



Supply chain management

GRI 102-9; 102-10; 204-1; 301-1; 301-2;
SASB Code IF-GU-540a.2

Our commitment to operating safely, with integrity and respect extends to our supply chain.

Business context and our approach

Enbridge has relationships with thousands of suppliers that provide goods and services to us, including manufacturers, contractors and subcontractors, distributors and consultants. We depend on them for constructing pipelines and associated facilities, equipment, parts and services essential to project development, construction, operations and maintenance. Our suppliers are critical to Enbridge's success.

We aim to work with suppliers who strive for sustainability in their supply chains. We expect all suppliers who do business with Enbridge to uphold the human rights, labor, health and safety, environmental and business ethics practices prescribed in our [Supplier Code of Conduct](#), and in accordance with our [Statement on Business Conduct](#), [CSR Policy](#) and [Indigenous Peoples Policy](#).

We approach our supply chain through our centralized Supply Chain Management (SCM) function, which is responsible for all aspects of supply management including planning and governance, strategic sourcing and tactical procurement, materials management, logistics and contract management. Our SCM function also includes a centralized team focused solely on advancing our sustainability, supplier diversity and Indigenous engagement priorities.

As our business and supply channel trends change, we continuously address the challenges these may bring to our enterprise. This may include issues such as cost pressures, shifting societal norms, environmental, labor and human rights concerns, changing regulations, commodity volatility, technology and digitization gains that impact processes and evolving customer expectations, supply chain decision-making and supplier management.

In support of our priority to create a diverse and inclusive environment, we have the following performance objectives:

- Procuring good and services that support Enbridge's sustainability objectives
- Advancing our supplier diversity program

Our actions

Integrating sustainability into our supply chain

Our suppliers are critical to implementing our supply chain strategy, and it is important they are responsible corporate citizens. Enbridge considers several key aspects, including environmental, social, safety and Indigenous participation to be included in supply chain Requests for Proposal (RFP), proposal evaluations and contracts. In 2019, we increased our ESG-focused information by standardizing our RFP templates to include questions about sustainability, environmental stewardship, social responsibility and ethical procurement.

As part of our Supplier Management Program, our suppliers go through a lifecycle evaluation process – from registration through offboarding. We work only with suppliers that meet and uphold our rigorous standards and share our commitment to safety, reliability and quality. For contractor safety management, we use ISNetworld, and we use internal subject-matter experts to pre-qualify suppliers and monitor requirements for ongoing supplier performance. Our supplier onboarding process requires the supplier's acknowledgement to uphold Enbridge's Supplier Code of Conduct.

Supplier diversity

We recognize that having a diverse group of suppliers results in value and innovation. Diverse suppliers include businesses led by females, minorities, the LGBTQ+ community, those with disabilities, locals and veterans. In 2019, we fully defined our supplier diversity program structure, goals and advocate network and updated our [supplier registration form](#) to identify diverse businesses interested in working with Enbridge, assisting us to achieve our supplier diversity goals.

Indigenous engagement

Enbridge has an Indigenous engagement team dedicated to facilitating opportunities for Indigenous communities and suppliers. This effort allows Enbridge to increase the economic engagement with Indigenous communities and suppliers related to our projects and operations. Read more about how we engage Indigenous businesses in the [Indigenous Inclusion](#) chapter.

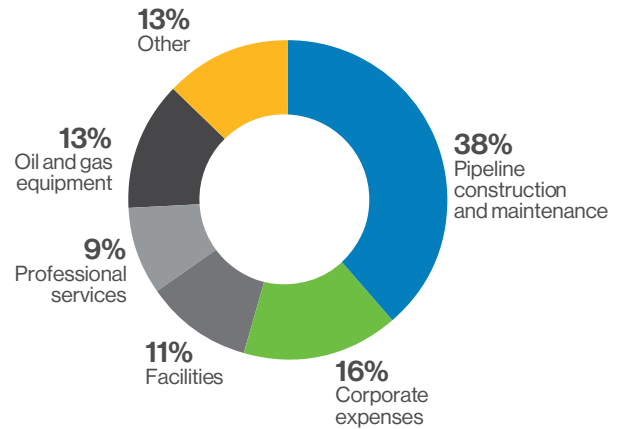
Our performance

In 2019, our annual procurement spend across roughly 14,000 suppliers was approximately \$9 billion, compared to \$11 billion in 2018. Of that figure, we invested \$203 million in Indigenous suppliers in Canada and the U.S.

Historically, one of our most significant purchased materials has been steel pipe. Over the past two years, we have fewer planned large-scale projects, and our quantity of pipe purchased has declined. The majority of our annual spend has instead been directed toward manufactured products for constructing pipelines and facilities, and operating, maintaining and monitoring system integrity.

Further, with changes in regulatory requirements, we have seen a shift in availability of recycled content in our pipe. In 2019, we purchased about 7,400 tonnes of pipe, with recycled steel comprising about 69% of the product. We continue to source the majority of our supply from North America.

Spend areas



Enbridge is a member of various organizations that support our supply chain objectives. We leverage our memberships to gain access to information and research on best practices.

