



KPMG LLP
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Independent Practitioners' Limited Assurance Report

To the management of Enbridge Inc. (Enbridge)

We have undertaken a limited assurance engagement, in respect of the year ended December 31, 2018, on certain quantitative performance information disclosed in Enbridge's Selected ESG Indicators Report (the "Report") as described below.

Subject matter information and applicable criteria

The scope of our limited assurance engagement, as agreed with management, comprises the following performance information (the 'subject matter information):

- Enterprise-wide Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2 GHG emissions (tCO₂e) per unit throughput (PJ))

There are no mandatory requirements for the preparation, publication, or review of Environmental, Social and Governance ("ESG") performance metrics. As such, Enbridge applies the World Resources Institute/World Business Council for Sustainable Development's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the 'GHG Protocol') and its own internal reporting guidelines and definitions for ESG reporting (collectively the 'applicable criteria') which can be found in Appendix 1 of the Report.

Management's responsibilities

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria, current as at the date of our report. Management is responsible for determining the appropriateness of the use of the applicable criteria. Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Practitioners' responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on procedures performed and evidence obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements ('ISAE') 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 and ISAE 3410 require that we plan and perform this engagement to obtain the stated level of assurance, in accordance with the applicable criteria.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.



The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information, including but not limited to:

- Inquiries with relevant staff at the corporate, business unit and facility level to understand the data collection and reporting processes for the subject matter information;
- Assessment of the suitability and application of the criteria in respect of the subject matter information;
- Where relevant, performing walkthroughs of data collection and reporting processes for the subject matter information;
- Comparing a sample of the reported data for the subject matter information to underlying data sources;
- Inquiries of management regarding key assumptions and, where relevant, the re-performance of calculations;
- Completion of remote site visits, including walkthroughs of data collection and reporting processes, interviews with senior management and relevant staff and a virtual site tour at a sample of facilities; and,
- Reviewing the subject matter information presented in the Report to determine whether it is consistent with our overall knowledge of, and experience with, the ESG performance of Enbridge.

The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our conclusion.

Practitioners' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

Non-financial information, such as that included in the Report, is subject to more inherent limitations than financial information, given the characteristics of the subject matter information and the availability and relative precision of methods used for determining both qualitative and quantitative information. The absence of a significant body of established practice on which to draw allows for the selection of different



but acceptable measurement techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read Enbridge's reporting methodology included in the appendices of the Report.

Specific purpose of the subject matter information and applicable criteria

The subject matter information has been prepared in accordance with the applicable criteria. As a result, the subject matter information may not be suitable for another purpose.

Conclusion

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that for the year ended December 31, 2018, the subject matter information, as described above, has not been prepared and presented, in all material respects, in accordance with the applicable criteria, current as at the date of our report.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the following:

As noted in Appendix 1 of the Report, a variety of methodologies are employed by Enbridge to measure throughput used to calculate Enterprise-wide GHG Emissions Intensity. Variations in methodology exist between Business Units as a result of the difference in operations and nature of the products transported. This may result in materially different measurements and can impact comparability. It is important to read Enbridge's methodology.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

February 17, 2022
Calgary, Canada



Selected ESG Indicators Report

Year ended December 31, 2018

Enbridge Inc. (Enbridge) announced its GHG emissions reduction targets in late 2020 which include an interim target to reduce GHG emissions intensity by 35% by 2030 and a long-term net zero commitment by 2050. 2018 was selected as the baseline year.

The following selected ESG data are included in our 2018 baseline and subject to external assurance.

The purpose of this document is to outline the internally developed criteria for reporting on annual greenhouse gas (GHG) emissions intensity. Enbridge has followed this methodology, included in Appendix 1, for baseline development.

Enbridge has calculated GHG emissions intensity in accordance with the requirements of the World Resource Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition and in accordance with internally developed criteria included in Appendix 1, which form an integral part of this report.

Table 1 Enbridge 2018 GHG Emissions & Throughput Breakdown

	Scope 1, tCO ₂ e	Scope 2, tCO ₂ e	Throughput, PJ
Liquid Pipelines	17,789	5,864,154	12,592
Gas Transmission and Midstream	9,150,810	911,511	7,488
Gas Distribution and Storage	868,793	2,361	1,773
Green Power	204	410	Excluded ¹
Corporate Service ²	4,176	7,277	Not Applicable

¹ Green Power energy produced and transported is excluded from the total throughput reported. The energy generated at our existing renewable facilities is relatively small (below 1% of total energy delivered at the other three core businesses) and therefore considered immaterial to the overall intensity calculation.

² Corporate Service includes Enbridge's Calgary and Houston Office buildings.

Table 2 Enbridge 2018 GHG Emissions Intensity

	Total Emissions (Scope 1 & 2), tCO ₂ e	Total Throughput, PJ	Emission Intensity, tCO ₂ e/PJ
Enterprise-wide	16,827,484	21,853	770



Appendix 1

GHG Emissions Intensity Reporting Evaluation Criteria

- Enbridge GHG Emissions Intensity is reported at an aggregated level, which is defined as metric tonnes of CO₂e per energy delivered in petajoule (PJ), and calculated based on:
GHG Emissions Intensity = Enbridge Absolute Scope 1 and 2 GHG Emissions / Energy Delivered (throughput), in tCO₂e/PJ
- Enbridge has adopted the operational control approach to define its organizational boundaries and used in calculating the intensity metric.
- Absolute emissions include both Scope 1 and Scope 2 emissions that are reported in our Sustainability Report and ESG Datasheet available on our [website](#).

GHG Emissions Calculation:

- Scope 1 emissions (direct emissions from operations such as stationary fuel combustion, mobile combustion, fugitive, flaring and vented emissions) are calculated using activity data (e.g. fuel consumption data from meters, operational data from work management systems, measured emissions, and engineering estimates for venting) multiplied by an operationally derived emission factor or applicable regulated default emission factors.
- Scope 2 emissions (indirect emissions from purchased and imported electricity consumption) are calculated using current average U.S. Environmental Protection Agency's Emissions & Generation Resource Integrated Database (eGRID) factors (for US facilities) and Environment and Climate Change Canada's National Inventory Report (NIR) factors (for Canadian facilities).
- Offshore assets and other immaterial sources such as natural gas and electricity usage for internal purposes at compressor stations are excluded from the GHG emissions calculation.

Throughput Calculation:

- The energy delivered is calculated using throughput volume reported by the following business units (BU's) which are referenced in the GHG emissions intensity reporting evaluation criteria: Liquid Pipelines (LP), Gas Transmission and Midstream (GTM) and Gas Distribution and Storage (GDS).
- Throughput is defined as the volume of all energy products transported within Enbridge's pipeline assets. Due to the variance in the operations and nature of the product transported by individual BUs, the methodology selected to measure and calculate throughput varies between BU's. Variations in approaches can impact comparability between BUs.

GTM:

- Throughput is calculated as the sum of physical metered deliveries from each of our pipeline systems (e.g. Texas Eastern Transmission or Alliance), reported in Dekatherm (DTh), based on meter readings and converted to gigajoules.
- Due to the nature of the business and the complexity of the gas network, GTM includes deliveries that reenter the Enbridge pipeline systems in the total reported figure.



- There is currently no standard industry guideline on how midstream companies should report *net* gas throughput (i.e. deliveries outside GTM to third-parties) therefore Enbridge follows the asset-level U.S. Energy Information Administration (EIA) throughput reporting methodology which results in a certain amount of 'double counting' of product transported. If the pipeline is not subject to EIA reporting, Enbridge adopts the EIA reporting method to calculate throughput for the pipeline system to ensure consistency.
- GTM operates four offshore crude oil pipelines, Big Foot, Heidelberg, Neptune and Stampede, in the Gulf Coast region. The throughput volume of these pipelines is included in the overall GTM throughput figure and calculated as the physical metered volume measured at the receipt of product into the system.
- Throughput volume from assets that serve primarily as a connection to other Enbridge assets and where it can be clearly identified that no deliveries are made to third parties are excluded from the GTM throughput figure (e.g. Alliance Canada, Maritime and Northeast Pipeline Canada and Ozark Gas Gathering).
- GHG emission from our Canadian gas gathering & processing facilities have been included in our reported 2018 GHG intensity metric although associated volume processed by these facilities has been excluded as it does not meet our definition of throughput as a physical delivery to a third party. The inclusion of this volume processed in the intensity calculation would result in an approximately 2% drop in corporate 2018 GHG intensity. In 2019, Enbridge divested from our Canadian gas gathering & processing facilities, which resulted in a significant reduction in GHG emissions intensity.

LP:

- Throughput is calculated as the physical delivered volumes out of the LP pipeline system to a third-party, based on delivery tickets recorded in our oil accounting system, with the exception of Express and Platte pipeline which used the Solace system for ticket tracking in 2018 and fully merged with Enbridge Oil Accounting System in 2019.
- All tickets are in net barrels (sediment and water content are excluded) and converted to gigajoules based on commodity types (light products vs heavy products). Standard gigajoules conversions factors were provided by the Canada Energy Regulator, see [link](#).
- Deliveries that reenter the Enbridge pipeline system are excluded from the reported figure.
- Facilities downstream of Mainline are not included in the reported figure to avoid double counting.

GDS:

- Throughput is calculated as the physical delivered volumes out of the GDS assets to a third-party retrieved from Enbridge revenue accounting systems and converted from m3 to gigajoules using technical conversion factors and government approved heat values.
- GDS throughput includes volume from both in-franchise (e.g. gas owned by third-parties or Enbridge and distributed by Enbridge) and ex-franchise (e.g. gas owned by third-parties and transported by Enbridge) operations.