

# Annual General Meeting

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Remarks by Al Monaco, President and CEO

May 5, 2021



Thanks Greg, good afternoon, everyone.

I normally start by talking about how we did last year. Because of the challenges we all faced, the best way to do that this time, is visually.

We shared this short video at our all-employee town hall recently, so here it is.  
[video]

As you can see, there's a lot of energy in that video, literally. It captures how we persevered against the biggest challenge we've ever faced – the pandemic. It has been a major disruption to our people, our lives, and our business.

The video evoked a huge sense of pride in our people - and for me personally -- and as shareholders, I hope you as well. While our people experienced personal hardship, health worries for families and loved ones. they didn't miss a beat safely delivering energy to millions of North Americans.

We kept the ball rolling on our most ambitious construction program ever: Sabal Trail in Florida, our Saint Nazaire wind project offshore France, and the start of construction in Minnesota on Line 3, our biggest project ever.

Despite the pandemic, we met our financial targets and increased our dividend for the 26th consecutive year. The team powered through adversity and challenge with amazing resilience and commitment. I have the privilege of leading Enbridge and I've enjoyed many proud moments, but none more than this last year. As they say, that's history – for the next few minutes I'll talk about the future.

### **Bridge to the Energy Future**

The name Enbridge (energy-bridge) originally conveyed that we were the critical link between energy supply and consumers. Still very true - but we've also evolved to more than that. Today, Enbridge is also a bridge to the future of energy. We've always had our eye on what the energy landscape might look like 10, 20, 50 years out.

From our beginnings as a single pipeline in 1953, we're now North America's largest, and I would submit, most progressive energy infrastructure company. We got here by prioritizing safety and reliability; customers; building resiliency in our business, not just to survive through storms but to thrive; and leading on environmental, social and governance.

There's a lot of debate about the future of energy, so here's how we see it.

Energy can't be marginalized – it's the essence of our lives, and it's lifted billions from poverty. But today there's two realities at play.

First, it's clear that, as a society, we need to reduce emissions. Of course, it's about the environment, but it's also about the consumer. And what they're telling us is: they want low cost and reliable energy and the lights to go on (no change there); but today, consumers also expect (demand), cleaner, more sustainable energy. Yes, they want it all - and the customer's always right!

The other reality is that our lives and economy are driven by energy. It's always been true and will be in any future scenario. What's forgotten in the debate about these two realities is this - energy demand is going up. Why? Because 10 B people will live on this planet by 2050, up from 7 ½ today; 7 B people will live in urban areas; and the standard of living in developing countries will rise. All of that will take more energy.

While it might seem my two realities clash, they really don't. It's not a case of either/or - we need to accept both realities. We need to meet society's thirst for energy but do it in a more sustainable way.

We're on the right track. Energy efficiency and new technology has cut growth in energy demand to half the rate of GDP growth. The conventional energy industry doesn't need to be convinced to reduce emissions - we're all in, and we're on it. In fact, to achieve our climate ambitions, our industry needs to be part of solution. Experts agree on that, but, unfortunately, many people are still in either/or mode and we're not collaborating to bring the two realities together.



Now, at Enbridge, we haven't just been watching this happen. We've shifted our asset mix to align with the transition to lower carbon to a balanced mix of liquids, natural gas transmission and distribution and storage.

These assets will be part of the energy future for a very long time. In fact, it would be impossible to replicate these 3 franchises today. And the Texas winter storm, and other events like it, is a stark reminder for all of us that energy reliability, security of supply and cost are important to our society and economies.

We've also developed an exciting new 4th platform – renewable energy. When we started renewables two decades ago, we got some strange looks, but we had a strong view that this is where energy was headed, and we were right. We saw it as a low risk, no-regret move - and an option on the future of energy.

From a single wind farm in windy Saskatchewan, we now have 26 wind and solar farms including 3 large offshore UK and Germany. And we're now "breaking water" on another three - offshore France.

A few years ago, we made the same no-regret move on hydrogen and RNG. This is really exciting stuff and we're in the middle of it. We have a hydrogen pilot project in Ontario and another in Quebec, and we have six RNG projects with more to come.

As you can see, we're ahead of the energy transition curve, we're disciplined in how we're investing in that transition, and developing skills that others envy.

Businesses need to grow to survive and we're in great position to extend growth well into the future by capitalizing on our 3 un-paralleled franchises: liquids, gas transmission, gas utility and through wind, solar, hydrogen and RNG. Part of the growth will also come from efficiency. Over the last 3 years alone we've reduced costs by roughly \$500 MM.

Part of that going forward is applying digital technology. Our tech labs bring together our best and brightest to make our business better. We'll also develop our people and provide them with opportunities to grow.

All I've just gone through will help generate DCF/s growth of 5-7% annually through 2023. With that, comes a growing dividend and a strong balance sheet.

### **We're leaders in ESG**

The final piece of the energy future puzzle is maintaining public trust in what we do, and a good measure of that is ESG performance. We're the industry leader and we aim to keep it that way. ESG isn't something we latched on to; it's been part of our business.

The way we look at it, ESG aligns with what our stakeholders expect, so being good at ESG is good for business. We've raised the bar again.

On the E, our goal is net zero by 2050 and reducing intensity by 35% by 2030. We'll do that by modernizing our systems and applying new technology; using cleaner sources of energy to power our operations; and building zero emissions solar facilities along our systems.

We've built 3 of these so far and you see them here: two on our gas system – in Pennsylvania and New Jersey, and just a couple of weeks ago we put Alberta Solar One into service -- that feeds clean power to our liquids pipes. And earlier this week we sanctioned another 4 projects.

On the S, we ramped up our diversity targets to 40% women and 28% racial and ethnic minorities, and targets for individuals with disabilities, US veterans and Indigenous people.

We're forming economic partnerships with indigenous communities; for example, our Indigenous spend on Line 3 reached ¾ of a billion dollars. That's not a story you read in the headlines but we're extremely proud of those partnerships.

Finally, on the G, diversity also applies to our Board of Directors. Four of our 11 Board members are women, and they all lead committees.



### **Our Value Proposition**

I'll conclude with the things that guide our people, management team and the Board every day: to safely deliver the energy people need and want; to be the first choice of our customers; to be trusted by our stakeholders; to be a must own investment, and to have an energized and proud team.

Finally, your management team believes in Enbridge and we're all personally invested as owners, alongside you. And we're focused on Enbridge (Energy-Bridge) being the critical connection between energy supply and consumers and being the bridge to the energy future.

Thank you and we'll now open the virtual floor for questions.