

# SUSTAINABILITY

ENBRIDGE INC. 2005 CORPORATE SOCIAL RESPONSIBILITY REPORT

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We're Proud to be Ranked Among the World's Most Sustainable Corporations **Here's what we're doing to maintain sustainability through innovation.**



# INNOVATION

## AN ENBRIDGE PRIORITY

Enbridge was recognized at the 2005 World Economic Forum in Davos, Switzerland as one of the Global 100: Most Sustainable Corporations in the World. Enbridge is one of only six Canadian companies to make the list, and as a leader in energy transportation and distribution, corporate social responsibility has always been a priority. Thanks to our over 4,500 employees, that priority is put into practice every day.



## ACKNOWLEDGEMENTS

This publication was created with the particular assistance of the Corporate Social Responsibility Advisory Committee. They are:

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## ABOUT THIS REPORT

This report succeeds our 2001, 2002 and 2003 Environment, Health and Safety Reports and our 2004 Corporate Social Responsibility Report. Although our environment, health and safety performance continues to be an important focus of this report, we have expanded coverage to more fully discuss our economic and social impacts and contributions. Our target audience consists of investor analysts, shareholders, government leaders, regulators, employees, business partners and local communities where we operate. This report is supplemented by our annual financial reports, which include more detailed information on economic aspects of our business activities.

All of Enbridge's four main businesses — Liquids Pipelines, Gas Pipelines, Enbridge Gas Distribution and our U.S. Natural Gas Business — are included in this report, which covers 2004 and the early part of 2005. Wherever possible, we have also included information about the activities of Enbridge International. The indicators used in this report have been chosen with a view to monitoring our company's corporate social responsibility (CSR) commitments. Changes from the previous year in measurement methods used to prepare this report have been footnoted in our summary of performance indicators.

We have prepared this report in a way that meets the "in accordance" specifications set forth by the Global Reporting Initiative's 2002 Sustainability Reporting Guidelines. We have received important stakeholder input from various sources: investor surveys, employee forums, customer research and public consultation activities. The various drafts of this report have been reviewed by the members of Enbridge's CSR Advisory Committee, a cross-functional group of senior staff who provide advice to the corporate leadership team on CSR policies and strategies.

To achieve ongoing improvement, selected information and indicators have been subject to an internal review by our Audit Services Department, whose report is listed on page 89.

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**At Enbridge, we take the broad, integrative approach to corporate social responsibility. In our policies, decisions and operations, we strive to create economic, environmental and social value.**

#### 2004 ECONOMIC HIGHLIGHTS

- recording earnings of \$645.3 million (\$3.86 per common share), compared with \$667.2 million (\$4.03 per share) in 2003
- achieving adjusted operating earnings of \$508.4 million (\$3.04 per share), 8% higher than the previous year
- paying \$316 million to investors as dividends, up 11% from the previous year
- expanding Enbridge's continental reach to tap energy opportunities in the Gulf of Mexico, Texas and Northern Canada
- being ranked one of the world's top sustainable companies at the World Economic Forum in Davos, Switzerland

#### 2004 ENVIRONMENTAL HIGHLIGHTS

- reducing greenhouse gas emission intensity in our Canadian operations to 23% below 1990 levels
- taking innovative steps in our U.S. Natural Gas Business to reduce the loss of methane in gathering pipelines
- investing in the 30 MW Magrath wind power project in southern Alberta
- saving about 74 million cubic metres of natural gas (enough to supply more than 25,000 homes for a year) through Enbridge Gas Distribution's demand-side management programs
- carrying out more than 780 pipeline integrity digs along our Liquids Pipelines system in Canada and the United States

#### 2004 SOCIAL HIGHLIGHTS

- improving our overall days away injury rate to 0.29 incidents per 200,000 hours worked, slightly better than our performance in 2003 and 70% better than our performance in 2000
- conducting our first company-wide employee survey (results from the survey showed that 70% of employees rate Enbridge as one of the best places to work)
- increasing our investments in local charitable and non-profit organizations to \$4.2 million, up 20% from the previous year
- carrying out major public consultation programs to support our project plans in Northern Canada, Alberta, British Columbia, Quebec and Texas
- contacting more than 590,000 stakeholders in Canada and the United States through public awareness programs designed to enhance awareness of our pipelines and our company's reputation



## A Discussion with Patrick Daniel, President and CEO

**This is Enbridge's second Corporate Social Responsibility Report. What does this report mean to you?**

**Q:**

Our Corporate Social Responsibility (CSR) Report is one of the most important and transparent ways our company has of communicating how we live our core CSR values in our daily business activities and how we demonstrate our commitment to these values through our growth plans. These core values include integrity, accountability, innovation and flexibility, value creation and social responsibility, and are values our company has developed over time. Our company and staff believe in these values. And I believe this commitment is reflected in our performance and in this report.

From this report, our stakeholders will see we are serious about CSR. It is central to how we do business. We are straightforward and open about our CSR performance. This is in direct response to the growing expectations of our stakeholders.

**How does the company's CSR approach fit with your business plans?**

**Q:**

In one sense, the different elements of CSR have always been part of our risk management processes for new and existing businesses. We may not have referred to these as CSR but the environment, landowners and local communities have always been important considerations for our company. But by formalizing our CSR policies and practices, as we've done over the last few years, we're taking an integrated approach to CSR. This approach helps to ensure that issues like the environment, safety, governance and human rights are addressed upfront in our business plans and practices.

The net result is we're improving the viability of our business. Our CSR approach makes us a desired partner with industry, regulators and the communities in which we operate. It helps to ease the burden of regulatory review and approval for our projects. It makes it a lot easier for us to work with landowners and our other stakeholders, wherever we operate. And when we speak out on policy issues, our commitment to CSR helps to put weight behind our words.

**How do you feel about Enbridge's CSR performance in 2004?**

**Q:**

Certainly 2004 was a very good year on almost all fronts. On the environmental side, we continued to lower our greenhouse gas impacts. Last year, for example, the greenhouse emission intensity of our Canadian operations (our emissions per unit of throughput on our systems) improved by about 23% compared to our performance in 1990. That's significant, especially when you consider that during the same period we delivered about 28% more product on our Canadian energy transportation and distribution systems.

In our operations, our health and safety numbers show that we continued to do an excellent job of protecting the health and safety of our employees and the public. And we were recognized by *Corporate Knights Magazine* as one of Canada's 50 best corporate citizens for the second year in a row.

Finally, we are especially proud that Enbridge has been named one of the world's 100 most sustainable organizations. This is according to a new global business ranking unveiled earlier this year at the World Economic Forum in Davos, Switzerland. That was a great accomplishment for our company and a testimony to the dedication of our employees who are helping Enbridge to lead the way on CSR.

**OUR FIVE VALUES**

Corporate social responsibility (CSR) defines how we relate to others in areas such as the environment, safety, governance, human rights, community investment and stakeholder engagement. Our CSR commitments ensure that we put a priority on public and employee safety, a clean and healthy environment, and strong, vibrant communities.

Enbridge has an explicit set of corporate values, which includes integrity, accountability, innovation and flexibility, value creation and social responsibility. By living these values as part of our daily activities, our goal is to fulfill our CSR commitments.

**Integrity** At Enbridge, we operate with integrity, honesty and transparency in all of our dealings with stakeholders. We operate to the highest ethical standards with our customers, shareholders, employees, partners, landowners, regulators and others with whom we interact. We communicate openly and honestly.

**Accountability** At Enbridge, we are accountable for our actions — as individuals and as an organization. It is everyone's responsibility to be the best he or she can be at all times, whether dealing with customers, shareholders, partners or other members of the Enbridge team.

**Innovation and flexibility** At Enbridge, we embrace innovation and learning, both for the organization and for our people. We are open to change, adaptable to evolving circumstances, and flexible.

We value agility and the ability to move quickly to anticipate and respond to a changing business environment, creating new solutions for new challenges.

**Value creation** At Enbridge, we create value for our shareholders and business partners. We strive to deliver a prosperous future for our shareholders, partners, customers and employees, through growth in the enterprise that adds value, and through excellence in customer service.

**Social responsibility** At Enbridge, we value the safety of our employees and the public, a clean and healthy environment, and strong and vibrant communities. We are committed to sustaining these essential values through socially responsible operations and involvement in our communities.

**What areas left room for improvement?**

**Q:**

I think the first area is the improvement of safety, where we did not reach our goal of zero safety incidents. We managed to reduce our overall employee safety incidents from 2003 to 2004, but there is still room for improvement, especially on vehicle safety, where we've seen an increase in incidents over the last several years.

Another area where we need to strive for constant improvements is pipeline integrity. Despite the large volume of crude oil and liquids that is delivered on our system, leaks are relatively rare. But even though we have a very strong record on pipeline safety, we have to continue to improve our performance. Because a zero per cent failure rate is our objective. Last year, we created a new system integrity department in Liquids Pipelines and intensified efforts in other parts of the company to increase our overall focus on pipeline integrity and safety.

**What are Enbridge's challenges to carrying out CSR?**

**Q:**

Our greatest challenge will continue to be sustaining and improving our track record on CSR. Being an industry leader isn't just measured by what we've done. It's also measured by demonstrating constant improvements in CSR performance year after year. This is particularly important when it comes to safety. If we take our eyes off the ball with regard to safety and the imperative to continually improve, our safety record will suffer. And we can't allow that. We must avoid complacency at all levels of our organization.

Next, we need to continue to stay ahead of changing stakeholder expectations for environmental and social performance. The standards that society is judging us by are going up and up. The challenge is to consistently evaluate and monitor what is important to stakeholders and how their issues and concerns affect our business operations and goals. This will be especially important as we carry out effective stakeholder consultation programs to support our growth plans in northern Canada and the southern United States.

**What do you see as your role in promoting CSR at Enbridge?**

**Q:**

The culture of a company is really a reflection to a large extent of senior management and the Board of Directors and what we do and say. As a senior executive, I try to emphasize our CSR approach in the way our corporate leadership team sets corporate objectives and strategies, reviews projects or ensures the company participates in public activities. I also regularly share my vision of CSR and how it ties to our business, whenever I can, through internal newsletters, employee annual meetings and local "face-to-face sessions" with employees. I also believe it's very important to set a personal example by getting involved in the community as a volunteer.



*Lou Hyndman,  
Chair, CSR Committee  
of the Board*

Dear Reader,

At Enbridge, we view CSR as part and parcel of who we are as a company. We also view it as an essential way of doing business if we are to deliver long-term value to our shareholders.

Society is becoming more sophisticated in articulating its expectations of the private sector. At Enbridge, we welcome this trend as an essential source of information about our long-term business environment, and of new opportunities. We define CSR as: 1) conducting business in a socially responsible and ethical manner; 2) protecting the environment and health and safety of people; 3) supporting human rights; 4) engaging, respecting and supporting the communities and cultures

with which we work. This precise definition may be new, but the values upon which we based it have long characterized the people and actions of Enbridge.

Last year, the mandate of the Board's Environment, Health and Safety (EH&S) Committee was expanded to include responsibility for human rights, community investment and stakeholder relations. The role of Chair of this Committee is to give strategic oversight to senior management on CSR issues.

You will also see our values rooted in Enbridge's Statement on Business Conduct. The Statement provides a framework for the company and its employees; it is a tool to help guide operations and decisions as well as a reflection of our commitment to CSR. It can be found at [www.enbridge.com](http://www.enbridge.com).

Buttressing our commitment to CSR is Enbridge's exemplary record of corporate governance, a quality well recognized by our peers. In 2004, GovernanceMetrics International, a corporate governance research and ratings agency, rated Enbridge 9.5 out of a possible 10, in a survey of over 2,000 companies.

This report reflects our ongoing work and progress on CSR. I encourage you to read it carefully and to share with us any questions, observations or suggestions you might have.

Sincerely,

Lou Hyndman  
*Chair*  
*CSR Committee of the Board*



*Enbridge is a large, complex organization consisting of many wholly and partially owned entities and business units. For this report, we have segmented our businesses as outlined below. A more detailed description of the Enbridge group of companies is listed at the back of this publication.*

**Liquids Pipelines** includes the world's longest crude oil and products pipeline system — Enbridge Pipelines in Canada and the Lakehead Pipeline in the United States. This mainline system has been supplying Western Canadian crude oil to Central Canada and the U.S. Midwest for more than 55 years. In addition to our mainline, our U.S. affiliate operates crude oil pipelines in North Dakota and pipelines in our U.S. Mid-Continent system, which includes one of the largest crude oil terminals in North America at Cushing, Oklahoma. The Liquids Pipelines business delivers more than 2 million barrels of liquids daily and transports 60% of the crude oil production from Western Canada. It has interests in 21,000 kilometres (13,000 miles) of liquids pipelines in North America. Liquids Pipelines' operations are head-quartered in Edmonton, Alberta.

**Gas Pipelines** consists of the company's interests in the Alliance and Vector pipelines, which went into service in December 2000. These pipelines transport gas from the Western Canadian Sedimentary Basin to Ontario and the U.S. Midwest, and are well positioned to transport future gas volumes from the North. The company's newly acquired Enbridge Offshore Pipelines transports more than half of the deepwater gas produced offshore in the Gulf of Mexico, a key region for continental supply growth. This business unit's head office is in Houston.

**U.S. Natural Gas Business** consists of natural gas transmission and gathering pipelines and processing and treating plants in the Mid-Continent and Gulf Coast areas of the United States. The business gathers and transports about 2.03 billion cubic feet of natural gas each day and operates 14,800 kilometres (9,200 miles) of gas gathering and transmission pipelines.

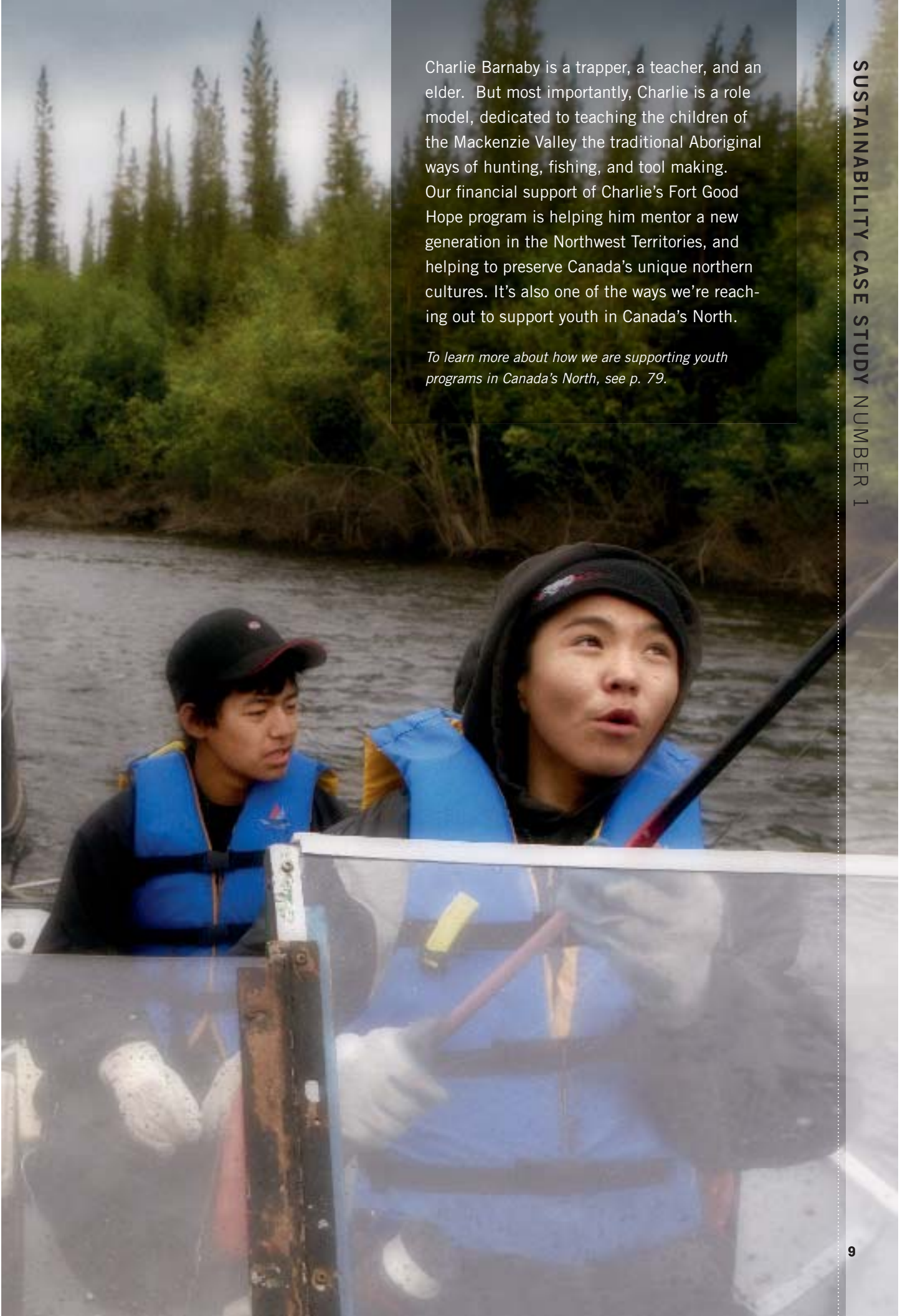
**Enbridge Gas Distribution** is Canada's largest natural gas company, and delivers gas to 1.7 million customers in Ontario. Affiliated companies also deliver natural gas to customers in Quebec, New Brunswick and parts of New York State. One of the lowest cost gas distribution operators in North America, Enbridge Gas Distribution distributes 430 billion cubic feet of natural gas each year. This business unit is based in Toronto, where it has served customers for more than 155 years.

**Where new generations  
meet traditional ways**



Charlie Barnaby is a trapper, a teacher, and an elder. But most importantly, Charlie is a role model, dedicated to teaching the children of the Mackenzie Valley the traditional Aboriginal ways of hunting, fishing, and tool making. Our financial support of Charlie's Fort Good Hope program is helping him mentor a new generation in the Northwest Territories, and helping to preserve Canada's unique northern cultures. It's also one of the ways we're reaching out to support youth in Canada's North.

*To learn more about how we are supporting youth programs in Canada's North, see p. 79.*



We have long recognized the importance of good corporate governance. This is partly because two of our principal businesses — pipelines and gas distribution — are regulated utilities. We operate under stakeholder scrutiny and are expected to maintain the highest standards of governance. Through our commitment to building strong governance practices, we are promoting transparent public reporting, a culture of control and risk management, and efficiencies in business processes.

### **CORPORATE GOVERNANCE**

At Enbridge, corporate governance means ensuring a comprehensive system of stewardship and accountability is in place and functioning among directors, management and our employees. We employ a variety of policies, programs and practices to manage corporate governance. A few highlights include:

- The Board of Directors functions independently of management and is accountable to shareholders. Currently, 11 of the 12 directors are independent and have no relationship with the company or its management that could affect their freedom of judgment. The Board assesses this independence each year.
- Every employee and director must comply with our company's Statement on Business Conduct.
- Directors are committed to owning shares and/or deferred stock units equivalent to two times their annual retainer.
- In 2004, the Board met 11 times with an average attendance rate of 96%.
- The Board has four standing committees: the Audit, Finance and Risk Committee, the Corporate Social Responsibility Committee, the Governance Committee and the Human Resources and Compensation Committee.

The Board has established corporate governance guidelines that are published at [www.enbridge.com](http://www.enbridge.com).

### **NEW CSR COMMITTEE OF THE BOARD**

In 2004, the mandate of the Board's Environment, Health and Safety (EH&S) Committee was broadened to include responsibility for human rights, community investment and stakeholder relations. Renamed the Corporate Social Responsibility (CSR) Committee, this committee oversees EH&S and CSR guidelines, policies, procedures

and practices of Enbridge and its subsidiaries. In 2004, the CSR Committee met five times and consisted of four independent directors. It now consists of five independent directors.

#### **MANAGING CORPORATE RISKS**

Enbridge's approach to risk management is incorporated in our corporate governance framework. This framework requires management teams in each business unit to review and regularly report on the risks they face and the controls in place to manage them. The Board and the Audit, Finance and Risk Committee oversee the annual review of risks to the company, monitor Enbridge's risk management program and oversee the review of risks in consultation with internal and external auditors.

Other Board committees also oversee the implementation and monitoring of risk management systems. For example, our CSR Committee has authorized establishment of a Global Reporting Initiative guideline and an environmental risk management system, and monitors their operation. Results of this process and comprehensive EH&S reports from our business units are presented each year to the CSR Committee.

#### **EXECUTIVE COMPENSATION**

Enbridge's top five executives collectively earned \$5 million in salary and annual bonuses in 2004. These executives received 141,000 stock options. These numbers are publicly available in Enbridge's Management Information Circular.

Besides performance against financial, operations and strategic objectives, which are key determinants of incentive payments under our company's executive compensation program, Enbridge senior executives must also meet non-financial standards that reflect EH&S performance and CSR commitments.

#### **MEETING SARBANES-OXLEY**

The Sarbanes-Oxley Act, enacted by U.S. Congress in 2002, was created to restore public trust in capital markets after several high profile business scandals. As a result of Sarbanes-Oxley, the U.S. Securities and Exchange Commission and the stock exchanges have established new rules that govern how boards and committees are structured to carry out governance disclosures, company processes and internal control systems.

In 2004 Enbridge carried out various activities to ensure Enbridge Inc. and our U.S. businesses comply with Sarbanes-Oxley.

In ensuring compliance, Enbridge's CEO and Chief Financial Officer sign certificates attesting to the fair representation of the company's financial position. Under the new rules, the company met Sarbanes-Oxley's requirement for effective internal control over financial reporting under Sarbanes-Oxley for 2004, and will do so for 2007 under proposed new Canadian rules.

In 2004, we spent significant management resources (24,000 internal audit hours) and financial resources (\$6 million) to verify compliance, and will continue these initiatives in the future to provide investors with assurance that our corporate reporting is accurate and complete. We have also introduced a "whistle-blower" hotline, managed by an independent third-party service provider, to give employees the opportunity to come forward confidentially with concerns about internal accounting or auditing matters.

#### **RATINGS FOR CORPORATE GOVERNANCE**

Our corporate governance practices have been evaluated and rated by several corporate governance organizations and business publications.

For example, in 2004, GovernanceMetrics International (GMI), a corporate governance research and ratings agency, rated Enbridge 9.5 out of a possible 10, in a survey of 2,100 companies. In a letter to Enbridge, Gavin Anderson, GMI President and CEO, stated: "GMI considers all companies that score nine or higher well above average in their governance profiles. Your rating places Enbridge Inc. in the top 7% of 2,121 companies we reviewed on this occasion." To rate the different companies, GMI considered a broad range of factors: board accountability, financial disclosure and internal controls, executive compensation, shareholder rights, ownership base, takeover provisions, plus corporate behavior and social responsibility.

Also, *Canadian Business Magazine* in its July-August issue ranked Enbridge 4th best overall in its annual list of Canada's best-governed companies. In October, *The Globe and Mail* published its annual list of corporate governance rankings for Canadian companies, and Enbridge tied for 5th best overall. The annual rankings rate companies on criteria such as best practices advocated by securities regulators and stock exchanges for such things as disclosure, board composition and independence, and accountability to shareholders.

## **POLICIES AND MANAGEMENT SYSTEMS**

### **CSR POLICY**

At Enbridge, we define corporate social responsibility (CSR) as:

- conducting business in a socially responsible and ethical way
- protecting the environment and the health and safety of people
- supporting human rights
- engaging, respecting and supporting the communities and cultures with which we work.

In 2004, Enbridge adopted a corporate CSR policy, which covers business ethics and transparency, EH&S, stakeholder relations, employee relations, human rights and community investment. This policy applies to activities undertaken by, or on behalf of, Enbridge and our controlled subsidiaries anywhere in the world.

### **CSR MANAGEMENT STRUCTURES**

In 2004, as an important first step toward this long-term goal, we set up a CSR Advisory Committee, a cross-disciplinary group that involves senior staff from across our different business units. This 19-person committee provides advice to senior management on CSR policies, strategies, planning and performance. In 2004, this committee met twice.

In 2005, advisory groups were formed from the CSR Committee and other employees to specifically address CSR activities as they relate to Enbridge projects and operations. The Aboriginal Advisory Committee, Climate Change Advisory Committee and the Community Investment Advisory Committee are all sub-committees of the overall CSR Committee. Their activities include advising on project-specific matters, such as creating procurement and contracting policies and programs for pipeline initiatives that traverse First Nations and aboriginal lands.

The sub-committees and CSR Advisory Committee report to Bonnie DuPont, Group Vice President, Corporate Resources. Ms. DuPont is a member of Enbridge's Corporate Leadership Team and is responsible for informing the Board of Directors of Enbridge Inc. about our company's CSR activities. Group Vice Presidents of our core operations are responsible for putting into effect our CSR policy in their business units.

## EMPLOYEE AWARENESS

As we broaden our business plans and activities to incorporate CSR, our company is faced with new challenges, including engaging individual employees on CSR issues and activities. Several initiatives were carried out in 2004 to help our employees better understand what CSR means to our business:

- Articles on CSR issues and initiatives were featured in *Link*, Enbridge's employee newsletter.
- Our Liquids Pipelines business developed a comprehensive environmental training program for operations employees, which covers regulatory requirements, corporate policies and industry best practices. This program was introduced in our Canadian operations, and we plan to expand it to our U.S. operations in the future.
- Our U.S. Natural Gas Business launched an EH&S quarterly report to spread the word to employees on EH&S issues and activities in its operations.
- Our business units celebrated our CSR achievements at the local level. Last year, for example, Enbridge Gas Distribution organized *Celebrating Sustainability*, a series of events such as "lunch and learn" presentations, safety demonstrations and fitness activities, across its Ontario operations, showcasing Enbridge's commitment to the environment, the community, and worker and public safety.

## CONTINUAL IMPROVEMENT OF OUR MANAGEMENT SYSTEMS

Our business units apply management systems specifically adapted to their activities and business needs. These systems are designed to focus our company's EH&S objectives, improve worker safety, reduce adverse impacts on health and the environment, and measure our progress. A goal of these systems is increased consistency of EH&S activities, closely tied to our business and CSR objectives.

In 2004, we continued to strengthen these systems:

- Liquids Pipelines incorporated new operations, such as our recently acquired Cushing-to-Chicago Pipeline, into its EH&S management systems.
- Enbridge Gas Distribution established a distribution management system that provides for the safety of the employees and the public and the protection of property and the environment. The system is a customized management system based on the framework adopted by the Corporation to comply with the



Sarbanes-Oxley Act and the ISO framework. EH&S and pipeline integrity management are part of this system. During the year, Enbridge Gas Distribution continued to strengthen different elements of the distribution management system. For example, it developed a software-based auditing protocol and questionnaire to assist EH&S staff in carrying out internal compliance reviews of our 42 gate stations. Enbridge Gas Distribution also revised management systems for estimating and tracking greenhouse gas emissions from our gas distribution operations to prepare for Kyoto regulations.

- We continued to strengthen EH&S compliance in our U.S. Natural Gas Business through the use of our Ops Environmental compliance database system, an online set of EH&S tracking and notification tools that help staff in monitoring compliance with federal, state and internal requirements. This system was successfully put into effect in all areas of our U.S. Natural Gas Business, including the North Texas natural gas system acquired a year ago.

## REVIEWS AND AUDITS

We understand that, besides our EH&S management systems, it is essential to have mechanisms to continually evaluate the effectiveness of our EH&S programs. Accordingly, we use reviews and audits to assess each business segment's compliance with government regulations and our internal policies and management systems, and to provide guidance for making improvements.

### ■ *Internal EH&S reviews*

We conduct internal EH&S reviews at all facilities we operate. To carry out the review, a team of EH&S professionals inspects the site, conducts interviews and checks documentation. After the review is done, the team provides local management with a formal written review report summarizing the findings. Management then develops an action plan to correct deficiencies. The review team follows up on documented issues to ensure they are fully addressed.

### ■ *Process safety management (PSM)*

Process safety management (PSM) is a formal review process required by U.S. regulations for non-pipeline plant operations to prevent accidental releases of hazardous chemicals and energy. Our U.S. Natural Gas Business has developed a comprehensive PSM program that meets, or exceeds, regulatory requirements. We take a proactive approach to prevent hazardous chemical releases by identifying,

evaluating and monitoring systems before an incident or failure occurs. Besides carrying out PSM audits at all applicable gas plants, we conduct similar review processes at other facilities not covered under the regulations, helping to ensure a consistent approach to safety throughout the business.

In 2004, we carried out PSM reviews at nine gas processing plants in Texas and Mississippi.

#### ■ *External audits and inspections*

Environmental and safety audits and inspections of our operations are carried out by local and federal regulatory agencies.

In 2004, for example, the National Energy Board (NEB) conducted a pipeline security management assessment in Canada's pipeline systems, including our Liquids Pipelines mainline system. The assessment identified best practices and assessed the need for security regulations for Canada's pipelines. The NEB, in its review of Enbridge's mainline system, noted that our company has incorporated various best practices, including innovative technology and threat condition response levels, into our security management.

State and federal agencies conducted 80 compliance audits in our U.S. Natural Gas Business. No significant issues were identified.

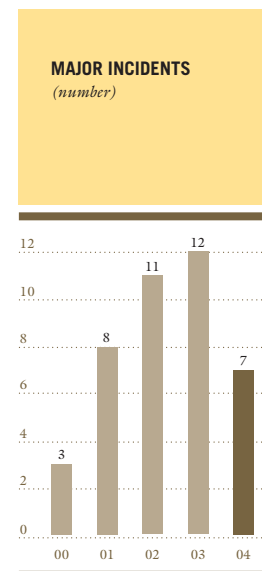
### **REGULATORY COMPLIANCE**

We manage compliance with laws and regulations through system controls and regular reviews and inspections. We consider any regulatory notification or penalty to be important to our CSR performance and continue to work toward our goal of no non-compliance. In the event that our performance falls short of this goal, we carry out rigorous reviews and institute corrective processes.

In 2004, we received 28 regulatory notifications from government agencies for environmental or safety issues.

- Liquids Pipelines received five regulatory notifications. These included a provincial order for non-compliance items identified during an Ontario Ministry of Environment inspection of our Sarnia, Ontario pipeline terminal. The inspection included requirements to obtain provincial certificates of approval for air emissions and wastewater discharges as well as other relatively minor administrative issues. We continue to work with the Ministry to resolve these issues.

- Gas Pipelines received two regulatory notifications. The most significant was a notice of violation for exceeding operating permit levels for carbon monoxide at the Highland, Michigan compressor station on the Vector pipeline. In early 2005 we received a fine of \$69,300 US and took corrective action, modifying equipment and operating practices, in consultation with the U.S. Environmental Protection Agency and state regulators.
- Enbridge Gas Distribution received three orders from the Ontario Ministry of Labour at one job site. One of the orders resulted from a failure to erect a fence between the work project and the public way. A second order was received for failure to develop and implement a traffic protection plan for workers, and a third order related to a contravention affecting the safety of workers. To prevent similar events from recurring, Enbridge Gas Distribution field crews are using a newly developed traffic and control protection form, which ensures consistent review of potential project hazards with on-site contractors.
- Our U.S. Natural Gas Business received 18 notices of violation for air permit and pipeline non-compliance issues. The most significant was a \$85,000 US fine from the U.S. Department of Transportation, Office of Pipeline Safety, for inadequate cathodic protection in our Kansas pipeline system. We have installed deep well ground beds and made other improvements to strengthen cathodic protection along the pipeline.



Major incidents are EH&S incidents that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill of more than 100 barrels, or significant adverse impact to the environment.

#### REGULATORY NOTIFICATIONS AND FINES

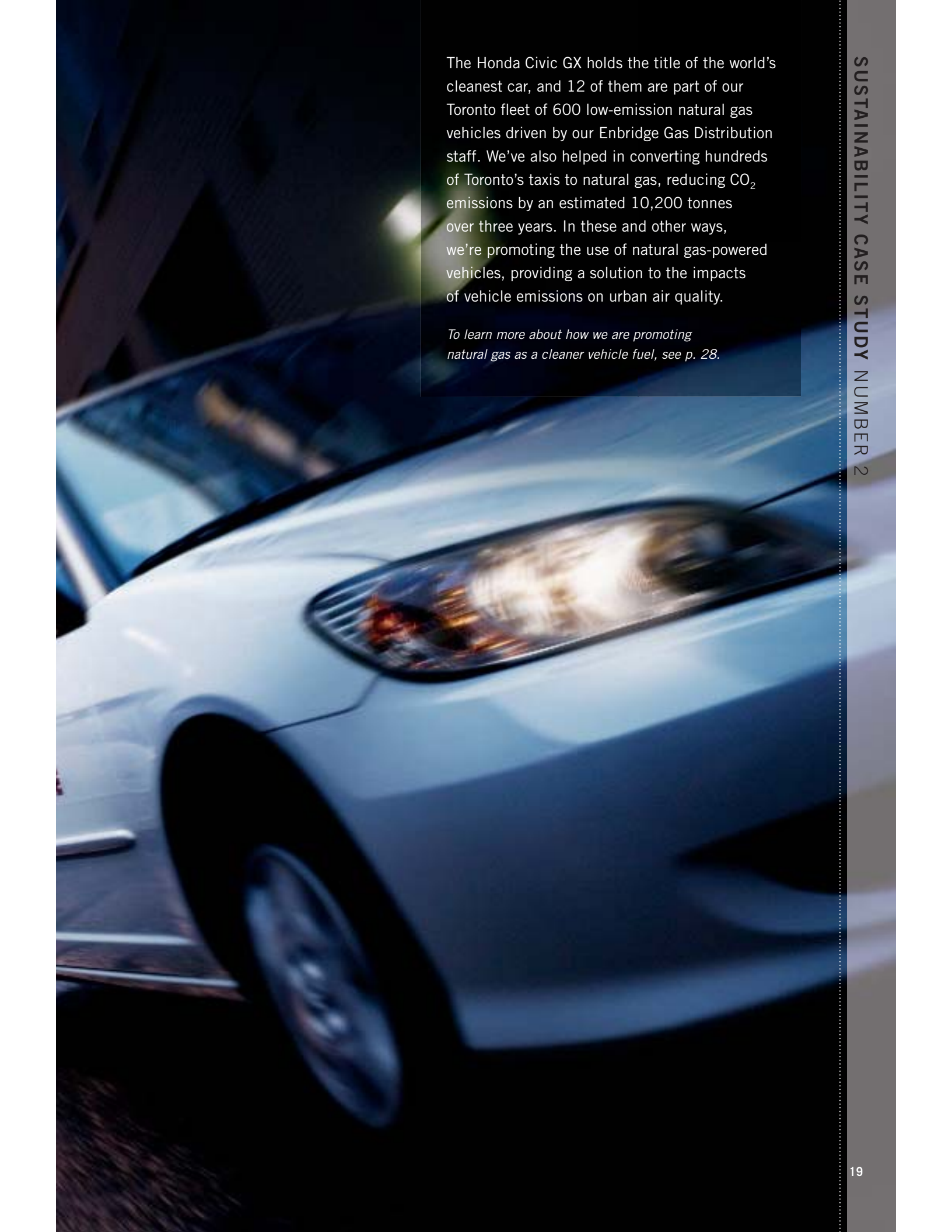
	2001	2002	2003	2004
Regulatory notifications	8	7	21	28
Regulatory fines incurred (US\$)	\$46,000	\$16,900	\$54,000	\$207,278

Regulatory notifications are formal written notices by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples include formal warnings, enforcement actions, summons and charges, notices of violation and stop and control orders.

On April 24, 2003, seven people died in an explosion and fire on Bloor Street West in Toronto. The incident was a tragedy and Enbridge is deeply saddened by the deaths and injuries that occurred. Enbridge Gas Distribution and two other companies have had charges laid against them related to this incident. This matters remains before the courts.

Where green fleets  
meet city streets





The Honda Civic GX holds the title of the world's cleanest car, and 12 of them are part of our Toronto fleet of 600 low-emission natural gas vehicles driven by our Enbridge Gas Distribution staff. We've also helped in converting hundreds of Toronto's taxis to natural gas, reducing CO<sub>2</sub> emissions by an estimated 10,200 tonnes over three years. In these and other ways, we're promoting the use of natural gas-powered vehicles, providing a solution to the impacts of vehicle emissions on urban air quality.

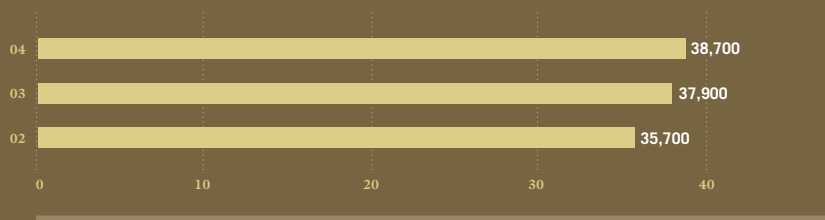
*To learn more about how we are promoting natural gas as a cleaner vehicle fuel, see p. 28.*

**Strong environmental performance is a key indicator of successful businesses. In 2004, our efforts — everything from addressing greenhouse gases to investing in wind power to helping our customers to save energy — continued to earn Enbridge a reputation for environmental leadership.**

Highlights from our 2004 performance included:

- reducing greenhouse gas emission intensity in our Canadian operations to 23% below 1990 levels
- taking innovative steps in our U.S. Natural Gas Business to reduce the loss of methane in gathering pipelines
- investing in the 30 MW Magrath wind power project in southern Alberta
- saving about 74 million cubic metres of natural gas (enough to supply more than 25,000 homes for a year) through Enbridge Gas Distribution’s demand-side management programs
- carrying out more than 780 pipeline integrity digs along our Liquids Pipelines system in Canada and the United States.

**WIND POWER PRODUCTION FROM SUNBRIDGE PROJECT (megawatt hours)**





## THE HOT SEAT

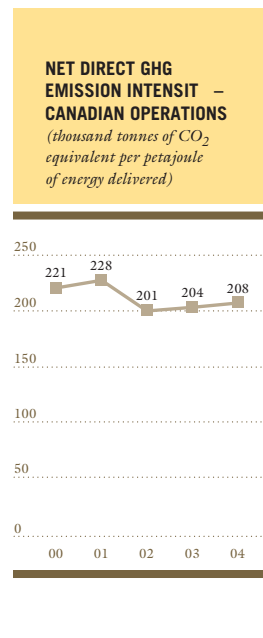
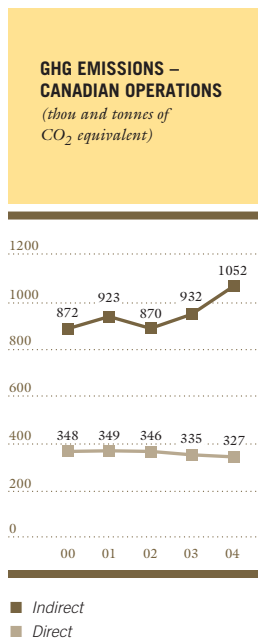
AN INTRODUCTION TO OUR  
CSR ADVISORY COMMITTEE

### CLIMATE CHANGE

*As one of North America's major energy delivery companies, Enbridge has an extensive network of pipelines and facilities to transport oil and natural gas to petroleum refineries as well as industrial and individual customers. This network includes natural gas gathering and transmission pipelines that move the gas from production fields to distributors and then to customers. Crude oil and liquids pipelines transport oil and other liquid hydrocarbons across the continent. Each of these different types of pipelines and facilities has a unique mix of greenhouse gas (GHG) emission sources.*

### OUR IMPACTS

In 2004, total direct and indirect GHG emissions from our Canadian operations were 1,379 thousand tonnes of CO<sub>2</sub> equivalent. Our direct emissions were 14% less than in 1990, even though we delivered 34% more liquids and 26% more natural gas on our Canadian energy transportation and distribution systems.



At Enbridge, there are no dividing lines between good business practices and being a responsible company — one that is ethical, is a steward of the environment, is safe, engages its stakeholders and is attentive to social needs.

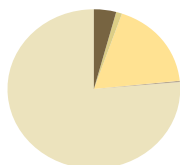
Social responsibility encompasses every area of our business, whether we call it CSR or just “doing our job.”

This philosophy is the foundation of this CSR Report, which documents the different aspects of our environmental, economic and social performance. It is also the driving force behind our company's CSR Advisory Committee, which was formed in 2004. Comprised of senior staff from throughout the organization, the committee plays a critical role in advancing CSR at Enbridge by providing advice to senior management on CSR policies, strategies, planning and performance.

“They are the people who sit on the ‘hot seat’ in terms of helping to lead CSR at Enbridge, being frequently called on to field answers to some of our company's toughest environmental and social questions,” says D’Arcy Levesque, Vice President, Public and Government Affairs, and chair of the 19-person committee. “Their involvement in this committee and their different operational roles are testimony to the seriousness with which Enbridge approaches CSR.”

In 2004, the committee was actively engaged at every stage of the development and review of this report. This report also features interviews with selected members of the CSR Advisory Committee. Look for the “red chair” to find these interviews throughout the report. For a list of all committee members, see page 113.

**BREAKDOWN OF  
GHG EMISSIONS –  
CANADIAN OPERATIONS**  
*(thousand tonnes of  
CO<sub>2</sub> equivalent)*



■ Combustion emissions	61
■ Transportation emissions	13
■ Fugitive emissions	249
■ Vented emissions	4
■ Electricity emissions	1,052

**Combustion emissions** are produced when fossil fuels are burned to heat and power our facilities.

**Transportation emissions** result from the burning of fossil fuels for transportation. **Fugitive emissions** are unintended leaks from facilities, including natural gas losses from our Enbridge Gas Distribution system and losses from our oil storage tanks. **Vented emissions** are engineered leaks that occur for operational reasons. **Electricity emissions** result indirectly from the generation of electricity by electric utilities for our use; most of this electricity is used to pump liquid hydrocarbons on our Liquids Pipelines system.

ring the year, we lowered direct GHG emissions from our Canadian operations to 14% below 1990, after adjustments for acquisitions and divestitures. This is in line with our 2005 corporate goal of 15% below this performance level.

We also continued to improve our emission intensity (our GHG emissions per unit of product transported). Last year, emission intensity from our Canadian operations was 2% higher than 2003 levels but 23% lower than our performance in 1990. We are committed to further improving our emission intensity as part of a long-term sustainable approach to energy delivery. Our new corporate target is to reduce our direct GHG emissions by 20% below 1990 levels by 2010.

## OUR ACTION PLAN AND PERFORMANCE

In Canada and the United States, our Enbridge business units undertake varying initiatives to address GHG emissions, depending on legislative and regulatory requirements. In each case, our approach has involved the development of a carbon management strategy to help Enbridge to manage the risks from GHG emissions and take advantage of the opportunities.

### ■ *Improving energy efficiency of our liquids pipelines*

Pipelines use significant energy to transport oil over long distances. As a result, one of the major opportunities for managing GHG emissions in our liquids pipelines is to improve energy efficiencies. Improvements in our Liquids Pipelines system, including pumping efficiencies, saved 1,174 gigawatt hours of electricity in 2004, reducing the equivalent of 778 tonnes of CO<sub>2</sub>.

### ■ *Replacing cast iron pipe in our gas distribution system*

Methane, which comprises most of processed natural gas, is a significant GHG. As a result, another important opportunity to minimize GHG emissions from our systems is to limit the release of natural gas into the atmosphere. In our Enbridge Gas Distribution system, the use of polyethylene to replace older cast iron pipe is a key factor in reducing fugitive methane emissions. Since the start of this program, 1,169 kilometres (726 miles) of polyethylene pipe have replaced cast iron mains in Ontario. In 2004, these activities avoided the loss of 5.2 million cubic metres of natural gas, the equivalent of avoiding 74.7 thousand tonnes of CO<sub>2</sub>.



■ *Encouraging the efficient use of natural gas by customers*

We also reduce GHG emissions from our Enbridge Gas distribution business by implementing demand-side management (DSM) programs. These use a combination of tools, including information, audits and financial incentives, to encourage and enable customers to use natural gas more efficiently. Over the past decade, these programs have delivered 1.8 billion cubic metres of natural gas savings. This has resulted in “avoided” CO<sub>2</sub> emissions of about 3.4 million tonnes — the equivalent of removing about 750,000 cars from Ontario’s roads for a year.

■ *Promoting renewable energy*

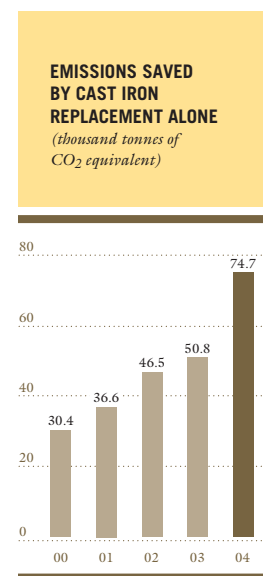
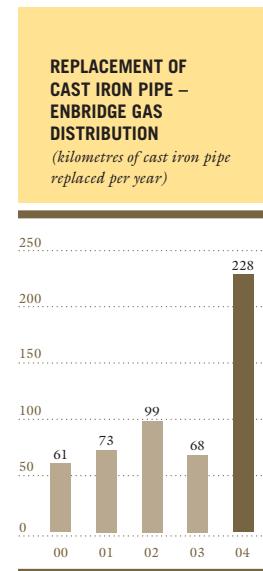
Investing in emissions-free renewable energy is an important part of our contribution to mitigating the causes of climate change. Enbridge, along with our joint venture partners, has invested in 41 MW of wind power in Alberta and Saskatchewan. By displacing fossil fuel generating sources of electricity, these investments avoid 115,000 tonnes of CO<sub>2</sub> equivalent emissions each year.

■ *Fixing gas leaks in gathering pipelines*

Our U.S. Natural Gas Business is taking an active role in the U.S. Environmental Protection Agency’s Natural Gas STAR program, which works to reduce methane emissions by encouraging cost-effective technologies and practices. We have 27 gas processing plants and 12,400 kilometres (7,700 miles) of pipelines participating in the program. In 2004, we undertook several initiatives to reduce the loss of methane from these facilities. The most significant was the use of aerial infrared imaging technology to detect gas leaks from pipe. Combined with other actions, such as equipment upgrades and emissions monitoring, we avoided the loss of 844 million cubic feet of methane or 361,000 tonnes of CO<sub>2</sub> equivalent.

■ *Detecting Leaks With Aerial Infrared Imaging*

Shortly after Enbridge became a Natural Gas STAR partner in late 2003, conversations began with the U.S. Environmental Protection Agency regarding the use of aerial infrared imaging to identify pipeline methane leaks. Through the STAR program Brady Rodson, EHWS Specialist for our U.S. Natural Gas Business, learned about the project and then partnered with a contract company to test the technology on our natural gas system. The pilot project carried out four surveys,



Q:

What are the risks to Enbridge from climate change? And how is the company managing these risks as part of its business strategies?

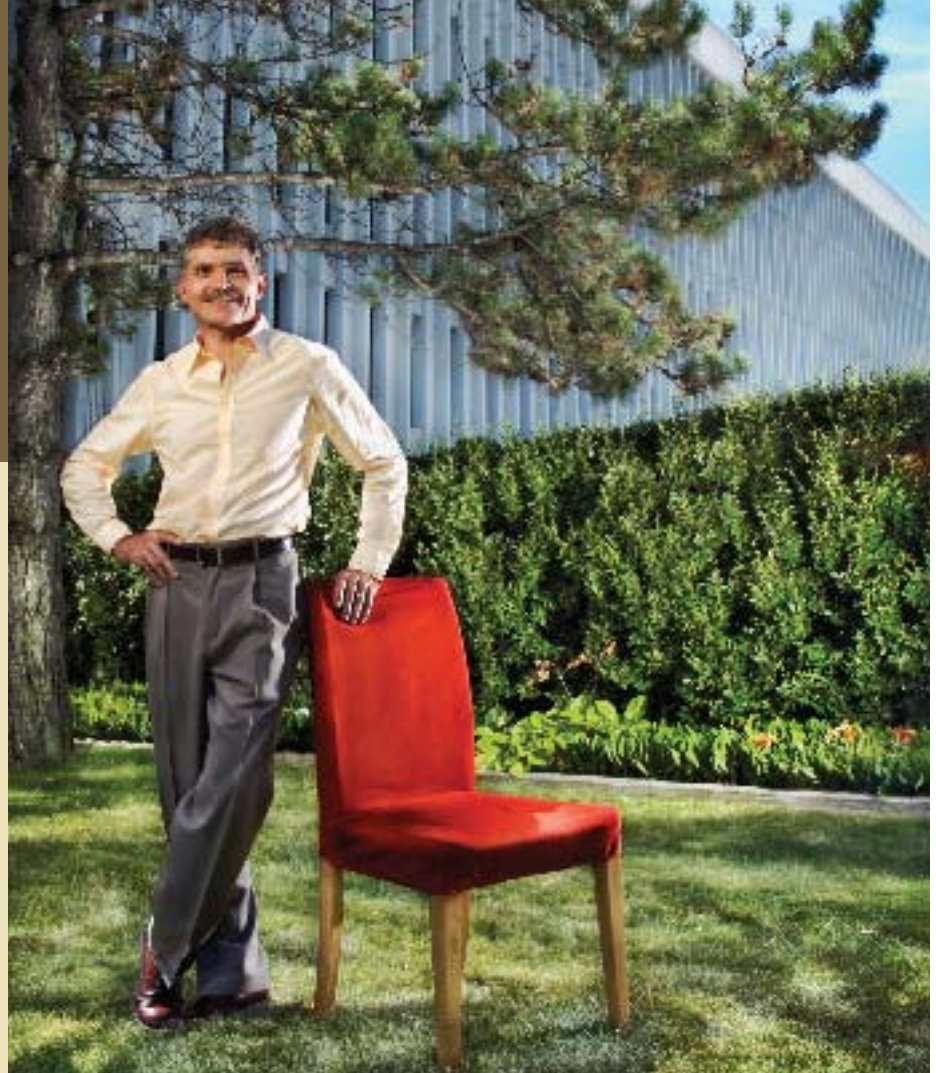
A:

Nearly 90 per cent of Enbridge Inc.'s direct GHG emissions (from our Canadian business units)

come from our Enbridge Gas Distribution system in Ontario, with most being fugitive emissions (unintended leaks) of methane from our distribution system. About half of these fugitive emissions come from our pipeline system in Southern Ontario.

We've managed our business exposure to these fugitive emissions through negotiations with the Canadian government. Working with the Canadian Gas Association, we've obtained written assurances from Natural Resources Canada that fugitive emissions will be excluded as covered emissions under the Large Final Emitter sector (large companies contributing GHG emissions over 100,000 tonnes each year). This agreement was reached primarily because of the complexity of measuring and reporting fugitive emissions.

Still, we plan to take aggressive action in our Enbridge Gas Distribution system to manage these fugitive emissions by replacing our remaining cast iron assets with plastic and steel mains by no later than 2008, subject to regulatory approval. This will cut our fugitive emissions from pipeline leaks by 15%. And as technology improves, we will further reduce fugitive emissions in other areas of the system. Taking this action



CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER TORONTO, ONTARIO, CANADA  
**CHRIS GATES** *Manager, Sustainable Energy, Enbridge Gas Distribution*

will be good for the environment and will avoid the loss of valuable product.

And this is not all we're doing to control our GHG emissions. Enbridge is also investing in wind power in Saskatchewan and Alberta. Our two wind farms produce 41 MW of renewable energy, in effect offsetting about 115,000 tonnes of CO<sub>2</sub> emissions each year. The Sustainable Energy Group here in Toronto is working with our Calgary counterparts to assess the mechanics, costs and benefits associated with registering these offsets as Certified Emission Reductions (CERs). And we're exploring emerging alternative energy technologies that use natural gas, with a focus on stationary fuel cells.

Wherever possible, we're improving our operational performance in ways that support our business and climate change goals. We're improving the way we track and report GHG emissions. We're also exploring how market-based solutions, such as emission trading systems, might be applied to our business — for example, to recognize the GHG benefits of our demand-side management programs in Ontario.

In taking these actions, we're being driven by both our CSR commitments and business interests. Increasingly our company views GHG emissions not just as a potential risk but also as a potential business opportunity.

covering more than 960 kilometres (600 miles) of pipeline in our non-regulated gas gathering and processing system in Texas. These efforts resulted in a total of 53 leaks discovered and repaired.

While a helicopter observation team was in the air carrying out the survey, Enbridge's maintenance staff were waiting on the ground for leak notification from the helicopter team. Once a leak was detected, employees traveled to the site of the leak, estimated the volume of gas being emitted, and carried out repairs immediately. In addition to the environmental benefit of lower emissions of methane, a primary GHG, our Natural Gas STAR activities resulted in reduced loss of product and financial savings.

"Aerial infrared imaging proved to be extremely valuable for Enbridge, both in terms of our Gas STAR success and the cost savings generated from fixing the leaks," says Dodson.

#### **MEASURING AND REPORTING EMISSIONS**

We have been publicly reporting GHG emissions from our Canadian operations since 1994 and use internationally recognized reporting protocols developed by the World Resources Institute and the World Business Council for Sustainable Development.

In 2004, we undertook a detailed review of our methods for collecting data and calculating GHG emissions, focusing on Enbridge Gas Distribution, our largest source of direct emissions in Canada. Our goal was to develop an emission reporting system that is specific to our business needs and more accurately identifies our climate change risks and opportunities. This review was completed in early 2005.

Starting in 2005, the Canadian government will mandate large final emitters (large companies contributing GHG emissions over 100,000 tonnes each year) to report their direct GHG emissions each year. To prepare for these regulations, Enbridge Gas Distribution and the Canadian Gas Association worked closely with the government's Large Final Emitters Office to better understand direct GHG emissions from large final emitters in the gas distribution business. Based on this work, Enbridge and the other CGA companies are now recognized by the Canadian government as a source of very credible GHG emission data.

## CONTRIBUTING TO CLIMATE CHANGE POLICY

Under the Kyoto Protocol, Canada has pledged to cut its GHG emissions by 6% from 1990 levels by 2010. As the timeline for meeting Canada's Kyoto commitments moves closer, Enbridge remains actively involved in discussions with federal and provincial governments, and committed to providing constructive input and balanced approaches as they develop major climate change policies.

Throughout 2004, Enbridge, together with other companies and industry associations, worked closely with the federal government to develop a GHG regime for large final emitters under the auspices of Natural Resources Canada. Through the Canadian Energy Pipeline Association and the Canadian Gas Association, our company contributed to government understanding of our business and our GHG impacts. Our collaboration, through these associations, was successful in reaching an agreement to remove fugitive methane emissions as a covered emission for large final emitters. But, we take our fugitive emissions seriously and plan to replace our remaining cast iron gas mains by no later than 2008, subject to regulatory approval.

In early 2005, with the coming into force of the Protocol, the Canadian government is renewing efforts to develop a plan to address Canada's GHG reduction targets. As this new framework evolves, Enbridge hopes to preserve GHG agreements that have already been reached by industry associations. Currently, however, it remains unclear how much and through what regulatory mechanisms industry will be expected to reduce GHG emissions.

Despite this uncertainty, our Canadian operations remain focused on exceeding our target for direct GHG emission reductions, as part of our contribution to helping Canada reach its Kyoto commitments. We also expect to virtually eliminate fugitive emissions from cast iron mains in our Enbridge Gas Distribution system before the first Kyoto commitment period by replacing these with plastic pipe.

In the United States, our company actively monitors and provides input to policy development, regulatory processes and legislative actions, which are driven by clean air standards, including lowering GHG emissions. There are a number of air quality mandates that are proceeding at federal and state levels. These affect different industrial facilities, including gas processing plants and compressor stations. We are collaborating with industry and regulatory authorities to develop enhanced approaches to regulatory requirements.

## AIR QUALITY AND ENBRIDGE

### OUR 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.

We work to keep emissions to the air from our operations below regulated limits. In some cases, we have introduced environmentally friendly technologies in our plants that reduce air contaminant emissions. In large urban centres, such as the Greater Toronto Area, we also take an active role in promoting cleaner fuels and vehicles.

### OUR PERFORMANCE

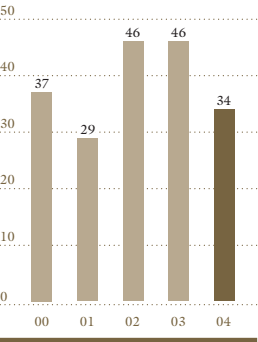
#### ■ *Reporting criteria air contaminants*

Criteria air contaminants are a group of common air pollutants released from sources, including incineration, industrial production, fuel combustion and transportation vehicles. We have established programs setting our roles, responsibilities and timelines for reporting our criteria air contaminant emissions to various government agencies in Canada and the United States.

In Canada, Enbridge Gas Distribution and Liquids Pipelines track and report annual criteria air contaminant emissions, under the National Pollutant Release Inventory and Ontario Regulation 127. The air contaminants covered under the regulations include NO<sub>x</sub>, SO<sub>2</sub>, VOCs, carbon monoxide and particulate matter.

In the United States, we track and report criteria air contaminant pollutants from our liquids pipeline terminals and our natural gas system to state regulators. Under U.S. regulations, these emissions cover NO<sub>x</sub>, SO<sub>2</sub>, particulate matter, ozone, lead and carbon monoxide. In 2004, our U.S. Natural Gas Business focused its efforts on better understanding emissions from major sources (facilities that emit more than 100 tonnes each year). These consist of 60 different facilities, including gas processing and treating plants and compressor stations.

**NA URAL GAS  
CONSUMPTION B FLEE  
VEHICLES ENBRIDGE  
GAS DISTRIBUTION  
(% of gasoline-equivalent fuel)**



Throughout our Enbridge Gas Distribution franchise areas in Ontario, we encourage our vehicle operators to use natural gas, wherever possible.

■ *Managing emissions from gas plants*

Our U.S. Natural Gas Business operates 21 gas processing plants, seven gas treating plants and six processing and treating plants in Mississippi and Texas, which provide a daily capacity of more than 22 billion cubic feet of natural gas. These facilities release various air emissions, including SO<sub>2</sub> and NO<sub>x</sub>.

We continually look for opportunities to upgrade our gas facilities and pipelines in ways that contribute to operating, environmental and safety goals. In 2004, we invested \$6 million US in a new acid gas injection plant in Wayne County, Mississippi. Acid-gas injection uses advanced technology to compress acid gas, primarily hydrogen sulphide and carbon dioxide, and injects the gases into suitable underground reservoirs, thereby avoiding emissions to the atmosphere. The new plant replaces an older gas treating plant and is expected to cut emissions of sulphur oxides by about 130 tonnes each year, compared with previous plant levels.

■ *Promoting markets for cleaner vehicles*

For several years, Enbridge Gas Distribution has promoted the development of natural gas vehicles (NGVs) for customers in our Ontario franchise area and across Canada. NGVs offer an attractive solution to the impacts of vehicle emissions on urban air quality, on average producing 40% to 60% fewer smog-forming emissions than do traditional gasoline- and diesel-fueled vehicles.

Early in 2004, the Canadian government provided \$1.4 million, out of the \$9.9 million NGV climate change measure announced in the 2003 federal budget, to support the purchase of factory-made NGVs, only to have major automakers withdraw their NGVs from the Canadian market.

In response, Enbridge Gas Distribution and our industry partners in the Canadian Natural Gas Vehicle Alliance developed a made-in-Canada certification process, using advanced technology that will allow vehicles to be modified to operate on natural gas with essentially the same fuel systems supplied by auto manufacturers. Enbridge is sponsoring the emissions testing of several modified vehicles at Environment Canada laboratories in Ottawa. These tests will help to validate the environmental and operational benefits of using the modifier technology in commercial vehicle fleets. Because this is a new process, the federal government has agreed to fund it as a pilot project with the intention to continue based on success in the marketplace.

■ *Encouraging alternate transportation options for employees*

In 2004, Enbridge Gas Distribution became a member of the Carpool.ca program, promoting this free ride-matching service among our Toronto area employees. The company also continued to be an active partner in Pollution Probe's S-M-A-R-T (Save Money and the Air by Reducing Trips) Movement. Through this workplace-based trip reduction program, we educated employees on alternate modes of transportation such as public transit, carpooling and teleworking.

We view public transit as part of the solution to urban air quality issues. To facilitate this option among more employees in the Greater Toronto Area, Jim Schultz, Enbridge Gas Distribution's president, joined with other companies and Pollution Probe in signing a letter to the Canadian government, urging legislative changes to make employer-provided transit passes tax-exempt.

■ *Natural gas fuel benefits northern air quality*

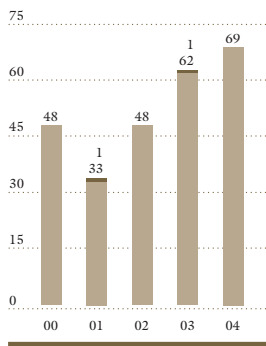
In northern communities such as Inuvik, Northwest Territories, natural gas provides an environmentally attractive alternative to diesel and heating fuel, decreasing local air emissions and avoiding oil transportation emissions.

In 2004, natural gas consumed by the Inuvik Gas Project, including gas delivered to the Northwest Territories Power Corporation, displaced about 15.4 million litres of diesel oil, the equivalent of 385 tractor-trailer loads. By providing a cleaner burning energy source, the project also benefited the environment by avoiding the emission of more than 12,000 tonnes of CO<sub>2</sub>.

## **OZONE-DEPLETING SUBSTANCES**

We have eliminated ozone-depleting substances from most of our operations. We do, however, continue to use CFC-containing refrigerants in some facilities. In 2004, we completed an inventory of ozone-depleting substances in our Liquids Pipelines facilities in Canada and are developing a management plan for these substances. The plan will be completed in 2005.

**REPORTABLE SPILLS**  
(number)



■ Gas  
■ Liquids

In 2004, Enbridge reported 69 liquid spills and gas releases.

**SPILLS AND RELEASES**

Our goal is to prevent all spills and leaks from our energy transportation and distribution systems. With this in mind, we carry out spill prevention and detection preventive maintenance programs as part of comprehensive integrity management of our pipelines and facilities. Our communication programs also keep property owners and neighbours along our rights-of-way informed about our system and enlist their help in the prevention, detection and safe response to pipeline spills.

**OUR IMPACTS AND PERFORMANCE**

Despite our best efforts to prevent spills, incidents occur. In 2004, Enbridge recorded 69 reportable liquid spills, totalling 516 cubic metres (3,252 barrels), from our transmission pipelines in Canada and the United States.

In each case, we carried out prompt emergency response procedures to immediately shut down the system, contain the spills and manage potential impacts to the environment and public safety. We also worked closely with landowners, regulatory agencies and other concerned parties to develop remediation and monitoring plans, promptly collecting most of the product and verifying that residual contaminants are appropriately managed. Note that in 2002, the threshold for reportable liquids pipeline incidents in the United States was lowered significantly.

**SIGNIFICANT REPORTABLE SPILLS**

**Fort McMurray, Alberta  
(February 22, 2004)**

About 1,635 barrels of crude oil were released when a valve failed on the Athabasca pipeline system. The spill was contained to a nearby right-of-way, and about 735 barrels of free product and contaminated debris were recovered, removed and

managed at an appropriate facility. Enbridge is working with regulators to develop a mutually agreeable remediation plan for the site.

**Grand Rapids, Michigan  
(February 19, 2004)**

During a maintenance dig on the Lakehead System, crews discovered a slow leak of crude oil, which resulted from a dent caused by the pipe resting on a rock. A thorough investigation of the site was carried out, through soil excavations and groundwater monitoring wells. These activities revealed contaminated

soil and groundwater and the loss of about 1,000 barrels of product. In consultation with nearby landowners and state regulators, we are developing a remediation plan for the site.

**Parker County, Texas  
(March 29, 2004)**

About 11 barrels of condensate were released into a cattle stock pond from our North Texas natural gas system after a seam failure caused a pipeline leak. Most of the product was recovered, and all contaminated soil and water were safely removed and disposed of.



## **MONITORING AND REMEDIATING PAST ACTIONS**

Throughout our Canadian and U.S. liquids and gas pipeline systems, we conduct programs to assess historic sites, and take corrective action, as needed. Some of these sites have been in existence for more than 50 years and, in many instances, the contamination has resulted from a practice that was acceptable in the past, but that is now considered environmentally hazardous. We focus our activities on facility sites where, based on our risk assessments, there may be potential impacts from past practices.

### **OUR PERFORMANCE**

Some examples include:

- We reviewed 36 historic leak sites on our Liquids Pipelines system in Canada and the United States. In some cases, further testing or remedial actions were carried out to address residual contamination. We closed five sites last year to the satisfaction of the regulatory agencies.
- We inspected 34 stations and terminals on our Liquids Pipelines system in Canada and the United States for historic contamination. This involved a review of past history and surrounding land use as well as groundwater monitoring and testing. No significant issues were identified. No issues requiring immediate action were identified.
- Our Springtown plant in Springtown, Texas treats and processes gas as part of our U.S. Natural Gas Business. Past operations at the plant, before Enbridge ownership, released hydrocarbons, which have been detected in local groundwater. In 2004, to fully determine the impacts of this contamination on the local environment, we added groundwater monitoring wells at the site. We are working closely with state regulators to evaluate this issue.

Q:

What is Enbridge doing to provide long-term and viable environmental solutions?

A:

With over 50 years of operating history in our liquids pipelines business, we have well-defined processes for

identifying and managing environmental issues, and we are constantly refining these practices.

A key example is the operational risk model we're implementing in our Canadian liquids pipelines operations to identify and incorporate a variety of risks into our decision-making models. This system is based on a highly successful system that we use in the United States to identify risks and map "high consequence" areas along our liquids pipelines.

Using the operational risk model enables us to identify areas along our pipelines, such as highly populated regions and unusually sensitive environmental habitats, where our operations could potentially cause adverse environmental impacts. We're using the system to ask rigorous questions about different sites along our liquids pipelines system: What are the design characteristics of the pipe at the site? Is the site close to an environmentally sensitive wildlife habitat? Are there species at risk in the area? Are there water crossings that could be affected? And so on.



CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER EDMONTON, ALBERTA, CANADA  
**CYNTHIA HANSEN** *Manager, Safety and Environment, Enbridge Liquids Pipelines*

We're continually adding to our database of information and putting this data to practical use. Our EH&S professionals, for example, use the information to pre-screen different sites along our pipelines before we carry out maintenance digs. The system will tell our staff about known environmental features so we can avoid or mitigate potential environmental impacts. These

actions may involve creating setback distances from sensitive habitats or modifying the timing of our activities to avoid disruptions to birds during nesting periods. In these and other ways, we're applying the operational risk model to ensure environmental issues are always front and centre in our project planning.

## BIODIVERSITY

We view biodiversity conservation as an important part of responsible environmental management, and incorporate ways to conserve wildlife habitat into our project planning and maintenance activities.

For example, we carry out detailed environmental impact assessments for new pipeline projects to comply with regulations and meet our own standards. These assess potential impacts on biodiversity to determine if our activities may have significant impacts on wildlife habitat and ecosystems. We also evaluate significant water body crossings on a case-by-case basis to minimize impacts to rivers and streams.

## OUR PERFORMANCE

### ■ *Carrying out environmental screenings for pipeline integrity “digs”*

One of our common impacts on land occurs through our ongoing program of maintenance “digs,” which involve excavating sections of pipeline to inspect and repair pipe to maintain high levels of system integrity. Before beginning work, we complete screening tests to identify environmental issues and measures needed to minimize our impacts to land, vegetation and wildlife. In 2004, we completed 780 digs along our Liquids Pipelines system in Canada and the United States.

### ■ *Mapping pipelines for species at risk*

In Canada, some of our liquids pipelines are regulated under the Species at Risk Act, which provides legal protection of wildlife species and the conservation of biological diversity. In 2004, we mapped the Canadian mainline system, using digital mapping technology, to identify areas along parts of our right-of-way where there may be species at risk. We consolidated this information into a database tool that enables safety and environment staff to identify sensitive wildlife habitat at specific locations before our company undertakes smaller projects or pipeline maintenance digs.

### ■ *Purchasing wetlands credits*

In the United States, we conducted environmental assessments before constructing a 172-kilometre (107-mile) expansion to our East and Northeast Texas natural gas systems. Although no endangered species were identified, our studies showed our construction activities would result in the loss of some wetland areas. To offset this damage, we purchased wetlands credits from several conservation agencies regulated by the U.S. Army Corp of Engineers. Our investments will be used to preserve 130 hectares (330 acres) of wetlands in Texas.



## **NORMAN WELLS PIPELINE RECOGNIZED FOR EH&S EXCELLENCE**

**The Norman Wells pipeline is North America's first totally underground pipeline to be built in discontinuous permafrost.**

Owned and operated by Enbridge, the 870-kilometre (540-mile) crude oil pipeline links the oilfields of Norman Wells, Northwest Territories to the Rainbow Pipeline system at Zama, Alberta and is designed to carry up to 4,800 cubic metres (30,000 barrels) each day. The route includes no less than 140 water crossings, two major rivers (the Great Bear and Mackenzie) and 150 significant slopes. Among the challenges of design and construction were problems related to unstable soils and the threat that settlement of the terrain could affect the integrity of the pipeline. To ensure pipe movement remains within the design limit, Enbridge has developed a rigorous monitoring and surveillance program that has become the benchmark for researchers, regulatory agencies and the northern pipeline industry.

In 2004, the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut awarded its Professional Award of Merit for Engineering to Enbridge for our Norman Wells pipeline system. The award recognizes the complexity of the project and its excellent record of EH&S performance.

"The award speaks not only to Enbridge's expertise in the design and construction of northern pipelines, but also to its ongoing record of safe and environmentally responsible operation," says Ann Marie Tout, Manager, Northern Region, Enbridge Pipelines (NW).

## **WATER**

Our main direct impact to water resources is surface runoff from our facilities. We have policies and procedures to manage water runoff at major facilities and during pipeline construction.

We occasionally acquire and discharge water to hydrostatically test the integrity of new or existing pipelines. Since existing pipeline sections have transported liquid petroleum or natural gas, we analyze and treat test water, as needed, before returning it to the environment.

We also carry out an active program to monitor our potential impacts on groundwater from existing facilities in some of our business units in Canada and the United States. In 2004, Liquids Pipelines added nine new locations to its groundwater detection monitoring program. One of these was at our Regina terminal, located over a sensitive drinking water aquifer. During the year, we worked closely with city engineers to install groundwater monitoring wells at the site. In 2005, the groundwater quality beneath the terminal facilities will be assessed.

## **WASTE**

### **OUR IMPACTS**

Our operations produce mostly non-hazardous wastes, consisting of paper, scrap metals, package materials and construction-related materials, and typically generate limited amounts of hazardous wastes.

In 2004, Enbridge Gas Distribution generated about 998 tonnes of non-hazardous waste. Of this total, 469 tonnes, or 47% of the total weight, were diverted from landfill.

Our hazardous materials include oily water, paint solvents and antifreeze, as well as odorant, which is added to natural gas in small quantities

*By restoring an area of the Don River around a major pipeline, Enbridge Gas Distribution helped to protect the environmental integrity of the Toronto river, which runs through one of Canada's most urbanized river watersheds.*



for public safety. We work to reduce these volumes through measurement and management programs at our various facilities.

Enbridge Gas Distribution reports liquid and solid hazardous waste materials to the Ontario Hazardous Waste Information Network. For the fiscal year ended October 2004, we reported 230,000 litres of liquid hazardous waste and nearly 2,300 kilograms of solid hazardous waste, up 17% and 4% respectively over 2003 levels. The increase in the amount of hazardous waste was largely due to in-line inspection activities from Enbridge Gas Distribution's new pipeline integrity program and the pumping of water from underground gate station equipment.

#### **OUR PERFORMANCE**

##### ■ *Reusing and recycling by-products*

We minimize the amount of waste from our operations, wherever possible, by reducing the amount of waste we generate or by finding beneficial reuse of waste by-products. For example, in Liquids Pipelines, we clean storage tanks with petroleum-based diluents, such as diesel fuel, that can be pumped and re-injected as product into our pipeline system. In Enbridge Gas Distribution, we collect scrap polyethylene pipe, which is converted off-site into plastic construction board.

##### ■ *Improving the way we track and report wastes*

One of our priorities is to promote consistent waste management practices across our businesses. The development of waste management tracking and training programs helps our employees achieve better waste recovery and meet regulations.

Enbridge Gas Distribution uses an online tracking program to report waste materials to

### **TORONTO RIVERBANK RESTORED**

**The Don River in Toronto runs through one of Canada's most urbanized river watersheds, and protecting its environmental integrity is a constant challenge.**

In 2004, Enbridge Gas Distribution had to restore an area of pipeline bordering the river. A 10-metre (33-foot) segment of the pipeline had become exposed due to years of erosion on the riverbank. Under regulations, the company must maintain a cover of half a metre over distribution pipelines, so remedial work was required. But Enbridge Gas Distribution went further than simply covering the exposed area of pipe, deciding instead to restore a 50-metre (165-foot) segment of the Don riverbank.

"This section of riverbank is near a busy pathway used by pedestrians and cyclists. If the pipe wasn't protected, the path would have had to move," says Reinhard Langos, Manager of Environment Health and Safety at Enbridge Gas Distribution. "We do our utmost to maintain the integrity of the environment in which we operate."

Enbridge Gas Distribution carried out a comprehensive planning and approval process for the remedial work. Key elements of the three-year project, finished in 2004, included installing a temporary dam, excavating part of the riverbank, installing an erosion blanket and planting shrubs. Langos says the project has resulted in ensuring the riverbank's long-term stability, aesthetic appeal and natural regeneration capacity.



Under new Ontario legislation, companies which distribute mailing materials to their customers must pay a fee, based on the amount of recyclable materials sent to consumers. The proceeds are used to help fund the province's popular blue box waste recycling program. Our latest figures, for 2002, show that Enbridge Gas Distribution sent a total of 400,000 kilograms of recyclable (paper) materials to natural gas customers in its franchise area.

the Ontario Hazardous Waste Information Network. Information from this system is shared with EH&S professionals, facilities services managers and gate station engineers to enhance tracking and reporting of waste materials, and identify opportunities for improvement. Liquids Pipelines has also developed a new waste management training program for operations employees. In 2004, three operating regions in Canada began the comprehensive training, which covers regulations, reporting of wastes and different techniques for waste disposal and treatment.

In the United States, Liquids Pipelines developed an online database tool designed to assist field staff to better understand their roles and responsibilities in tracking and reporting wastes. This tool will be rolled out to employees in 2005.

## ENERGY USE

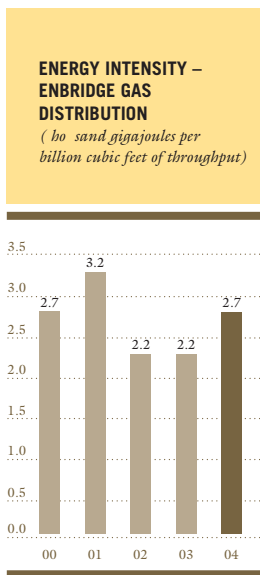
### OUR IMPACTS

Our liquids pipeline transportation systems in Canada and the United States primarily use electrical pumps, while our natural gas gathering and transmission systems mainly use natural gas as fuel. Our Enbridge Gas Distribution system in Ontario is powered by electricity and natural gas. Diesel fuel and natural gas are used to drive pumps in remote locations along the Enbridge Norman Wells (NW) system in the Northwest Territories.

### OUR PERFORMANCE

#### ■ Increased use of electricity in Liquids Pipelines

In 2004, electricity use on the Liquids Pipelines system was 2,970 gigawatt hours (10,692 thousand gigajoules), enough power to supply 262,000 homes. Energy use on the system was 17% higher than 2003 levels because of increased throughput on the system.



Energy intensity is a measure of environmental efficiency, defined as the amount of energy used per unit of throughput on energy delivery systems.

■ *Optimizing natural flow rates for pipelines*

We continually review natural flow rates for our liquids pipelines, as products on our pipelines and power contracts change. The rates are designed to optimize pipeline operating pressures to match equipment and the types of crude oil transported. In 2004, with completion of phase III of the Terrace Expansion Project from Edmonton to Superior, Wisconsin, we redesigned natural flow rates so as to pump more heavy oil in response to shippers' needs. We also applied natural flow rates to the Norman Wells pipeline system. By applying these rates to the pipeline, we expect to lower the high costs of fuel and reduce maintenance.

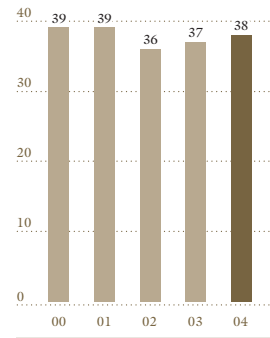
■ *Adding renewable energy to our energy mix*

We are diversifying fuel use in our Liquids Pipelines systems to include renewable energy. In 2004, we signed a 20-year agreement to purchase one-third of the power output of the 30 MW Magrath wind power project. This will be enough to supply 13% of Enbridge's total Alberta pipeline electricity requirements.

■ *Managing energy use in Enbridge Gas Distribution*

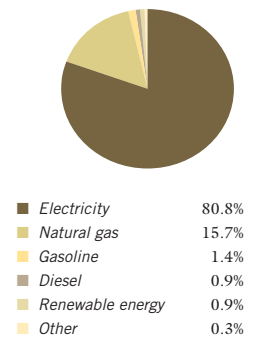
In Enbridge Gas Distribution, we carry out a comprehensive energy management program to minimize electricity use. We build energy efficiency into our various facilities by improving lighting, heating, information technology, and ventilation and cooling systems. At Enbridge Gas Distribution's Toronto headquarters, these efforts have continually lowered our energy consumption despite intensifying our use of building space. In 2004, we replaced overhead lighting, added energy efficient computer equipment and completed other projects that delivered over 500 kilowatt hours in energy savings. As compared with 1990, these and other efforts to date have reduced the building's energy consumption by 40% and saved \$400,000 in 2004 annual electricity costs.

**ENERGY INTENSITY – LIQUIDS PIPELINES**  
(in thousand gigajoules per million cubic metres of throughput)

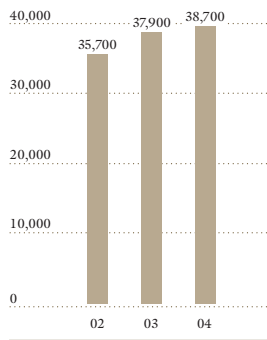


As throughput begins to increase on the Liquids Pipelines system and recent pipeline expansions reach their capacity, it is expected that the system's energy intensities will return to near historical levels.

**TOTAL ENERGY MIX – CANADIAN OPERATIONS**  
(by type)



**IND POWER  
PRODUCTION FROM  
SUNBRIDGE PROJECT**  
*(megawatt hours)*



## SUSTAINABLE ENERGY COMMITMENTS

Enbridge’s strategy of pursuing alternative and renewable energy technologies expands our product line, and further positions our company to become a significant player in new areas of the energy industry. It is also consistent with our commitment to sound environmental stewardship.

### WIND POWER

Wind-generated electricity is the fastest growing sector of electricity generation in North America, with growth rates of more than 20% expected over the next decade. Substantial technological advances and government incentives have enabled wind power projects to become economically attractive investments.

Over the long term, we are committed to accelerating Enbridge’s wind power investments to further our company’s CSR strategy and capitalize on opportunities for economically attractive growth in the wind power sector. In pursuing emerging wind power opportunities in Canada and the United States, our strategy is to:

- focus on project opportunities near existing Enbridge infrastructure
- partner with industry peers to broaden our risk exposure
- arrange power purchase agreements within our company to backstop our investments
- pursue long-term power purchase agreements with third party entities

#### ■ *Investing in the Magrath wind power project*

In April 2004, our company joined Suncor Energy and EHN Wind Power Canada as an equal partner in the Magrath wind power project, located southwest of Lethbridge, Alberta. With an installed capacity of 30 MW, enough to meet the annual demands of about 13,000 homes, the 20 turbines use advanced wind power technology to combine high electrical output, low noise levels and a small footprint on the land.

The project cost \$48 million, of which Enbridge’s share was \$16 million. We have also contracted under a 20-year agreement to purchase one-third of the project’s output to supply power to our Alberta pipeline system. A long-term contract of this type reduces risk for the wind project and provides our pipelines with a source of electricity at a stable price.

Together with Suncor Energy, we also own and operate the 11.2 MW SunBridge wind power project near Gull Lake, Saskatchewan.



As of April 2005, Enbridge's investments, along with those of our joint venture partners, represented about 7% of Canada's installed wind power capacity.

#### ■ *Preparing for growth opportunities*

We are exploring other wind power opportunities in Canada and the United States.

In 2004, we purchased wind data, wind monitoring equipment and 8,000 hectares (20,000 acres) of wind resource properties in south-central Manitoba from Shell Canada. We also signed a memorandum of understanding with a Manitoba-based developer to jointly develop wind power resources in the province. These achievements position Enbridge for what we expect to be substantial wind growth opportunities in that province.

Building on our successful experience at Magrath, we are investigating similar wind power opportunities along our Liquids Pipelines system in the upper U.S. Midwest, where we hope to invest in nearby wind energy facilities.

#### ■ *Contributing to wildlife studies*

We contribute to scientific studies that increase industry understanding of the impacts of wind power projects on the environment. In 2004, we collaborated with wind power developers and Natural Resources Canada to study the impact of wind power structures on bird and bat migration patterns. Using an automated radar acoustic system, we collected information about the presence and numbers of bat and bird species, and their flight paths, at existing and prospective wind power sites in Alberta. Results of the study were largely favourable, showing a noticeable avoidance of wind power site structures by bird and bat species.

### **FUEL CELLS**

As a complement to our existing and planned renewable energy investments, we are focusing on emerging energy technologies that use natural gas. One of the most important near-term opportunities is the large stationary high temperature fuel cell, which offers numerous benefits:

- It is a proven technology with installations around the world.
- It provides best-in-class efficiencies, generating more electricity per unit of fuel consumed, compared with conventional sources.

- It delivers clean, quiet generation with fewer GHG emissions and near-zero smog emissions.
- With Canada's extensive natural gas infrastructure, large stationary fuel cells can be installed, where they are needed most, to reinforce electricity networks.

■ *Exploring stationary fuel cell technologies*

Last year, we continued to explore opportunities for large stationary fuel cell technologies through our partnership with U.S.-based FuelCell Energy. In partnership with FuelCell Energy, we have invested \$25 million in two fuel cell designs aimed at electric power generation. One is for large commercial applications, and one is for smaller residential units that would supply electricity and heat to homes and apartment buildings. Enbridge is now a Canadian distributor of industrial-sized molten carbonate fuel cells made by FuelCell Energy.

Besides our involvement as an investor, we also see an important role for Enbridge in building awareness and government support for new fuel cell products in ways that contribute to energy conservation and drive more efficient technologies. In Enbridge Gas Distribution, we are building support for the advancement of a fuel cell demonstration project as part of utility infrastructure in Ontario. We are also an active member of Fuel Cells Canada, a non-profit industry association that promotes the environmental benefits of fuel cells and hydrogen technologies throughout Canada.

**Fuel Cell Basics**

*Large stationary fuel cells can operate directly on natural gas, converting the natural gas to hydrogen internally and converting hydrogen and oxygen efficiently into electricity. With a continuous supply of natural gas, fuel cells are like everlasting batteries.*



## DISTRIBUTED ENERGY

Distributed energy sources are small-scale power generation technologies — generators fuelled by natural gas or diesel, or alternative and renewable technologies such as wind, fuel cells and solar photovoltaic cells — located close to customers' homes or businesses. They are an important emerging energy option that can provide customers with reliable, local energy supplies while lowering overall emissions of air pollutants.

### ■ *Supporting energy diversification in Ontario*

In Ontario, gas-fired generation is expected to become more important as older coal-fired generation facilities are replaced with alternative energy technologies. In early 2004, the provincial government issued requests for proposals to add 2,500 MW of clean energy supply to meet consumer demand. Most of this new capacity is expected to be supplied by natural gas plants. Enbridge Gas Distribution is working closely with project proponents to supply information and identify suitable sites along our natural gas mains for gas-fired generation units.

### ■ *Testing bi-fuel technology*

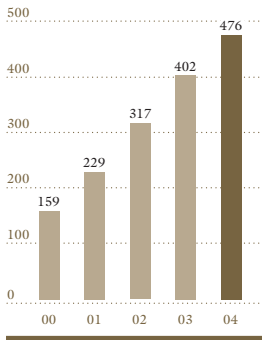
We are also working with other organizations to remove barriers to the use of existing smaller distributed generation technologies. Currently, many emergency generators in Ontario operate only on diesel fuel. In 2004 and early 2005, Enbridge Gas Distribution, in cooperation with Ontario Power Generation (OPG), participated in field tests for bi-fuel technology, which allows industrial diesel generators to run on a combination of diesel and natural gas, thereby allowing for longer run times. Work is continuing to further evaluate associated emission reductions and operational flexibility.

## DEMAND-SIDE MANAGEMENT

At Enbridge, we are committed to helping our customers use energy wisely. Enbridge Gas Distribution's more than 30 demand-side management (DSM) programs encourage customers to adopt energy-saving equipment and reduce consumption of natural gas. We do this in different ways:

- We conduct energy audits of commercial and industrial customers' operations to identify opportunities to improve energy efficiency.

**GHG SAVINGS THROUGH DEMAND-SIDE MANAGEMENT PROGRAMS**  
(million cubic metres)



- We provide financial rebates and incentives to all types of customers, from homeowners to large industrial customers, to encourage them to adopt energy-saving equipment.
- We work with industry and trade associations in various sectors — such as chemicals, construction, automotives, food and beverage, and pulp and paper — to promote DSM programs and contribute to industry standards.
- We partner with governments, suppliers and equipment manufacturers to invest in new energy efficient technologies that benefit our ratepayers and enhance the competitiveness of our business.

**OUR PERFORMANCE**

■ *Providing energy savings and environmental benefits*

In 2004 alone, our DSM programs saved about 74 million cubic metres of natural gas, enough to supply more than 25,000 homes with natural gas for a year. Over the past decade, our DSM programs have delivered about 1.8 billion cubic metres of natural gas savings (the equivalent of enough gas to supply 620,000 homes each year) and net energy savings to our customers of about \$865 million. Plus, we have prevented CO<sub>2</sub> emissions of about 3.4 million tonnes.

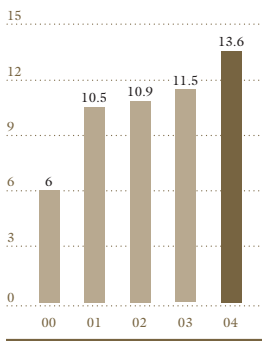
■ *Serving small commercial customers*

Building on this success, we are continually searching ways to enhance the reach and effectiveness of our DSM programs. In 2004, we broadened our DSM services to include small commercial customers (storefront businesses), launching a pilot rebate program for installing energy efficient furnaces and programmable thermostats. Expanding our company's products and services helps customers manage an important operating cost while creating market opportunities for Enbridge products and services.

■ *Contributing to policy on DSM*

As a recognized DSM leader in the natural gas industry, Enbridge Gas Distribution frequently is invited to provide advice on other DSM initiatives. In 2004, we played an active role in the Ontario Energy Board's review of DSM opportunities in the electricity industry. Through this forum, we advocated using local electric distribution companies as the delivery agent for DSM services in the electricity sector. This position was adopted by the government.

**GHG SAVINGS PROGRAMS – NATURAL GAS**  
(millions of dollars)



## ENBRIDGE GAS DISTRIBUTION WINS “UTILITY OF THE YEAR” AWARD FOR ENERGY EFFICIENCY

### PIPELINE AND SYSTEM INTEGRITY

Over the years, pipelines have proved to be the safest, most efficient way to transport petroleum products. Our ongoing monitoring and maintenance programs contribute to that safe operation.

At Enbridge, we endeavor to be a leader in pipeline and system integrity by:

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

By maintaining these obligations, we maintain high standards of operating and EH&S performance and contribute to public confidence in our systems.

### OUR PERFORMANCE

#### ■ *Broadening system integrity in Liquids Pipelines*

Many federal regulations governing our liquids pipelines operations in Canada and the United States focus on integrity issues. In 2004, to bring greater consistency in our cross-border approach to system integrity, Liquids Pipelines combined various groups into a new department of system integrity to oversee pipeline integrity, facility integrity (coffering stations and terminals, and risk management) and compliance. This department will track changing pipeline regulations, advise staff on improvements and promote the sharing of best practices. As one of its first tasks, System Integrity

**Enbridge Gas Distribution's efforts to bring about lasting changes in the consumer market in favor of DSM products were recognized in 2004 when we received the prestigious 2004 Energy Star "Utility of the Year Award" from Natural Resources Canada.**

The awards recognize Canadian Energy Star participants offering the most energy efficient products, technologies or services to consumers. Enbridge Gas Distribution was recognized for its leadership in overcoming market barriers, changing consumer behavior, increasing product availability and ensuring sustainable market demand for high efficiency residential gas furnaces and boilers.

When it comes to high efficiency residential gas furnaces and boilers, the Energy Star logo plays a prominent role in Enbridge Gas Distribution's marketing campaigns and promotional initiatives. Enbridge Gas Distribution works closely with select heating, ventilating and air conditioning (HVAC) contractors across Ontario, encouraging them to choose and install Energy Star products, wherever possible. Bill inserts, advertising campaigns and Enbridge Gas Distribution's website are used to help raise customer awareness.

To make high efficiency equipment more attractive and affordable, Enbridge Gas Distribution partnered with Natural Resources Canada to offer a \$200 rebate on the purchase and installation of an Energy Star qualified gas heating system. The company also joined forces with HVAC manufacturers and dealers to boost this rebate by an additional \$150 for units purchased in the off-season. These efforts have paid off, with the number of participants choosing high efficiency equipment doubling over the period 2002 to 2003.

developed a risk-based model in 2004 to assess spill containment sites across our U.S. and Canadian Liquids Pipelines system. A total of \$2 million was invested in improvements and upgrades at eight terminals and stations in the United States. We also carried out a flange integrity program, excavating and testing about 1,600 underground flange connections across the system.

■ *Inspecting gas distribution pipe in Toronto*

Our Enbridge Gas Distribution system is fully in compliance with Ontario's new pipeline integrity regulations. A plan has been initiated for conducting a baseline inspection of our distribution mains over the next decade. This plan sets out an inspection schedule based on a risk-based list of high stress pipe. In 2004, we began inspecting 35 kilometres (22 miles) of high stress distribution pipe in downtown Toronto, using new alternative inspection tools. One of the challenges of distribution systems is that most distribution pipe was not designed for new in-line inspection tools. We are partnering with a local vendor to modify the alternative inspection tool, which uses magnetic fields to detect weaknesses in the pipe, for use in our distribution system.

**INTEGRITY MANAGEMENT IN THE U.S.**

■ *Direct assessment methodology approved in U.S.*

Our U.S. Natural Gas Business validated and obtained government approval for our "direct assessment" pipeline safety inspection methodology (used when hydrostatic testing or internal inspections are not practical on segments of the pipeline). This methodology was the first to be approved by the Texas Railroad Commission, which regulates pipeline safety in Texas.

■ *Painting, Coating and Lining Manual*

In 2004, the U.S. Natural Gas Business developed a new Painting, Coating and Lining Manual for its onshore and offshore facilities. The manual provides guidance on proper selection of painting, coating and lining systems, minimum qualification requirements for painting, coating and lining systems, applicator qualifications and inspector qualifications.

■ *Facility Integrity Management*

U.S. regulators require that all industrial facilities, which store over 1,300 gallons of an oil product, must have a spill prevention control

and countermeasures (SPCC) plan. In 2004, we established a new spill management system throughout our U.S. Natural Gas Business to meet these requirements. Starting in 2005, a new requirement of the regulations also requires all storage tanks to be evaluated for system integrity. Currently, our U.S. Natural Gas Business operates about 800 storage tanks.

In 2004, the U.S. Natural Gas Business developed a facility integrity management plan to comply with facility integrity management regulations. The plan is based on API Standard 653 Tank Inspection, Repair, Alteration, and Reconstruction; API 510 Pressure Vessel Inspection Code: Maintenance Inspection, Rating, Repair, and Alteration; and API 570 Piping Inspection Code: Inspection, Repair, Alteration, and Re-rating of In-service Piping Systems. The plan incorporates a risk management system for liquid storage facilities. To comply with the new SPCC requirements, we will introduce a new integrity program in 2005 to test and manage facilities subject to these new requirements.

#### ■ *Pipeline Integrity Management*

In 2004, the U.S. Natural Gas Business developed an integrity management plan to comply with new regulations requiring operator-developed integrity management programs for gas transmission pipelines located where a leak or rupture could do the most harm. The rule requires gas transmission pipeline operators to perform ongoing assessments of pipeline integrity, to improve data collection, integration, and analysis, to repair and remediate the pipeline as necessary, and to implement preventive and mitigative actions. No later than December 17, 2004, operators were to develop and follow a written integrity management program that contains all the elements described in the rule and that addresses the risks on each covered transmission pipeline segment.

To comply with the new regulations, the U.S. Natural Gas Business in 2004 identified pipeline segments that are located in high consequence areas; integrated available data on those identified pipeline segments; prioritized the highest risk pipeline segments from available data on those identified segments; selected the assessment method best suited to assess (pressure-test, internal inspection devices, direct assessment, or alternative method) each high risk pipeline segment; and began its preparation to conduct a baseline assessment on at least one high risk segment.

## EMERGENCY PREPAREDNESS

One way of measuring a company's performance regarding emergency threats or risks is by observing how it reacts when an emergency occurs. But, to be truly effective, a company must ensure that appropriate emergency response infrastructure exists in the first place, and that emergency preparedness plans are optimal.

All our operating facilities maintain regular contact with communities and first responder organizations to keep them up to date and coordinated with Enbridge's contingency plans. Our emergency and crisis preparedness plans minimize the impact of an incident and ensure we comply with regulatory requirements. In addition, employees throughout our business units participate in regular emergency response drills and simulations to test and improve procedures.

### ONTARIO ALLIANCE TAKES AIM AT DAMAGE PREVENTION

**In 2004, Enbridge Gas Distribution recorded exceptional progress toward enhancing public safety through the reduction of third party damages.**

The number of damages resulting from third parties damaging gas distribution pipelines during excavations decreased 15% in fiscal 2004 (September 2003 to October 2004) and, compared with historical decreases of 5% or less, this is the greatest annual reduction seen in the past decade.

Through the course of the year, Enbridge Gas Distribution has been leading a number of initiatives that have yielded improvements. A significant one is our involvement as a founding member in the Ontario Regional Common Ground Alliance (ORCGA), which was formed in 2003 to further efforts to prevent damage to buried facilities throughout Ontario. Based on the model of the U.S. Common Ground Alliance, The Ontario Alliance brings together utility owners and other stakeholder groups such as excavation companies, utility locate contractors, provincial safety regulators and others having an interest in the protection and safety of underground gas utilities and other infrastructure. The Ontario Alliance uses consensus-based processes to develop best practices and successfully implement them throughout industry.

"The Alliance provides a forum for all stakeholders to come together in a productive and collaborative way," says Tatjana Rmus, Manager, Damage Prevention, for Enbridge Gas Distribution. "Through this alliance, we can communicate more effectively with our stakeholders, develop industry practices that make sense, and build a strong safety culture throughout Ontario."

Last year, through the Alliance, Enbridge Gas Distribution employees played a significant role in developing the first publication of the best practices which describe how various damage prevention activities in the industry should occur. For 2005, Enbridge plans to be a lead player in the Alliance's initiative to bring forward government legislation that mandates a One-Call system for utility locations in Ontario.



## OUR PERFORMANCE

### ■ *Conducting emergency response exercises*

In 2004, we conducted more than 170 emergency response exercises in Canada and the United States. These ranged from tabletop exercises, where employees discussed responses to various scenarios, to full-scale deployment exercises with local emergency agencies, using equipment to practise recovery and cleanup in various terrains.

### ■ *Surveying staff on emergency preparedness*

Liquids Pipelines issued questionnaires to emergency response and operations personnel in Canada and the United States to get their comments on our system's ability to respond to diverse emergency situations, everything from power loss to releases to water bodies and population centres. Based on their input, we will update our Liquids Pipelines emergency response procedures in 2005.

### ■ *Emergency exercise in Ontario*

Enbridge Gas Distribution joined with Union Gas in a mock emergency tabletop exercise to test the Eastern Canadian Mutual Aid Program, of which Enbridge Gas Distribution is a participating member. This program allows for member companies to redirect their discretionary gas supply and transportation volumes to another member experiencing a gas supply emergency. The exercise involved the executive and response teams of both companies in a simulated pipeline rupture requiring substantial emergency load shedding to preserve supply to residential markets in southern Ontario. As a result of the exercise, we identified a need to expand the mutual aid program to include neighbouring utilities in the northeastern United States.



## RAPID RESPONSE TO TANK FIRE IN CUSHING

**On September 16, 2004, our emergency response readiness was tested when a tank at Enbridge's crude oil storage facility in Cushing, Oklahoma caught fire after being struck by lightning.**

Within minutes of the lightning strike, Enbridge staff at the site discovered the incident and mobilized effective emergency response procedures. Local authorities were immediately notified. The Cushing Safety Alliance, which consists of neighbouring companies and emergency responders, initiated their established call circle protocol, whereby all operators in the area were notified in the event mutual assistance was required. Enbridge staff worked side by side with local law enforcement and fire department personnel to secure the site, protect nearby tanks and spray fire-fighting foam onto the tank roof.

Thanks to this prompt response, the fire was limited to the tank and was completely extinguished by the end of the day. The 80,000-barrel capacity tank contained an estimated 8,700 barrels of crude oil. Of this total, 150 barrels were burned. No injuries occurred during the incident, and there were no significant environmental impacts due to air emissions or leaking product.

■ *Updating hydrogen sulphide plans*

In 2004, our U.S. Natural Gas Business reviewed and enhanced emergency response plans for our hydrogen sulphide operations in Texas and Mississippi. These plans set out comprehensive emergency response procedures in the case of a hydrogen sulphide leak, including everything from evacuation routes to emergency response shut-down procedures to guidelines for effective communications with local stakeholders.

## **SECURITY**

We view the security of our people and facilities as an integral component of emergency preparedness and response, and have developed interdependent security response plans in our different operating regions. These plans identify measures to deter adverse events and allow staff to respond in a safe and effective manner.

### **OUR PERFORMANCE**

■ *New Corporate Security Committee*

In late 2004, we established a Corporate Security Steering Committee. The primary objective of the committee is to ensure appropriate security infrastructure exists in all business units. Made up of managers in our various business units and chaired by Bonnie DuPont, Group Vice President, Corporate Resources, this group will meet at least twice a year to review changing security issues such as regulations, security vulnerabilities, emergency response capabilities and the global threat environment. The committee established three strategic priorities for 2005 relating to information management, employee education and awareness, and the identification of critical facilities.

■ *Assessing security levels in our businesses*

Each year our business units assess their systems for security weaknesses and areas for improvement. In Enbridge Gas Distribution, we carried out three vulnerability assessments of major facilities in Ontario. In Liquids Pipelines, we prepared a comprehensive security awareness education training package for delivery to all operations staff. In our U.S. Natural Gas Business, we conducted security evaluations at all our newly acquired facilities.

We also closely monitor global security issues facing the energy delivery industry through our involvement in various industry associations. Enbridge is an active member of the American Petroleum Institute, American Gas Association, the Association of Oil Pipe Lines, Canadian Gas Association, Alberta Counter-Terrorism Crisis Management Process, and other federal, provincial and state emergency response agencies.

■ *Participating in cross-border security program*

In early 2004, we opened our operations to U.S. and Canadian government officials for a vulnerability assessment as part of a pilot program sponsored by the U.S. Department of Homeland Security and Natural Resources Canada.

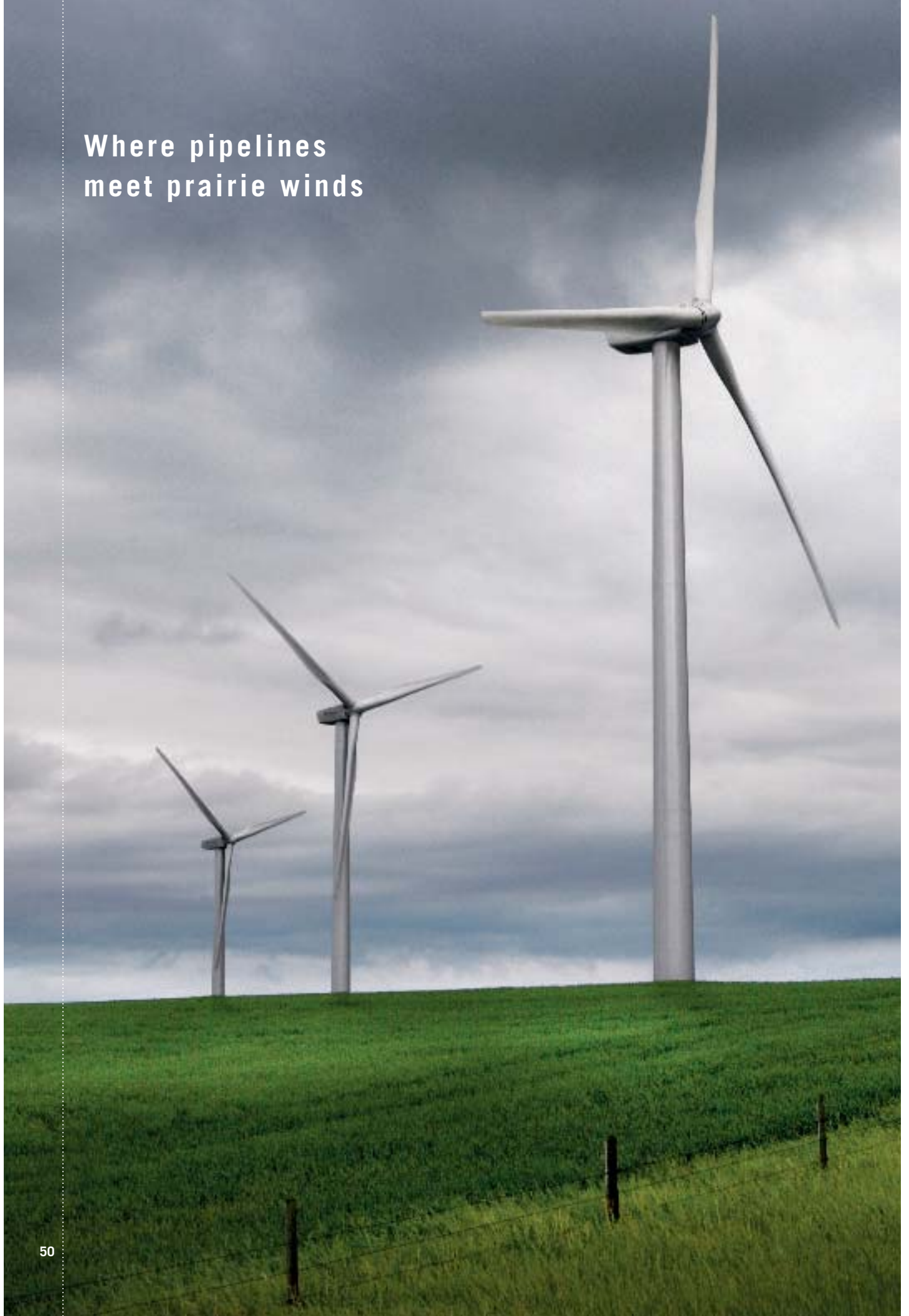
This pilot program was born out of the Smart Border Declaration, an agreement signed by Canada and the United States in December 2001, following the September 11 attacks, to create a secure border. Key to this effort is securing infrastructure by conducting bi-national threat assessments on cross-border infrastructures and then identifying additional protection measures. Vulnerability assessment of shared U.S. and Canadian critical energy infrastructure is a key action item.


As part of that energy infrastructure, Enbridge was asked by Natural Resources Canada to participate in a pilot project to help re-evaluate vulnerability assessment templates. The government department approached Enbridge because we have operations in Canada and the United States, and they wanted to visit facilities on both sides of the border to see what infrastructure we have in place to help design and validate their template.

Enbridge Gas Distribution and Liquids Pipelines agreed to assist the joint Canada-U.S. Assessment Team in testing the methodology.

Our participation in the pilot project consisted of technical briefings and site visits to our distribution and transmission facilities. Through this exercise, we demonstrated we have developed adequate plans and countermeasures to address security and other types of emergencies at our various sites.

Where pipelines  
meet prairie winds



A landscape photograph showing a green field with a wooden fence in the foreground, extending towards a horizon under a cloudy sky. The sky is filled with various shades of grey and white clouds, suggesting an overcast or stormy day. The field is lush and green, with the fence made of wooden posts and wire. The overall scene is a typical prairie landscape.

The Magrath wind power project is perfectly positioned to harness the winds of southern Alberta. Standing tall on the prairie landscape, the project's 20 turbines have the capacity to generate 30 megawatts of electricity — enough to power about 13,000 homes. As a partner in the \$48 million project, Enbridge is using this green power to displace coal as the energy source for our Alberta pipeline operations.

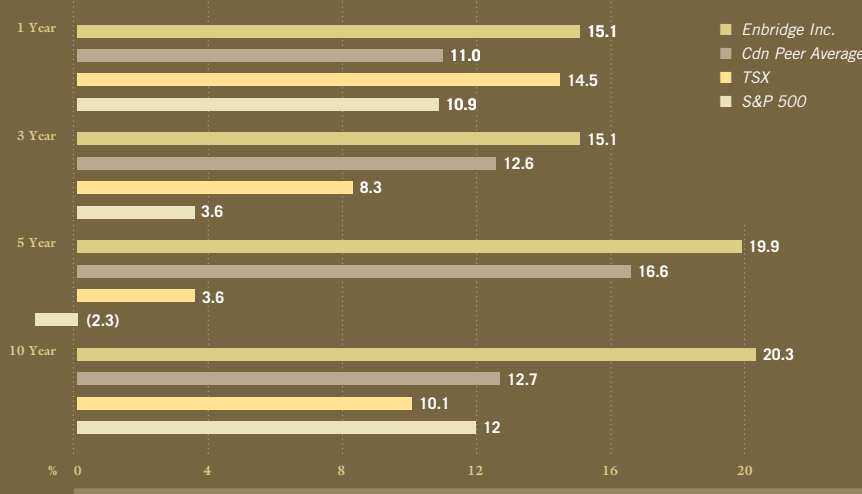
*To learn more about our wind power investments, see p. 38.*

As a business, we have a responsibility to deliver strong financial performance, which contributes to long-term shareholder value and sustainability. At the same time, we recognize that the steady, sustained growth of our business can, and should, provide economic value to the communities where we operate.

Some of our key 2004 achievements were:

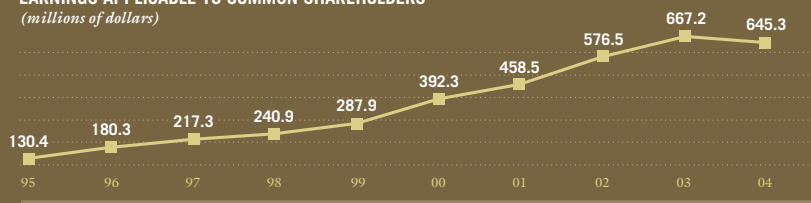
- recording earnings of \$645.3 million (\$3.86 per common share), compared with \$667.2 million (\$4.03 per share) in 2003
- achieving adjusted operating earnings of \$508.4 million (\$3.04 per share), 8% higher than the previous year
- paying \$316 million to investors as dividends, up 11% from the previous year
- expanding Enbridge's continental reach to tap energy opportunities in the Gulf of Mexico, Texas and Northern Canada
- being ranked one of the world's top sustainable companies at the World Economic Forum in Davos, Switzerland.

ANNUAL SHAREHOLDER RETURN (as at December 31, 2004) (%)



Total shareholder return equals dividends paid per common share plus capital appreciation per common share, compounded annually.

EARNINGS APPLICABLE TO COMMON SHAREHOLDERS (millions of dollars)



Earnings for 2004 include a full year of incremental earnings from Terrace Phase III, rate increases and positive variances from forecast costs in Enbridge Gas Distribution, and improved fractionation margins at Aux Sable.

## FINANCIAL HIGHLIGHTS

We remain focused on our main priorities as a business — to be North America's leading energy delivery company and to generate long-term value for our investors. This requires that we deliver shareholder value and maintain profitability while performing in a socially and environmentally responsible way.

Here are Enbridge's key financial highlights:

- Earnings were \$645.3 million (\$3.86 per common share), compared with \$667.2 million (\$4.03 per share) in 2003. Adjusted operating earnings were \$508.4 million (\$3.04 per share), 8% higher than the previous year, reflecting strong performance in all of our company's business segments.
- Total return to shareholders on the Toronto Stock Exchange (TSX) was 15.1%, while our total shareholder return was 24.6% on the New York Stock Exchange. We have delivered a total shareholder return of 22% per year over the last 10 years, compared with the TSX of 10% and the S&P 500 Index of 12% respectively over the same period. Over 50 years, Enbridge has provided a total shareholder return of more than 13%, compared with the TSX of about 9%.
- We strengthened our balance sheet, improving our debt-to-capitalization ratio from 66.3% at the end of 2003 to 65.1% at the end of 2004. This was achieved through earnings growth and debt repayment.

Investors and readers seeking more detailed information should refer to Enbridge's 2004 Annual Report.

## EXPANDING OUR CONTINENTAL REACH

Enbridge is uniquely positioned for growth in North America, and is focused on moving energy from areas where we foresee increasing supply to areas of growing demand. In 2004, we made good progress in broadening access to continental markets for customers of our energy delivery systems:

### ■ *Growing presence in Gulf of Mexico*

At year-end, Enbridge acquired Shell Gas Transmission from Shell US Gas & Power LLC for \$613 million US, adding gas gathering and transmission systems in the Gulf of Mexico to our U.S. Natural Gas Business. The assets are strategically positioned to transport

increasing deepwater supply from the Gulf of Mexico — one of the few remaining gas growth plays in North America — and to access key infrastructure in the U.S. Northeast.

■ *Expanding Ontario gas distribution system*

Our Enbridge Gas Distribution infrastructure in Ontario serves Canada's fastest growing metropolitan area. In 2004, our natural gas franchise continued to grow, with Enbridge Gas Distribution adding about 56,000 new customers.

■ *Supporting oil sands expansion*

Our crude oil system is strategically positioned between Alberta's oil sands and the U.S. Midwest and Eastern Canadian markets and growing Asian markets. As oil sands producers develop expansion plans in northern Alberta, we are developing pipeline plans to connect the next wave of oil sands projects.

In 2004, we signed preliminary agreements with two more oil sands projects — the sponsors of the Long Lake and Surmont projects — to build and operate facilities to ship production from these two facilities starting in 2006. We also advanced development of our Waupisoo Pipeline Project, a connecting pipeline that will bring oil sands shipments from Fort McMurray, Alberta to the Edmonton hub.

Our proposed Gateway project sets out our pipeline proposal to move 400,000 barrels per day of Alberta oil sands production from Edmonton to the west coast of British Columbia, where it would be shipped by tanker to China, other Asia-Pacific markets, and California. In 2004, we undertook discussions with Canadian producers and potential customers in Asia. In early 2005, Enbridge signed a memorandum of understanding with PetroChina International Company Limited to cooperate on development of the Gateway pipeline and supply of crude oil from Canada to China.

■ *Acquiring U.S. liquids systems*

We acquired the Mid-Continent liquids system of pipelines and storage terminals, adding a new geographic region to our pipeline system. We also announced our plans to proceed with the Spearhead project to transport crude oil from Chicago, Illinois to Cushing, Oklahoma. We filed applications for the project before year-end.



■ *Promoting Alaska-Canada gas pipeline*

With most recent estimates putting proved Alaskan natural gas reserves at over 35 trillion cubic feet, Alaska holds the key to one of the largest remaining natural gas reserves in North America. Enbridge is well positioned to play a leadership role in bringing this resource to market, with the Alliance and Vector gas pipelines being in a direct line between Alaskan gas and the best gas markets in the United States. In early 2004, Enbridge filed an application with the State of Alaska to start formal discussions with the state and producers toward building the Alaskan and Canadian portions of a much-needed Alaska gas pipeline.

## HOW WE DIRECTLY BENEFIT STAKEHOLDERS

Enbridge adds value to the economy through our operating expenses and distributions.

### DISTRIBUTION OF ECONOMIC VALUE ADDED

Payments and benefits to employees	\$ 430 million
Income taxes paid to governments	\$ 243.2 million
Interest payments to lenders	\$ 525 million
Dividend payments to shareholders	\$ 316 million
Payments to suppliers	\$ 475 million
Corporate donations and sponsorships	\$ 4.2 million
Retained in business	\$ 330 million

In addition, we have the potential to stimulate regional economies in Canada and the United States through cash distribution to our various economic stakeholders.

## BENEFITS TO INVESTORS

Our returns to shareholders are delivered through a combination of capital growth and dividends. In 2004, \$316 million was paid to shareholders as dividends, up 11% from the previous year. Dividends paid on common shares to our investors have grown at an annual compounded rate of 9.6% over the last five years.

## DISTRIBUTION TO SHAREHOLDERS

	Dividends <sup>1</sup> millions of dollars	Dividends paid per common share
2000	202.1	1.27
2001	227.5	1.40
2002	251.1	1.52
2003	283.9	1.66
2004	315.8	1.83

<sup>1</sup> Includes dividends to common and preferred shares.

## BENEFITS TO EMPLOYEES

Our business operations provide jobs and contracting opportunities in many communities in Canada, the United States and internationally. Headquartered in Calgary, we have offices in Edmonton, Toronto and Houston, as well as in Spain and Colombia. We have more than 4,500 employees with an annual payroll of about \$300 million CDN. In 2004, we paid about \$30 million CDN through our annual incentive program to reward employee performance.

### ENBRIDGE DAY CONFERENCE WITH INVESTORS

**Our annual Enbridge Day conference presents us with an opportunity to put our senior management team in front of key financial analysts and institutional investors.**

In 2004, about 90 investor analysts attended our Enbridge Day conference in Toronto, and another 40 participated in a similar conference in New York. As part of Enbridge Day, members of Enbridge's Corporate Leadership Team delivered presentations about our business and answered questions from the analysts

about our core businesses, our strategies for growth and our financial plans. For the first time, the conferences also featured Enbridge's corporate social responsibility program.

"The conferences are about efficiently demonstrating to a large number of financial analysts how Enbridge does things, what we're thinking about doing, and giving them a chance to talk with our leadership about the industry and the business," says Colin Gruending, Enbridge's Director, Investor Relations (2004).

## BENEFITS TO CUSTOMERS

Every day through our energy transportation and distribution systems in Canada and the United States, we provide millions of customers with hydrocarbon products that are essential to quality of life. These provide fuel for transportation, heat for our homes and the resources to manufacture plastics and a wide range of consumer products.

We also work with customers to increase the efficient use of valuable energy resources. Enbridge Gas Distribution's demand-side management (DSM) programs help customers conserve gas, saving them money and enabling them to contribute to environmental goals. Over the past decade, our DSM programs have delivered about 1.8 billion cubic metres of natural gas savings (the equivalent of enough gas to supply 620,000 homes each year) and net energy savings to our customers of about \$865 million.

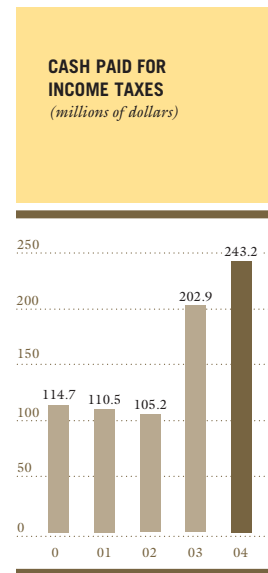
## BENEFITS TO GOVERNMENTS

Our business activity brings other benefits to society. Some of the greatest beneficiaries are local, state, provincial and federal governments in Canada and the United States, which receive taxes from our activities. These revenues are used to help fund local public services and infrastructure.

In 2004, we paid \$243 million in income taxes, a 20% increase from 2003 levels. This excludes other taxes, such as property taxes, that we paid in Canada and the U.S.

## BENEFITS TO COMMUNITIES

At the local level, our operations affect economies through the creation of jobs, the purchase of goods and services and taxes paid to governments. We also invest in community programs and charitable organizations. In 2004, we invested \$4.2 million in charitable and non-profit organizations in Canada and the United States. This was an increase of 20% over 2003 levels.



Q:

How does Enbridge see its CSR approach contributing to shareholder value?

A:

At Enbridge, we're achieving consistent industry-leading growth while maintaining a low risk profile.

This risk/reward combination is central to our investment proposition, and we work hard to sustain it.

Our energy delivery systems, which are uniquely positioned to support continental energy supply and demand in Canada and the United States, create a number of growth opportunities.

And on the risk management side of the equation, we have robust programs that measure and control known quantitative risks, including market risks, currency risks and interest rate sensitivities. But that's not all.

Our CSR philosophy and measurement programs help our company to capture various risks and opportunities that are equally important — those qualitative risks associated with competition, regulations, the environment, human capital, customer relationships and our relationships in the local communities where we operate. We've found it is in our best interest to voluntarily adopt progressive CSR practices that integrate economic interests, environmental protection and



CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER CALGARY, ALBERTA, CANADA

**Colin Gruending** Vice President and Controller, former Director, Investor Relations, Enbridge Inc.

social responsibility into the business. To do business any other way can actually impair our ability to *even do* business. CSR connects us to stakeholder concerns in the community and, from a business perspective, contributes to our long-term viability.

Not surprisingly, investors and providers of capital are increasingly looking at a company's CSR policies and practices to determine if it operates in a socially responsible way. And they carefully weigh these factors before investing their dollars.

At Enbridge, we're learning that our CSR programs provide our investors with more confidence that we can sustain our positive financial performance and shareholder value creation record. I strongly believe that this CSR philosophy, whether previously informal or recently formal, has meaningfully contributed to Enbridge's 51-year total shareholder return, which on average has exceeded 13% annually.

## RECOGNITION OF RESPONSIBLE BUSINESS PRACTICES

### INVESTOR INDEXES

A number of investor indexes provide business rankings based on information about a company's social, ethical and environmental policies and practices. They are based on the concept that a company's commitment to corporate social responsibility will sustain and grow long-term shareholder value.

Enbridge is included in two investor indexes designed to recognize responsible business practices. These include:

- the Desjardins Environment Fund, whose assets are invested in shares of corporations that contribute to maintaining and improving the environment. The Canadian-based Desjardins Fund is a well known environmental fund, and to be included indicates that the company is doing a good job in managing environmental issues
- the Jantzi Social Index (JSI), a socially screened common stock index. The JSI consists of 60 Canadian companies that pass a set of broadly based social and environmental screens.

### BUSINESS LISTINGS

Our growing reputation as a leader in corporate social responsibility is shown by the recognition we have received.

In 2004, Enbridge was named one of Canada's Best Corporate Citizens in a ranking by the *Corporate Knights Magazine*, a Canadian publication distributed in *The Globe and Mail* newspaper. The annual list ranked Enbridge 11th overall and first in the gas utility industry. This was the second year in a row that Enbridge has been named one of Corporate Knights' best 50 corporate citizens. Corporate Knights based the ranking on environmental and social categories such as employee relations and diversity in the workplace, international performance, product safety and business.

#### ■ *Ranked one of the world's top 100 sustainable companies*

In early 2005, we were one of six Canadian companies to be ranked among the world's top 100 sustainable companies in a new global business ranking introduced by the World Economic Forum. Enbridge was chosen from a pool of over 2,000 firms, representing such large global indices as the S&P 500, MSCI World, FTSE 350 and Eurostoxx. Companies were selected on their ability to manage strategic opportunities in new environmental and social markets. Companies were rated on such criteria as strategic governance, environmental initiatives, and human capital/labour relations practices. Research and analysis was conducted by Innovest, a leading environmental investment advisory firm.



**Where pipelines  
meet northern light**

With endless sunlight comes endless energy — the kind that can power 20 valve sites along our Norman Wells crude oil pipeline during the bright Arctic summers. At Enbridge, the use of solar power has allowed us to reduce propane as a power source by 50%. By adding innovations, we are building on the Norman Wells system's ongoing record of environmentally responsible operations.

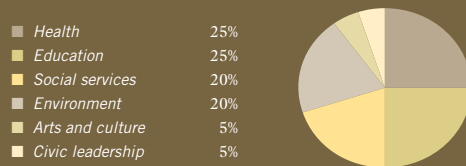
*To learn more about the Norman Wells pipeline, see p. 34.*

**Our commitment to social performance extends to everything we do, from investing in community initiatives, to conducting public dialogue with our stakeholders, to adhering to best practices for human rights, and creating a healthy and safe work environment for our employees.**

In 2004, we demonstrated this commitment in different ways:

- improving our overall days away injury rate to 0.29 incidents per 200,000 hours worked, slightly better than our performance in 2003 and 70% better than our performance in 2000
- conducting our first company-wide employee survey (Results from the survey showed that 70% of employees rate Enbridge as one of the best places to work)
- increasing our investments in local charitable and non-profit organizations to \$4.2 million, up 20% from the previous year
- carrying out major public consultation programs to support our project plans in Northern Canada, Alberta, British Columbia, Quebec and Texas
- contacting more than more 590,000 stakeholders in Canada and the United States through public awareness programs designed to enhance awareness of our pipelines and our company's reputation

**COMMUNITY INVESTMENT BY FOCUS AREA** (% of total)



*Our community investment programs in Canada and the United States fund various initiatives in health, education, social services, the environment, arts and culture, and civic leadership.*



## WORKPLACE SAFETY

Safe and environmentally responsible operations are the cornerstone of Enbridge's key values, and we renew our commitment each day to value the safety of our employees and the public, a clean and healthy environment and strong, vibrant communities. We recognize safety as being as important as our financial results and our quality of work, and are focused on being "best-in-class" in terms of the safe operation of our business in our different geographic regions.

### OUR PERFORMANCE

#### ■ *Reducing injury frequency*

When gauging world-class safety performance, days away injury frequency is a useful comparative industry measure. Based on our latest results, our workforce continues to show exceptional and ongoing attention to injury prevention. In 2004, our days away injury rate was 0.29 incidents per 200,000 hours worked, slightly better than our performance in 2003 and 70% better than our performance in 2000.

### EMPLOYEE AWARENESS AND TRAINING

We believe that regular training and open communication with our employees, which reminds staff when our performance is going well and where we need to improve, is key to strong safety performance. Our approach to workplace safety in our different business units emphasizes the importance of identifying and addressing health and safety risks before serious incidents occur.

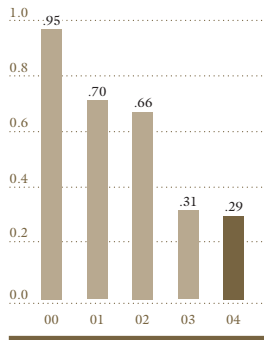
#### ■ *Engaging employees*

We believe strongly in the value of a grassroots approach to engaging our employees on EH&S issues and activities. In Liquids Pipelines, we have 53 local and regional EH&S committees. In Enbridge Gas Distribution, providing local leadership on EH&S issues is the responsibility of our 10 EH&S joint committees. And seven employee working groups have been established in our U.S. Natural Gas Business field operations. These committees bring together employees and management to share best practices, promote consistent approaches to EH&S and conduct regular workplace EH&S inspections.

#### ■ *Addressing soft tissue injuries*

In recent years we have experienced an increasing number of slips, trips and sprains by workers in our various businesses. This trend prompted us to take action in 2004.

**DAYS AWAY  
INJURY FREQUENCY**  
(enbridge days away injuries  
per 200,000 hours worked)



A key indicator of our safety performance is our days away frequency rate – the number of work-related incidents per 200,000 hours worked. A days away incident involves any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

In Liquids Pipelines, we provided incident investigation training to area supervisors and managers, all part of our effort to make our investigations stronger so as to prevent the recurrence of safety incidents in the workplace. Our regional EH&S committees also delivered presentations to Liquids Pipelines employees on health and safety issues, highlighting measures to avoid strains, sprains and slips.

In Enbridge Gas Distribution, we developed a series of awareness articles addressing the most common contributing factors to soft tissue injuries. These articles were distributed throughout Enbridge Gas Distribution and used by supervisors to engage staff in safety-related dialogue. We also introduced a safety training program targeted at office staff in Ontario. More than 300 employees participated in the two-hour seminar, covering ergonomic tips and how to identify safety hazards in the office environment.

■ *Promoting safe driving practices*

Company-wide, we experienced a higher overall number of motor vehicle incidents: 147 in 2004, versus 133 in 2003. Given this increase, we aggressively promoted safe driving practices in all our business units.

In Liquids Pipelines, we introduced a 10-step driving safety action plan, which includes:

- creating a systematic motor vehicle investigation process
- training staff members, including senior management and regional managers, in incident investigation techniques
- restricting use of cell phones
- placing 1-800 number stickers on company-owned or leased vehicles, enabling the public to report unsafe driving incidents.

At year-end, more than 140 Liquids Pipelines employees in Canada and the United States took defensive driving training. We also established dedicated cross-functional teams to investigate vehicle incidents, one for Canada and the other for the United States. Enbridge Gas Distribution published a series of articles to promote greater awareness of defensive driving safety among employees. The business also promoted accident prevention through greater emphasis on investigation techniques for motor vehicle accidents, which identify root causes and develop practical recommendations. And in our U.S. Natural Gas Business, more than 130 employees took defensive driving training.

■ *Increasing awareness training on hydrogen sulphide*

Each year we provide awareness training to all our field employees at our gas processing and treating facilities in Mississippi and Texas so that they are alert to the dangers involved in working with hydrogen sulphide and know how to carry out effective emergency response procedures. Although not required by regulations, we also provide this training to gas control staff, office employees and first responder organizations.

■ *Managing contractor safety*

Our commitment to EH&S excellence extends beyond our own employees to contractors who work at our locations. All contractors must prove their commitment to safe work practices by meeting our safety performance requirements and government regulations.

In 2004, Liquids Pipelines implemented a standard contractor incident reporting system to provide greater consistency in the way we promote contractor safety performance. The reporting system ensures contractor incidents are communicated to the appropriate levels in their companies, and improves tracking and analysis of safety trends across our contractor workers.

Enbridge Gas Distribution also began a formal process to review the EH&S practices of its four major construction and service contractors. Through interviews and a health and safety survey, EH&S professionals assessed their management systems and health and safety procedures and training, and met with the contractor companies to discuss opportunities for improvement.

## **EMPLOYEE HEALTH AND WELLNESS**

Enbridge relies on numerous programs to help achieve our goal of creating a healthy and illness-free workplace:

- **early-return-to-work programs** that help employees who are recovering from an injury, illness or surgery to return to work in a safe and timely manner
- **employee voluntary assistance programs** that offer confidential counselling services to employees and their families on a broad range of issues
- **ergonomic programs** that provide a systematic approach to the prevention, evaluation and management of work-related soft tissue injuries

- **prevention programs** that offer blood pressure checks and on-site flu immunization
- **lifestyle education** for employees through lunch-and-learn sessions, guest speakers, Web-based programs and health awareness fairs

## OUR PERFORMANCE

### ■ *Encouraging personal fitness*

In 2004, we launched our first ever Walk and Win Challenge in Enbridge Gas Distribution. More than 110 employees signed up for the eight-week event, during which employees wore a step counter that measured their walking distance each day. Each employee walked on average 108 kilometres (66 miles) over the two-month period. Liquids Pipelines senior management and many employee groups completed a “Race the Pipeline” challenge, with each group collectively traveling a distance equivalent to the mainline system from Norman Wells to Montreal via Chicago (some 4,560 kilometres or 2,830 miles).

### ■ *Increasing health awareness among employees*

The more information we share with employees on health issues, the more we can assist them in managing personal and family health issues. In 2004, to make employees more aware of the vast amount of available health resources in the community, we hosted a health fair at Enbridge Gas Distribution’s Toronto headquarters, with exhibits from local health agencies. Nearly 200 employees attended the one-day event. We also carried out wellness seminars in our Houston office, launching a Healthy Lifestyle Challenge, which recognizes and rewards employees for carrying out healthy lifestyle activities, with rebates on their health insurance premiums. A total of 300 people signed up for the program, which will be completed in 2005.

### ■ *Dealing proactively with emerging concerns*

In the oil and gas business, an increasing health issue is the existence of naturally occurring radioactive material (NORM) — tiny particles that collect in piping, vessels, pumps and gas processing equipment over time.

Although the science on this issue is evolving, it is believed that these materials can present potential health hazards. To ensure our employees are adequately protected, we are surveying facilities in our operations. In 2004, Liquids Pipelines analyzed eight tank cleaning

Q:

How is Enbridge's workforce changing? And how is the company positioning itself to address emerging workforce needs?

A:

As is the case with other large North American-based corporations, Enbridge's workforce will

change significantly over the next decade, as workers retire in greater numbers and population demographics change. In the future, we can expect to have a younger, increasingly diverse and more mobile workforce with varying needs, priorities and career interests. That's why our company is proactively developing our human capital management strategies and our leadership and employee development programs to strengthen, engage and retain our existing workforce and to attract and engage the workforce of tomorrow.

And we're doing this in multiple ways.

For example, Enbridge has launched a company-wide workforce planning initiative, which is analyzing the nature and the scope of the work each business unit delivers and the people resources needed to deliver that work. This project will help our company to maintain the right mix of talent and capabilities as Enbridge undertakes a significant transition in its workforce over the next decade.

We're also gathering information about the work environment and our organizational culture to ensure we offer a working environment and culture that will attract future workers, recognizing varying needs of generational workforces. Based on our research so far, we know that a company with solid



CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER CALGARY, ALBERTA, CANADA

**Karin King** *Manager, Talent Management and Workforce Planning, Enbridge Inc.*

corporate values, a clear commitment to CSR and the ability to offer challenging and rewarding business experience — like Enbridge — is in an excellent position to attract the talent we need to sustain our business today and tomorrow.

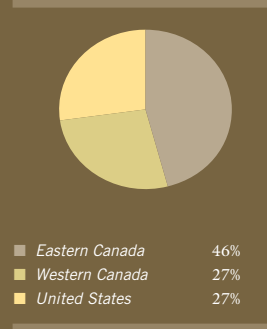
Enbridge is also developing a comprehensive talent management strategy and framework, to engage and develop our employees at all levels in the organization. Key initiatives include leadership and employee development programs, enhancements to performance management and succession planning processes, and continued commitment to and expansion of mentorship programs. For example, the Enbridge Undergraduate Mentorship Program at the University of Calgary's Haskayne School of

Business supports the development of external talent and advances the coaching and mentoring abilities of our employees. Enbridge will launch additional internal mentorship programs this year and will add orientation and emerging leader development programs to its portfolio of development programs for employees.

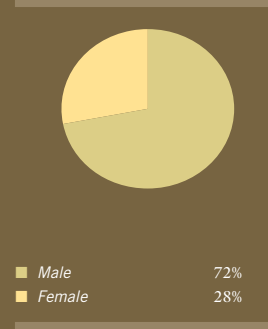
Finally, we're strengthening our working environment to maintain and grow our current workforce. As Enbridge's organization and businesses evolve, our culture and working environment will evolve to ensure a competitive total rewards system and increased opportunities for employee involvement, development and communications.

# ENBRIDGE'S WORKFORCE

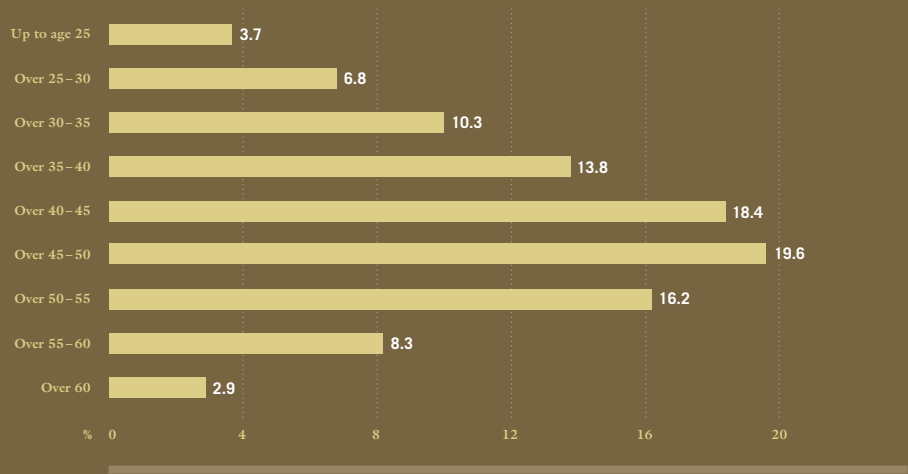
**ENBRIDGE WORKFORCE  
BY GEOGRAPHIC LOCATION**  
(full-time, part-time, temporary)



**ENBRIDGE WORKFORCE  
BY GENDER**  
(% employees)



**ENBRIDGE WORKFORCE DISTRIBUTION BY AGE (ALL BUSINESS UNITS)**  
(% total workforce, regular and temporary)



In 2004, the average age of employees across our company was 44.6.

**ENBRIDGE WORKFORCE TURNOVER (% employees)**

Many people have built their careers with Enbridge. This has contributed to a strong retention rate among employees. In 2004, the turnover rate of employees across our company was 5.49%.

projects in Canada and the United States to determine the presence of NORM. Our studies indicated that, with one exception, the facilities were below Canadian guidelines. In 2005, our U.S. Natural Gas Business plans to survey aboveground facilities for NORM while Enbridge Gas Distribution will test for NORM as part of pipeline integrity activities.

#### **WHERE ENERGY MEETS PEOPLE**

Our vision to be North America's energy delivery leader depends on the dedication, commitment and performance of an engaged and highly skilled workforce. We strive to attract and retain the best talent, and work with employees to support their development. We do this by providing a positive work environment, offering opportunities for skill and career development and providing them with competitive total rewards programs.

##### ■ *The people of Enbridge*

Enbridge believes that employees are the basis of our success. There is an initiative now in progress to define an Enbridge "People Strategy" to underscore this belief. Details will be available in 2005.

##### ■ *Workforce statistics*

In 2004, Enbridge experienced several changes to its organization, including the acquisition of Shell Gas Transmission in the Gulf of Mexico from Shell US Gas & Power LLC. At year-end, our and our affiliates' regular employees (full-time and part-time) totalled more than 4,500. Most of our employees work in our Canadian and U.S. operations. In addition, we hire temporary employees for projects and seasonal work.

##### ■ *Organization of human resources*

We take a proactive and strategic approach to the management of our human capital. One of the ways in which we do this is through a company-wide Human Resources (HR) Council, consisting of senior HR professionals representing all business units. The 11-person council shares best practices, provides strategic advice on HR issues to senior management and stewards the management of human capital across all businesses. In early 2005, a new charter was created for the council to reinforce its role and service to the organization.

In our business units, we also stress the role of local managers and leaders in contributing daily to strong employee relations, promoting employee development and creating a positive and supportive work environment. At Enbridge, Human Resources facilitates the management of human capital; individual leaders manage people.

#### ■ *Performance management*

Performance management is paramount to meeting our business goals and creating and sustaining a highly effective workforce. We support employees in effectively aligning their contribution as an individual with the strategic goals of Enbridge's business. This helps to ensure strategic alignment of employees' work efforts for strong individual and corporate performance and the development of career opportunities for individuals within Enbridge.

In 2004, we implemented a new performance management program company-wide, which strengthens the relationship between employee performance, performance coaching and feedback, and performance rewards. Performance reviews and discussions occur regularly throughout the year. Clear communications, collaborative goal-setting and frequent opportunities for measurement and feedback from their managers and leaders are facilitated by the process. Employees are encouraged to consider their development and career objectives against five core competencies: customer focus, execution and results, flexibility, interpersonal skills and job/technical skills.

#### ■ *Total rewards*

Our approach to total rewards encompasses a comprehensive suite of programs aimed at attracting and retaining talented workers. Our base salary programs aim to strike a balance to be internally fair and externally competitive. Our incentive programs are linked to performance at various levels, providing opportunity for employees, at all organizational levels, to be rewarded for the achievement of goals and objectives that support our company's strategic directions.

In 2004, we strengthened Enbridge's commitment to pay for performance by implementing a new incentive program for salaried employees below senior management. The new program is characterized by a stronger connection between company, business unit and individual performance, along with enhanced communications to employees about incentive opportunities.



As a complement to our compensation programs, we provide pension, benefits, savings plans and vacation programs to support our employees and their families in meeting their current and future needs. Through these programs, our aim is to offer flexibility and choices while providing competitive levels of coverage. To complete the total rewards picture, Enbridge also offers employees opportunities for challenging work and growth.

#### ■ *Leadership and employee development*

We are highly committed to leadership and employee development at all levels of our organization, and have undertaken several initiatives since our last CSR report.

For example, the function of Leadership and Employee Development has been redefined in Enbridge and now includes stewardship of the function at the corporate level through collaboration across all business units. Local human resources professionals oversee the design and delivery of employee development offerings, which are designed to respond to local business needs and by design vary throughout our organization. Greater integration of development and programs for leadership, high-potential employee development and of succession planning management processes across the enterprise is now being established.

Our employees have the opportunity to develop their business and leadership skills through internal and external targeted development programs, challenging assignments and ongoing performance feedback and coaching. At the field level, employees receive training largely focused on technical skills, EH&S, regulatory training and competency development.

We continually look for creative opportunities that benefit the growth of our people and contribute to tomorrow's workforce. In 2004, we entered into a partnership with the University of Calgary's Haskayne School of Business to establish and launch the Enbridge Undergraduate Mentorship Program at the school. Thanks to the program, business students at the university now have a new opportunity to gain valuable insights into the business acumen and knowledge needed to successfully develop and manage a career. Helping to provide those insights are employees at Enbridge's Calgary office representing several of our business units. The program provides a unique opportunity to grow and develop our people, through interaction with students and formal mentorship training. In 2004, 49 employees participated in this program as mentors.



*We strive to recruit and retain the best possible people for our organization. In 2004, we launched a new corporate recruitment campaign profiling Enbridge employees acting as ambassadors for the company. Using a combination of print media display ads and Web-based information, the new campaign highlights Enbridge's positive corporate reputation, a benefit to attracting talented people.*

Besides our employee development programs, we offer a tuition reimbursement program to provide financial support to employees who are continuing to advance their education to support their career goals. Enbridge also offers a scholarship program enterprise-wide to support access to education for children of employees.

#### ■ *Work environment*

Enbridge has a firm commitment to creating a healthy and positive work environment. The company's workplace harassment and anti-discrimination policies denote our strong commitment to maintaining the dignity and respect of all employees. We also subscribe to the principles of a fair and equitable work environment.

Our work environment promotes a diversity of roles and enriched job experience through project work and participation on cross-functional teams. We also encourage our employees to take an active role in their communities through a variety of volunteer committees and United Way activities.

Each of our businesses recognizes the special achievements of our employees on an ongoing basis. These activities include service awards, monetary gifts, recognition in our internal communications and opportunities for challenging assignments.

#### ■ *Employee communications*

Effective internal communications keeps our employees well informed and involved in company activities, and offers them an important avenue to contribute feedback. We actively engage our employees through:

- annual employee meetings
- our intranet and employee newsletters
- regular e-mail updates to employees
- business performance review videos
- local "face-to-face" sessions that enable employees to meet our CEO and share their questions, issues and recommendations
- local manager and leader updates to employees
- local and regional EH&S committees and working groups, where employees and management meet regularly to discuss local EH&S issues
- active employee social clubs

Enbridge employees are also invited each year to employee annual meetings across our organization to learn about the company's plans for strategic growth. These forums provide an opportunity for employees to meet with our CEO, local senior leadership and guests to discuss the challenges and opportunities for Enbridge, and ask questions about the issues that matter to them. In 2004, we held employee annual meetings in Toronto, Edmonton, Calgary and Houston. Question and answer segments in the annual meetings covered business strategy, workforce planning, strategic projects, total compensation, and much more.

■ *Employee involvement*

Recognizing the importance of an engaged workforce and effective channels of upward communication, Enbridge engaged a leading international consulting group to carry out the 2004 Perspectives Project, our first company-wide employee engagement survey. The survey asked employees to share their perceptions about their work with Enbridge and their workplace, soliciting their feedback on a variety of subjects, including corporate direction, communication, training and career development, job stress, employee satisfaction/commitment and compensation and benefits.

A sample of the results of the survey, completed by 67% of Enbridge's workforce, show that:

- 70% of respondents rate Enbridge as one of the best places to work
- 78% say they feel proud to work for Enbridge
- 80% agree or strongly agree that Enbridge is a highly ethical organization
- 82% rate Enbridge as good or very good at providing a safe and healthy working environment

Employees also perceive that there are areas for improvement, including:

- employee communication
- coaching and developing people
- total rewards and recognition for employee performance.

Management has responded by undertaking detailed action plans to address areas for improvement and will survey employees again in 2005 to track progress and make adjustments, as needed.

### **COLLECTIVE BARGAINING UNITS**

Enbridge has four unions and six joint industrial councils (JICs) in Canada and the United States. In Enbridge, 1,139 employees, or 27% of our workforce, are members of a union or JIC. In 2004, one collective agreement was negotiated and settled, affecting 760 Enbridge Gas Distribution employees under our agreement with Local 975 of the Communications, Energy and Paperworkers Union of Canada. All collective agreements are current.

### **OUR PERFORMANCE**

Enbridge's grievance procedure for unionized employees has a formal mechanism for resolving workplace issues. Employees can raise issues and concerns with their managers or local union representatives. There were 24 formal grievances filed in 2004. These dealt with contracting out, hours of work, and job postings and qualifications.

We believe that healthy and productive labour relations contribute to our company's long-term success, and have designed our labour relations strategies to maintain and foster a cooperative approach between the company and the various bargaining units. All unions and JICs, for example, participate in incentive compensation programs based on the achievement of the company's strategic goals.

In 2004, we established several joint workforce model committees in partnership with the unions to review and make recommendations on hours of work, work location and work functions, as a result of various operational changes.

We provide ongoing labour relations training and education for our managers and supervisors to help them in understanding our company's labour relations strategy and programs and to update them on changes in collective agreements. In 2004, 125 managers and supervisors in Canada and the United States received this training.

## COLLECTIVE BARGAINING UNITS

Business units	Bargaining units	Jurisdictional area	Number of employees
Enbridge Gas Distribution	Communications, Energy and Paperworkers (CEP) Union of Canada, Local 975	Ontario	760
Liquids Pipelines Canada	Joint Industrial Councils (six)	Alberta, Saskatchewan, Ontario, Quebec, Northwest Territories	250
Enbridge Energy Partners	Paper, Allied-Industrial, Chemical and Energy Workers (PACE) International Union, Local 7-2003	Minnesota, Wisconsin, Michigan, Illinois, Indiana	90
St. Lawrence Gas	International Brotherhood of Electrical Workers (IBEW), Local 97	New York State	25
Enbridge Energy Partners	Independent Union	Oklahoma	14

## BUSINESS ETHICS

We are committed to following world-class standards of business integrity everywhere we operate. Our Statement on Business Conduct defines the business principles that apply to all employees, contractors, senior management and Board members of Enbridge. This statement not only complies with legislated requirements, but sets out specific commitments that apply to Enbridge's relations with customers, shareholders, governments and the public.

Each new employee is required to sign a certificate acknowledging having received and read the statement. Employees and directors are required each year to review the statement and certify compliance or identify any departures from the statement. Compliance with this statement is monitored and reported annually to the Board's Governance Committee.

In 2004, to meet the requirements of the U.S. Sarbanes-Oxley Act, we introduced new procedures for a financial "whistleblowers" hotline, which provides employees with an anonymous channel for asking questions or expressing concerns about internal accounting and auditing matters.

## HUMAN RIGHTS

Enbridge is committed to observing and promoting human rights in our activities. We demonstrate our attitudes and values through the way we conduct our business and make human rights a priority.

In Colombia, Enbridge owns 24.7% of OCENSA, a consortium that runs one of that country's most important crude oil pipelines. OCENSA has a policy that commits the company to respect human rights and obligates all employees and contractors to reject violence and to avoid association with any of the illegal armed groups fuelling Colombia's internal conflict. To implement the policy, OCENSA carries out regular human rights training of employees, contractors and army personnel involved in protecting the pipeline. In 2004, OCENSA hired Costa Rica's Center for Studies in Human Rights to conduct human rights training for employees, contractors and military personnel. In 2004, 850 military personnel were trained.

## LOCAL COMMUNITIES

At Enbridge, corporate social responsibility is about building strong and vibrant communities. Whether it's funding for the arts and health services, organizing local United Way campaigns or creating innovative partnerships with non-profit groups, we recognize that our company's success and growth plans are only as good as the strength and social well-being of our communities.

## COMMUNITY INVESTMENT

Enbridge makes voluntary contributions to charitable and non-profit organizations in our different geographic regions in Canada and the United States. Our community investment programs focus on using our dollars, our partnerships and our human resources to support organizations that contribute to the economic and social development of communities where we live and work.

### ■ *Corporate donations total \$ . million*

In 2004, we invested \$4.2 million in local charitable and non-profit organizations, up 20% from corporate donations in 2003. Our contributions benefited more than 615 organizations in Canada and the United States, and represented about 0.9% of our average pre-tax earnings. We are committed to increasing our community investment dollars over time to meet the Imagine Canada annual target of 1% of pre-tax earnings.

**Q:** What are the company's long-term plans for community investment?

**A:** Over the long term, we'll continue to strengthen our community investment program in ways that support our evolving growth plans and meet the specific needs of the voluntary sector. We recognize that the dollars and resources we give to the voluntary sector are essential to building and maintaining positive stakeholder relationships in the communities where we operate.

As we enter new operating regions, we'll expand our community investment program to meet local and regional community needs. For example, as a result of our project plans for the Gateway pipeline, which will cross northern Alberta and British Columbia, we plan to significantly increase our investments in Aboriginal communities along the proposed pipeline route.

We'll also look for opportunities in the province's major centres to expand partnership opportunities that support leadership development in the voluntary sector and are consistent with community investments we've made in other parts of Canada. By teaming up with industry and local charitable organizations, we will look for opportunities to support professional coaching and peer learning for not-for-profit executives.

As a large organization, we can benefit the voluntary sector by sharing our expertise and resources. But we can, and must,



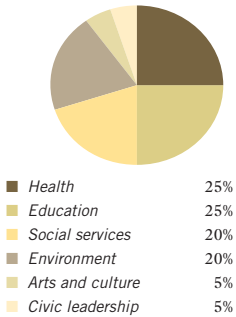
**CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER CALGARY, ALBERTA, CANADA**  
**Dan O'Grady** *Manager, Community Investment, Enbridge Inc.*

do more. Our community investment dollars can play an important role in supporting the financial viability of not-for-profit organizations. Because not-for-profits have told us that one of their biggest issues remains core funding — the dollars needed to run their day-to-day business — we'll continue to underwrite the volunteer resource programs of key organizations.

Our goal is to increase our community investment dollars over time to reach the Imagine Canada annual target of 1% of pre-tax earnings. These dollars will continue to be focused on health, education, social services, environment, civic leadership and arts and culture.

One of our priorities is to ensure our dollars deliver the maximum benefits to charitable organizations and our company. That is why, in early 2005, we contracted the London Benchmarking Group, a third-party consulting firm, to assess our existing community investment program, using the London Benchmarking Group model, a comprehensive set of measurement standards. Results of this research will be used to provide future direction to our community investments.

**COMMUNIT INVESTMENT  
B FOCUS AREA**  
(% of total)



Some examples of our community investment activities are provided as follows.

■ *Mentoring business students*

Mentoring students who are preparing to enter the workforce supports our communities by contributing to the development of future employees and leaders. In 2004, we partnered with the University of Calgary and other companies to establish the Enbridge Undergraduate Mentorship Program, a mentoring program for undergraduate students at the university's Haskayne School of Business. The new program matches students with corporate professionals in multiple disciplines, offering them the opportunity to learn from corporate employees, get a better idea of what corporations expect and what opportunities exist in the business world. In the program's first year, our employees provided mentoring and coaching to 49 students.

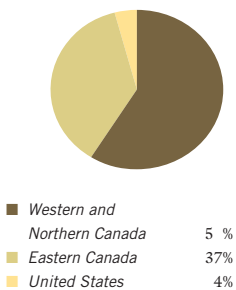
■ *Providing financial assistance to low-income families*

In Ontario, Enbridge Gas Distribution is committed to providing assistance to customers who have a genuine inability to pay for their energy use in a timely manner. That is why in late 2004 Enbridge Gas Distribution, together with Toronto Hydro and the United Way of Greater Toronto, officially launched the Winter Warmth Fund. The fund provides financial assistance to help low-income families and individuals struggling to meet their financial commitments, including heating bills. Last winter, the fund helped more than 600 families in need. In 2005, with the added participation of local United Ways and community-based agencies, the Winter Warmth Fund will be expanded to reach Enbridge customers in other Ontario communities.

■ *Engaging young Canadians on community issues*

We are a strong believer that corporations can play an important role in promoting civic engagement and encouraging younger Canadians to become more involved in community issues. In 2004, Enbridge sponsored the Canadian Unity Council's Young Leaders Luncheon Series, a series of monthly luncheons in Calgary and Edmonton designed to expose young business people to current community issues, including Aboriginal involvement, voter apathy and women in politics. In early 2005, as part of this series, D'Arcy Levesque, Enbridge's Vice President, Public and Government Affairs, delivered a presentation on corporate social responsibility.

**COMMUNIT INVESTMENT  
B GEOGRAPHIC AREA**  
(% in corporate donations and sponsorships)







■ *Supporting first responder organizations*

Enbridge is helping to ensure first responders have the proper supplies, training and equipment to react as quickly as possible in the event of an emergency along our pipelines. Each year, for instance, the Eastern Region of our Liquids Pipelines system contributes \$10,000 to first responders along the pipeline, which runs between Sarnia, Ontario and Montreal, and down to Buffalo. The groups, the majority of which are voluntary and have limited funding, spend the money on resources that would assist in responding to a pipeline-related emergency.

In the United States, we operate a similar program, called the Enbridge Energy 911 Fund, which contributes small grants to different fire responder groups to underwrite special projects or equipment acquisitions. In 2004, we contributed more than \$18,000 US, benefiting about 30 different groups throughout the southern and northern United States. The 911 Fund was launched as a memorial to the heroes and victims of the September 11, 2001 tragedy to show our company's appreciation for local fire departments, emergency medical services, and police and sheriff's departments.

*For the second consecutive year, our company sponsored teachers to attend the Keystone Center's Key Issues Program, a national teacher training institute in Silverthorne, Colorado that provides middle-level educators with the process and skills to investigate environmental issues with their students. The Key Issues program combines classroom work with outdoor exploration. Above, two Enbridge-sponsored teachers disturb the bottom of a creek to collect aquatic insects for an environmental project.*

**ENCOURAGING  
LEARNING  
AMONG YOUTH IN  
CANADA'S NORTH**

**We contribute corporate donations to education and social programs that stress the importance of continuous learning among local youth.**

This is especially important in northern communities where the dropout rate among youth remains high.

In 2004, for the fourth consecutive year, Inuvik Gas sponsored students to attend the Beaufort-Delta Education Council's Youth Entry Level Skills Program. The program is designed to keep local high school

students interested in learning and provide work-related experience by enabling them to spend a week learning about daily jobs in the oil and gas sector. In 2004, 10 students took part in the program.

"The purpose of the program is to give students a well-rounded introduction to our business and enlighten them about possible career choices," says Ken Jacobson, General Manager, Inuvik Gas. "This program promotes continuing education and provides a positive impact for our youth."



Photo by Trudie Lee

*Karen Johnson-Diamond (Mary) and John Kirkpatrick (Peter) in The Leisure Society by François Truffaut, translated by Bobby Theodore, which was premiered during the Enbridge playRites Festival of New Canadian Plays on February 1, 2005 in Calgary, Alberta.*



#### ■ *Sponsoring the arts*

Our sponsorship philosophy is to look for unique opportunities to advance artistic work in our different communities.

In Calgary, Enbridge became the title sponsor for Alberta Theatre Projects' playRites Festival of New Canadian Plays. Our corporate dollars will be used to foster artistic excellence in the development of new Canadian plays.

In 2004, for the third consecutive year, our U.S. operations sponsored Houston's Alley Theatre, one of the leading regional theatres in the United States. The theatre brings high quality productions to the Greater Houston Area, and promotes the arts to students and Houston communities through education and community outreach programs. In addition to our donation dollars, we contribute business expertise to the theatre. Dan Tatcher, Group Vice President, Transportation South, is a member of the theatre's Board of Directors and is now the theatre's president.

#### **UNITED WAY**

Enbridge assists the United Way in reaching its goals through employee-led campaigns in Calgary, Edmonton, Toronto and Houston. In 2004, the time, effort and generosity of Enbridge's employees in carrying out these campaigns was a clear signal to the communities where they serve that our commitment to corporate social responsibility is embraced throughout all levels of the organization.

Here are some examples of the different ways that employees raised money and connected with our communities during the 2004 United Way Campaign:

- In Houston, our staff contributed 835 hours to complete an "extraordinary makeover" of an elderly widow's home during a United Way Days of Caring event
- In Toronto, employees and their friends climbed the world's tallest staircase as part of the Enbridge CN Tower Stair Climb for United Way. For the first time, this event raised \$1 million for the United Way



Enbridge Houston employees pose in front of Ms. Angel's home, which was remodelled by employees during a local United Way Days of Caring event.

- In Superior, Wisconsin, employees painted both a gymnasium and hallways in a local Salvation Army office
- In Cushing, Oklahoma, our employees made local headlines when they contributed \$15,000 — the largest single donation ever — to the local chapter of the United Way
- And in other parts of the company, there were many car washes, barbecues and other employee pledge events.

Thanks to the company's policy of matching employee donations, more than \$1.5 million was raised for United Way in Canada and the United States.

#### EMPLOYEE INVOLVEMENT

We estimate that in 2004 more than two-thirds of our employees were involved in community activities with company support and encouragement.

In 2004, for example, our Houston employees volunteered their time to answer telephone calls for the annual Houston Society for the Prevention of Cruelty to Animals Telethon. In Calgary, employee-run volunteer initiatives raised money for the Families in Transition Program, which helps provide more stable living conditions to families who are homeless or at extreme risk of becoming homeless. And in Ontario, our community events team supported more than 360 community events,

#### ENBRIDGE GIVES “EXTRAORDINARY MAKEOVER” DURING UNITED WAY DAYS OF CARING

People like Ms. Angel are the reason why Enbridge employees are committed to the United Way.

Ms. Angel, an 82-year-old, low-income woman in a poor area of Houston, and her husband, were saving all the money they could to refurbish their home. They were prepared to start the repair when her husband was diagnosed with cancer. They spent all their savings trying to cure the disease, and when the savings were gone, Ms. Angel borrowed money. Then three years ago her husband lost his battle with cancer, leaving her without any savings and in serious debt.

In 2004, United Way of the Texas Gulf Coast chose Ms. Angel for their Extraordinary Makeover, a Days of Caring event where United Way teamed up with Enbridge and two other area companies to remodel a needy local resident's home. In September, more than 50 Enbridge employee volunteered up to five days of their time, working nights and weekends, to remodel and repair the inside of Ms. Angel's home.

“We had so many employees dedicated to helping this cause,” says Terry Register, Financial Services Lead for the U.S. Natural Gas Business and co-chair of the Enbridge Houston Office's United Way team. “In the end, Enbridge contributed at least 835 hours to help someone in need.” The Extraordinary Makeover later aired on local television in a special half-hour program and featured Enbridge employees as they remodelled Ms. Angel's home.

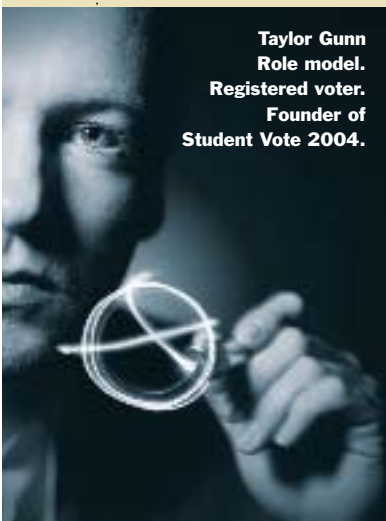
and employees helped people in need get through the winter by collecting blankets and clothing as part of Enbridge Gas Distribution's Winter Warmth Clothing and Blanket Drive.

Throughout our organization, employees responded with compassion to an effort to support the millions of people affected by the tsunami that devastated a dozen countries on Boxing Day in 2004. Enbridge immediately contributed \$30,000 and launched an employee-matching program, with all funds directed to the Canadian and American Red Cross. Enbridge employees stepped up, generously giving almost \$99,000 company-wide. In total, Enbridge contributed \$230,000 to support this humanitarian relief effort. The funds were used by the Red Cross to support the short-term and long-term needs of all the communities affected.

## STAKEHOLDER ENGAGEMENT

Enbridge's stakeholders are drawn from all sectors of society affected by Enbridge's operations. They include employees, suppliers, customers, investors, government agencies, environmental groups, business partners and local communities. The time and effort we put into developing positive relationships with these stakeholders is an

### STUDENT VOTE ALBERTA



**Taylor Gunn**  
Role model.  
Registered voter.  
Founder of  
Student Vote 2004.

#### **In Canada, voter turnout is low among young people.**

That is why Enbridge is a national founding partner of programs such as Student Vote that develop grassroots leadership and nurture students' ability to understand the importance of civic participation.

Student Vote is a non-partisan, educational initiative that started in 2003 and is designed to inspire electoral and community participation among students under the legal age of voting. After a successful trial run in Ontario, the program expanded to include Canada's 2004 federal election. In the spring of 2004, more than 2,300 schools registered across the country and received learning materials to use during the election

campaign, including posters, riding maps and ballots. With over 650,000 students participating, this was the first student education initiative undertaken in conjunction with a federal election.

In November 2004, with support from corporate sponsors such as Enbridge, over 63,000 students across Alberta participated in a similar initiative, called Student Vote Alberta. Students registered their schools, set up mock polling stations and cast ballots that would later be tallied and compared with live ballots. Results were then shared with local and national media and discussed in classrooms across the province. About 60,000 students in Alberta were involved in this program during the provincial election.

Q:

How is Enbridge working with governments and industry to promote public awareness of pipelines and pipeline safety?

A:

Enbridge is very active in facilitating a major industry effort in the United States to promote

public awareness of pipelines and pipeline safety.

While pipelines are safe, as long as there are any pipeline incidents there is always room for improvement. Based on industry experience and stakeholder feedback, we support efforts to raise the bar for public awareness programs so the public better understands pipeline infrastructure and pipeline safety issues.

During the last two and a half years, Enbridge played a lead role in an industry initiative to develop a consensus standard, sponsored by the American Petroleum Institute (API), to do just that — improve public awareness programs along pipelines. Because of the diversity of our assets, Enbridge was uniquely positioned to help bring together the petroleum and natural gas pipeline industry and gas distribution companies to form a collaborative working group to develop the standard. Together we carried out an extensive consultation process — including public meetings, stakeholder surveys and focus groups — to share perspectives and discuss what guidelines would be most effective and how to adapt these guidelines to each type of pipeline system. It was important to develop



CORPORATE SOCIAL RESPONSIBILITY ADVISORY COMMITTEE MEMBER HOUSTON, TEXAS, UNITED STATES

**Denise Hamsher** *Director, Public, Government and Regulatory Affairs, Enbridge Transportation South*

recommended practices but still allow flexibility, depending on the hazards and conditions of various pipeline segments.

The result was the development of a new industry consensus standard to provide guidance to all pipeline operators on implementing pipeline public awareness programs.

In 2004, the API adopted Recommended Practice 1162. Enbridge helped lead public meetings with federal regulators and industry representatives to roll out the new consensus standard. The

standard is receiving support from local community groups and non-government organizations. Enbridge also is playing a lead role in conducting a pilot survey of two U.S. regions to evaluate the knowledge of the target audience and test effectiveness of the public awareness program outreach efforts by pipeline operators in these regions. The U.S. federal pipeline regulatory agency now has adopted the consensus standard into its regulations.

essential part of being good neighbours and operators in our different geographic regions. This engagement occurs in many different ways, including through:

- project consultation
- public awareness programs
- customer engagement
- relations with indigenous peoples
- discussion forums with policymakers

#### **PROJECT CONSULTATION**

We regard discussing our project proposals at an early stage with our stakeholders as extremely important. It is vital that Enbridge and our employees ensure that stakeholders are aware of our plans and activities — including what we are doing, why we are doing it and how we plan to do it. Dialogue with our stakeholders also opens opportunities to listen and respond to concerns and suggestions.

Some examples of project consultation in 2004 are provided below.

##### ■ *Alaska-Canada gas pipeline*

When Enbridge announced plans in spring 2004 to take a leadership position in a broad coalition of commercial interests to build and operate the \$20-billion Alaska-Canada Natural Gas Pipeline, an ambitious stakeholder engagement program was developed. We attended conferences and met with government officials, regulatory agencies, economic development authorities and several Aboriginal organizations in Alaska, Yukon, British Columbia and Alberta. In these meetings, we focused our efforts on better understanding stakeholder issues and raising awareness of Enbridge's track record as an experienced operator of cross-border natural gas and crude oil pipelines.

##### ■ *Gateway Project*

Stakeholder consultation has also been essential as we continued to advance our proposal for the Gateway Project, our pipeline proposal to move crude oil and petroleum products from the Edmonton hub to the west coast of British Columbia. In 2004, we met with more than 70 Aboriginal communities along the proposed pipeline route. Because many of these communities have no experience with crude oil pipelines, our efforts were focused on informing them about the project proposal and Enbridge's business plans, as well as listening to issues and expectations they have about pipeline development.

■ *East Texas gas pipeline expansion*

Our U.S. Natural Gas Business has expanded our East Texas gas pipeline system by adding a 172-kilometre (107-mile) pipeline section. In 2004, we met with more than 60 local and state government officials and more than 500 landowners to discuss our project plans for the 36-inch intrastate pipeline. On the basis of these efforts, we successfully acquired land for the pipeline right-of-way and began project construction on schedule in late 2004. The project was completed in June 2005.

■ *LNG project in Quebec*

In Quebec, Enbridge has joined with Gaz de France and Gaz Métropolitain, Quebec's largest natural gas distributor, in proposing the construction of a \$700-million liquefied natural gas terminal in the St. Lawrence River region near the City of Lévis. In 2004, the companies launched a public involvement program including presentations to municipal councils, meetings with landowners, open house information sessions and the distribution of brochures to local residences and businesses focusing on several sites. In early 2005, we presented our final site selection proposal. We will prepare an extensive analysis of the project's impacts and submit it to provincial and federal government authorities in the coming months. The public will be invited to take part in public hearings to review these studies.

**PUBLIC AWARENESS PROGRAMS**

Reaching out to stakeholders with targeted and planned communications is a key part of enhancing awareness of our pipelines and our company's reputation. The right outreach program can help prevent accidents, improve the response if there is an accident, and develop positive relationships.

In 2004, we distributed mailings to stakeholders along all our liquids pipelines in Canada and the United States, the Vector pipeline (a joint venture that Enbridge operates) and to over half of our natural gas pipelines in mid-continent and southern United States. During the year, we contacted more than 13,000 stakeholders along our pipeline rights-of-way in Canada and more than 580,000 stakeholders in the United States.

Our Liquids Pipelines operations increased efforts to provide more detailed information on topics of interest to landowners in Western Canada, including deep tillage activities across pipelines. In Ontario, we partnered with utilities and industry to distribute pipeline safety brochures to residences and businesses along a 72-kilometre (45-mile) pipeline corridor in the Greater Toronto Area.

Our U.S. operations joined an industry-wide effort to improve communications with local stakeholders by helping develop a new American Petroleum Institute consensus standard. The standard describes how public awareness messages — on issues like pipeline reliability, damage prevention, hazards and emergency preparedness — must be delivered, and how often.

#### **CUSTOMER ENGAGEMENT**

We operate Canada's largest natural gas distribution company and deliver gas to 140,000 business customers and 1.5 million residential customers in Ontario. Enbridge Gas Distribution is committed to providing fair and reasonable service to our customers. Customer feedback gathered through regular surveys helps gauge our performance against our commitment and adjust service where necessary.

Enbridge Gas Distribution conducts annual surveys of business customers and monthly surveys of residential customers. These surveys are used to better understand customer needs. We also discuss industry and customer issues with an Enbridge-led industry advisory council, consisting of heating, ventilating and air conditioning (HVAC) contractors, manufacturers, agents, brokers, marketers and industry associations.

During the past five years, Enbridge Gas Distribution's customer satisfaction levels have remained relatively stable. Despite the changing Ontario energy marketplace, this stability illustrates customers' continued attraction to natural gas as a reliable and safe energy product.

#### **RELATIONS WITH INDIGENOUS PEOPLES**

Enbridge has a long history of dealing with indigenous communities in Canada and the United States, and of pursuing progressive relationships with these communities. Our Indigenous Peoples Policy lays out key principles for relations with indigenous peoples, such as respect for traditional ways and land, heritage sites, the environment and traditional knowledge. The policy is also designed to ensure a consistent and thorough approach to consultation and engagement with Aboriginal communities.





*actress Tantoo Cardinal talks to a high school audience in Calgary about Our Story, a new book of short stories that revisits Canadian history through the voices of Aboriginal writers.*

In 2004, Enbridge established the position of corporate manager of Aboriginal Affairs to oversee practical application of our Indigenous Peoples Policy and our company's relationships with the different First Nations and Métis communities near our existing and proposed pipeline developments. This manager provides advice to senior management and our business units to support our company's business and CSR objectives.

Guided by our policy, we are striving to build sincere and open dialogue with indigenous peoples. Much of the work during the year to support our policy was focused on northern Alberta and British Columbia, where we are increasing our presence.

As part of the consultation process in support of the proposed Gateway pipeline to link Alberta oil sands to a port on the B.C. West Coast, we engaged 70 First Nations and Métis communities in 2004. We also met with First Nations communities near Fort McMurray, Alberta to review our plans for expansions to the Athabasca pipeline system to handle future oil sands production from the Long Lake and the Surmont projects. Part of our discussion focused on opportunities for Aboriginal employment and capacity-building during construction of these pipeline facilities.

## UNDERSTANDING HISTORY THROUGH THE VOICES OF ABORIGINAL WRITERS

Enbridge, in partnership with the Dominion Institute, launched two national projects that create opportunities for Canadian Aboriginal writers to revisit historic events in Canada's history.

The initiative is intended to encourage all Canadians to explore the significance of these events from the perspective of First Nations peoples.

The first national project announced was the launch of *Our Story* in early 2004, a book of short stories featuring nine leading Canadian Aboriginal authors who were invited to write about a defining moment in Canadian history and its significance for First Nations peoples. The book includes Aboriginal writers such as Tantoo Cardinal, Tom King, Tomson Highway and Drew Hayden Taylor. Copies of the book were widely distributed to government politicians, First Nations leaders and schools along our liquids pipeline right-of-way in Canada. The patron of the project was Adrienne Clarkson, the Governor General of Canada.

"The purpose of the book was to focus on Aboriginal stories from points of time in history," says Lyle Neis, Manager, Aboriginal Relations. "Stories, such as those in the book, are very valuable as a way to understanding the perspectives of our Aboriginal communities and neighbours."

The launch of the book was combined later in the year with the announcement of the Canadian Aboriginal Youth Writing Challenge, which provides an opportunity for Aboriginal youth between the ages of 15 to 18 across the country to write a story about a defining moment in history and have their voices heard. In addition to encouraging their creativity and talent, the competition and the resulting stories will help educate Canadians about their history. Winners of the challenge will be announced in September 2005.

## DISCUSSION FORUMS WITH POLICYMAKERS

We look for opportunities to participate in policy discussions where we can make a relevant and meaningful contribution. During the year, we made numerous submissions to government on proposed legislation and other forums on energy industry policy. Our aim is to promote a competitive and sustainable energy industry and to find innovative solutions to current North American energy supply and demand issues.

In 2004, we participated in a variety of forums to discuss energy infrastructure issues with policymakers in Canada and the United States.

For example, almost 100 government stakeholders and leaders from utilities, power producers and groups critical to Enbridge Gas Distribution's business came together for a half-day forum the company hosted in Toronto in June. Called the Ontario Energy Forum, the event was initiated by Enbridge Gas Distribution, in close consultation with the Ontario Minister of Energy's Office, to exchange views and enhance the ability of provincial government members to communicate with constituents on energy-related matters. Similar outreach efforts are planned for 2005.

### ■ *Woodrow Wilson forums highlight Canada-U.S. energy issues*

During the year, Enbridge sponsored two forums, one in Calgary and another in Washington, D.C., as part of an initiative of the Canadian Institute of the Woodrow Wilson International Center for Scholars. These events helped to profile energy infrastructure issues among key policymakers in Canada and the States.

The Calgary event promoted continued cross-border collaboration on energy issues and a vision of North America as an integrated business community. The Washington event, which featured presentations and round table discussions by senior American and Canadian government officials and energy industry representatives, highlighted the need for increased efficiency and coordinated action by governments, regulators and industry on North American energy projects. As a result of the forums, Enbridge President and CEO Pat Daniel used subsequent speaking engagements to issue a "call to action" to keep continental energy infrastructure issues at the top of the political agenda in Canada.



*Enbridge President and CEO Pat Daniel provided opening remarks at a September 2 forum for senior government and industry representatives at the Woodrow Wilson Center in Washington, D.C. The event helped to profile energy infrastructure issues among key policymakers in Canada and the United States.*

To: *The Board of Directors and Management of Enbridge Inc.*

The management of Enbridge Inc. prepared the Enbridge Inc. 2005 Corporate Social Responsibility Report. It met its responsibility to collect and prepare the information in the Report and requested that Audit Services review the Summary of Performance Indicators (included in pages 91 to 96, as outlined below) to provide conclusions on the collection, consolidation and reporting at the business unit level.

We did not attempt to review all information in the report. Our responsibility is to indicate whether anything has come to our attention that would suggest that the selected performance indicators are inaccurate or misleadingly presented.

**SCOPE**

We reviewed the following 2004 performance indicators as summarized for Enbridge’s liquids pipelines, gas pipelines, U.S. natural gas business and gas distribution operations.

<b>Liquid Pipelines</b>	<b>US Natural Gas Business</b>	<b>Gas Pipelines</b>	<b>Gas Distribution</b>
Operations	Operations	Operations	Operations
EH&S Management	EH&S Management	EH&S Management	EH&S Management
Environmental Performance	EH&S Training	Environmental Performance	Environmental Performance
Social Performance	Environmental Performance	Social Performance	Health and Safety
	Health and Safety		

We did not review the narrative sections of the report.

**METHODOLOGY**

We planned and performed our work to provide reasonable, rather than absolute, assurance with respect to the selected quantitative information. Our procedures included obtaining, examining and evaluating evidence supporting the selected performance indicators. As well, we interviewed a selection of Enbridge managers and professional staff who supported the collection, consolidation and reporting of the performance indicators at a business unit level. We believe our work provides a reasonable basis for our conclusion.

**CONCLUSION**

Based on our review procedures of these selected quantitative performance indicators, we conclude the information is accurate and fairly presented.



Barry Yuzwa  
 Director  
 Audit Services

## INTRODUCTION

This Corporate Responsibility Report differs from the 2004 Enbridge Annual Report in that we do not provide a separate section for sponsored investments (energy delivery investments under our two major income funds). We have chosen, instead, to include information on Enbridge Partners' Lakehead and North Dakota systems in the Liquids Pipelines segment. The U.S. Natural Gas Business segment includes our Gulf region natural gas transmission and gathering systems. The Gas Pipelines segment includes results for the Vector pipeline system operated by Enbridge.

We report EH&S data for energy delivery systems owned or operated by Enbridge. We do not report data from our joint venture activities through Enbridge International.

Any changes from the previous year in measurement methods applied to key EH&S information have been footnoted.

## LIQUIDS PIPELINES

	2000	2001	2002	2003	2004
<b>OPERATIONS<sup>1</sup></b>					
Deliveries ( <i>thousands of barrels/day</i> ) <sup>2, 3</sup>	2,072	2,109	2,088	2,189	2,138
Barrel miles ( <i>billions</i> ) <sup>3, 4</sup>	735	695	705	710	757
Length of right-of-way ( <i>kilometres</i> ) <sup>5</sup>	10,238	10,251	10,309	10,240	11,074
Employees	1,176	1,111	1,078	1,097	1,211
<b>EH&amp;S MANAGEMENT</b>					
Major incidents <sup>6</sup>	3	5	9	7	3
Regulatory notifications <sup>7</sup>	0	0	1	7	5
EH&S fines and penalties ( <i>thousand dollars</i> ) <sup>8</sup>	0	0	0	0	6
EH&S professionals ( <i>full-time</i> )	22	23	22	25	28
<b>ENVIRONMENTAL PERFORMANCE</b>					
Greenhouse gas emissions <sup>9, 10</sup>					
Direct emissions ( <i>thousand tonnes of CO<sub>2</sub>E</i> )	23	17	35	24	24
Indirect emissions ( <i>thousand tonnes of CO<sub>2</sub>E</i> )	864	915	862	925	1,045
Net emission intensity ( <i>tonnes of CO<sub>2</sub>E per petajoule of energy delivered</i> ) <sup>11</sup>	175	182	160	165	173
Energy <sup>9, 10, 12</sup>					
Energy use ( <i>thousand gigajoules</i> )	5,140	5,215	5,243	5,437	6,121
Energy intensity ( <i>thousand gigajoules per million cubic metres of throughput</i> )	39	39	36	37	38
Reportable spills <sup>13</sup>					
Number of spills	43	27	46	58	64
Spill volume ( <i>barrels</i> )	7,480	25,670	14,680	6,377	3,114
Spill volume rate ( <i>barrels per billion barrel miles of throughput</i> )	9.99	36.22	20.22	8.68	3.84
Waste <sup>9, 10, 14</sup>					
Recycled material ( <i>tonnes</i> )	105	88	48	46	54

(Continued on next page)

**LIQUIDS PIPELINES** (continued)

	2000	2001	2002	2003	2004
<b>SOCIAL PERFORMANCE</b>					
Health and safety <sup>15</sup>					
Employee days away injury frequency (days away injuries per 200,000 hours worked) <sup>16</sup>	0.09	0.34	0.18	0.09	0.52
Employee days away severity (days away per 200,000 hours worked)	0.09	1.97	4.25	0.09	8.15
Employee recordable injury frequency (recordable injuries per 200,000 hours worked) <sup>17</sup>	1.04	1.20	1.11	1.31	1.65
Contractor days away injury frequency (days away injuries per 200,000 hours worked) <sup>17, 18</sup>	5.92	1.59	1.07	0.82	1.87
Contractor recordable injury frequency (recordable injuries per 200,000 hours worked) <sup>17, 18</sup>	20.71	7.12	4.60	4.52	4.67
Absenteeism (days absent per employee)	3.26	3.26	2.83	3.30	2.84
Motor vehicle incident frequency (incidents per million kilometres driven) <sup>19</sup>	2.65	2.52	2.17	3.22	3.73

1 Unless otherwise noted, data covers Enbridge Pipelines Inc., Enbridge Energy, Limited Partnership (Lakehead and North Dakota systems), Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc., Enbridge Pipelines (Athabasca) Inc., and Enbridge Pipelines (Toledo) Inc. Results for the Mid-Continent system acquired from Shell on March 1, 2004 are included in this report.

2 One barrel = 0.159 cubic metres or 42 U.S. gallons.

3 Includes Enbridge Pipelines Inc., Enbridge Energy, Limited Partnership (Lakehead System), Enbridge Pipelines (NW) Inc., and Enbridge Pipelines (Toledo) Inc.

4 Barrel miles are barrels delivered multiplied by the distance traveled in miles.

5 Includes mainline and gathering line rights-of-way.

6 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

7 Regulatory notifications are formal written notification by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summons and charges, notices of violation and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

8 EH&S fines and penalties are levied against the company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.

9 Includes Enbridge Pipelines Inc., Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc., Enbridge Pipelines (Athabasca) Inc. and Enbridge Midcoast Canada Operating Corp.

10 Data is based on data from the draft Enbridge VCR Inc. 2005 Update.

11 Net emissions include reductions related to any offset project.

12 Energy use includes electricity and fuel consumption in operations of Enbridge Pipelines Inc., Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc., Enbridge Pipelines (Athabasca) Inc. and Enbridge Midcoast Canada Operating Corp.

13 Reportable spills are any spill reportable to a regulatory jurisdiction.

14 Includes office paper, aluminum, glass, metal and newspaper. Materials such as wax, waste oil, rags and batteries are recycled but not tracked.

15 Personal injury classifications are based on U.S. Occupational Safety and Health Administration (OSHA) reporting guidelines for occupational injuries and illnesses.

16 Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

17 Includes days away and medical aid injuries.

18 Contractor days away and recordable injury frequency rates include engineering project contractors. The rates do not include operations contractors, because the number of hours worked is not tracked for these contractors.

19 Motor vehicle incident frequency rates do not include incidents that occurred at office locations in Edmonton, Alberta and Duluth, Minnesota and Superior, Wisconsin because mileage is not tracked for these locations.

## GAS PIPELINES

	2001	2002	2003	2004
<b>OPERATIONS<sup>1</sup></b>				
Deliveries ( <i>billion cubic feet</i> ) <sup>2</sup>	259	281	376	373
Length of right-of-way ( <i>kilometres</i> )	465	465	465	465
Employees	6	5	6	8
<b>EH&amp;S MANAGEMENT</b>				
Major incidents <sup>3</sup>	0	0	0	2
Regulatory notifications <sup>4</sup>	0	0	0	2
EH&S fines and penalties ( <i>thousand dollars</i> ) <sup>5</sup>	0	0	0	0
<b>ENVIRONMENTAL PERFORMANCE</b>				
Reportable spills ( <i>number</i> ) <sup>6</sup>	0	0	0	0
<b>SOCIAL PERFORMANCE</b>				
Health and safety <sup>7</sup>				
Employee days away injury frequency ( <i>days away injuries per 200,000 hours worked</i> ) <sup>8</sup>	0.00	0.00	0.00	0.00
Employee days away severity ( <i>days away per 200,000 hours worked</i> )	0.00	0.00	0.00	0.00
Employee recordable injury frequency ( <i>recordable injuries per 200,000 hours worked</i> ) <sup>9</sup>	0.00	0.00	0.00	17.46
Contractor days away injury frequency ( <i>days away injuries per 200,000 hours worked</i> ) <sup>9</sup>	4.83	0.00	0.00	0.00
Contractor recordable injury frequency ( <i>recordable injuries per 200,000 hours worked</i> ) <sup>9,10</sup>	15.70	0.00	0.00	0.00
Motor vehicle incident frequency ( <i>incidents per million kilometres driven</i> )	n/a	0.00	4.38	0.00

<sup>1</sup> Data covers the Enbridge-operated portion of the Vector Pipeline.

<sup>2</sup> One thousand cubic feet = one dekatherm.

<sup>3</sup> Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

<sup>4</sup> Regulatory notifications are formal written notification by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summons and charges, notices of violation and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

<sup>5</sup> EH&S fines and penalties are levied against the company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in U.S. dollars.

<sup>6</sup> Reportable spills are any spill reportable to a regulatory jurisdiction.

<sup>7</sup> Personal injury classifications are based on U.S. Occupational Safety and Health Administration (OSHA) reporting guidelines for occupational injuries and illnesses.

<sup>8</sup> Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

<sup>9</sup> Includes days away and medical aid injuries.

<sup>10</sup> Contractor days away and recordable injury frequency rates include engineering project contractors. The rates do not include operations contractors, because the number of hours worked is not tracked for these contractors.

## U.S. NATURAL GAS BUSINESS

	2001	2002	2003	2003	2004	2004
			Pipeline	Trucking	Pipeline	Trucking
<b>OPERATIONS<sup>1</sup></b>						
Gas transmission volume <sup>2</sup> <i>(billion cubic feet per day)</i>	1.2	1.4	1.8	–	2.03	–
Deliveries <i>(barrels per day)</i> <sup>3</sup>	4,500	15,000	28,000	–	35,695	21,376
Length of right-of-way <i>(miles)</i>	2,400	6,400	6,430	45	8,500 <sup>4</sup>	45
Length of pipeline <i>(miles)</i>	4,100	7,500	7,500	45	9,200	45
Employees	337	616	515	162	694	160
<b>EH&amp;S MANAGEMENT</b>						
Major incidents <sup>5</sup>	3	1	0	2	2	0
Regulatory notifications <sup>6</sup>	4	3	10	1	18	0
EH&S fines and penalties <i>(thousand dollars)</i> <sup>7</sup>	46	16.9	53.5	0.5	202.3	0
<b>EH&amp;S TRAINING</b>						
Total hours	700	4,600	7,800	1,850	11,471	1,997
Hours per employee <sup>8</sup>	–	–	29.4	11.4	16.5	12.5
EH&S professionals <i>(full-time)</i>	1	6	9	1	11	1
<b>ENVIRONMENTAL PERFORMANCE<sup>9</sup></b>						
Reportable spills <sup>10</sup>						
Spills <i>(number)</i> <sup>11</sup>	5	1	2	2	5	0
Spill volume <i>(barrels)</i>	517	2	11	21	138	0
<b>HEALTH AND SAFETY<sup>12</sup></b>						
Employee days away injury frequency <i>(days away injuries per 200,000 hours worked)</i> <sup>13</sup>	2.40	0.19	0.19	1.23	0.30	1.88
Employee days away severity <i>(days away per 200,000 hours worked)</i>	29.19	7.86	0.19	111.56	1.80	33.82
Employee recordable injury frequency <i>(recordable injuries per 200,000 hours worked)</i> <sup>14</sup>	5.63	1.07	1.55	2.47	1.35	0.47
Preventable motor vehicle incident frequency <i>(incidents per million miles driven)</i>	3.81	1.21	2.59	1.61	1.68	2.23

1 Unless otherwise noted, data covers natural gas transmission, gathering, processing and trucking operations of Enbridge Energy Partners, L.P.

2 Reflects aggregate throughput of Enbridge Energy Partners, L.P., natural gas transmission, gathering and processing lines.

3 1 barrel = 0.159 cubic metres or 42 U.S. gallons (all liquid products).

4 Includes 8,500 right-of-way miles for transmission, processing and gathering and 45 miles for Dufour Petroleum.

5 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

6 Regulatory notifications are formal written notification by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summons and charges, notices of violation, and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

7 EH&S fines and penalties are levied against the company as a result of

regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in U.S. dollars.

8 Measures hours of EH&S training per operations employee. Does not include additional training provided to office employees.

9 Because of different regulatory requirements and business needs, our U.S. Natural Gas Business does not track some corporate performance indicators. A key priority of this business operation is full compliance with existing regulatory requirements. The company's management system provides accountability for achieving this performance.

10 Reportable spills are any spill reportable to a regulatory jurisdiction.

11 Includes liquid spills from gas transmission and the limited number of liquids pipelines that are included in the U.S. Natural Gas Business segment.

12 Health and safety statistics refer only to Enbridge employees. Personal injury classifications are based on U.S. Occupational Safety and Health Administration (OSHA) reporting guidelines for occupational injuries and illnesses.

13 Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

14 Includes days away and medical aid injuries.



## ENBRIDGE GAS DISTRIBUTION

	2000	2001	2002	2003	2004
<b>OPERATIONS<sup>1</sup></b>					
Gas distribution volumes ( <i>billion cubic feet</i> )	419	413	413	433	430
Length of pipeline ( <i>thousand kilometres</i> ) <sup>2</sup>	27.0	28.0	29.0	30.5	31.4
Number of employees	1,681	1,780	2,008	1,682	1,607
<b>EH&amp;S MANAGEMENT</b>					
Major incidents <sup>3</sup>	0	0	1	3	0
Regulatory notifications <sup>4</sup>	7	4	3	3	3
EH&S fines and penalties ( <i>thousands of dollars</i> ) <sup>5</sup>	0	0	0	0	0
EH&S training					
Total hours <sup>6</sup>	n/a	n/a	4,939	4,166	4,646
Hours per employee <sup>7</sup>	n/a	n/a	2.46	4.03	5.30
EH&S professionals ( <i>full-time</i> ) <sup>8</sup>	11	12	11	10	10
<b>ENVIRONMENTAL PERFORMANCE</b>					
Greenhouse gas emissions <sup>9</sup>					
Direct emissions ( <i>thousand tonnes of CO<sub>2</sub>E</i> )	323	329	308	309	301 <sup>10</sup>
Indirect emissions ( <i>thousand tonnes of CO<sub>2</sub>E</i> )	9	9	8	7	7 <sup>10</sup>
Net emission intensity					
( <i>tonnes of CO<sub>2</sub>E per petajoule of energy delivered</i> )	737	732	760	711	682 <sup>10</sup>
Energy					
Energy use ( <i>thousand gigajoules</i> )	1,142	1,323	911	938	1,167
Energy intensity ( <i>thousand gigajoules per billion cubic feet of throughput</i> )	2.7	3.2	2.2	2.2	2.7
Reportable spills <sup>11</sup>					
Number of spills ( <i>gas</i> ) <sup>12</sup>	0	1	0	1	0
Number of spills ( <i>liquid</i> )	5	1	1	0	0
Spill volume ( <i>litres of liquid</i> )	6,000	5	180	0	0
Spill volume rate ( <i>barrels per billion cubic feet of throughput</i> )	14.2	0.01	0.45	n/a	n/a
Waste					
Waste to offsite disposal					
Total non-hazardous waste ( <i>tonnes</i> )	978	469	565	958	998
Total liquid Ontario Ministry of Environment registrable waste ( <i>thousand litres</i> ) <sup>13</sup>	39	46	132	196	230 <sup>14</sup>
Total solid Ontario Ministry of Environment registrable waste ( <i>kilograms</i> ) <sup>13</sup>	150,000	38,000	7,789	2,202	2,296
Recycled material ( <i>tonnes</i> )	500	40	431	444	469

(Continued on next page)

**ENBRIDGE GAS DISTRIBUTION** (continued)

	2000	2001	2002	2003	2004
<b>HEALTH AND SAFETY</b>					
Employee days away injury frequency (days away injuries per 200,000 hours worked) <sup>15</sup>	0.95	0.62	1.21	0.48	0.13
Employee days away severity (days away per 200,000 hours worked)	8.61	6.98	11.27	7.45	2.83
Employee recordable injury frequency (recordable injuries per 200,000 hours worked) <sup>16</sup>	3.07	3.29	3.42	3.00	2.58
Absenteeism (days absent per employee)	5.14	4.86	4.44	4.51	3.85
Motor vehicle incident frequency (incidents per million kilometres driven)	4.44	2.98	2.75	3.32	3.22

- 1 Includes overall distribution system of Enbridge Gas Distribution, Gazifère, St. Lawrence Gas Company and Enbridge Gas New Brunswick.
- 2 Does not include gas services (pipe required from the main to serve residential, commercial or industrial buildings).
- 3 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action or significant adverse impact to the environment.
- 4 Regulatory notifications are formal written notification by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summons and charges, notices of violation and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.
- 5 EH&S fines and penalties are levied against the company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.
- 6 Includes EH&S training for employees such as driver safety, pipeline excavation safety and WHMIS (Workplace Hazardous Material Information System).

- 7 Measures hours of EH&S training per operations employee. Does not include additional training provided to office employees. 2002 data was reported for all employees.
- 8 Includes vehicle safety trainers and nursing staff in the company's Wellness Centre.
- 9 Does not include customer emissions.
- 10 2004 data is based on the Enbridge VCR Inc. 2004 Update.
- 11 Reportable spills are spills reportable to a regulatory jurisdiction.
- 12 Does not include fugitive emissions, planned releases or third party incidents.
- 13 Includes wastes registered under the Ontario Hazardous Waste Information Network.
- 14 This increase was largely due to a water utility main break which caused water to flow into gas utility lines and resulted in Enbridge Gas Distribution having to dispose of pumped-out water as hazardous waste.
- 15 Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.
- 16 Includes days away and medical aid injuries.

This report has been prepared in accordance with the 2002 GRI Guidelines. It represents a balanced and reasonable presentation of our organization's economic, environmental and social performance.



Patrick Daniel  
President and CEO

## COMPARISON WITH GUIDELINES OF GLOBAL REPORTING INITIATIVE (GRI)

Enbridge created this report using the 2002 GRI Sustainability Reporting Guidelines. As part of those guidelines, we have included this GRI content index, which allows readers to quickly assess the degree to which Enbridge has included information and indicators contained in the GRI guidelines. Our sustainability reporting has evolved over the years and will continue to do so to meet all GRI guideline requirements. Enbridge is committed to a strategy of continual improvement to reflect existing and emerging standards of CSR practices and reporting.

GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
<b>VISION AND STRATEGY</b>				
1.1	Description of vision and strategy	●	●	P. 3-5
1.2	CEO statement	●	●	P. 3-5
<b>PROFILE</b>				
<b>Organizational profile</b>				
2.1	Name of reporting organization	●	●	Cover
2.2	Major services	●	●	P. 7
2.3	Operational structure	●	●	P. 1
2.4	Major divisions, subsidiaries, joint ventures	●	●	P. 90-96
2.5	Countries of operation	●	●	P. 7
2.6	Nature of ownership	●	●	P. 90-96
2.7	Nature of markets served	●	●	P. 7
2.8	Scale of operation	●	●	P. 7
2.9	List of key stakeholders	●	●	P. 82
<b>Report scope</b>				
2.10	Contact person	●	●	Inside back cover
2.11	Reporting period	●	●	P. 1
2.12	Date of previous report	●	●	P. 1
2.13	Boundaries of report	●	●	P. 1, 90
2.14	Significant changes to business	●	○	P. 7, 53-55
2.15	Basis for reporting on joint ventures and subsidiaries	●	●	P. 90-96
2.16	Explanations for restated information from previous reports	●	●	P. 90-96
<b>Report profile</b>				
2.17	Decisions to apply or not apply GRI principles	●	●	P. 1
2.18	Criteria/definitions used in accounting for economic, environmental and social costs/benefits	○	○	Currently not tracked
2.19	Significant changes in measurement methods	●	●	P. 25, 27, 90-96
2.20	Policies and internal practices to provide assurance, completeness and reliability of information	●	○	Internal audit carried out to provide assurance of 2005 CSR Report
2.21	Policy and current practice for independent assurance for full report	●	○	Internal audit of selected content in 2005 CSR Report completed. External assurance is planned for future reports
2.22	Means by which report users can obtain additional information	●	●	Inside back cover and throughout report

\* Global Reporting Initiative reference number

● covered/reported    ● partially covered/reported    ○ not covered/not reported

● covered/reported ● partially covered/reported ○ not covered/not reported

GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
<b>STRUCTURE AND GOVERNANCE</b>				
3.1	Governance structure	●	●	P. 10-12
3.2	Percentage of the Board of Directors that are independent, non-executive directors	●	○	P. 10
3.3	Processes for determining required expertise of Board members	○	○	Discussed in management information circular P. 21-33
3.4	Board-level processes for managing environmental, economic and social risks	●	●	P. 11
3.5	Linkage between executive compensation and achievement of organizational goals	●	○	P. 11
3.6	Organizational structure and key individuals responsible for oversight, implementation and audit of environmental, economic and social policies	●	●	P. 13
3.7	Mission and value statements, codes of conduct, policies relevant to economic, environmental and social performance	●	●	P. 4, 75
3.8	Mechanisms for shareholders to provide direction to Board	○	○	Discussed in management information circular P. 7
<b>Stakeholder engagement</b>				
3.9	Identification and selection of major stakeholders	●	●	P. 82
3.10	Approaches to stakeholder consultation	●	●	P. 82-88
3.11	Type of information generated by stakeholder consultation	●	●	P. 82-88
3.12	Use of information resulting from stakeholder engagements	●	●	P. 82-88
<b>POLICIES AND MANAGEMENT SYSTEMS</b>				
3.13	Use of precautionary principle	●	●	P. 24, 26
3.14	Use of externally developed voluntary charters or principles	●	●	P. 76
3.15	Key memberships in industry associations and advocacy organizations	●	●	Mentioned throughout report
3.16	Policies and systems for managing upstream/downstream impacts	●	○	A detailed approach to this indicator has not yet been fully developed. Should a reporting mechanism not be cost- or resource-prohibitive to develop, we will consider reporting this indicator in future reports
3.17	Approach to managing indirect economic, environmental, social impacts from activities	○	○	Planned for future reports
3.18	Major decisions during reporting period pertaining to location/changes in operations	●	○	Discussed in annual report
3.19	Programs and procedures pertaining to economic, environmental and social performance	●	●	P. 13-17

\* Global Reporting Initiative reference number

● covered/reported ● partially covered/reported ○ not covered/not reported

GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
3.20	Status of certification of management systems	○	○	Some Enbridge business unit management systems are based on certified systems but there is no company-wide certified management system. As systems are implemented they will be reported in future reports
4.1	<b>GRI CONTENT INDEX</b>	●	●	P. 97-103
5	<b>SYSTEMIC AND CROSS-CUTTING INDICATORS</b>	○	○	Planned for future reports
	<b>ECONOMIC PERFORMANCE INDICATORS</b>			
	<b>Direct economic impacts</b>			
	<b>Customers</b>			
EC1	Net sales	○	○	Discussed in annual report P. 20-55, 66-67
EC2	Geographic breakdown of markets	●	●	P. 7
	<b>Suppliers</b>			
EC3	Cost of goods, materials and services purchased	●	○	P. 55
EC4	Percentage of contracts paid in accordance with agreed terms	○	○	Enbridge pays all legitimate invoices. However, invoices in dispute are currently not tracked in aggregate. If it is not cost- or resource-prohibitive to do so, we will consider breaking out this indicator in future CSR reports
EC11	Suppliers by organization and country	○	○	Enbridge does not categorize its suppliers in this manner. If it is not cost- or resource-prohibitive to do so, we will consider breaking out this indicator in future CSR reports
	<b>Employees</b>			
EC5	Total payroll and benefits	●	●	P. 55-56
	<b>Providers of capital</b>			
EC6	Distributions to providers of capital	●	●	P. 56
EC7	Increase/decrease in earnings	●	●	P. 53
	<b>Public sector</b>			
EC8	Taxes paid to governments	●	●	P. 57
EC9	Subsidies received	○	○	Not relevant
EC10	Donations to community	●	●	P. 57, 76
EC12	Total spent on non-core business infrastructure	○	○	Not discussed in report; however tracked internally
EC13	Indirect economic impacts	○	○	Planned for future reports
	<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>			
	<b>Materials</b>			
EN1	Total materials used other than water	○	○	Currently not tracked
EN2	Percentage of materials used that are wastes from external sources	○	○	Currently not tracked

\* Global Reporting Initiative reference number

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GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
<b>Energy</b>				
EN3	Direct energy use	●	●	P. 36-37, 90-96
EN4	Indirect energy use	●	●	P. 36-37, 90-96
EN17	Use of renewable energy; energy efficiency initiatives	●	●	P. 38-43
EN18	Energy consumption footprint of major products	○	○	Currently not tracked
EN19	Other indirect energy use/implications	○	○	Currently not tracked
<b>Water</b>				
EN5	Total water use	●	●	P. 34
EN20	Water sources/ecosystems affected by use	○	○	Not a major water user
EN21	Annual withdrawals of ground and surface water	○	○	Not a major water user
EN22	Recycling/reuse	○	○	Currently not tracked
<b>Biodiversity</b>				
EN6	Land owned, leased, managed in biodiversity-rich habitats	●	●	P. 33-35
EN7	Major impacts on biodiversity	●	●	P. 33-35, 39
EN23	Total amount of land owned, leased or managed for production activities/exact time use	○	○	Currently not tracked
EN24	Amount of impermeable surface as percentage of land purchased/leased	○	○	Currently not tracked
EN25	Impacts of activities/operations on protected/sensitive areas.	●	●	P. 33-35
EN26	Changes to natural habitats from activities; percentage of habitat protected/restored	○	○	Currently not tracked on aggregate basis
EN27	Programs/targets for protecting/restoring native ecosystems	○	○	Not discussed in this report; however, programs in place where appropriate
EN28	Number of IUCN Red List species with habitats in areas affected by operations	○	○	Currently not tracked
EN29	Business units operating or planning operations in or near protected/sensitive areas	●	●	P. 33-35, 39
<b>Emissions, effluents and waste</b>				
EN8	GHG emissions	●	●	P. 21-26, 90-96
EN9	Ozone-depleting substances	●	○	P. 29
EN10	NO <sub>x</sub> , SO <sub>x</sub> and other air emissions	●	●	P. 27-29
EN11	Waste	●	●	P. 34-36, 90-96
EN12	Key discharges to water	●	●	Impact to water ecosystems discussed under spills
EN13	Significant spills	●	●	P. 30-31, 90-96
EN30	Other indirect GHG emissions	○	○	Not discussed in report; however, tracked internally
EN31	Hazardous wastes	●	●	P. 34-36, 90-96
EN32	Water sources/ecosystems affected by discharges of water and runoff	●	●	P. 34
<b>Suppliers</b>				
EN33	Performance of suppliers	○	○	Currently not tracked
EN14	Significant impacts of principal products and services	○	○	Currently not tracked

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GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
EN15	Percentage of weight of products sold reclaimable	○	○	Currently not tracked
EN16	Incidents/fines for non-compliance	○	○	Currently not tracked
	<b>Transport</b>			
EN34	Environmental impacts of transportation used	●	●	P. 28, 90-96
	<b>Overall</b>			
EN35	Environmental expenditures	○	○	Currently not tracked on aggregate basis
	<b>SOCIAL PERFORMANCE INDICATORS</b>			
	<b>Labour practices and decent work:</b>			
	<b>Employment</b>			
LA1	Breakdown of workforce	●	●	P. 68
LA2	Net employment creation, average turnover	●	○	P. 68
LA12	Employee benefits	●	●	P. 56
	<b>Labor/management relations</b>			
LA3	Percentage of employees represented by unions	●	●	P. 74-75
LA4	Policies/procedures	●	●	P. 74
LA13	Formal worker representation	●	●	P. 74-75
	<b>Health and safety</b>			
LA5	Practices on recording and notification of occupational accidents	●	○	Practices for recording and notification of incidents are described on P. 63-65 of this report
LA6	Formal joint health and safety committees	●	●	P. 63-64
LA7	Safety statistics	●	●	P. 63-64, 90-96
LA8	Policies or programs on HIV/AIDS	○	○	Not relevant
LA14	Compliance with ILO Guidelines for Occupational Health Management Systems	○	○	Enbridge is compliant with other international standards (BSI 18001)
	<b>Training and education</b>			
LA9	Average hours of training	■	○	Currently not tracked on an aggregate basis. However, this report provides average hours of EH&S training for some business units
LA16	Programs to support continued employability	●	●	P. 70-73
LA17	Programs for skills management and lifelong learning	●	●	P. 70-73
	<b>Diversity and opportunity</b>			
LA10	Equal opportunity policies or programs	○	○	Enbridge is an equal opportunity employer and has policies and programs in place to support this commitment. This commitment is outlined in our <i>Statement on Business Conduct</i> , which can be found at <a href="http://www.enbridge.com">www.enbridge.com</a>
LA11	Composition of senior management and corporate governance bodies	○	○	This information is publicly available at <a href="http://www.enbridge.com">www.enbridge.com</a>

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GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
	<b>Human rights</b>			
HR1	Policies, guidelines and procedures	●	●	P. 75-76
HR2	Consideration of human rights impacts as part of investment and procurement decisions	●	●	P. 13, 75
HR3	Policies and procedures to evaluate human rights performance of suppliers and contractors	●	●	P. 75
HR8	Employee training on human rights policies and practices	●	●	P. 76
HR4	Policies and procedures to prevent all forms of discrimination	○	○	Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) outlines our commitments to this matter
HR5	Policies for freedom of association and collective bargaining	●	●	Discussed in this report. Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) outlines our commitments to this matter
HR6	Policies to address child labor	○	○	Enbridge complies with child labour laws, wherever we do business. Although this information is not explicitly referenced in this report, we do reference our support of the principles of the United Nations Global Compact, which calls on companies to uphold the effective abolition of child labour
HR7	Policies to prevent forced and compulsory labour	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
HR9	Appeal practices related to human rights	○	○	Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) outlines our commitments to this matter. More explicit language outlining the appeals process in place will be included in future reports
HR10	Employee grievance systems	○	○	Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) outlines our commitments to this matter
HR11	Human rights training for security personnel	●	●	P. 76
HR12	Policies and procedures to address the needs of indigenous peoples	●	●	P. 86-87
HR13	Jointly managed community grievance mechanisms	○	○	Not relevant
HR14	Share of operating revenues	○	○	Not relevant

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GRI*	GRI guideline/indicator	2005 CSR Report	2004 CSR Report	More information/comments
<b>Society</b>				
S01	Policies, procedures and programs to manage impacts on communities	●	●	P. 82-87
S04	Awards for social, ethical and environmental performance	●	●	P. 111
S02	Policies and procedures for bribery and corruption	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
S03	Policies and procedures for managing political lobbying and contributions	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
S05	Amount of money paid to political parties and institutions	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
S06	Court decisions relating to antitrust regulations	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
S07	Policies and procedures for managing anti-competitive behavior	○	○	See Enbridge's <i>Statement on Business Conduct</i> (found at <a href="http://www.enbridge.com">www.enbridge.com</a> ) on this matter
<b>Products and services</b>				
PR1	Policies for customer health and safety during use of products and services	○	○	Enbridge Gas Distribution provides a 1-800 customer contact number and other information services to promote the safe use of its natural gas product
PR2	Policies and procedures for product information and labeling	○	○	Not relevant
PR3	Policies and procedures for consumer privacy	○	○	Not discussed in this report. However, Enbridge has internal policies to protect customer information
PR4	Non-compliance with regulations for customer health and safety	○	○	Not relevant
PR5	Number of compliances related to health and safety of products	○	○	Not relevant
PR6	Voluntary code compliance	○	○	Not relevant
PR7	Non-compliance with regulations for production information and labeling	○	○	Not relevant
PR8	Policies and procedures related to customer satisfaction	●	○	P. 86
PR9	Policies and procedures for adherence to advertising standards and codes	○	○	Not relevant
PR10	Breaches with advertising and marketing regulations	○	○	Not relevant
PR11	Complaints concerning breaches of consumer privacy	○	○	Not discussed in this report. However, Enbridge has internal policies to protect customer information

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**This is a list of organizations which the Enbridge group of companies has partnered with in 2004 and 2005 for community investment. While not exhaustive, it represents the broad scope of organizations and geographic regions where Enbridge is able to contribute to worthwhile programs and initiatives.**

**A**

Aarc Society (Alberta Adolescent Recovery Centre)  
 Aboriginal Forum Ltd. (Alberta)  
 Adams Volunteer Fire Department (Wisconsin)  
 Addictions Foundation of Manitoba  
 Adult Learning Centre (Saskatchewan)  
 Akwesasne Powwow (Ontario)  
 Alberta Ballet  
 Alberta Cancer Foundation  
 Alberta Children's Hospital Foundation  
 Alberta College of Art & Design  
 Alberta Debate and Speech Association  
 Alberta Heart Institute  
 Alberta Mentor Foundation For Youth  
 Alberta Shock Trauma Air Rescue Service Foundation  
 Alberta Summer Games  
 Alberta Theatre Projects  
 Alley Theatre (Texas)  
 American Association of the Deaf-Blind Inc.  
 American Cancer Society  
 American Heart Association  
 American Red Cross  
 Angler Young Angler (Saskatchewan)

Arthur Kroeger College of Public Affairs (Ontario)  
 Association of Fundraising Professionals (Alberta)  
 Aurora College (Northwest Territories)

**B**

Baker Buffalo Festival (Texas)  
 Barrie Waterfront Festival (Ontario)  
 Bay County Crime Stoppers (Missouri)  
 Behdzi Ahda' First Nation (Northwest Territories)  
 Belleville Professional Firefighters Association (Ontario)  
 Between Friends Club (Alberta)  
 Big Flats Volunteer Fire Department (Wisconsin)  
 Big Sisters and Big Brothers Society (Alberta)  
 Black Leaders for Education and Economic Development (Illinois)  
 Bow River Basin Council Society (Alberta)  
 Bowmont Seniors Assistance Association (Alberta)  
 Boy Scouts of America  
 Breast Cancer Action Saskatchewan Corporation  
 Burlington Fire and Rescue (Wisconsin)

**C**

Calgary Cares  
Calgary Drop-In Centre Society  
Calgary Health Trust  
Calgary Humane Society for  
Prevention of Cruelty to Animals  
Calgary Opera Association  
Calgary Police and Firefighter  
Memorial Tribute  
Calgary Professional Arts Alliance  
Calgary Reads Society  
Calgary Science Centre Society  
Calgary Women's Emergency Shelter  
Association  
Cambridge Volunteer Fire Department  
(Wisconsin)  
Camp Fish Tales (Minnesota)  
Canada West Foundation  
Canada Winter Games 2007  
Canadian Academy of Engineering  
Canadian Breast Cancer Foundation  
Canadian Cancer Society  
Canadian Defence & Foreign Affairs Institute  
Canadian Diabetes Association  
Canadian Energy Research Institute  
Canadian Hearing Society  
Canadian Liver Foundation  
Canadian Mental Health Association  
Canadian National Institute for the Blind  
Canadian Olympic Committee  
Canadian Red Cross Society  
Canadian Unity Council  
Canadian Wildlife Service  
(Environment Canada)  
Canadian Olympic Committee  
Canadian Petroleum Interpretive  
Centre Museum  
Careers: The Next Generation (Alberta)  
Cass Lake Area First Responders (Minnesota)  
Cass Lake Community Library (Minnesota)  
Cesar Kleberg Wildlife Research Institute  
(Texas)  
Chandler Fire Department (Oklahoma)  
Charles Tetcho School (Northwest Territories)  
Charles Yohin School (Northwest Territories)  
Chartered Accountants of Alberta  
Children's Make-a-Wish Foundation  
Children's Safety Association of Canada  
Children's Wish Foundation International  
Christie Lake Kids (Ontario)  
Chrysalis Foundation (Alberta)  
Clearwater Health Services (Minnesota)  
Clearwater Soil & Water Conservation  
District (Minnesota)  
College of St. Scholastica (Minnesota)  
Conference Board of Canada  
Coolspring Township Volunteer Fire  
Department (Wisconsin)  
Crims Chapel Volunteer Fire Department  
and First Responders (Texas)  
Crohn's and Colitis Foundation of Canada  
Crystal Lake Fire Rescue Association  
(Wisconsin)  
Cushing Fire Department (Oklahoma)  
Cushing Chamber of Commerce (Oklahoma)  
Cushing Day Care Center (Oklahoma)  
Cushing Public School Foundation  
(Oklahoma)  
Cushing Regional Hospital (Oklahoma)

**D**

Deh Cho Friendship Centre  
(Northwest Territories)  
Discovery House (Alberta)  
Douglassville Volunteer Fire Department  
(Texas)  
Ducks Unlimited  
Duluth Superior Symphony (Minnesota)

**E**

Earth Day Fund (Ontario)  
Easter Seal Society (Ontario)  
Economic Developers Association of Canada  
Edmonton Business Council for Visual Arts  
Edmonton Chamber of Commerce  
Edmonton Symphony Orchestra  
Edmonton YMCA Foundation  
Enbridge CN Tower Stair Climb (Ontario)  
Energy Council of Canada  
Enlisted Association National Guard  
of the United States  
Entraide Grands Brules – Helping Hands for  
Burn Survivors (Quebec)  
Eva’s Initiative (Ontario)  
Exeland Fire Protection District (Wisconsin)  
Exeland Fire Department (Wisconsin)

**F**

Famous 5 Foundation (Alberta)  
Fond du Lac Tribal Comm College  
(Minnesota)  
Fort Atkinson Volunteer Fire Department  
(Wisconsin)  
Fort Calgary Historic Park  
Fort Chamber of Commerce (Wisconsin)  
Fort La Bosse School Division  
Foundation (Saskatchewan)  
Fort Science Fair (Wisconsin)

Fort Simpson Metis Nation  
(Northwest Territories)  
Friends of Red Deer Fundraising Committee  
Friends of the Kankakee (Wisconsin)  
Friendship Volunteer Fire Department  
(Wisconsin)

**G**

Garden Volunteer Fire Department  
(Wisconsin)  
Ghost River Rediscovery (Alberta)  
Glenbow Museum (Alberta)  
Glencoe Volunteer Fire Department  
(Oklahoma)  
Globe Theatre Society (Saskatchewan)  
Gogebic County Office of Emergency Services  
(Missouri)  
Good Samaritan Foundation (Texas)  
Grand Lake Volunteer Fire Department  
(Minnesota)  
Griffith Chamber of Commerce (Indiana)  
Griffith Emergency Fund (Indiana)  
Griffith Fire Department (Indiana)

**H**

Habitat for Humanity (Alberta)  
Hartley Nature Center (Minnesota)  
Heart and Stroke Foundation of Ontario  
HeartGift (Texas)  
Hec Gervais Academic & Curling Scholarship  
Foundation (Alberta)  
Houston A+ Challenge  
Houston Livestock Show & Rodeo  
Houston Press Club  
Houston SPCA  
Hubbard County Sheriff’s Office (Minnesota)  
Hull Child and Family Services (Alberta)  
Huron House Boy’s Home (Alberta)

**I**

Illinois Special Olympics  
Independent Living Residences  
for the Deafblind in Ontario  
Indiana Department of Natural Resources  
Izaak Walton League (Indiana Division)  
Indiana Special Olympics  
Iron County Development Zone Council  
(Wisconsin)

**J**

Joint Secretariat – Inuvialuit Renewable  
Resource Committees (NWT)  
Junior Achievement

**K**

Keep Texas Beautiful  
Kerrobert Interpretive Nature Trail (Alberta)  
Keyano College (Alberta)  
Keystone Center Training Institute (Colorado)  
Kids Kottage Foundation (Alberta)

**L**

Lake County Drug Education Program  
(Indiana)  
Lake County Drug Free Alliance (Indiana)  
Lake County Police Association (Indiana)  
Lake Superior College (Wisconsin)  
Lambton County Science Fair (Ontario)  
LaPoynor High School (Texas)  
Leadership Calgary  
Leadership Fort McMurray  
Leadership Ottawa  
Leadership Peel  
Leadership Regina

Leech Lake Tribal College (Minnesota)  
Lieutenant Governor Of Alberta  
Arts Awards Foundation  
Lougheed House Conservation Society  
(Alberta)

**M**

Mackenzie Mountain School  
(Northwest Territories)  
Mackinac County Office of  
Emergency Services (Missouri)  
Mackinac County Sheriff's Department  
(Missouri)  
Make-a-Wish Foundation (Indiana)  
Manistique Public Safety Department  
(Missouri)  
March of Dimes  
Markham Village Music Festival (Ontario)  
Marquette County Sheriff (Missouri)  
Marshall County Fair (Minnesota)  
Marshall County High School (Minnesota)  
Marshall Fire Department (Missouri)  
Michigan Special Olympics  
Midway First Responders (Minnesota)  
Minnesota Darkhouse & Angling Association  
Minnesota Public Radio  
Mississauga Youth Volunteer Awards (Ontario)  
Montreal Neurological Institute and Hospital  
Moose Jaw Kiwanis Speed Skating Club  
(Saskatchewan)  
Mount Royal College Foundation (Alberta)  
Mueller Township Fire Department (Missouri)  
Multi-County Youth Service (Oklahoma)  
Multiple Sclerosis Society of Canada  
Muscular Dystrophy Association

**N**

NAIT Foundation (Alberta)  
 National Aboriginal Achievement Foundation  
 National Arts Centre Foundation  
 National Capital Commission  
 National Child Safety Council  
 National Children's Cancer Society  
 National Federation of the Blind  
 National Multiple Sclerosis Society  
 National Theatre School of Canada  
 Nature Conservancy  
 Nekoosa Fire Department (Wisconsin)  
 Niagara College (Ontario)  
 Niles Township Volunteer Fire Department (Missouri)  
 Norman Wells & District Chamber of Commerce (Northwest Territories)  
 Norman Wells Volunteer Fire Department (Northwest Territories)  
 North York General Hospital (Ontario)  
 Northern Games Society (Yukon)  
 Northern Lights Regional Health Foundation (Alberta)  
 Northland College (Wisconsin)  
 Northwest Territories Literacy Council  
 Northwood Children Services (Minnesota)

**O**

Oakland Volunteer Fire Department (Wisconsin)  
 Oakland Fire Department (Wisconsin)  
 Office of Delta County Sheriff (Missouri)  
 Ontario Fire Marshal's Safety Week  
 Ontario Lung Association  
 Orak Shrine Circus Fund (Indiana)  
 Oshawa Community Health Centre (Ontario)  
 Otsego County Fire Department (Missouri)  
 Otsego County Office of Emergency Management (Missouri)  
 Ottawa 150th Sesquicentennial  
 Ottawa Winterlude  
 Owen Volunteer Fire Department (Wisconsin)

**P**

Parkinson's Disease Society of Southern Alberta  
 Parks Foundation Calgary  
 Pehdzeh Ki First Nation (Northwest Territories)  
 Pembina Institute for Appropriate Development  
 Peterborough Festival of Trees (Ontario)  
 Pine Township Volunteer Fire Department (Wisconsin)  
 Pollution Probe  
 Port Colborne Canal Days (Ontario)  
 Port Wing Volunteer Fire Department (Wisconsin)  
 Professional Arts Coalition of Edmonton

**R**

Regina (East) School Division No. 77  
Regina Big Brother Association  
Regina Food Bank  
Regina Habitat for Humanity, Inc.  
Regina Kidsport  
Regina Rams Football Club  
Regina Shriner Club  
Regina Symphony Orchestra  
Richmond Hill Volunteer Awards (Ontario)  
Richmond Hill Winter Carnival (Ontario)  
Rick Hansen Wheels in Motion (Ontario)  
Rockyview General Hospital (Alberta)  
Rome Township Fire Department (Wisconsin)  
Royal Military Colleges Club of Canada

**S**

Sahtu Divisional Educational Council  
(Northwest Territories)  
Salvation Army  
Santas Anonymous (Saskatchewan)  
Saskatchewan Chamber of Commerce  
Saskatchewan Emergency Planners Association  
Saskatchewan Institute of  
Applied Science and Technology  
Saskatchewan Science Centre Inc.  
Saskatchewan Chamber of Commerce  
Scarborough Chamber of Commerce  
Schererville Fire Department (Indiana)  
Schererville Police Department (Indiana)  
Science Alberta Foundation  
Sheldon Volunteer Fire Department  
(Wisconsin)

Shrine Circus (Minnesota)  
Sierra Club  
Sigurd Olson Environmental Institute  
(Wisconsin)  
Sir Winston Churchill Square (Alberta)  
Solon Springs Fire Commission (Wisconsin)  
Solway Volunteer Fire Department  
(Minnesota)  
Solway Rural Volunteer Fire Department  
Souris Donor's Choice (Manitoba)  
South Haven Volunteer Fire Department  
(Wisconsin)  
Special Olympics  
Spruce Meadows (Alberta)  
St. John Township Trustee's Office (Indiana)  
St. Louis County Sheriff's Volunteer  
Rescue Squad (Minnesota)  
St. Louis County Sheriff's Office (Minnesota)  
State of Wisconsin Fire & Police Hall of Fame  
Stillwater Fire Department (Oklahoma)  
Stollery Children's Hospital Foundation  
of Northern Alberta  
Stratford Festival of Canada  
Strathcona Christmas Bureau (Alberta)

**T**

Terry Fox Run (Northwest Territories)  
The Alberta Theatre Projects Society  
The Banff Centre for the Performing Arts  
The Calgary Board of Education Foundation  
The Calgary YMCA Foundation  
The Canadian Chamber of Commerce  
The Dominion Institute

Theatre Junction Society (Alberta)  
Thief River Falls Volunteer Fire Department  
(Minnesota)  
Thief River Falls Fire Department (Minnesota)  
This Country Canada  
Tom Baker Cancer Centre (Alberta)  
Toronto Mendelssohn Choir  
Toronto & Region Conservation Authority  
Toronto Rehabilitation Institute Foundation  
Toronto Symphony Orchestra  
Town of Norman Wells (Northwest Territories)  
Trees Across Toronto  
Tri-Township Fire Department (Missouri)  
Trout Unlimited of Canada  
Tsunami Relief

## U

UNICEF  
Union Labor Directory (Minnesota)  
United Cerebral Palsy (Wisconsin)  
United Way  
University Hospital Foundation (Alberta)  
University of Alberta  
University of Calgary  
University of Minnesota-Duluth  
University of North Dakota (Grand Forks)  
University of Regina  
University of Saskatchewan

## V

Vanderbilt/Corwith Fire and Rescue  
Department (Missouri)  
Vesper Volunteer Fire Department (Wisconsin)  
Viking Centennial (Minnesota)  
Village of Vibank (Saskatchewan)  
Virden Donors Choice (Manitoba)  
Volunteer Calgary

## W

Warba Fire Department (Minnesota)  
Wascott Volunteer Fire Department (Wisconsin)  
WDSE-TV PBS 8 (Minnesota)  
Welland Hospital (Ontario)  
Western Arctic Leadership Program  
(Northwest Territories)  
Wheels In Motion (Ontario)  
Windscape Kite Festival (Saskatchewan)  
Winter Warmth Fund (Ontario)  
Wisconsin Children's Safety & Healthcare  
Colouring Book  
Wisconsin Special Olympics  
Women's Executive Network (Alberta, Ontario)  
Woodrow Wilson International Center  
for Scholars  
Word on the Street Canada Inc.  
World Petroleum Congress  
Canadian Association

## Y

Youth Emergency Shelter Society of Edmonton  
YMCA  
York Central Hospital Foundation  
York University  
Youth Justice Committee  
(Northwest Territories)  
Youville Women's Residence (Alberta)



**Carbon dioxide equivalent (CO<sub>2</sub> equivalent)**

Measure used to compare the emissions of various greenhouse gases based on their global warming potential. Expressed in carbon dioxide (CO<sub>2</sub>), a primary greenhouse gas.

**Criteria air contaminants**

Group of common air pollutants reported to federal, provincial and state agencies, and released from different sources, including incineration, industrial production, fuel combustion and transportation vehicles.

**Days away**

Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

**Fines and penalties**

Penalties levied against the company as a result of regulatory citations. Fines and penalties in a particular year often relate to activities in prior years.

**Fuel cell**

Electrochemical device that combines hydrogen and oxygen to create electricity, heat and hot water for different residential, commercial and industrial applications.

**Gate station**

Point of entry for natural gas leaving the transmission system into the local distribution system.

**Greenhouse gas emission intensity**

Amount of greenhouse gas emissions per unit of energy delivered on energy transportation and distribution systems. Measures an operation's environmental efficiencies.

**Indirect greenhouse gas emissions**

Emissions released during electricity production for Enbridge's use.

**Major incidents**

EH&S incidents that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill of more than 100 barrels, or significant adverse impact to the environment.

**Megawatt**

Unit of electrical power equal to one million watts or one thousand kilowatts.

**Net emissions**

Measure of the company's greenhouse gas impact on the global atmosphere after accounting for climate change actions.

**Nitrogen oxides (NO<sub>x</sub>)**

Nitrogen-based and oxygen-based compounds produced by combustion processes. NO<sub>x</sub> emissions contribute to acid rain and ground-level ozone (smog).

**Regulatory notification**

Formal written notification by regulators that Enbridge may not be adhering to the law, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summons and charges, notices of violation and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties, or may be rescinded.

**Sulphur dioxide (SO<sub>2</sub>)**

Gas formed by the burning of fossil fuels, including fuel oil and diesel fuel, that contain small amounts of sulphur. SO<sub>2</sub> emissions can result in acidification of soils and lakes.

**Volatile organic compounds (VOCs)**

Gases and vapors in hydrocarbon fuels. VOCs react with nitrogen oxides in sunlight to produce ground-level ozone (smog).

*We do not go out of our way to win awards. We just do our best. At Enbridge that means we do our business in a way that is loyal to customers and communities and mindful of the environment.*

*The following is a partial list of the awards and recognition Enbridge earned from external organizations in 2014 and 2015 for our CSR leadership and performance. These awards are a reflection of the hard work, ingenuity and day-to-day actions of Enbridge employees.*

**ENVIRONMENT, HEALTH AND SAFETY**

- GOLD LEVEL REPORTER** Enbridge Inc.  
*for excellence in voluntary reporting of GHG emissions — Voluntary Challenge and Registry (VCR Inc.)*
- LEADER, ACCIDENT PREVENTION AWARD** Enbridge Gas Distribution  
*for low rate of reportable injuries — American Gas Association*
- SAFETY ACHIEVEMENT AWARD** Enbridge Gas Distribution  
*for lowest days away, restricted or transferred incident rate among very large-sized local gas distribution companies — American Gas Association*
- ENERGY STAR UTILITY OF THE YEAR AWARD** Enbridge Gas Distribution  
*for offering energy-efficient products, technologies or services to consumers — Natural Resources Canada*
- GREEN CROSS FOR SAFETY EXCELLENCE AWARD** U.S. Natural Gas Business  
*for greater than 50% below average safety incident rate — National Safety Council*
- SAFETY AWARD FOR LOWEST TOTAL RECORDABLE INJURY FREQUENCY RATE** Liquids Pipelines  
*for large pipeline companies — Canadian Energy Pipeline Association*
- MINNESOTA GOVERNOR’S MERITORIOUS ACHIEVEMENT AWARD FOR OCCUPATIONAL SAFETY** Lakehead System, Liquids Pipelines  
*for achieving better than average performance in incident rates — Minnesota Safety Council*
- PROFESSIONAL AWARD OF MERIT FOR ENGINEERING** Norman Wells System, Liquids Pipelines  
*for excellence in EH&S performance — Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut*
- WISCONSIN CORPORATE SAFETY AWARD** Lakehead System, Liquid Pipelines  
*for low lost-time injury frequency rates — Wisconsin Council of Safety*

**ECONOMIC**

- GLOBAL 100: MOST SUSTAINABLE CORPORATIONS IN THE WORLD** Enbridge Inc.  
*— World Economic Forum*
- GLOBAL CORPORATE GOVERNANCE** Enbridge Inc.  
*rating of 9.5 out of 10 in global survey — GovernanceMetrics International*
- CANADA’S BEST GOVERNED COMPANIES** Enbridge Inc.  
*ranking of 4th best overall in annual list — Canadian Business Magazine*
- CANADIAN CORPORATE GOVERNANCE** Enbridge Inc.  
*ranking of 5th best overall in annual list — The Globe and Mail Newspaper*

**SOCIAL**

- CANADA’S 50 BEST CORPORATE CITIZENS** Enbridge Inc.  
*ranking of 11th overall in annual list — Corporate Knights Magazine*
- CANADA’S MOST RESPECTED CORPORATIONS** Enbridge Inc.  
*ranking of 23rd in annual list — KPMG*
- THANKS A MILLION AWARD** Enbridge Inc.  
*for contributing \$1 million or more to the United Way — United Way*