distribution**

Through its subsidiary Niagara Gas Transmission Ltd. (NGT), Enbridge Gas Distribution engages with the Mohawk Council of Akwesasne, located near Cornwall, Ontario.

Since 1962, NGT has operated a natural gas transmission pipeline on a right-of-way owned by the Federal Bridge Corporation Limited (FBCL) that crosses the Akwesasne Reserve. FBCL is intending to replace the existing bridge on its right-of-way, which will require Enbridge to build a new pipeline that will be regulated by the National Energy Board. Because the new pipeline will also run through the Akwesasne Reserve, there exists a possibility that Akwesasne rights could be affected by Enbridge's operations.

In June 2009, NGT and the Mohawk Council of Akwesasne signed a Cooperation and Land Use Agreement that enables NGT to remove the existing natural gas pipeline on the current bridge and replace it with a new pipeline. The agreement recognizes Akwesasne's support of the proposed new pipeline project and provides economic, social and community benefits for Akwesasne.

## **CANADA – WIND AND SOLAR ENERGY**

### **Enbridge Ontario Wind**

Enbridge's 190-megawatt Ontario Wind Power Project located at Kincardine in Bruce County, Ontario, on the eastern shore of Lake Huron, went into full commercial operation in 2009. It is the second largest wind farm in Canada.

The wind farm is located within the traditional territory of the Saugeen Ojibway, which comprises two First Nations – the Chippewas of Nawash and Saugeen First Nation.

Throughout 2010, Enbridge and the Saugeen Ojibway Nation met regarding implementation of commitments made in their Agreement on Heritage and Environmental Issues signed in 2007.

The agreements in place with the Saugeen Ojibway Nations include their participation in archeological work and in ongoing environmental monitoring, as well as potential employment, training and business opportunities for members of the Saugeen Ojibway Nation members.

Of the six permanent employees of the wind farm, two are members of the Saugeen Ojibway Nation.

During 2010, Saugeen Ojibway Nation members participated in environmental monitoring work that Enbridge was required to carry out in accordance with government regulation.

Enbridge also supported the Nawash 2010 golf tournament.

In 2010, Enbridge supported hockey teams from the Saugeen First Nation and the Chippewas of Nawash for their “Little NHL Hockey Tournament.” Enbridge also contributed to Anishinabek Child & Youth Prevention Service for an after-school program. In 2010, the Enbridge School Plus Program provided over \$14,300 in funding to the Chippewas of Nawash Cape Crocker Elementary School for a sports and leadership camp and music enrichment program.

#### **Sarnia Solar Project**

In 2009, Enbridge acquired the Sarnia Solar Project, comprising an initial 20 megawatts (MW), in Ontario, and in 2010, completed a planned expansion of the project to 80 MW.

Enbridge has maintained a relationship with the Aamjiwnaang First Nation, whose reserve is located in proximity to Sarnia, Ontario, and representatives of the First Nation attended the facility’s grand opening in October 2010.

In 2010 and 2011, Enbridge provided financial support for the Aamjiwnaang First Nation’s Youth After School Health and Fitness program.

#### **Other Wind Projects**

In 2010, Enbridge, in partnership with Renewable Energy Systems Canada Inc. (RES), completed construction of the 99 MW Talbot Wind Energy project near Chatham, Ontario. First Nations located in proximity to that project had been engaged and consulted during the regulatory process. Enbridge looks forward to maintaining good relationships with these groups.

In March 2010, Enbridge and RES announced a partnership to construct and own a 99 MW wind energy project, called the Greenwich Wind Energy Project, on Crown lands near Thunder Bay, Ontario. Throughout the regulatory process, two local First Nations – the Red Rock Indian Band and the Fort William First Nation – were engaged and consulted, culminating in the conclusion of agreements that provide sustainable benefits flowing from the project to each of the First Nations. The Greenwich Windfarm Limited Partnership hired community members during construction in 2010, and First Nations members provided almost 16,000 hours of labour on the project. The Limited Partnership also intends to provide contracting opportunities to First Nation-owned businesses once the project is operational. The Greenwich Limited Partnership has also concluded agreements with local Métis organizations in relation to the project.

#### **U.S. – Major Projects and Liquids Pipelines Operations**

Enbridge engages with Native American communities in the U.S. regarding new projects and ongoing operations. These sovereign nations play an important role in the planning, consultation and construction processes.

Tribal environmental staff also have an ongoing role on a consultative basis both during construction and when construction is complete and the pipeline is operational.

The U.S. federal government consults with recognized Native American tribes on a government-to-government basis, which is required under Section 106 of the National Historic Preservation Act.

Enbridge also works directly with the tribes whose lands are being crossed by the company’s construction projects. The tribal governments and the U.S. Bureau of Indian Affairs have to approve agreements with Enbridge to build on any tribal-owned tracts of land. In addition, the tribes are concerned with any construction or maintenance activity taking place on reservations so, as a courtesy, it is important that Enbridge keep tribal governments informed of any such plans.

Lastly, all Native American reservations have a Tribal Employment Rights Ordinance (TERO), which states that companies, such as Enbridge, will give Native Americans hiring preference on all work within reservations. In the case of Alberta Clipper, which Enbridge put into service in 2010, the company and its contractors were required to comply with the TERO ordinance during the crossing of two Native lands – Fond du Lac Band of Lake Superior Chippewa and the Leech Lake Band of Ojibwe.

Enbridge signed agreements with Fond du Lac Band of Lake Superior Chippewa in March 2009 and the Leech Lake Band of Ojibwe in May 2009. These agreements provided for monetary compensation for easement rights, as well as other promises of performance such as actions to address any environmental or safety concerns that the Band has with the construction or operation of the pipelines.



Enbridge actively worked with the TERO officers for the Leech Lake Band of Ojibwe and the Fond du Lac Band of Lake Superior Chippewa to identify qualified workers and subcontracting services for the project. During Alberta Clipper construction, Enbridge and its pipeline construction contractors worked with the Leech Lake and Fond du Lac TERO offices to hire qualified Band members on the project. The company and its contractors also sought to use Reservation or Band-member owned businesses for a variety of subcontracting opportunities during construction, such as providing security, gravel, clearing, and excavation services.

Enbridge has invested over \$160,000 in the Fond du Lac and Leech Lake tribes since 2008. The company has also been making scholarship donations to the Leech Lake and Fond du Lac Tribal colleges for several years.

#### **Scholarships/Bursaries**

- Enbridge is proud of its partnership with the Banff Centre in Banff, Alberta, and, in particular of a \$1 million commitment the company made in 2007 to support two programs at the Banff Centre's new Indigenous Leadership Centre: the "Indigenous Women in Leadership" program; and the "Best Practices in Aboriginal Business and Economic Development" program. This financial commitment is being paid over a seven-year period starting in 2008. In January 2011, 12 Aboriginal leaders from British Columbia whose communities are in proximity to the Northern Gateway Pipeline route were invited to and participated in the "Best Practices in Aboriginal Business and Economic Development" course held at the Banff Centre.
- Enbridge has been the lead sponsor of the Canadian Aboriginal Writing Challenge for the past five years, in partnership with the Historica-Dominion Institute. In 2010, the Challenge was expanded to include an arts component where youth can create a piece of two-dimensional artwork about a moment in Aboriginal history. Enbridge committed \$80,000 in 2010 in support of the new Canadian Aboriginal Writing and Arts Challenge, to nurture the development of the literary and artistic talents of young Aboriginal Canadians, thereby enabling them to convey the aboriginal experience from their own perspectives.
- In 2005, the company established The Enbridge Scholarship for Aboriginal Leadership at Mount Royal University in Calgary. The annual award of \$2,500 is presented to an Aboriginal student graduating from the College's Aboriginal Education Program and entering a mainstream Mount Royal University program.
- In 2003, the company established The Enbridge Inc. Scholarships at York University in Toronto to support talented undergraduate students in financial need. The scholarship program will provide \$2,500 annually to a second-year Canadian Aboriginal student in any course of study.
- Enbridge has provided scholarships annually to the Fond du Lac Tribal and Community College in Cloquet, Minnesota (\$2,500) and the Leech Lake Tribal College in Cass Lake, Minnesota (\$2,500). In the past, the company has also supported the Itasca Community College in Grand Rapids, Minnesota, (\$15,000).
- Due to an endowment provided by Enbridge to the Northern Alberta Institute of Technology (NAIT) in Edmonton for the Enbridge Northern Student Entrance Award, a student from the Yukon Territory, the Northwest Territories or Nunavut who demonstrates financial need and who has been accepted into a program related to the energy sector or community development will receive a scholarship of approximately \$1,400. Preference is given to students of indigenous ancestry who are able to speak their native language and whose intent is to return to and work in the North.
- Enbridge provided \$1,000 to Keyano College in Fort McMurray, Alberta, in 2010 in support of the Enbridge Inc. Entrance Bursary, awarded to a student of Aboriginal ancestry entering the first year of a certificate or diploma program. Selection is based on financial need. Proof of Aboriginal ancestry must be provided.
- Enbridge provided \$2,000 in 2010 to the University of Winnipeg Foundation for an Aboriginal student who completed at least 30 credit hours in an undergraduate degree program and who participated in extracurricular activities at the University of Winnipeg or in the community.
- Enbridge Pipelines Inc. has made a pledge of \$60,000, (\$20,000 in 2011, 2012 and 2013) to the University of Alberta. The purpose of the gift is to support the *Enbridge Indigenous Language Leadership Award*, which provides \$2,500 per year to eight Canadian Indigenous Languages and Literacy Development Institute (CILLDI) in Education summer language students for a period of three years.

- Enbridge has created two annual scholarships with the Saskatchewan Indian Institute of Technology to provide \$1,500 to two Aboriginal students attending the Institute.

Enbridge made a commitment of \$330,000 to the Mother Earth's Children Charter School Society (\$110,000 in each of the years 2011, 2012 and 2013) to support Alberta's only First Nations charter school. The funding is in aid of the school's capital funding campaign to purchase the school and to support the school's nutritional program.

## **COMMUNITY PARTNERSHIPS AND INVESTMENTS**

### **Strategy**

Directed by its social vision statement, Enbridge in 2010 helped build communities across its operating regions in Canada and the U.S. that are sustainable, with solid infrastructure and programming in the company's four focus areas:

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

By investing in each of these key areas with its dollars, partnerships and human capital, Enbridge is able to support organizations that contribute to the economic and social development of communities near the company's operations. Enbridge believes these investments are essential to being a good neighbour and are a contributing factor in maintaining the company's social license to operate. Please see below for more details on the four focus areas.

Enbridge partners with charitable and non-profit organizations in its various geographic regions in Canada and the U.S. that have the skills and expertise to effect change. The criteria and guidelines for Enbridge's Community Partnerships & Investments Program are outlined under the heading 'Policy' of this Society section.

In the year ended December 31, 2010, Enbridge's actual enterprise-wide Community Investment expenditure totaled \$11.5 million, which the company invested in more than 350 charitable, non-profit, and community organizations. This investment amount is growing with corporate earnings, and represents over one per cent of Enbridge's profits.

Following are details about Enbridge's approach to its four community investment focus areas.

### **Education**

Investing in educational programs in the regions where Enbridge's employees live and work helps to build strong, sustainable communities. Enbridge understands that today's students are tomorrow's leaders, and the company is committed to helping young people advance their education to achieve their greatest potential.

Enbridge supports a number of Aboriginal education programs that focus on literacy, staying in school, and post-secondary support through scholarships.

#### **School Plus Program**

Enbridge's School Plus Program — one of Enbridge's flagship community investment programs — was designed to encourage young Canadian Aboriginal students to stay in school. Established by Enbridge in partnership with the Assembly of First Nations, the School Plus Program supports enrichment programming and extra-curricular activities in First Nations schools near major Enbridge pipeline routes and the company's wind farm in Ontario. With funding from Enbridge, teachers have the means to find creative ways to make education more enticing to kids in danger of dropping out.

### **Health & Safety**

Enbridge has developed a number of partnerships with organizations that are focused on health and safety programs. Enbridge's support of these organizations helps to improve services, purchase equipment and provide research, with the goal of improving the wellness of the people in Enbridge communities.

### ***Safe Community Program***

One of Enbridge's flagship community investment programs, the Safe Community Program provides monetary support to:

- police agencies;
- fire fighters, including volunteer fire-fighting organizations in rural communities;
- Emergency Medical Services (EMS); and
- other related health providers who respond to emergency situations in the communities where Enbridge operates.

In 2010, Enbridge contributed over \$1 million to the program, supporting approximately 240 first-responder organizations in right-of-way communities in Canada and the U.S.

Grants given through this program allow eligible organizations to acquire such support as new safety equipment, obtain professional training and deliver safety educational programs in their neighbourhoods. Enbridge's communities give the company its license to operate. By helping first responders, Enbridge is making its neighbourhoods safer, and building sustainable communities, one at a time.

### **Environment**

Environmental performance is a key indicator of success for Enbridge. The company actively pursues ways to minimize its impact on the environment, and support initiatives that help it protect air, land and water sources. Enbridge also invests in programs that promote conservation and awareness of environmental issues, and organizations that develop new technologies, including alternative and renewable energy sources, to reduce environmental impact.

### ***Enbridge Natural Legacy Program***

The Enbridge Natural Legacy Program provides the company with an opportunity to demonstrate its ongoing commitment to environmental stewardship, habitat remediation and protection. Enbridge does this through initiatives such as elementary educational programs, and the planting and care of native trees and plants throughout urban and rural areas along the company's rights-of-way.

Enbridge operates the program with environmental/conservation partners and employee volunteers dispersing the funding across Canada and the United States. In 2010, Enbridge committed to investing \$600,000 in the program.

### **Culture & Community**

The development and sustainability of cultural institutions is an investment in the vibrancy and diversity of a community. Enbridge supports arts and culture initiatives that make its communities brighter, warmer, more interesting places to live.

In addition to civic investments, Enbridge also supports social development initiatives through employee-led United Way campaigns across the company.

### ***Volunteers in Partnership (VIP) Program***

Besides Enbridge's financial contributions, the company encourages its employees to actively participate in their communities. Through Enbridge's Volunteers in Partnership (VIP) program, the company recognizes employee contributions of time and dollars to charitable organizations by providing additional support in terms of paid volunteer time and top-up financial contributions. Enbridge supports employee volunteer opportunities by:

- providing grants of \$500 to non-profit organizations where employees have volunteered at least 40 hours or more of service per year outside of business hours in countries where Enbridge has operations; or providing grants to match an employee's individual fundraising efforts for one event per year up to a maximum of \$500;
- matching donations up to \$5,000 for employee contributions to the United Way during the campaigns of individual business units;
- providing the opportunity for employees to take one paid day or eight hours off per year to volunteer at a non-profit organization of their choice in countries where Enbridge has operations; and
- providing one paid day or eight hours off per year for supervisor-led team-building volunteer activities in countries where Enbridge has operations.

Through this support, Enbridge gains a better understanding of its communities, the challenges they face and the ways the company can best contribute.

In early 2011, Enbridge further refined the definition of its four community investment focus areas, expanding them to six, as follows: Arts and Culture; Community Leadership; Lifelong Learning; Natural Legacy; Safe Community; and School Plus. For more details on these, please see the 'Policy' chapter in this Society section.

### **Benchmarking and Assessment**

To help Enbridge ensure that its community investments are achieving the maximum results possible, the company has been working with London Benchmarking Group (LBG) Canada, of which Enbridge is a founding member. LBG Canada comprises a group of companies that are using the "LBG model" to improve their management, measurement, and reporting of community involvement initiatives.

LBG Canada focuses on companies' voluntary community contributions and applies consistent accounting principles to value their total investments. Companies value financial donations, as well as a full range of other contributions – including staff time, in-kind contributions, and management costs – that a company could make to a community.

The LBG Canada approach provides a process for assessing the results that the company and the community realize from contributions.

SIMPACT Strategy Group, facilitator of LBG Canada, worked with Enbridge to determine the true community value of the company's 2010 Canadian community investments.

### ***Leak on July 26, 2010, on Enbridge's Line 6B near Marshall, Michigan – Community Investment and Community Enhancement Projects***

Enbridge's commitment to the communities of Marshall, Battle Creek and areas along the Kalamazoo River extends much further than the cleanup itself. Enbridge recognizes that the Kalamazoo River is an important part of the community. The river provides area residents with ample opportunity for fishing, kayaking, canoeing, and simply enjoying its beauty. Enbridge has committed to supporting community investment programs that will provide a long-lasting benefit to the community by enhancing recreational opportunities.

Based on input from local residents, community leaders and recreation groups, much of Enbridge's community investment efforts will focus on increasing access to the Kalamazoo River. Enbridge is considering options for establishing or enhancing several new access locations along the river.

A high priority for Enbridge is to ensure that local communities along the river are supportive of these investments. Enbridge is in the process of engaging regulators, elected officials, public representatives and interested parties regarding the company's community investment programs to ensure there is broad public participation and support.

In addition, Enbridge has and will continue to support other programs that align with its corporate community investment initiatives to help build sustainable communities. More than USD \$300,000 in contributions have been given to organizations in the area, including, among several others: the Marshall (Michigan) Historical Society; Wilder Creek Conservation Club; United Ways of Battle Creek, Marshall and Kalamazoo; the Red Cross of South Central Michigan; the Food Bank of South Central Michigan; and Michigan Envirothon.

## PARTNERSHIP PROFILES

### Education

#### Enbridge – company-wide

**Scholarships and bursaries** – In 2010, Enbridge contributed over \$85,000 through 45 endowed scholarships and bursary awards to 10 post-secondary institutions across Canada. By focusing on areas such as engineering, Aboriginal leadership, non-profit studies, and environmental sustainability leadership, Enbridge is actively supporting the development of the next generation of business and community leaders in a number of key areas.

#### Enbridge Inc.

**Calgary Stampede Foundation** – Enbridge partnered with the Calgary Stampede Foundation in support of The Enbridge Citizens of Tomorrow Program to provide equal opportunity programming for Calgary's youth. This program promotes western heritage while supporting leadership and character-building activities. In 2010, Enbridge provided 13 post-secondary scholarships to youth who were selected based on their achievements throughout their time at the Young Canadians School of Performing Arts or with the Calgary Stampede Showband, or as part of the International Youth Livestock Show.

**Canadian Aboriginal Youth Writing Challenge** – Aboriginal leaders, educators, youth, elected representatives and local community members gathered on June 15, 2010, at the MacKenzie Art Gallery in Regina to celebrate the winners of the Historica-Dominion Institute's 6th Annual Canadian Aboriginal Writing Challenge. Presented by Enbridge Inc., the Writing Challenge is a national initiative of The Historica-Dominion Institute. Participants between the ages 14-18 and 19-29 are invited to write a short story about a defining moment in Aboriginal history. The winning entries are selected by a jury of esteemed Aboriginal authors and leaders. The winners of the 2010 Writing Challenge were Stephanie Wood (age 14-18 category) and Nathan Adler (age 19-29 category).

The event also marked an announcement by the Historica-Dominion Institute and Enbridge Inc. of a new expanded Canadian Aboriginal Writing and Arts Challenge, which hopes to reach a new audience of Aboriginal youth – those who are not writers, but instead express themselves through painting, sculpting and photography.

#### Liquids Pipelines

**Enbridge School Plus** – Enbridge Pipelines awarded grants for 38 initiatives in 2010 through the Enbridge School Plus Program.

Among these:

- Sweetgrass School in Gallivan, Saskatchewan, received funding to acquire smart-board technology and to launch a Cree language program; and
- the Dakota Tipi Education Authority in Manitoba received funding to undertake a healthy living and sports recreation program.

The Enbridge School Plus Program continues to support enrichment programming and extracurricular activities in First Nations schools near major Enbridge pipeline routes by providing substantial financial support for programs and activities that are not fully funded as part of each school's standard required curriculum.

**Military Family Resource Centre/Art Smith Aviation Academy** – Enbridge Pipelines is sponsoring the community school bus transportation program through 2014 in support of the Military Family Resource Centre and specifically the Art Smith Aviation Academy located on the CFB Cold Lake air force base in Alberta. This transportation program is intended to ensure that children from surrounding communities, as well as those residing at CFB Cold Lake have access to the academy.

**Science Alberta Foundation** – Enbridge Pipelines is working in partnership with Science Alberta Foundation on a unique project to develop a fact-based educational curriculum about pipeline construction that makes the science and technology of oil and gas transmission and development understandable and accessible to the K-12 school system and broadens their understanding of the place of this development on a national and global economic scale.

**First Nations University of Canada (FNU)** – Enbridge has contributed \$100,000 that will allow FNU to provide scholarships to ensure access for new students and will help to support student success for the existing student body. Enbridge's support has also been invested into existing FNU programming and new initiatives that help students connect with their culture in a First Nations environment. In a 'thank you' letter to Enbridge, FNU representatives said: "We understand that like ourselves, Enbridge believes that providing educational opportunity for First Nations peoples has the potential to create profound change for our families and our communities. We greatly appreciate your continued support and your commitment to help build sustainable First Nation communities."

**Preparing to Contract with Industry** – The 'Preparing to Contract with Industry' program is a collaboration between Enbridge, the Confederacy of Treaty 6, Indian and Northern Affairs Canada, and the Alberta Ministries of Aboriginal Relations and Employment & Immigration who joined together to provide customized workshops designed to give the edge needed to maximize contracting opportunities for Aboriginal communities in central Alberta. Over 100 students attended training workshops in 2010 at Yellowhead Tribal College in Edmonton, Blue Quills First Nations College in St. Paul, Alberta, and Maskwachees Cultural College in Hobbema, Alberta. The stated objectives of the workshops are:

- to empower First Nation community members to learn about economic activities in their area, resulting in the generation of additional talent, skills and economic development within Treaty 6 communities of Alberta; and
- to further enable First Nation businesses located in Treaty 6 to qualify for business opportunities in the oil and gas industry.

**Youth Apprenticeship Program** – Enbridge Pipelines contributed \$15,000 in 2010 to support the Youth Apprenticeship Program at Dr. Swift Middle School in Lac La Biche, Alberta, towards improving student achievement and enhancing program choices (customized and personalization of programs) to help the students succeed. The program has provided a broad range of students, including those that are at risk of school failure, an opportunity to be challenged in an enriched program. The Youth Apprenticeship Program has proven to be very effective in helping students strive to complete high school, experience many vocations and move on to post-secondary education.

**St. Lawrence River Institute of Environmental Sciences** – Enbridge contributed \$7,000 to the St. Lawrence River Institute in Cornwall, Ontario, in support of their Environmental Science Investigator program, which brings science to life for high school students, covering such topics as ecology, water quality and biodiversity and using hands-on experimentation, sampling, and analysis methods. The River Institute's concept of environmental education is to give students the opportunity to work side-by-side with reputable scientists.

#### **Gas Transportation / Enbridge Energy Partners**

**Genesys Works** – Enbridge sponsored a week of training for the 2011 class of interns through Genesys Works, a not-for-profit organization that enables inner-city high school students to break through barriers and discover through meaningful work experience that they can succeed as professionals in the corporate world. Additionally, Enbridge hosted Genesys Works interns in 2010 and previous years.

**Texas Envirothon** – Enbridge supported the 2011 Texas Envirothon competition held in March in Longview, Texas. The Envirothon is North America's largest and most academically challenging high school environmental competition.

**Houston Museum of Natural Science** – Enbridge teamed up with the Houston Museum of Natural Science as a Partner in Education to support exhibits and programming geared especially for students visiting on field trips.

#### **Enbridge Gas Distribution (EGD)**

**Junior Achievement (JA)** – EGD's support of JA Southern Ontario and JA Eastern Ontario is well aligned with the company's community investment goals. JA's Dollars with Sense program introduces students to personal financial management concepts. Students learn to assess personal goals, learn about money as a means of exchange, and explore various investment vehicles through role playing and investment simulation. In 2009/2010, as a result of Enbridge employee volunteerism, approximately 1,000 students benefited from the JA experience.



## HEALTH & SAFETY

### Enbridge Inc.

**Enbridge Ride to Conquer Cancer** – Enbridge became the title sponsor of The Enbridge Ride to Conquer Cancer benefiting the Alberta Cancer Foundation and dedicated to fighting all cancers through prevention, diagnosis, treatment and palliation. Proceeds are allocated to top-quality cancer research in Alberta, with a particular focus on the highest research funding priorities. The Enbridge Ride to Conquer Cancer is a two-day cycling event through the Rocky Mountains of Alberta. The inaugural Alberta ride took place in 2009 and more than \$6.9 million was raised for cancer research. In the second annual Alberta ride, which took place in June 2010, more than 1,800 riders and 500+ crew and volunteers came together to raise \$7.3 million dollars.

Later in the year, Enbridge announced a new commitment in the fight against cancer and became the national title sponsor for the Enbridge Ride to Conquer Cancer across Canada from 2011 to 2013, with events taking place in 2011 in Alberta, British Columbia, Quebec, and Ontario.

The Enbridge Ride to Conquer Cancer is the largest cycling fundraiser in Canadian history. The event has raised more than \$88 million for cancer research treatment and care at the Alberta Cancer Foundation, the BC Cancer Foundation, the Princess Margaret Hospital Foundation and the Jewish General Hospital Foundation.

### Liquids Pipelines

**Cardiovascular Risk Reduction Program** – Enbridge Pipelines is supporting the Cardiovascular Risk Reduction Program at the new C.K. Hui Heart Centre of the Royal Alexandra Hospital in Edmonton through an investment that will give patients access to state-of-the-art cardiac care and enhance development and delivery of preventive programs. The cardiology department at the hospital serves an area covering approximately one third of Canada's land mass, receiving patients from British Columbia, Alberta, Saskatchewan, Yukon, Northwest Territories and Nunavut.

**Kids are Worth It Nutritional Program, Lac La Biche, Alberta** – Enbridge Pipelines (Athabasca) Inc. contributed \$8,000 to this program, which is run by the Kids Are Worth It Community Board of the Central Elementary and Vera M. Welsh schools. The not-for-profit program relies on donations and fundraising efforts so the children can have daily nutritional meals. Since the inception of the program, teachers reported marked improvements in the attendance, behaviour and achievement. A gap in the program was created when a local grocery store that had been providing food to the program closed. Enbridge views supporting the program as important as it will make a positive contribution to the health and education of youth in Lac La Biche and surrounding communities. The program is also sponsored by Portage College and the Northern Lights School District No. 69.

**Alberta Shock Trauma Air Rescue Society (STARS)** – A component of the Enbridge Safe Community program is the company's partnership with STARS, which responds to trauma and medical calls – 24 hours a day, seven days a week, 365 days a year – at no cost to patients. Enbridge has helped them acquire two new high technology helicopters that will be able to fly faster and further without refuelling than any others in the fleet. Enbridge is now supporting the expansion of STARS' service into Saskatchewan starting in 2012.

### Gas Transportation / Enbridge Energy Partners

**American Red Cross** – In 2010, Enbridge and its employees in the U.S. contributed USD \$119,000 to the American Red Cross in support of disaster relief. The company matched employees' donations to the Red Cross following natural disasters in both Haiti and Pakistan. Additionally, Enbridge supported the Greater Houston Chapter's disaster relief fund with a USD \$50,000 contribution.

**American Heart Association** – Enbridge supported the American Heart Association's 2010 and 2011 Heart Ball with sponsorships and gifts directly in support of the organization's mission to build healthier lives, free from cardiovascular diseases and stroke.

**Safe Community** – Through its Safe Community Program, Enbridge awarded a total of USD \$104,900 to 125 emergency first responder organizations in areas of U.S. operations. Eligible organizations include police, fire and EMS departments.

**North Dakota Cardiac Support Initiative** – Trinity Health Foundation in Minot, North Dakota, received USD \$10,000 from Enbridge in support of its North Dakota Cardiac Support Initiative, which seeks to provide emergency response teams in northwest and north-central North Dakota with the most advanced cardiac analysis system. This system – known as LIFENET – evaluates the cardiac condition of the patient and forwards the data to the closest trauma centre in preparation of a patient's arrival.

#### **Enbridge Gas Distribution (EGD)**

**Project Zero** – EGD has been a sponsor and supporter of the Fire Marshal's Fire Safety Council since its inception in Ontario in 1993. EGD has developed a strong relationship with the Council, which addresses public safety issues and distributes information to local fire departments that in turn reach out to their respective communities. As a council member, EGD is a strong supporter of fire and life safety education. EGD is proud to provide funding support to programs like Project Zero as part of Enbridge's Safe Community Program. The Project Zero program aims at reducing residential fire and carbon monoxide deaths to zero. Working with the Fire Marshal's Public Fire Safety Council and nine local Ontario fire departments, more than 2,700 combination smoke and carbon monoxide alarms were delivered to Ontario homes in 2010 through the Project Zero program.

**York Central Hospital Foundation (YCHF)** – EGD has confirmed a pledge agreement in the amount of \$120,000 payable over four years to support the York Central Hospital, a large community hospital in Richmond Hill north of Toronto that serves a community of over 500,000 area residents. EGD's support will go towards the purchase of equipment for the Endoscopy Unit, as well as additional funding objectives to be identified by YCHF.

### **ENVIRONMENT**

#### **Enbridge Inc.**

**Nature Conservancy of Canada (NCC)** – In early 2010, Enbridge made its largest-ever community investment with a \$2.5 million donation in support of the Nature Conservancy of Canada's work to preserve and protect important and sensitive natural habitats across Canada. Enbridge's investment will help conserve and care for more than 7,400 acres (about 3,000 hectares) of some of the best remaining wildlife habitat in Canada. The investment is particularly significant at this time because, thanks to matching funds from sources including the Government of Canada's Natural Areas Conservation Program, it will trigger a conservation impact of more than \$10 million over the next three years.

The investment aligns with Enbridge's ambitious Neutral Footprint program, which is designed to stabilize Enbridge's environmental footprint at January 2009 levels. The program is comprised of three commitments: Enbridge will plant a tree for every tree it removes to build new facilities; help conserve an acre of natural habitat for every acre it permanently impacts; and generate a kilowatt of renewable energy for every kilowatt of power its operations consume.

**The Calgary Awards** – Enbridge is the Platinum Sponsor of the Calgary Awards in the 'Environmental Achievement' category, which recognizes an environmental not-for-profit organization. The Calgary Awards, presented by The City of Calgary, honour members of the community who have made a significant contribution toward improving the quality of life for Calgarians. The Calgary Zoo: ENMAX Conservatory was the recipient of the 2010 Not-for-Profit Environmental Achievement Award.

#### **Liquids Pipelines**

Enbridge Pipelines worked in partnership with a number of organizations in 2010 as part of the Enbridge Natural Legacy Program, including:

**Ducks Unlimited Canada** – Through its partnership with Ducks Unlimited Canada, Enbridge supports their wetlands and environmental education programs that teach Canadians about wetlands and the need to conserve them. Enbridge supports fundraising banquets of their local chapters located in communities along Enbridge rights-of-way. Enbridge is also sponsoring their Project Webfoot wetland education program for elementary school students so that it reaches 60 community schools along Enbridge's right-of-way, as well as 14 First Nations schools throughout Alberta, Saskatchewan and Manitoba.



**Alberta Emerald Foundation** – Enbridge Pipelines is an Emerald Leader Sustaining Patron Sponsor, as well as the Youth, Environment and Education Media Program Sponsor of the Alberta Emerald Foundation, which celebrates and showcases environmental leadership in Alberta. The Alberta Emerald Awards recognize leadership in environmental excellence based on commitment to preservation, protection, enhancement and sustainability of the environment; positive, tangible and long-term impact on air, water or land quality; preservation of biological diversity; climate change/greenhouse gases; and public or corporate attitudes towards the environment.

All of these partnerships complement the company's ongoing environmental stewardship practices and are viewed within Enbridge as part of the normal course of doing business in communities along the company's rights-of-way and where its facilities and employees are located.

#### **Gas Transportation / Enbridge Energy Partners**

**Voice of the Wetlands** – Enbridge sponsored the 2010 Voice of the Wetlands festival in Houma, Louisiana, a fundraiser to help the organization create awareness and develop educational programs about the loss of wetlands in southern Louisiana.

**The Nature Conservancy of Louisiana** – Enbridge contributed to The Nature Conservancy of Louisiana's Fund for Gulf Coast Restoration to support the conservancy's work to restore flows of freshwater and sediments to the marshes, rebuild oyster reefs, restore sea grass beds and coral reefs, and protect coastal habitats.

**Gathering Waters** – Enbridge fulfilled its pledge of USD \$15,000 to Gathering Waters in recognition of the organization's 15th anniversary. Gathering Waters supports land trust organizations throughout the state of Wisconsin and has land trusts in almost all of the areas where Enbridge operates its pipelines.

**Hartley Nature Center** – Enbridge contributed USD \$2,000 to the Hartley Nature Center in Duluth, Minnesota, to support its youth environmental education programs and its annual Youth Outdoor Expo.

**Friends of the Kanakee** – Enbridge contributed USD \$5,000 to the Friends of the Kanakee foundation of Griffith, Indiana, to fund the foundation's Grand Kanakee Marsh Restoration project.

#### **Enbridge Gas Distribution (EGD)**

**Pollution Probe** – As a proud sponsor of Pollution Probe's Clean Air Commute, a charitable environmental organization dedicated to achieving positive and tangible environmental change, EGD and its employees find cleaner ways to commute to and from work to reduce smog during the Clean Air Commute Campaign each June. EGD employees are encouraged to participate through employee events, information sessions and contest giveaways. As a result of EGD's high employee participation, smog savings from the 2010 Clean Air Commute totaled 12.5 tonnes.

**St. Clair Region Conservation Authority** – In 2010, Enbridge announced plans to partner with the St. Clair Region Conservation Authority to plant trees on close to 200 acres of EGD-owned property near Courtright, Ontario. The five-year partnership will see the creation of forest areas, upland habitat and wetlands to create habitat for a variety of species, including migratory waterfowl. Work began in 2011 and is expected to take several years to complete.

### **CULTURE & COMMUNITY**

#### **Enbridge – company-wide**

**Earthquake relief** – Enbridge employees responded quickly to Haiti's crisis in 2010, with over 900 employees donating \$111,062 in Canada and \$23,500 in the United States. The company matched those funds, along with a \$25,000 corporate donation, bringing the total contribution from Enbridge to \$297,072. Enbridge's response to the Japan earthquake relief effort in 2011 will be reported in the 2012 CSR Report.

**Volunteers in Partnership (VIP) Program** – After the implementation of Enbridge's enterprise-wide Community Investment and Employee Engagement Policy earlier in 2010, employees in the Calgary office celebrated the official launch of the Enbridge employee volunteer program, Volunteers in Partnership (VIP), on 30 May. MatchRight, the new on-line software to track and report on volunteer hours, was successfully deployed. In 2010, 134 employees volunteered a total of 5,360 hours outside of business hours and earned \$67,000 in grants for organizations for which they had volunteered. Sixty-three employees volunteered 476 hours during working hours, and \$37,747 was granted to match 89 employees' fundraising activities.

### **Enbridge Inc.**

**United Way employee campaign** – Enbridge’s Calgary office raised over \$900,000 for the United Way campaign in 2010. Over two-thirds of the company’s Calgary employees were involved in the United Way campaign, through either a volunteer activity or a monetary donation.

**Families in Transition Program** – Enbridge’s Calgary-based employees raised \$178,212 through a silent auction with proceeds going directly to the Families in Transition Program, an Enbridge-sponsored program of Aspen Family & Community Network. Now into its 12th year, this program helps to transition families at risk into more stable living conditions. Calgary-based employees host these families throughout the year in various social activities, including organizing an annual “Back-Pack” program in August, providing necessary school supplies and gift certificates for running shoes.

**Timeraiser** – Since 2006, Enbridge has partnered with the Framework Foundation in support of its Timeraiser events. The Timeraiser program is a comprehensive volunteer engagement process that makes it easier for individuals to find meaningful and relevant volunteer opportunities in their community. It also benefits non-profit and charitable organizations by connecting them with quality, skilled volunteers. The annual Timeraiser event facilitates connections between a variety of groups, including young citizens, businesses, charitable and not-for-profit agencies, and emerging artists. The event is part volunteer fair, part silent art auction and part night on the town, with people matching their skills with agencies and bidding volunteer hours for artwork. In 2010, and for the fourth year in a row, Enbridge supported the annual Timeraiser held in Calgary. With over 480 people in attendance, a total of 6,825 volunteer hours were pledged and over \$17,000 was invested in the careers of Calgary-based artists. Of the 27 works of art, 26 went for the maximum bid of 125 hours. Over 25 Enbridge employees attended the event in support of local artists and non-profit organizations. Enbridge was also the Presenting Sponsor in 2010 of Edmonton’s Timeraiser event.

**Mayor’s Evening for Business and the Arts** – In 2010, and for the third year in a row, Enbridge was the presenter sponsor of the Mayor’s Evening for Business and the Arts in Calgary. The event recognizes artists who are doing significant work and the businesses that support them and make their work possible. Alberta Theatre Projects nominated Enbridge for the Patron Award for Sustained Support.

**Governor General’s Performing Arts Awards** – Enbridge has entered into a multi-year agreement as the new Presenting Sponsor for the Governor General’s Performing Arts Awards Gala, which takes place every spring at the National Arts Centre in Ottawa. From April 29 to May 1, 2010, Canada’s leaders in the arts, business, and politics were honoured and celebrated the recipients of the 2010 Governor General’s Performing Arts Awards (GGPAA). The GGPAA also features a unique Mentorship Program, which unites past Lifetime Artistic Achievement Award recipients and talented mid-career artists. The program serves as both a creative catalyst and an investment in future Canadian artistic achievement.

**24th Annual Enbridge PlayRites Festival of New Canadian Plays** – Enbridge was the title sponsor of the 24th Annual Enbridge playRites Festival of New Canadian Plays. For 24 years, the Enbridge playRites Festival of New Canadian Plays has been an incubator and showcase for new work. Many of the plays produced during the festival go on to be produced around the world. The festival also offers readings, special events, awards and a platform for emerging artists and student work.

### **Liquids Pipelines**

**United Way employee campaign** – In 2010, employees from Enbridge’s Edmonton operations raised over \$1 million in support of the United Way, a total that included corporate matching funds. The amount represented a new United Way fundraising record for the Edmonton operations.

**Art Gallery of Alberta** – Enbridge Pipelines’ current partnership with the Art Gallery of Alberta (AGA) in Edmonton – specifically *Enbridge Presents: Canadian Art at the Art Gallery of Alberta* – continued to grow with the “Edward Byrtynsky: Oil” exhibition of colour photographs by the Canadian artist that ran from September 2010 to January 2011. Through its partnership with the AGA, Enbridge is playing a key role in the preservation and promotion of Canadian art, and helping to sustain Canadian heritage and identity.

**Youth Emergency Shelter Society (YESS)** – In addition to being a three-year sponsor partner of the Safety Education Pillar at YESS’s new Armoury Youth Centre, which is a safe haven for daytime learning and support services for homeless youth, Enbridge continued to partner with YESS by providing a total of \$100,000 in support of assisting youth to address the issues that contribute to their homelessness.

**The Works Art & Design Festival** – By providing funding for paid internships through The Works International Visual Arts Society, Enbridge is helping to provide new cultural workers with meaningful job experiences. The interns play an integral part in the beautifying and revitalizing of Edmonton's downtown core, with projects like the "living mural", which continuously changes with open participation from other artists.

**Theatre Network's Nextfest** – The Enbridge Nextfest Emerging Artist Awards are cash awards given to young Alberta artists from different genres to support their artistic pursuits and further their development as artists. In 2010, Enbridge gave five \$1,000 awards to emerging artists.

**Starbright Theatre 2010 Summer Festival** – Enbridge is partnering with Starbright Theatre, a professional theatre production company operating out of Sarnia and Stratford, Ontario, and employing some of Canada's most recognized and acclaimed live musical-theatre celebrities. In 2010, Enbridge supported Starbright Theatre's Summer Internship Program, specifically their Youth Performing Arts Scholarship where three students who were pursuing theatre studies were provided with theatre mentorship opportunities. In 2011, Enbridge donated \$10,000 as a Season Sponsor of Starbright's 2011 Summer Festival at the Imperial Theatre in Sarnia.

#### **Gas Transportation / Enbridge Energy Partners**

**United Way employee campaign** – In 2010, Enbridge and its employees contributed more than USD \$550,000 to United Way chapters in the United States. The company hosted workplace giving campaigns in seven areas and matched employee contributions dollar for dollar. Enbridge added a new employee campaign in the Marshall and Battle Creek, Michigan area, where the company and its employees were responding to the leak on Line 6B. The Michigan campaign raised more than USD \$9,000. Contributions in Enbridge's U.S. headquarters in Houston totaled approximately USD \$350,000.

**Volunteers in Partnership** – U.S. employees earned 75 volunteer grants totaling USD \$36,000 for worthy organizations with which they volunteered or raised funds in the first year of Enbridge's Volunteers in Partnership program.

**Alley Theatre** – Enbridge supported Houston's Alley Theatre for the eighth consecutive season by serving as the lead sponsor of two productions during the 2010-2011 season – *Peter Pan or the Boy Who Would Not Grow Up*; and *Pygmalion*.

**Houston Public Radio** – For the eighth year, Enbridge served as an underwriter of local programming on 88.7 KUHF, Houston Public Radio hosted by the University of Houston.

**Duluth Air Show** – Enbridge continued its support of the semi-annual Duluth Air Show in 2010. A USD \$10,000 contribution helped support the Canadian Forces SkyHawks' Snowbirds demonstration and performance.

#### **Enbridge Gas Distribution (EGD)**

**United Way employee campaign** – EGD and its employees raised \$1 million to support the United Way 2010 Campaign. As the proud title sponsor of the Enbridge CN Tower Climb for United Way for the past decade, Enbridge has seen the participant number steadily grow. In 2010, more than 10,000 climbers took part, raising almost \$2.1 million. Since Enbridge's first year as title sponsor, the event has raised more than \$11 million.

**Winter Warmth Program** – EGD proudly sponsored the 2009-2010 Winter Warmth Program. Winter Warmth provides support to low-income customers and is coordinated by a network of community-based agencies through the United Way. In 2009/2010, 1,450 Ontario households received help with their Enbridge natural gas bills. EGD donated a total of \$623,000 to the fund. EGD and its employees supported the 6th Annual Winter Warmth Drive across the Greater Toronto Area. This year, EGD supported The Denise House and The Sandgate Shelter, which provide emergency housing and support services to women and children who are victims of abuse. Employees donated items to one of 17 families that their departments adopted as part of the drive.

**Eva's Initiatives** – EGD sponsors Eva's Initiatives' Home for Life fundraising event, which focuses on supporting innovative and award winning programs assisting homeless youth in leaving the streets permanently and making the transition from being homeless to becoming self-sufficient members of the community. Eva's Initiatives operates three unique shelters in the Greater Toronto Area that each night house and feed 114 youths aged 16 to 24. With cutting-edge services and distinctive programming,

the shelters provide a continuum of service not available anywhere else in Canada. Nationally, Eva's Initiatives works to build innovative long-term solutions to youth homelessness.

**York Region Community Foundation (YRCF)** – As a Founding Benefactor of the Foundation, EGD has pledged another five-year commitment to the YRCF, which is a locally run public foundation that builds and manages endowment funds to support local charities and community priorities.

## ***DONATIONS LIST***

The following is a complete listing — by business segment (and partial segment) and donation category — of the organizations to which Enbridge donated in 2010:

### **Enbridge Inc.**

#### ***Education***

Alberta College of Art and Design (ACAD)  
 Calgary Opera – Advanced Education Fund for Emerging Artist Program  
 Calgary Reads Society  
 Decidedly Jazz Danceworks  
 Famous 5 Foundation – Enbridge Famous 5 Living the Legacy Youth Leadership Award  
 Famous 5 Foundation – Ottawa  
 Junior Achievement of Southern Alberta  
 Mother Earth's Children's Charter School  
 Telus World of Science  
 The Banff Centre  
 The Historica-Dominion Institute  
 University of Calgary – Enbridge Mentorship Program  
 York University Foundation

#### ***Health & Safety***

Alberta Cancer Foundation  
 Alberta Council of Women's Shelters  
 Alberta Shock Trauma Air Rescue Service Foundation (STARS Foundation)  
 Canadian Red Cross  
 International Psycho-Oncology Society  
 Parkinson's Society of Southern Alberta  
 Sistership Dragon Boat Association  
 West Park Health Centre

#### ***Environment***

City of Calgary Awards  
 Nature Conservancy of Canada

#### ***Culture & Community***

Alberta Ballet  
 Alberta Theatre Projects (ATP)  
 Association of Fundraising Professionals (AFP)  
 ATMCC (c/o Big Sisters and Big Brothers Society of Calgary and Area)  
 Blue Christmas Productions  
 Bowmont Seniors Assistance Association  
 Calgary Drop-In & Rehab Centre  
 Calgary Family Services  
 Calgary Homeless Foundation  
 Calgary Meals on Wheels  
 Calgary Opera  
 Calgary Professional Arts Alliance  
 Calgary Stampede Foundation  
 Fort Calgary National Historic Site  
 Framework Foundation

Glenbow Museum  
 Honens International Piano Competition Foundation  
 Light Up The World Foundation  
 National Theatre School of Canada  
 Theatre Calgary  
 Theatre Junction Society  
 UNICEF Alberta  
 United Way of Calgary  
 Volunteer Calgary

## **Liquids Pipelines**

### ***Education***

Aamjiwnaang First Nation  
 Aboriginal Youth TREK Wellness Society  
 Adult Learning Centre – Regina  
 Alexis Nakota Sioux Nation School  
 Atikameg School  
 Aurora College  
 Beaver Lake Education Authority, Amisk Community School  
 Border Regional Library  
 Canadian Parents for French, Alberta Branch  
 Canupawakpa Education Centre  
 Cape Croker Elementary School  
 Chief Kahkewistahaw Community School  
 Chief Napeweaw Comprehensive School  
 Child Identification Fingerprinting  
 Chipewyan Prairie Dene High School  
 Community Careers Cooperative (CAREERS: the Next Generation)  
 Cowessess Community Educational Centre  
 Dakota Tipi Education Authority  
 Diabetes Gathering  
 Ducks Unlimited Canada – Project Webfoot  
 Ermineskin Ehpewapahk Alternative School  
 File Hills Qu'Appelle Tribal Council  
 First Nations University of Canada  
 Fort La Bosse School Division Foundation  
 Ginew School  
 Glenboro 4-H Beef Club  
 Grant MacEwan College  
 Greenall High School  
 Heart and Stroke Foundation – Heart Healthy Breakfast program  
 Indian Springs School  
 Junior Achievement (Northern Alberta and the NWT; South Western Ontario)  
 Keeseekoose Chiefs Education Centre  
 Kehewin Community Education Centre  
 Keyano College  
 Kipohtakaw Education Center  
 Kisipatnahk School  
 Lambton County Science Fair  
 LeGoff School  
 Mackenzie Art Gallery  
 Manito Ahbee Festival Inc.  
 Meskanahk Ka Nipa Wit School  
 Metis Child and Family Services Society  
 Metis Nation of Alberta  
 Mimiw Sakahikan School

Muscowpetung Educational Center  
 NAIT, Office of Advancement and Communications  
 Nakoda Oyade Education Centre  
 Nekaneet First Nation  
 Nipisihkopahk Secondary School  
 Northern Lights School Division No. 69  
 Ocean Man Education Centre  
 Onchaminahos School  
 Ontario Provincial Police S.D. & G. Detachment – Kids Cops program  
 Paul First Nation School  
 Peepeekisis Pesakastew School  
 Prairie Valley School Division  
 Rockton Agricultural Society  
 Sakimay First Nation  
 Sarnia Organ Donor Awareness Group (SODA)  
 Saskatchewan Emergency Planners Association  
 Saskatchewan Federation of Police Officers  
 Saskatchewan Institute of Applied Science and Technology (SIAST) – Kelsey Institute and Palliser Institute  
 Science Alberta Foundation  
 Sioux Valley Elementary & High School  
 St. Lawrence River Institute of Environmental Sciences  
 Stardale Women's Group Inc. Foundation  
 Strathcona County Library  
 Sweetgrass School  
 The Banff Centre  
 The Collage Cultural Festival  
 University of Alberta  
 University of Winnipeg  
 University of Regina  
 University of Saskatchewan  
 Waywayseecappo Community School  
 Whitebear Education Complex  
 Whitecap Dakota Elementary School  
 Whitefish Lake First Nations 459  
 Y.E.S.S.: Youth Emergency Shelter Society of Edmonton

#### **Health & Safety**

Alberta Cancer Foundation  
 Altona Scotties  
 Autism Resources Centre Inc.  
 Autism Society of Edmonton Area  
 Bluewater Health Foundation  
 Bluewater Trails Committee  
 Canadian Breast Cancer Foundation  
 Canadian Cancer Society (Alberta/N.W.T., British Columbia and Yukon, and Saskatchewan divisions)  
 Canadian Cystic Fibrosis Foundation  
 Children's Hospital Foundation of Saskatchewan  
 Crohn's and Colitis Foundation of Canada  
 D.A.R.E. (Rosetown; Norman Wells; Fort Simpson)  
 Heart and Stroke Foundation (Manitoba; Ontario)  
 Heartland Health Region  
 Juvenile Diabetes Foundation Canada – the Diabetes Research Foundation  
 Kidney Foundation of Canada (Northern Alberta & Territories Branch)  
 Kids With Cancer Society  
 Lambton Drug Awareness Action Committee  
 Make-A-Wish Foundation of Northern Alberta

Métis National Council  
Multiple Sclerosis Society of Canada (Saskatchewan Division)  
Northern Lights Regional Health Foundation  
Parkinson Society (Southwestern Ontario)  
Pipeline of Dreams  
Rosetown & District Health Centre  
Royal Alexandra Hospitals Foundation  
St. Joseph's Hospice  
STARS Foundation  
Stollery Children's Hospital Foundation of Northern Alberta  
The Kidney Foundation of Canada, Sarnia-Lambton Chapter  
The Regina Sexual Assault Centre  
VON Sarnia-Lambton

***Safe Community***

Aamjiwnaang First Nation  
Ajax Fire and Emergency Services  
Alnwick/Haldimand Fire and Rescue  
Altona Fire Department  
Alwick Haldimand Fire and Rescue  
Baldur-Argyle Fire Department  
Bethune and District First Responder  
Bonnyville Municipal Ambulance  
Brighton District Fire Dept.  
Brockville Fire Department  
Camrose County Volunteer Fire Department  
Carievale Fire Department  
City of Estevan  
City of Sarnia  
City of Woodstock  
Cold Lake Ambulance Society  
Cold Lake RCMP  
Conquest Fire Department  
Cornwall Fire Department  
Craig and District Fire Department  
Cypress River Fire Department  
Dakota Ojibway Police Service  
Davidson EMS  
Daysland Health Centre  
Dinsmore & District Fire Protection Inc.  
Durham Regional Police Service  
Edward Fire Department  
Elbow Volunteer Fire Department  
Elk Island Partners in Education  
Fort Simpson Fire Department  
Glen Ewen Fire Department  
Glenavon Volunteer Fire Department  
Glenboro-South Cypress Fire Department  
Grassland and District Volunteer Fire Department  
Greater Napanee Fire Services  
Gretna Volunteer Fire Department  
Hardisty Disaster Services and EMO  
Holland Volunteer Fire Department  
Hughenden Firefighters Association  
Irma Fire Department  
Kerrobert EMS



Kipling Fire Department  
Kisbey Volunteer Fire Department  
Kitaskinaw School  
La Riviere Fire and Rescue  
Lac La Biche County Protective Services  
Lac La Biche Society Victims Services Unit  
Lampman Fire Department  
Luseland Fire Department  
Macklin Fire Organization  
Macoun Volunteer Fire Department  
Maryfield Fire Department  
Milden Fire Department  
Milton Fire Department  
Moose Jaw Fire Department – Headquarters Station  
Morden Fire and Rescue  
Morden Police Service  
Municipality of Port Hope Fire Department  
Norman Wells Volunteer Fire Department  
Odessa Volunteer Fire Department and First Responders  
Oil Springs Volunteer Fire Department  
Oshawa Fire Services  
Outlook Fire Department  
Pembina Valley GSAR  
Perth EMS  
Pickering Fire Services  
Plamondon Fire Department  
Point Edward Fire and Rescue  
Portal International Fire Department  
Provost and District Ambulance Society  
Quinte West Fire Department  
Regional Emergency Services  
RM of Oakdale  
RM of Rhineland  
RM of Wood Buffalo  
Rosetown EMS  
Royal Canadian Mounted Police  
Sedgewick Fire Department  
Six Nations Police  
Somerset Fire Department  
Souris Volunteer Fire Department  
Southern Emergency Response Committee (S.E.R.C.)  
St. Clair Township Fire Department  
Stoughton-Tecumseh & District Fire Department  
Strathroy Caradoc Fire Department  
Swan Lake Fire Department  
Swan Lake First Nation Public Works Department  
The City Of Camrose Fire Department  
The Corporation of the County of Lambton  
The Corporation of the County of Middlesex  
The Corporation of the Township of Dawn-Euphemia  
Town of Gananoque  
Tyendinaga Fire Department  
Village of Loreburn Fire Department  
Village of Plenty  
Wallace District Fire Department



Wandering River Volunteer Fire Department and Emergency Response Service  
 Wawanesa Volunteer Fire Department  
 Weyburn Fire Department  
 Whitby Fire and Emergency Services  
 Windthorst Volunteer Fire Department  
 Winkler Fire Rescue  
 Wyoming Volunteer Fire Department

### ***Environment***

Ducks Unlimited Canada  
 Kids Funfest – Sarnia's Children's Festival  
 Pembina Valley Conservation District  
 Regina Wildlife Federation  
 Saskatchewan Burrowing Owl Interpretive Centre  
 Telus World of Science Edmonton  
 TreeCanada

### ***Culture & Community***

4 Wing Military Family Resource Centre Society  
 Aamjiwnaang First Nation  
 Aboriginal Day Events (Norman Wells; Fort Simpson)  
 Alberta Association of Agricultural Societies  
 Alberta Ballet  
 Alberta Chamber of Resources  
 Alberta Council of Women's Shelters  
 Alberta Emerald Foundation  
 Art Gallery of Alberta  
 Association of Fundraising Professionals (AFP) – Edmonton Chapter  
 Athabasca Delta Community School  
 Bethune Community Sports Centre Inc  
 Big Brothers and Sisters of Clarington  
 Big Brothers Big Sisters of Wood Buffalo  
 Big Brothers of Regina  
 Bompas School Bike Rodeo (Fort Simpson)  
 Brandon Community Options Inc.  
 Business Council for Visual Arts (The Works)  
 Calgary CFA Society  
 Calgary Chamber of Commerce  
 Camrose Association for Community Living  
 Canada Forum Inc.  
 Canadian Council for Aboriginal Business/Le Conseil Canadien Pour le Commerce Autochtene  
 Canadian Energy Pipelines Association  
 Chief Albert Wright School graduation  
 Chief T'Selehye School graduation  
 Christmas and Winter Relief Association  
 Chrysalis Charitable Foundation  
 Community Concerns for the Medically Fragile  
 Community Living Sarnia-Lambton  
 Cromer Stick Horse Rodeo  
 D2 Entertainment (operating Starbright)  
 Dakota Ojibway Tribal Council  
 Deh Cho Friendship Centre  
 Deline Traditional Hand Games  
 Dene Elders Gathering  
 Dynamic Management Solutions Piapot First Nation  
 East Central Alberta Oilmen's Bonspiel Association  
 Edmonton Community Foundation

Edmonton Humane Society for the Prevention of Cruelty to Animals  
Edmonton Symphony Orchestra  
Edmonton Symphony Society  
Envision Edmonton Opportunities Society  
Fairlight Centennial Committee  
Festival of Trees  
Festival Place  
Findlater Ranch Rodeo  
Flagstaff Family and Community Services  
Fort Chipewyan Metis Local 125  
Fort La Bosse School Division Foundation  
Fort McMurray #468 Nation  
Fort McMurray No. 468 First Nation IRC  
Fort Simpson Beavertail Jamboree  
Fort Simpson Merchant Bonspiel  
Gallery Lambton  
Globe Theatre Society  
Golf Fore the Cure (Fort Simpson)  
Goodwill Industries of Alberta  
Grant MacEwan College Foundation  
Grenville Fish and Game Club  
Gretna Hot Spot Festival – Town of Gretna  
Habitat for Humanity Edmonton  
Hardisty & District Handy-Van Society  
Heritage Park Fort McMurray Historical Society  
Hillside Memorial Park  
Humanity First  
Huron House Boys' Home  
Institute for the Advancement of Aboriginal Women  
International Women's Forum  
Jean Marie River Spring Carnival  
Kids Are Worth It Nutritional Program  
Lac La Biche & District Chamber of Commerce  
Lac La Biche Agricultural Society  
Lac La Biche Canadian Native Friendship Centre Association  
Lakeshore Stampede Committee  
Leadership Edmonton  
Liidlíi Kue First Nation for Dene National Leadership Meeting  
Luseland Centennial 2010  
Manitoba Keewatinowi Okimakanak Inc.  
Manitou Agricultural Society  
Manitou Town & Country Golf Club  
Maryfield School Community Council  
McMurray Sno-Drifters Association  
Métis Crossing Project  
Mikisew Cree First Nation  
Moose Mountain Rodeo Association  
Moosomin Rodeo Committee  
Morden Corn and Apple Fest  
Morden Integration Committee  
Nahendeh Golf Tournament  
National Aboriginal Achievement Foundation  
Nellie McClung Collegiate  
Nexehcho & Youth Gathering  
North Central Community Association Inc.

Northwest T Chamber of Commerce AGM  
 Oak Lake Beach Playground Committee  
 Oceanman First Nation  
 Open Sky Festival (Fort Simpson)  
 Pehdzeh Ki First Nation  
 Peter Gzowski Golf Tournament for Literacy  
 Pipeline to the Future Literacy Contest  
 Prospects North  
 PW Enns Centennial Concert Hall  
 Qu'Appelle Child and Family Services Inc.  
 Red Pheasant Education Authority  
 Regina District Association of Rural Municipalities  
 Regina National Aboriginal Day Celebrations Inc.  
 Regina Professional Firefighters Association  
 Regina Symphony Orchestra  
 Regional Aboriginal Recognition Awards  
 Room to Read Canada  
 Rotary Club of Kindersley  
 Rural Municipality of Pembina  
 Safe Communities Sarnia Lambton  
 Sahtu Aboriginal Traditional Studies Program  
 Sahtu Santa's Anonymous  
 Santas Anonymous  
 Saskatchewan Association of Rural Municipalities  
 Saskatchewan Chamber of Commerce  
 Saskatoon Prairieland Park Corp.  
 Scarth Community Club  
 Sherwood Park and District Chamber of Commerce  
 Shrine Circus  
 SIRENS  
 Some Other Solutions Society for Crisis Prevention  
 Somerset & Area Lions Club  
 Souris Donor's Choice  
 Special Olympics Alberta Association  
 St. Albert Chamber of Commerce  
 St. Clair Fire Department  
 St. Mary's Fire Department  
 STARS  
 Strathcona County – Recreation, Parks and Culture  
 Sun and Moon Visionaries Aboriginal Artisans Society  
 Swan Lake First Nation  
 The Canadian Red Cross Society / la Société Canadienne de la Croix-Rouge  
 The Dow Centre for Youth  
 The Glenboro Airport Commission  
 The Mustard Seed Street Ministry Foundation  
 The Round Hill & District Agricultural Society  
 The Royal Canadian Legion Sask. Command  
 The Souris District Donor's Choice  
 The Virden Donor's Choice  
 The Walrus Foundation  
 The Works International Visual Arts Society  
 Theatre Network  
 Town of Altona  
 Town of Souris / Railway Museum  
 Town of Wainwright Pumpjack Project

Township of St. Clair Fire Department  
 Truth and Reconciliation Commission of Canada  
 Tulita Annual Hand-Games Tournament  
 United Nations Association in Canada  
 United Way of Regina  
 United Way of Sarnia-Lambton  
 United Way of the Alberta Capital Region  
 Village of Aylesbury  
 Village of Glenavon  
 Virten Community Arts Council Incorporated  
 Virten Music & Arts Festival Association  
 Virten Regional Multi-Purpose Facility  
 Wawanese & District Swimming Pool Inc.  
 West Central Crisis & Family Support Centre Inc.  
 White City Public Library  
 Winkler Harvest Festival & Exhibition  
 Women of the Dawn Counselling Centre Ltd.  
 World Petroleum Congresses Canadian Association  
 World Vision Canada-Vision Mondiale Canada  
 Y.E.S.S. (Youth Emergency Shelter Society of Edmonton)  
 Youth in Motion

#### ***Volunteers in Partnership***

1st Wainwright Scouts  
 856 Pickering Kinsman Squadron Royal Canadian Air Cadets Pickering, Ontario  
 Air Cadet League of Canada – Alberta Provincial Committee  
 Alberta Cancer Foundation  
 Alliance to End Violence Society of Calgary  
 Antyx Community Arts Society  
 Aplastic Anemia & Myelodysplasia Association of Canada  
 Arcola/Kisbey Minor Hockey  
 Association for Safe Alternative In Childbirth  
 Baseball Regina Inc.  
 Beaumont Amateur Hockey Association  
 Bienfait Minor Hockey  
 Big Brothers of Sarnia-Lambton  
 Calgary Humane Society for Prevention of Cruelty To Animals  
 Calgary Inter-Faith Food Bank Society  
 Calgary Reads (an Early Literacy Initiative) Society  
 Calgary Search and Rescue Association  
 Canadian Breast Cancer Foundation  
 Canadian Cancer Society Alberta/N.W.T. Division  
 Children's Hospital of Eastern Ontario Foundation  
 Darwell Betterment Association  
 Decidedly Jazz Society  
 Edmonton Association of the Deaf  
 Edmonton Ski Club  
 Elkhorn Elks Community Fund  
 Feline Rescue Foundation of Alberta  
 Girl Guides of Canada/Guides du Canada New Brunswick Council  
 Habitat for Humanity-Fredericton Area/Région de Fredericton Inc.  
 Juvenile Diabetes Research Foundation Canada /  
 Fondation de la Recherche sur le Diabète Juvenile Canada  
 Fondation CURE / CURE Foundation  
 Lumsden Beach Camp Inc.  
 Madonna Catholic Education Society

Mill Woods Presidents Council  
 Multiple Sclerosis Society of Canada  
 Multiple Sclerosis Society of Canada (Alberta and Ontario divisions)  
 North SEERA Hockey Society  
 NSFA Playground Fund  
 Okotoks Irish Dance Association  
 Pickering Panthers Tyke B Select Hockey Team  
 Prostate Cancer Canada  
 Riverview Minor Basketball Association  
 Schizophrenia Society of Alberta  
 Scouts Canada – Northern Lights Council  
 Society for Assisted Cooperative Recovery from Eating Disorders (SACRED)  
 Southern Alberta Selects  
 Southwest United Sports Club  
 Special Olympics Alberta Association  
 St. Albert Alliance Church  
 St. Mary School  
 St. Albert Evangelical Lutheran Church  
 St. Vincent de Paul – St. Albert Chapter  
 Strathcona County Citizens on Patrol Society  
 Strathcona Minor Hockey Association  
 The Canadian Birkebeiner Society  
 The Princess Margaret Hospital Foundation  
 The Terry Fox Foundation  
 United Way of the Alberta Capital Region  
 Viriden Pet Network  
 Wainwright Minor Ball  
 Women Building Futures Society

#### **Northern Gateway Pipelines Project**

The Enbridge Northern Gateway Project (NGP) entered into the regulatory phase in May 2010 when it filed its application with the National Energy Board for the construction and operation of the project. Although the project has not yet been approved by the regulator, Enbridge NGP is working in communities along the proposed right-of-way to provide information about the project, answer questions posed, and incorporate information into the project public consultation process and/or project design.

Through its public consultation efforts, Enbridge NGP becomes aware of opportunities to invest in sustainable communities. Below is a list of efforts undertaken in 2010.

AAMDC  
 Alberta Urban Municipalities Association  
 Arts Umbrella  
 BC Chamber of Commerce AGM  
 BC Winter Games  
 Big Brothers/Big Sisters of Prince George  
 Chetwynd Chamber of Commerce  
 Community Foundation of Greater Grande Prairie  
 District of Fort St. James  
 District of Vanderhoof  
 Economic Developers of Alberta  
 Fallen 4 Marathon  
 Fort St. James Chamber of Commerce  
 Gord Bamford Concert Series in support of 4H  
 Grande Prairie Regional College  
 Houston Chamber of Commerce  
 Houston and District Chamber of Commerce  
 Initiatives Prince George Development Corp.

Kitimat Chamber of Commerce  
 Kitimat Concert Association  
 Kitimat General Hospital and Health Centre  
 Kitimat Ice Demons  
 Kitimat Music Scholarship Society  
 Kitimat Youth Soccer Association  
 Morinville and District Chamber of Commerce  
 North Central Local Government Association  
 Outlook 2020  
 Peace Curling Association  
 Prairie Gardens & Adventure Farm  
 Prince George Chamber of Commerce  
 Prince George Construction Association  
 Prince Rupert Chamber of Commerce  
 Resources Expo  
 Riverboat Days 2010 – Concerts in the Park  
 Smithers Rotary Golf Tournament  
 Snowflake Community Fairgrounds Society  
 Strathcona County Recreation, Parks & Culture  
 Terrace and District Chamber of Commerce  
 Trans Canada Yellowhead Highway Association  
 Vanderhoof Chamber of Commerce  
 Vanderhoof Volunteer Extrication Association  
 Whitecourt Chamber of Commerce  
 Whitecourt Party in the Park Committee  
 WISEST (Women in Scholarship, Engineering, Science and Technology)

NOTE: For a report on how Enbridge NGP is demonstrating its commitment to Aboriginal groups through community investment, please see 'Aboriginal Relations' in this Society section.

#### **Gas Transportation / Enbridge Energy Partners**

##### ***Education***

Bemidji State University  
 Black Leaders for Education & Economic Development Inc.  
 College of St. Scholastica  
 Deer River Warrior First Robotics  
 Fond du Lac Tribal & Community College  
 Friends of MacKenzie Environmental Education Center  
 Genesys Works Houston  
 Gordon Elementary School  
 Houston Livestock Show & Rodeo  
 Houston Museum of Natural Science  
 Houston Press Club  
 John Cooper School  
 Leech Lake Tribal College  
 Linda Lorelle Scholarship Fund  
 Louisiana Region IV Science Fair  
 Louisiana School for Math, Science and the Arts  
 Manhattan School District Educational Foundation  
 Northland College  
 T.E.A.M. Up for Kids golf outing  
 Texas Envirothon  
 The Keystone Center Key Issues Institute  
 University of Minnesota-Duluth  
 University of North Dakota  
 University of Wisconsin – Superior Foundation

UW Superior – American Indian Scholarship Fund  
Walters Elementary School  
Wisconsin Outdoor Alliance Education Foundation  
WITC Superior  
Woden Livestock Backers

**Health & Safety**

American Cancer Society  
American Heart Association  
American Heart Association  
American Red Cross  
Baylor College of Medicine  
Northland Chapter of the American Red Cross  
SMDC Foundation  
Texas Children's Hospital  
Texas Heart Institute  
The Rose  
Trinity Health Foundation  
Yazoo County Tornado Victim Relief Fund

**Safe Community**

3rd District Emergency Management (County of Lapeer)  
Agate Fire Protection District  
Albert Township/Lewistown Fire Department and EMS  
Algonquin Lake in the Hills Fire Protection District  
Allen County Rural Volunteer Fire Department  
Alpha-Mastodon Fire Department  
Antler Fire Department  
Ashland Police Department  
Auburn Williams Fire District Board  
Bay City Fire Department  
Bay County Sheriff's Office  
Beaver Township Fire Department  
Bemidji Fire Department  
Burlington Rural Fire District  
Carp Lake Township Fire and Rescue  
Cavalier Fire Department  
Charlton Township Fire Department  
Cisco Fire Department  
City of Algonac Fire Department  
City of Crookston/Crookstone Fire Department  
City of Iron River  
City of Memphis, Memphis Fire Department  
City of St. Ignace Police Department  
Clay Fire Territory  
Clay Township Fire Department  
Cloquet Air Fire District  
Coleraine Fire Department  
Cottleville Community Fire Protection District  
County of Washburn Emergency Management  
Crims Chapel Volunteer Fire Department, Inc.  
Crystal Falls Fire Department  
Delta County Sheriff Department  
Devils Lake Volunteer Fire Department  
East Grand Forks Fire Department  
East Lake Limestone Volunteer Fire Department



Floodwood Police Department  
Floodwood Volunteer Fire Department  
Garden City Fire Protection District and Ambulance Service  
Gladstone Public Safety Department  
Glenburn Fire Protection District  
Greenwood Rural Volunteer Fire Department  
Groveland Township Fire Department  
Grundy County Sheriff's Department  
Havana Rural Fire Protection District  
Hermantown Volunteer Fire Department  
Hurley Volunteer Fire Department  
Inverness Fire Department  
Iron County Sheriff's Department  
Iron County Sheriff's Office  
La Grange Fire Department  
Ladysmith Police Department  
Lake Region Ambulance Service  
Lake Superior College Emergency Response Training Center  
Lakota Ambulance Service Inc.  
Lakota Fire Protection District  
Lewis County Ambulance District  
Limon Area Fire Protection District  
Limon Police Department  
Linn County Rural Fire District #1  
Lublin Area Volunteer Fire Department  
Luzerne Volunteer Firemans Association  
Mackinac County Sheriff's Department  
Mackinaw City Police Department  
Manhattan Police Department  
Marlette Fire Authority  
Marquette County Emergency Management  
Marthasville Volunteer Fire Department  
Masonville Volunteer Fire Department  
Maxbass Rural Fire District  
McKenzie Rural Fire District  
Michigan State Police  
Mims Volunteer Fire Department  
Minong Area Ambulance  
Mobile Medical Response  
Mokena Fire Protection District  
Monitor Township Fire Department  
Montgomery County Dispatch  
Montgomery County Sheriff Office  
Mount Forest Township Fire Department  
Niles Fire Department  
North County First Responders  
Oakland Volunteer Fire Department  
Oklee Volunteer Fire Department  
Olden Volunteer Fire Department  
Ostego County EMS Rescue  
Otsego County Fire Department  
Palmyra Fire Department, City of Palmyra, Missouri  
Parshall Rural Fire District  
Pembina Ambulance Service  
Pembina County EMS

Pembina Rural Fire Department  
 Pennington County Sheriff's Office  
 Perryville Volunteer Fire Department  
 Pinconning-Fraser Fire Department  
 Pittsville Fire Department Inc.  
 Plummer Fire Department  
 Pontiac Fire Department  
 Red Lake County Sheriff's Office  
 Rose City Area Fire Department  
 Rugby Volunteer Fire Department  
 Schoolcraft Co. Sheriff  
 Sheridan Township Fire Department  
 Solway Volunteer Fire Department  
 South Haven Volunteer Fire Department Inc.  
 Spencer Ambulance Service  
 St. Ignace Fire Department  
 St. Louis County Sheriff/Emergency Management RACES  
 Stanley Volunteer Fire Department  
 Superior Fire Department  
 Theodosia Area Volunteer Fire Department  
 Tioga Fire and Ambulance Department  
 Town of Oakland  
 Tri Township Fire Department (Quincy, Illinois)  
 Trinidad Volunteer Fire Department  
 Tri-Township Volunteer Fire Department  
 Tucker Volunteer Fire Department  
 Union Fire Protection District  
 Village of Hoffman Estates/Hoffman Estates Police Department  
 Village of Minong Police Department  
 Village of Mokena Police Department  
 Village of New Lenox  
 Washington Fire Department  
 Wayland Volunteer Fire Department  
 Wrenshall Fire Department

#### ***Environment***

City of Battle Creek  
 CREED Project  
 Ducks Unlimited  
 Duluth Retriever Club  
 Friends of the Kanakee  
 Gathering Waters  
 Hartley Nature Center  
 Marshall Community Foundation  
 Sigurd Olson Environmental Institute  
 The Nature Conservancy of Illinois  
 The Nature Conservancy of Louisiana  
 The Nature Conservancy of Minnesota  
 The Nature Conservancy of Texas  
 Voice of the Wetlands  
 Wilder Creek Conservation Club

#### ***Culture & Community***

2010 Duluth Air Show & Snowbirds Demonstration  
 88.7 KUHF  
 Alley Theatre

Battle Creek United Way  
 Blackberry Township  
 Calhoun County Agricultural and Industrial Society  
 Cancer Counseling  
 Cass Lake Chamber of Commerce  
 Cass Lake Chamber Winter Fishing Challenge  
 Ceresco Baptist Church  
 Cherokee Creek Music Festival  
 Cimmarron Valley Humane Society  
 Cloquet Area Rotary Club  
 Community Inclusive Recreation, Inc.  
 County of Gogebic  
 Cushing Regional Hospital  
 Cushing United Fund  
 Duluth Superior Community Foundation  
 Houston Ballet  
 Houston SPCA  
 Houston Zoo  
 IAA Foundation  
 Interfaith Ministries  
 Kalamazoo United Way  
 Lake Area United Way  
 Lumberjack Championship  
 Manhattan Park District  
 Manhattan Park District Foundation  
 Marshall County Fair  
 Marshall Historical Society  
 Marshall United Way  
 Marshall Wesleyan Church  
 MCCT/Frank Center  
 McLean County Economic Development Council  
 Minnesota Ballet  
 Minnesota Public Radio  
 Minot Zoo  
 Montgomery County United Way  
 Pampa United Way  
 School District of Maple – Piano Concert  
 Souris Valley United Way  
 The Women's Home  
 United Way of Grand Forks, East Grand Forks & Area  
 United Way of Greater Duluth  
 United Way of Greater Houston  
 United Way of Greater Longview  
 United Way of Parker County  
 United Way of Superior – Douglas County  
 United Way of Williston  
 WDSE-WRPT, PBS 8 & 31  
 WEDI  
 Youth Survival Coalition

***Volunteers in Partnership***

American Cancer Society  
 American Heart Association (Heart Walk)  
 Amyotrophic Lateral Sclerosis Association (Minnesota chapter)  
 Aurora Area Bloodbank DBA Heartland Blood Center  
 Beaver Hockey Inc.

Boy Scout Troop 314  
 Boy Scouts of America Pack 545  
 Boy Scouts of America Troop 222  
 Boy Scouts of America Pack 53 Bagley  
 Boy Scouts of America Troop 1659  
 Boy Scouts of America Troop 223  
 Boy Scouts of America Troop 24  
 Boy Scouts of America Troop 106  
 Boy Scouts of America Troop 337  
 Buffalo Bayou Partnership  
 Burlington Fire District  
 Carrie Tingley Hospital Foundation  
 City Ballet of Houston  
 Cloquet Amateur Hockey Association  
 Diamonds and Dollars  
 Dragon Boat Festival – SMDC Foundation  
 Duluth Retriever Club  
 Duluth Vaxjo Soccer Exchange, Inc.  
 English Springer Rescue America, Inc.  
 Friends of BARC  
 Girl Scouts of San Jacinto Council (Troop 11209)  
 Girl Scouts of San Jacinto Council (Troop 16272)  
 Houston Boxer Rescue  
 Huntington's Disease Society  
 Izaak Walton League of America, Inc.  
 Lighthouse Rescue Mission  
 March of Dimes Foundation  
 May Community Center  
 Merrillville Junior Pirates  
 Miami Roberts County Volunteer Fire Department  
 Minot Family YMCA  
 Minot Hockey Team  
 Minot Soccer Team  
 Muscular Dystrophy Association  
 National Multiple Sclerosis Society  
 Out of Control 18u Fast Pitch Softball  
 Pearland Phantomz  
 Pedal Optimist Club  
 Pilgrim Rest Baptist Church  
 Rice and Beans Ministries  
 Saving Paws Animal Rescue Inc.  
 Silver Birch Bible Camp  
 South Montgomery Girls Softball League (Texas Instinct)  
 Superior Jacyees  
 Teague Nursing Home  
 Texas Tornados  
 The Crux  
 The Woodlands Shooting Stars  
 Travis Elementary PTA

### **Enbridge Gas Distribution**

#### ***Education***

Help Lesotho Foundation  
 Niagara College  
 The Duke of Edinburgh's Award  
 University of New Brunswick  
 York University

**Health & Safety**

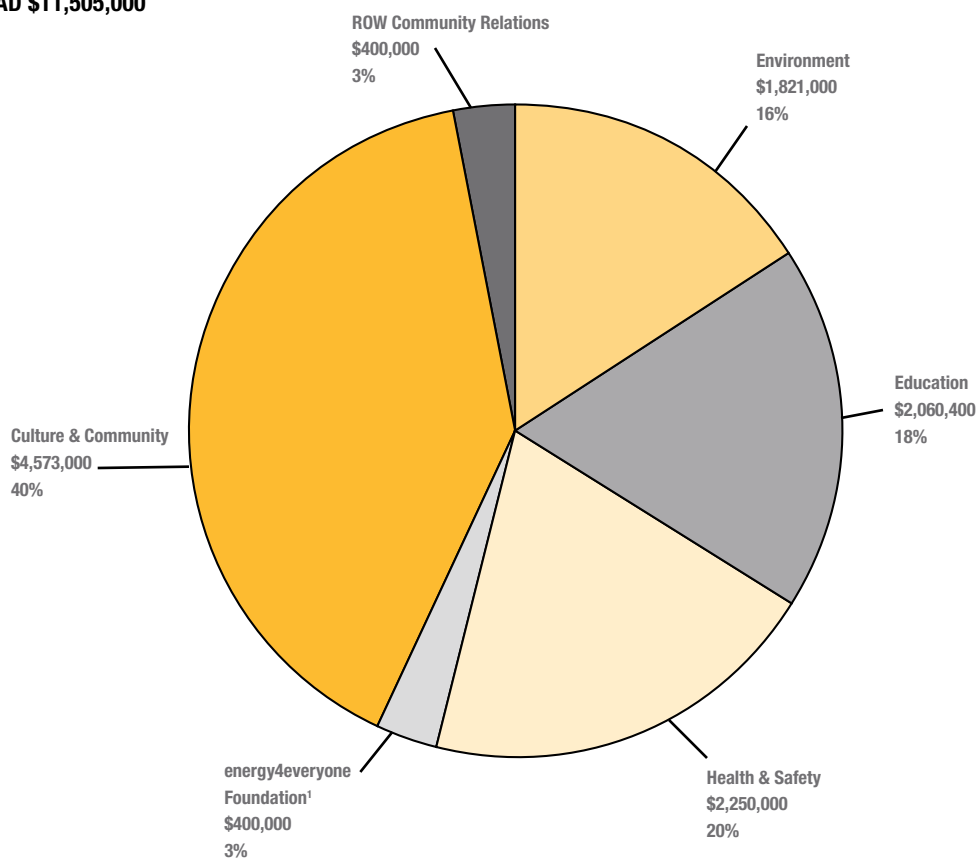
Aplastic Anemia & Myelodysplasia  
 Baycrest Hockey Pro-Am  
 Cystic Fibrosis Golf Tournament  
 Dorothy Ley Hospice  
 One Night Live – Sunnybrook Hospital  
 Ontario Fire Marshall Safety Campaign  
 Ottawa Regional Cancer Foundation  
 Philippines Typhoon Disaster Relief  
 Project Zero Toronto Fire Services  
 Saint Elizabeth Healthcare Foundation  
 Street Health (Medical Supplies)  
 Westpark Healthcare Foundation  
 York Central Hospital

**Environment**

Cleaning the Capital  
 Clean Air Council  
 Credit Valley Conservation Foundation  
 Live Green Toronto Festival  
 Ontario Clean Air Alliance  
 Pollution Probe Clean Air Commute & Gala  
 Rideau Canal Festival  
 Sustainable Pickering  
 Toronto Atmospheric Fund – Solar Initiative  
 Toronto Renewable Energy Co-Op  
 Trout Unlimited

**Culture & Community**

42 Division Police Picnic  
 Agincourt Community Services Association 35th Anniversary Gala  
 Barrie Waterfront Festival  
 Councillor Frances Nunziata's Canada Day  
 Downsview Community Renaissance Fund  
 Enbridge CN Tower Stair Climb for United Way  
 Eva's Initiatives  
 Lakeshore Mardi Gras  
 Markham Village Music Festival  
 Mayors Youth Advisory Committee  
 Neighbourhood Information Post WW  
 Peterborough Festival of Lights  
 Pickering Great Waterfront Trail Adventure  
 Portugal Week  
 Richmond Hill Winter Carnival  
 Scarborough Walk of Fame  
 Scouts Canada  
 Stephen Leacock Foundation  
 Town of Alliston Music on Main Festival  
 Town of Richmond Hill Tastes of the Hill  
 United Way United Way Toronto's Celebration Dinner  
 Urban Leadership Awards  
 Viking Boat Race  
 Vision Youth Leadership Development Centre  
 Wasaga Beachfest  
 Winter Warmth Program  
 Yellow Brick House  
 York Region Community Foundation  
 YRCF October 2009 Charities Workshop

**ENTERPRISE-WIDE COMMUNITY PARTNERSHIPS AND INVESTMENTS SPENDING****YEAR-END 2010 – ACTUAL****CAD: \$10,048,651****USD: \$1,300,000****Total: CAD \$11,505,000**

<sup>1</sup> For information on the energy4everyone Foundation, which supports the delivery of affordable, reliable and sustainable energy to communities that do not have it, please see the GRI Performance Indicator report 'EC8' in the Economic Performance section of this 2011 CSR Report.

## CORRUPTION

### S02

*Percentage and total number of business segments analyzed for risks related to corruption.*

Enbridge analyzes each of its business segments annually for corruption. The analysis tools the company uses include the general control evaluation procedures that were established to ensure that Enbridge met the requirements of the Sarbanes-Oxley Act of 2002 (SOX) and its Statement on Business Conduct that each employee must review and confirm their compliance with each year.

### S03

*Percentage of employees trained in organization's anti-corruption policies and procedures.*

Each of Enbridge's employees must review and confirm their compliance with the company's Statement on Business Conduct each year. The statement applies to Enbridge Inc. and to each of its subsidiaries or controlled entities. It emphasizes Enbridge's commitment to specific standards of conduct expected of each of its directors, officers, employees, consultants and contractors in all of the countries where Enbridge does business.

### S04

*Actions taken in response to incidents of corruption.*

Enbridge's Statement on Business Conduct and Whistle Blower Procedures the procedures Enbridge would take in response to incidents of corruption.

Strict adherence to the Statement on Business Conduct and all other Enbridge policies is mandatory. Failure to comply could result in disciplinary action up to and including termination.

Enbridge management is not aware of any incidents of corruption that took place in 2010.

## PUBLIC POLICY

### S05

*Public policy positions and participation in public policy development and lobbying.*

Enbridge supports the democratic process in the jurisdictions in which the company conducts business. It does so in accordance with the letter and spirit of all applicable laws of the countries in which it operates. As such, all of Enbridge's activities pertaining to public policy development, lobbying and political donations comply with the country, provincial and state laws governing those activities, as well as with the company's Statement on Business Conduct.

Enbridge does not have a formal policy on public policy development or lobbying, but its Statement on Business Conduct addresses political contributions by stating that, "no funds or assets of Enbridge shall be contributed to any political party or organization, or any candidate for public office, except where such contribution is permitted by applicable law and authorized by senior management or the Board of Directors."

In Canada, the *Federal Accountability Act* prohibits corporate political donations. Laws governing corporate political donations to provincial entities vary by province. Enbridge strictly adheres to them.

Although U.S. federal law and the laws of most states prohibit corporate political donations, companies that establish political action committees (PACs) may contribute amounts up to the limits set by the governments in whose jurisdiction they lie. However, Enbridge does not have a federal or state PAC and does not make corporate political donations, even in those states where corporate contributions are allowed.



**S06**

*Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.*

In 2010, Enbridge contributed approximately \$83,000 to provincial political parties in Canada. It did not contribute to federal political parties or politicians in Canada.

Enbridge did not make any contributions to political parties, politicians or related institutions in the U.S.

**ANTI-COMPETITIVE BEHAVIOUR****S07**

*Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.*

In 2010, Enbridge was not involved in any legal actions for anti-competitive behaviour, or for anti-trust or monopoly practices.

Regarding competition and anti-trust legislation, Enbridge's [Statement on Business Conduct](#) states that:

- Enbridge and its employees must comply with all applicable Canadian, U.S. or other foreign competition and antitrust legislation.
- Behavior which is prohibited under such legislation includes activities such as agreements with competitors to allocate markets or customers, price fixing or agreements to control prices, the boycotting of certain suppliers or customers, bid-rigging, misleading advertising, price discrimination, predatory pricing, price maintenance, refusal to deal, exclusive dealing, tied selling, delivered pricing and the abuse of dominant position.
- Situations constituting potential breach of such legislation or circumstances requiring direction should be immediately reported to the employee's supervisor or the Law Department.

**S08**

*Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.*

Enbridge did not receive any fines in 2010 for anti-competitive behaviour.

Enbridge did not receive any non-monetary sanctions for non-compliance with laws and regulations pertaining to anti-competitive behaviour in 2010.

**SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY****GOALS AND PERFORMANCE**

Enbridge is committed to excellence in implementing product responsibility standards that not only comply with legislated requirements, but also respond to the social, economic and environmental expectations of communities, customers, shareholders, government and the public.

This commitment is an integral part of all planning and operations initiatives carried out corporately, as well as those carried out by Enbridge's business segments.

Enbridge strives for zero incidents and injuries and believes that prevention of incidents and injuries benefits everyone and delivers increased value to our stakeholders.

## PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

### CUSTOMER HEALTH AND SAFETY

#### PR1

*Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.*

Enbridge is a transporter of energy, primarily in the form of natural gas and liquid petroleum products. Enbridge does not produce these commodities, but transports them from source to end users.

While Enbridge does not specifically conduct life cycle reviews of the products that it transports through its systems, it does thoroughly review its systems to ensure that the products it transports are delivered in a manner that is safe and reliable. These reviews pertain to the design, construction, operation and maintenance of the transport systems. They are conducted on all of Enbridge's systems.

Enbridge Liquids Pipelines implements a New Service Request and New Commodity Approval process prior to movement of new products on its pipeline system. These processes require shippers to provide product quality information and material safety data sheets when requesting to ship a product on the pipeline for the first time. These processes further set out the requirements for ongoing periodic testing of all products once approved for transport on the pipeline. Enbridge also requires shippers to provide updated material safety data sheets every three years in accordance with regulations. This information is used to assess the health and safety impacts of any new products being introduced to the pipeline system and any changes in characteristics that may impact health and safety during the product lifecycle.

In addition to these processes, Enbridge Liquids Pipelines has an industrial hygiene program that sets out requirements for regular air sampling and monitoring of its operations and maintenance activities to assess worker exposures to airborne contaminants and potential impacts to worker health and safety. This information is used to validate the effectiveness of controls utilized to protect workers, including engineering controls, administrative controls and personal protective equipment.

For details on Enbridge's pipeline and system integrity practices and performance, please see the section "Environmental Performance – GRI Performance Indicators – Products and Services – EN26 and EN27" of this report.

Enbridge is also expanding its interests in renewable and alternative energy technologies, including wind and solar energy, geothermal, waste heat recovery, hybrid fuel cells, and carbon dioxide sequestration. Enbridge takes its responsibility as an energy producer very seriously. We pursue this commitment by:

- managing all of our operations and new facilities with respect for our neighbours and their land;
- consulting with the individuals who live and work in the vicinity of these operations, as well as those who may become our neighbours as our renewable energy portfolio grows;
- maintaining our projects to the highest possible standards; and
- keeping neighbours, community residents and officials informed about our activities.

Enbridge is committed to protecting the public and the environment, and we build safety into every step of our operations.

#### PR2

*Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.*

In 2010, Enbridge's gas distribution companies received from local safety regulators approximately 143 inspection reports of a non-material nature related to possible or actual non-compliance with codes or regulations governing the installation, inspection or operation of various aspects of the natural gas distribution system. No prosecutions or enforcement actions were undertaken by the regulators in connection with these orders.

In 2010, Liquids Pipelines received a final order from the U.S. Department of Transportation and Hazardous Materials Safety Administration (PHMSA) relating to an incident in 2007 that, tragically, claimed the lives of two Enbridge employees during scheduled maintenance on an Enbridge Energy Partners pipeline near Enbridge's terminal in Clearbrook, Minnesota. This order included a penalty assessment of \$2.405 million and restated the requirement to take action to comply with nine compliance-related conditions that Enbridge had previously satisfied.

Elsewhere in the company in 2010, there were no non-compliance incidents concerning the health and safety impacts of Enbridge's products and services.

For information on regulatory notifications, please see the section "Environmental Performance – GRI Performance Indicators – Compliance – EN28" of this report.

## **PRODUCT AND SERVICE LABELLING**

### **PR3**

*Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.*

Enbridge's Liquids Pipelines and Gas Pipelines (Gas Transportation) business segments, as well as Enbridge Gas Distribution (EGD), are required to indicate with pipeline location markers including labels with the company name and contact information, any pipeline that is situated within a right-of-way. Although Enbridge is not required to label pipelines that run through streets or properties, it is illegal to excavate within streets or properties without obtaining "locates", which provide information on underground pipelines, etc. In Ontario, for example, home and property owners and contractors are responsible for obtaining "locates" before they dig and can obtain them by calling Ontario One Call. Ontario One Call is a call centre with which both EGD and Enbridge Liquids Pipelines contract to handle such inquiries within the province of Ontario.

In addition, the Workplace Hazardous Materials Information System (WHMIS) requires EGD to provide Material Safety Data Sheet (MSDS) information to all of its natural gas customers. EGD maintains updated French and English copies of the sheet pertaining to natural gas on its website. EGD also emails copies of the sheet to customers on a scheduled frequency basis. Liquids Pipelines also maintains MSDSs that are representative of the various products it ships on the pipeline system and makes these MSDSs available to employees, contractors working on the pipeline system, and also to the public upon request.

Enbridge's right-of-way at its wind farms includes the footprint of the wind turbines themselves, as well as buried high-voltage cables located anywhere within the leased area. The right-of-way at Enbridge's solar farms is contained within the fenced solar farm itself and on Enbridge property outside the fence.

Even though buried high-voltage cables are identified above-ground by power-line markers, the marker may not necessarily be directly over the power line. To protect people and ensure their safety, federal and provincial/state laws require anyone planning to excavate near the right-of-way to call their local toll-free one-call number in advance of any excavation.

Enbridge makes landowners and the general public in the vicinity of its wind farms aware that buried high-voltage power lines are located both inside and outside the perimeter of the wind farms. (At Enbridge's solar farms, buried high-voltage power lines are contained only within the fenced perimeter of the solar farm. There are no buried power lines outside the fenced perimeter.)

Also integral to Enbridge's wind and solar farms are high-voltage sub-stations, which are located on leased or Enbridge-owned land near the farms. These sub-stations are fenced and no public entry is permitted.

**PR4**

*Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.*

Enbridge's Liquids Pipelines, Gas Pipelines (Gas Transportation), and Gas Distribution and Services businesses were in full compliance with regulations pertaining to product and service information or labeling in 2010.

**PR5**

*Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.*

In 2010, Enbridge Gas Distribution (EGD) responded to over three million customer inquiries and issued approximately 24 million residential utility bills.

Customer service and satisfaction are important to EGD and, as a result, measurement of these areas is equally important.

EGD uses a third-party market research supplier to conduct monthly telephone interviews with residential customers. EGD uses the study to monitor customers' expectations about, perceptions of and satisfaction with EGD based on various interaction points. Customers are said to be satisfied if they responded *excellent or very good* (top-2 boxes), when asked three key satisfaction questions on a seven-point scale ranging from *excellent to poor*. As part of the study, benchmarking questions compare EGD to local telephone companies, electric companies and natural gas marketers in the EGD franchise area. During 2010, EGD led in five of the six areas, including value, image quality, choose again, overall billing and customer communication quality.

EGD also offers an automated after-call survey to each of its customers following contact with a call centre. Through this survey, customers are asked to rate the quality of the service they have received and whether they are satisfied with the resolution. The results of the after-call survey are favourable and have been consistently high for the past four years.

In 2005, EGD instituted an Office of the Ombud to resolve customer issues that the call centre was unable to resolve. Our continued efforts to increase awareness of the Ombuds office through the call centre and our quarterly bill inserts has resulted in a substantial increase in the number of issues being escalated. In 2010, 14,744 issues were escalated to the Ombuds office.

EGD uses a variety of information, including all of the sources of information outlined above, to identify opportunities to improve customer satisfaction.

**MARKETING COMMUNICATIONS****PR6**

*Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.*

A thorough approvals process is in place to review marketing communications pieces prior to distribution to Enbridge Gas Distribution (EGD) customers. This process includes approval by Enbridge's legal department.

While EGD does offer third parties the opportunity to include advertising inserts in the envelopes in which it sends customer bills, these third parties are required to include a disclaimer clause in their advertising stating that they are in no way affiliated with Enbridge or EGD.

EGD retains membership in the Association of Canadian Advertisers and the Canadian Marketing Association to ensure that it knows about – and adopts – new policies and regulations.

**PR7**

*Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.*

In 2010, Enbridge was compliant with all regulations and voluntary codes concerning marketing communications.

## CUSTOMER PRIVACY

### PR8

*Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.*

In 2010, Enbridge Gas Distribution (EGD) experienced three minor incidents of misdirected customer information, and each incident was rectified. No complaints were referred to the Privacy Commissioner in 2010.

## COMPLIANCE

### PR9

*Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.*

Enbridge's gas distribution companies did not receive any fines in 2010 for non-compliance with laws and regulations concerning the provision and use of products and services.

As reported in PR2 above, in 2010, Liquids Pipelines received a final order from the U.S. Department of Transportation and Hazardous Materials Safety Administration (PHMSA) relating to an incident in 2007 that, tragically, claimed the lives of two Enbridge employees during scheduled maintenance on an Enbridge Energy Partners pipeline near Enbridge's terminal in Clearbrook, Minnesota. This order included a penalty assessment of USD \$2.405 million and restated the requirement to take action to comply with nine compliance-related conditions that Enbridge had previously satisfied.

## ACKNOWLEDGEMENTS

Enbridge would like to thank the following individuals for their leadership in producing the 2011 CSR Report:

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*Ian Fraser*, President, Fraser Communications; Writer, CSR Report

*David Coglon*, President, Coglon Corporate Communications; Writer, CSR Content

Enbridge would also like to thank the many individuals at *WAX* and *Evans Hunt* who contributed to this report.

Enbridge's 2011 CSR Report was created under the guidance of the following CSR Expert Reporting Groups:

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