Annual General Meeting

Al Monaco remarks

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ENBRIDGE
Life Takes Energy

Opening

Thanks Greg - good afternoon, everyone.

I'm really excited to talk about our business today - the progress we've made, and where we're headed in the future.

But first, the situation in Ukraine is *deeply* troubling. We're all concerned for the people, and we hope for a resolution soon. Many of our staff have connections to the region, and they share their sorrow and worries for family and friends and we're supporting them.

What's happening is also revealing a lot about global energy markets.

There's no doubt that we're in an energy crisis - high home heating costs, global shortages, inflation, and pain at the pump. We're truly at an inflection point in global energy markets today.

Along with the ongoing need to reduce global emissions, energy security, affordability and reliability are back in focus.

Thankfully, North America's energy advantage is a big part of the solution to the crisis. We have the resources, skills, and technology to provide that energy, affordably and reliably.

If you look at ESG scores for the 10 largest global producers, Canada and the United States provide that energy more sustainably than anyone else.

Enbridge is the largest energy infrastructure company in North America. We had a critical role to play in energy markets before the crisis. That's even more important right now, and more so going forward.

I'll talk about that role and how we're building a bridge to a cleaner, more affordable, and secure energy future.

Before I do that, let's spend a minute on last year's results.

2021 Results

It was truly a catalyst year for Enbridge on many fronts. A record year safety wise, strong operating performance, and we generated excellent financial results, exceeding target.

We delivered our 27th consecutive annual dividend increase inclusive of another 3% bump for 2022. We put $10B of new projects into the ground last year, in a tough construction environment. We're not swaying at all from our low-risk business model and our balance sheet is the strongest it's ever been.

All of this translated into a total shareholder return last year of 30%.

A big part of execution was replacing Line 3, the largest project in our history. Line 3 uses state-of-the art technology and it modernized our system. It provides almost 400k bpd of capacity and that's critical to our customers and consumers.

Now, this doesn't come out in the headlines, but we built excellent relationships with Indigenous communities and that was critical to being able to build this project. Our mindset going in was to protect the water and land and taking advice from Indigenous communities to make the project better, including the first of its kind tribal monitoring and cultural survey program. The team did a fabulous job putting that together.

Building trust through environmental stewardship, helped us establish economic partnerships. Indigenous business and job opportunities totaled $900 M, and we're extremely proud of that.

Another big deal for us last year was acquiring the Ingleside Export Terminal in Corpus Christi, Texas for $4B. Ingleside is the premier crude oil export facility in North America. Opportunities to bootstrap your strategy like that, don't come around often.

The terminal also comes with a lot of optionality to capitalize on growing energy exports and low carbon investments. It also aligns with our net zero goal. In fact, this facility will be net negative emissions because of the solar project we're building just west of the tanks you see here.

And we're really glad to welcome Ingleside staff to Enbridge.

We also made strides on our low carbon strategy by establishing a New Energy Technologies group and landing important renewable natural gas, hydrogen, and carbon capture alliances.

That's just one part of how we're building a bridge to a cleaner energy future.

On ESG, we continue to lead the pack, and that's where we want to stay. We've reduced emissions intensity by 21% and absolute emissions by 14% from our baseline.

As you can see, we made good headway on workforce diversity, including at our Board of Directors. And I encourage everyone to look carefully at their bios to get a feel for the expertise and business judgements they bring to the table.

And we're not just talking a good game - our ESG targets are being operationalized in our business. And our compensation is tied to achieving those targets so, we're set up to succeed.

Strong Financial Performance

Those are some of the '21 highlights, but the results are not just a 1-year thing.

Over the last 15 years we've invested $65 B in organic growth projects at good returns that drove EBITDA at an annual clip of 15% and we transformed our asset mix by acquiring Spectra Energy – a premier natural gas franchise.

We did that because we have a very strong point of view on the future of natural gas. And if you look at the growth this franchise has generated and the future opportunity in the LNG market right now, we were right.

Finally, annual total shareholder return, including dividends, over that time was about 12%, exceeding that of our peers and the market.

By the way, dividends will continue to be core to our shareholder value proposition - always has, always will be and we'll grow it sustainably going forward.

So that's the rearview mirror; now let's talk more about how we're a bridge to a cleaner energy future.

Bridge to a Cleaner Energy Future

It starts with our view of where energy markets are headed which in turn drives our approach to the energy transition.

There's not much debate that demand for energy is headed up as populations grow and developing nations improve living standards. That, plus refocusing on energy security, means we'll need even more energy than we thought.

We'll need both conventional and renewable sources of supply to provide the energy buffer and diversity of supply the world needs.

But to meet our climate goals, it's also clear we're moving to a lower carbon economy. So, the strategic issue for energy infrastructure companies like ours is balancing those dual challenges and getting the pace of the energy transition right.

If we're too slow, we may not be able to catch up; if we're too fast, we may make the wrong bets.

The good news is that in any transition scenario we can imagine lower carbon energy will require transportation and storage.That happens to be right down the middle of our fairway and we've got the best assets and markets to capitalize on that.

Two-Pronged Approach

Our approach is to be ahead of the curve, with a two-pronged strategy.

Prong 1 is to continue to invest in conventional energy projects that grow our business by expanding and modernizing our assets; building new export infrastructure, both in Canada and the United States; and accelerating investment in natural gas.

Prong 2 is to steadily ramp up low carbon growth which we've been doing for a long time already.

This is really exciting stuff. We're blending and transporting renewable natural gas and hydrogen working on moving and storing carbon and we're expanding natural gas investments to serve LNG.

On the latter, remember that the largest source of emissions reductions has been, and will continue to be, natural gas.

Policy wise, governments have simply got to focus more attention on the need to reduce global emissions with natural gas.

More good news, Canada and the U.S. are very well positioned for natural gas to play a larger role in global energy markets.

On renewables, we've been building a great platform for over 20 years developing our capabilities and accelerating growth.

So let me illustrate the progress on our two-pronged strategy.

Investment Opportunities

We have a huge inventory of conventional and low carbon opportunities – in the order of $6B/year.

On the conventional side, we're expanding and modernizing our gas systems which will displace coal and support renewables growth, while significantly lowering emissions.

Our Texas Eastern system is positioned well in the US NE to address supply bottlenecks and high energy prices and we're working on expanding LNG export capacity on the US Gulf Coast, and west coast of Canada. We currently feed 4 LNG export facilities in the Gulf Coast and we've locked down 3 more projects that will supply future LNG plants.

We'll continue to grow our gas utility business in Ontario. And we're optimizing our liquids pipeline business. Given the capital we've invested in Liquids in the past, it's set to throw off a lot of free cash flow that can be re-invested in natural gas, renewables, and low carbon opportunities.

We're in the middle of a large wind construction program, offshore France with 4 windfarms underway. What you see here is the first turbine, installed 3 weeks ago, on our 480 MW project at St. Nazaire.

In North America, we're also using the skills we've developed in renewables to reduce emissions in our conventional business. We have 3 solar self-power projects operating already and 10 more in construction. These plants generate clean energy to run our pipeline pumps and compressors. And they're part of how we'll reach our net-zero commitment.

We're also making great progress on hydrogen. Our green hydrogen pilot project in Ontario is operational and blending into our gas distribution system and we're developing a 2nd larger pilot in Quebec.

So we're making zero emissions energy from renewables and using it to heat homes.

A key part of reaching society's global emissions goals is carbon capture and storage. We're leading the way on this, and we just received some exciting news. We've been awarded the right to further develop our Wabamun carbon hub in Alberta, working with great partners, including 5 Indigenous groups, and we hope they'll become project owners with us.

We're developing other carbon capture and hydrogen opportunities in the Gulf Coast and Ontario. And finally, we have 7 renewable natural gas projects in operation or construction and another 50 in development

So, you can see, we have a lot of low carbon potential ahead. All in, we see roughly $4B of investment through 2025 and ramping that up after that.

But we're going to continue to be very disciplined in how we invest capital and allocate it to the best opportunities. Our investment guardrails are straight forward. One, maintain our very strong balance sheet because that gives us flexibility. Two, provide shareholders with dividend growth that they can rely on. And three, put capital to work to generate good returns.

Of the $5-6B of annual investable capacity the first $3-4B is slated for our gas transmission, gas utility, and liquids franchises. We'll put the remaining $2B to work where we see the most value. Whether that's organic growth, share repurchases or other opportunities, or a combination of those.

Another part of our investment discipline relates to our net zero commitment. As I've mentioned, we have plans in place to achieve net zero on our existing assets but new investments will also be required to achieve net zero.

Finally, here's our 3-year outlook.

This year, we expect EBITDA and distributable cash flow to grow by roughly 8%.By optimizing our existing assets, executing our capital program, and deploying excess financing capacity we expect to deliver compound annual growth in DCF/s of 5-7% through 2024 – that's off a 2021 base.And dividend growth should follow, up to the level of DCF/s growth.

I'll close by saying this.

People

The success we've had to this point, and our enviable position going forward stems entirely from the commitment of our people. They make it happen from Houston to Toronto; from Duluth to Edmonton; from Ottawa to western Europe; and from Waltham to here in Calgary, and many points in between.

What we do every day comes down to earning the public's trust. Our team is so dedicated to our #1 priority to be a safe, reliable, and responsible infrastructure operator. They're focused on our purpose to deliver the energy people want and need every day. THAT'S A BIG JOB!

They also support communities with their time and resources. It's amazing and rewarding for me to watch how they pull together in tough situations - whether it's fires, floods, hurricanes, or the current energy crisis.

While we’re adapting to a constantly changing environment, they never waver from serving customers and stakeholders. Our people truly live our values - safety, integrity, respect, and inclusion. I’m very proud of them and our organization.

Closing

To sum up, Enbridge is about a lot of things, but here’s how I think about who we are and what we do.

North American energy, and what we do at Enbridge is vital to global energy security - recent events have highlighted that. We’re blessed with assets that can’t be replicated and we serve the very best markets.

We’ve got a strong financial position and we’re careful about how we invest capital. We’re in good shape to continue our track record of solid growth both on the conventional and low carbon front.

We’re moving at the right pace on the energy transition and our proven ESG leadership differentiates us in our sector.

Final point: Yes, we’re in a challenging environment, and the global and energy landscape is always shifting. But we’re ready, because we’ve got great people, terrific assets and the right strategies. That makes me, our Board and the rest of the team very optimistic and we’re excited about building that bridge to a cleaner energy future.

Thank you for listening and your support of Enbridge. We’ll now take your questions.