

2017 Corporate Sustainability Report Executive Summary

Contents

CEO Message Transitioning to Meet Changing Needs and Demands 2 How We Commit to Sustainability 3

Safety & Environmental Protection 4 Stakeholder & Indigenous Engagement 8 Climate & Energy Solutions 12 Sustainability Across Enbridge 16

Delivering Our Purpose



Al Monaco President & Chief Executive Officer

*All monetary amounts are expressed in Canadian dollars

Message from Al Monaco, President & Chief Executive Officer

Never has energy—and the future of energy—been of as much interest to as many people as it is today.

As North America's premier energy infrastructure company, we think that's a good thing. It's a conversation and sometimes a debate—in which we all need to participate. The energy landscape in North America is changing at a rapid pace in ways that involve both growth and disruption, and we all know this will continue.

For Enbridge, our purpose is clear: to deliver the energy that fuels people's quality of life. We play a critical role in enabling the well-being and prosperity of North American society, which depends on reliable, affordable and sustainable energy.

Our company transports, distributes and generates energy—including oil, natural gas, renewables, power and energy efficiency solutions for homes and businesses. To fulfill that purpose we need to be equally clear about—and committed to tackling—the sustainable development challenges and opportunities that are integral to our business success.

For us these fall into three main categories: (1) to deliver energy safely and reliably, protecting people and the environment; (2) to engage in a meaningful way with local and Indigenous communities that live and work where we operate; and (3) to support energy systems that can contribute to a lower carbon future.

Which makes this report, our first since our merger last year with Spectra Energy, that much more important. Whether you live in a community in which we operate or are someone who has invested some of your retirement savings in Enbridge, we want you to be aware of the steps we are taking to ensure our company has sound management practices and strategies in place to address the social and environmental issues that are important to all of us. Being transparent about our approach, the objectives we set for ourselves and how we've performed over the past year, helps us hold ourselves accountable as well as understand what we need to do to get better.

2017 was a transformative year for Enbridge, with the closing of our \$37 billion* acquisition of Spectra Energy. It was a move which re-balanced and diversified our business mix and established new platforms for organic growth responsive to a future energy mix that will also be much more diversified. Enbridge today is one team, 15,000 people in Canada and the U.S. working towards a common goal of building the best energy delivery company in North America as well as one that is positioned to adapt and grow.

As described and measured in this report, we focus on what matters to our stakeholders, drawing from the experience of both legacy companies. We know public expectations of us are high and our performance in the following three foundational areas is essential to building and maintaining public trust in what we do.

Safety and Environmental Protection The safety of our people, operations and communities remains our highest priority and we strive for nothing less than world class performance on safety and environmental protection. We invest Enbridge is a North American energy infrastructure leader with global scale and capability. Our core businesses transport and distribute oil, natural gas and natural gas liquids and connect North America's growing supply basins with key demand centers. We strive to be an industry leader by: creating value for our shareholders; serving customers; setting best practice standards with respect to worker and public safety, environmental protection, community and Indigenous relations; and building an engaged workforce.



Liquids Pipelines

Enbridge operates the world's longest and most complex crude oil and liquids transportation system.



Natural Gas Transmission and Midstream

Enbridge's natural gas pipelines transport approximately 20 percent of all natural gas consumed in the U.S.



Natural Gas Utilities

Together, Enbridge Gas Distribution (EGD) and Union Gas deliver energy to approximately 3.7 million homes and businesses.



Power Generation

Enbridge has interests in more than 2,500 megawatts of net renewable generating capacity across North America, and a growing offshore wind portfolio in Europe.

For a map of our operations, please see the Back Cover.

heavily in assuring the fitness of our systems and cultivating a culture of continuous learning and improvement, one where all incidents are seen as preventable. Our people are empowered and expected to raise safety or environmental concerns. We believe our performance over the past five years shows the progress we are making on our commitment to industry leadership in pipeline safety.

Stakeholder and Indigenous Inclusion

As we undertake major projects in our liquids and natural gas businesses, we place a high priority on early engagement of key stakeholders, communities and Indigenous groups. We believe that our long-term success depends on our ability to build effective, mutually beneficial relationships with the people living near our operations which traverse thousands of kilometers and hundreds of different communities. Our approach is grounded in respect and our commitment to work hard to foster open, transparent and meaningful dialogue. This year we've also published enhanced disclosure around our relationships with Indigenous Peoples-focusing on

how we're implementing our Indigenous Peoples Policy, which includes recognition of the importance of the U.N. Declaration in the Rights of Indigenous Peoples (UNDRIP).

Climate and Energy Solutions We remain committed to contributing to GHG emissions reduction and to engaging proactively with policy makers to ensure approaches that can accelerate progress. One of the reasons we have grown our investments in natural gas while maintaining a presence in renewables is because we believe these two sources of energy are highly complementary to each other in the transition to a lower carbon future. We're also focused on energy efficiency and emissions reduction across our own operations. We're integrating carbon sensitivities and climate risks into our business and investment decisions. We are in the process of aligning our reporting on climate issues with the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosure (TCFD), including discussion of the resilience of our business in a 2-degree climate scenario.

Enbridge's employees and contractors work hard to ensure the safe and reliable delivery of energy on which our communities, nations and economies rely. They approach our business as owners—with pride and commitment to doing their very best, every day. I thank them for their efforts, reflected in the highlights we cover in our report.

Ultimately, our sustainability reporting in this report as well as in others focused on more specific issues related to safety, Indigenous rights and climate challenges and opportunities—demonstrates our engagement in what we believe to be an essential conversation about the energy that North Americans need and want and what it means to be a responsible and sustainable energy company. We value your interest and we welcome your feedback.

Maren

Al Monaco President & Chief Executive Officer July, 2018

Transitioning to Meet Changing Needs and Demands

An interview with Enbridge's Chief Sustainability Officer Linda Coady and Roxanna Benoit, Vice President, Responsible for Indigenous and Stakeholder Relations, on Enbridge's 2017 Corporate Sustainability Report and the Company's future direction when it comes to disclosure and engagement on its policies, approach and performance on environmental, social and governance matters.



Linda Coady Chief Sustainability Officer



Roxanna Benoit Vice President, Responsible for Indigenous & Stakeholder Relations

This is Enbridge's first corporate sustainability report since your 2017 merger with Spectra Energy. Can you comment on the experience of integrating sustainability performance data of two large companies?

Coady: To be sure, the process has not been without its challenges. With that said, we've benefited from significant advantages, including the expertise of our people and lengthy history of sustainability performance data management and reporting within both legacy organizations.

Work is still underway on the integration of IT-based platforms used for data collection to create efficiencies, ensure data consistency and quality, and enhance functionality across the company. This also includes a third party-led data assurance readiness exercise for the GHG emission and energy consumption data. **Benoit:** After the close of the merger transaction with Spectra Energy in early 2017, we initiated an internal review of the two companies' respective policies and practices to ensure consistency in how we approach issues such as Indigenous rights, stakeholder engagement and climate change. This will help us to continue to harmonize the collection, management and reporting of key performance indicators and sustainability data.

The sustainability reporting landscape is undergoing a number of significant changes, including the emergence of new reporting frameworks and an ever-expanding array of environmental, social and governance metrics and evaluators. How is your reporting strategy changing to deal with these developments and demands?

Coady: The demand for transparency on metrics related to corporate responsibility and sustainability is certainly growing. But what remains constant for us is the imperative to ensure we're focused on the information that matters to the stakeholders and decision makers that are of greatest relevance to our business. As a result, in addition to our annual sustainability report, this year we are also releasing two more focused reports-one on how we are approaching Indigenous Rights and Relationships in North American Energy Infrastructure, and one that begins to align our reporting on climate issues with the framework set out by the G20 Financial Stability Board's Task Force on Climate-Related Financial Disclosure (TCFD).

Benoit: At the same time, we're sharpening our focus on the frameworks and metrics that are most frequently used and valued by our stakeholders—to better enable disclosure of quality data over quantity of information. We've heard from our stakeholders that consistency and comparability of data over time is a key priority—and we agree. Through our participation in industry and sustainability forums, we're contributing to efforts to harmonize and consolidate different reporting frameworks, both existing and emerging, and advance more meaningful and efficient disclosure on environmental, social and governance factors.

What are some of the new elements in your 2017 report that readers should be looking for?

Coady: The most significant change is in how we deliver it. Our sustainability reporting contains a lot of information. To help make the content more accessible and to make it easier for readers to find what they're looking for, we're taking an "online first" approach. Our new, interactive website offers readers the ability to move through sections at their own speed—and as they go, they'll be able to highlight relevant content, annotate it and save their own personal version for later reference. Built-in functionality also enables readers to share content directly through their social media platforms.

Benoit: Our new integrated online platform also enables us to bring all of our reporting together—this annual Sustainability Report along with our annual *Safety Report to the Community* and our other enhanced disclosures.

As the person responsible for Indigenous engagement at Enbridge, I am looking forward to feedback on our discussion paper on Indigenous Rights and Relationships. We're also pleased this year to be able to include third-party perspectives in our sustainability report through a series of 'Conversations' with external stakeholders engaged with our company on various initiatives—from emergency response to environmental stewardship.

How We Commit to Sustainability

- We integrate environmental, social and governance considerations into all aspects of our business decision making and performance.
- We proactively engage with our diverse stakeholders in order to gain better understanding of the issues most important to our stakeholders.
- We innovate to develop new collaborative approaches to sustainability challenges.
- We have strong governance to ensure accountability and oversight of our operations and performance.
- We strive for transparency and robust disclosure to measure, report and evaluate our environmental and social performance.

Our core values and policies

Our CSR Policy, which has governed CSR and sustainability at Enbridge since 2004, covers business ethics and transparency; environment, health and safety; stakeholder, Indigenous and Native American engagement; employee relations; and community investment. This policy applies to the activities we undertake anywhere in the world by, or on behalf of, Enbridge and our subsidiaries and affiliates whose operations we manage.

Oversight of our sustainability policies and performance begins with our Board of Directors and executive management. Enbridge has dedicated policies, management systems, teams and senior-level accountabilities in place to address key issues facing our company and its stakeholders.

Our CSR Policy is supported by other company-wide policies including:

- Indigenous Peoples Policy
- Climate Policy
- Statement on Business Conduct

What matters most

In our Sustainability reporting, we focus on the topics of greatest interest and relevance to our stakeholders, our employees and our business—those which could substantively influence stakeholders' assessments and decisions regarding Enbridge.

Through ongoing engagement and dialogue we've prioritized three foundational areas, as well as a number of areas of interest and that enable continuous improvement as a company. Despite the increased size, diversity and geographic scope of our company following our combination with Spectra Energy in 2017, these priority areas remain what matters most.

Our Sustainability Focus Areas:



Safety & Environmental Protection

- Health & Safety
- Maintaining the Fitness of Enbridge's Systems & Detecting Leaks
- Emergency Preparedness & Response



Stakeholder & Indigenous Inclusion

- Stakeholder Engagement
- Indigenous Engagement



Climate & Energy Solutions

- Climate Change, Emissions Reduction & Energy Efficiency
- Renewable & Low Carbon Energy



Our commitment to safety and environmental protection encompasses:

- Protecting people and ensuring we comply with all applicable safety policies, requirements and commitments.
- Ensuring the fitness of our systems for energy distribution and delivery. Developing and operating strong and highly reliable systems is essential to enabling us to continue to execute on our strategic priorities, and reduce and avoid social and environmental risks and impacts.
- Preparing for and responding to emergencies in the most efficient and effective way possible such that we ensure safety and avoid social and environmental impacts, costs and displacement.

By doing everything we can in this area, we live up to our Safety value.

Health & Safety

We are committed to keeping our people safe.

Safety is more than a priority for us. It is our way of life. It is a core value that makes us Enbridge.

Our commitment to safety is based on caring for employees, our contractors, the communities where we live and work, and the environment.

We are on <u>Our Path to Zero</u> incidents in which safety is everyone's responsibility, leadership is accountable for safety performance, continuous improvement is required, hazards are controlled and our commitment to caring extends beyond the workday.

2017 Highlights

Visit enbridge.com and search *Our Path to Zero* for more information about our commitment to Safety and Environmental Protection.



employee and contractor fatalities

Injury rates down our three-year average trend for employee and contractor recordable injuries continues to drop



Ensuring Safe Workplaces for Employees and Contractors

To protect the safety of our workers, Enbridge has comprehensive policies, practices, systems and controls in place. We take a proactive approach to identifying and preventing safety issues, take immediate action when a safety issue is identified and continually look for ways to improve our safety performance.

The contractors and subcontractors we work with are our partners in safety, and we expect them to be leaders in safety. We diligently monitor our contractors' performance to ensure potential risks from their work activities are efficiently managed and mitigated. Enterprise Employee TRIF 2015-2017 Total Recordable Incident Frequency (Recordable Incidents per 200,000 hours worked; included: 3 Year Average Trend)



*2017 represents combined Spectra Energy and Enbridge data.

In 2017, during the combination of Enbridge (ENB) and Spectra Energy (SE), our three-year average trend in Total Recordable Injury Frequency (TRIF) continued to improve and is well below the industry average of 1.0. In total, we had 95 recordable employee injuries, compared with 44 recordable injuries at Legacy Enbridge (ENB). This increase is due to the merger with Spectra Energy, which increased the number of employees.

Contractor injury rates have greatly improved on an annual basis, and the three-year average also continues to improve.

Maintaining the Fitness of our Systems and Detecting Leaks

Above all else, the safety and reliability of our operations remains our number one priority.

We constantly strive to make our operations safer because we believe that every incident can be prevented.

We invest significantly in the fitness of our systems and in leak detection. We continually inspect our pipelines and facilities for safety and reliability. We double check our performance, work to protect and enhance our pipelines and distribution systems, and continually seek to put in place additional layers of safety in everything we do—from planning and project construction to operations.



2017 Highlights

349

in-line inspections and

1,769 integrity digs.

>26,700 pipeline inspections completed on our liquids and natural gas pipelines and

liquids and natural gas pipelines and distribution network covering more than 212,080 kilometers (132,500 miles) of our pipeline system across Canada and the U.S.

>\$1.9 B*

spent on programs that help us maintain system fitness and detect leaks across our operations in Canada and the U.S.

*All monetary amounts are expressed in Canadian dollars



Baker Hughes, a GE company, has completed more than 400 pipeline inspections for Enbridge.

Smart Pigs, Safe Pipes

Enbridge focuses heavily on prevention to keep our crude oil pipeline network safe. In-line inspection (ILI) tools or "smart pigs," to use industry jargon—are highly complex pieces of equipment that move through our pipes and use advanced sensor technology to inspect pipe walls millimeter by millimeter, searching for dents, tiny imperfections, metal loss and corrosion. These tools are essential to our aggressive program of prevention, and they offer pinpoint accuracy for features that may require follow-up maintenance.

You can learn more about inline inspection technology and how we use it—including our partnerships to develop next-generation technology and leverage big data to make step change improvements in technological capability—at Enbridge.com

Emergency Preparedness & Response

In the event of an incident, we are prepared.

On our *Path to Zero*, we believe that all incidents can be prevented and that no release is acceptable. However, if an incident does occur, we are ready to respond safely and effectively in partnership with local first-response agencies and regional and national authorities.

We maintain strong emergency preparedness and response systems. We regularly test and continuously improve our emergency response tactics and plans with local first responders and emergency management and government officials. We regularly review our emergency management programs across our businesses to ensure that they are functioning as intended and identify opportunities for continual improvement. In the event of an incident, our employees and contractors are well trained and equipped to ensure a safe, rapid and effective response.



2017 Highlights

365

drills, exercises and equipment emergency deployments.

ipment employees trained on emergency response.

in grants and donations through our **Safe Community** program to first response agencies in Canada and the U.S.

Taking a Systematic, Rigorous Approach

Emergency preparedness and response requires a systematic approach to ensure that all hazards are identified and anticipated so that a response is rapid, effective and protective of workers, the public and the environment.

Enbridge has an incident management organizational structure that, depending on the nature and magnitude of the incident, can cover all levels of the organization—from the front-line worker to the executive leadership team—and can be activated immediately following an incident.

The Enbridge emergency management programs guide our efforts to be prepared for and respond to emergencies. These Emergency Management Programs are implemented at all of our business units, regularly reviewed by management and personnel, and periodically audited to ensure their continual improvement and proper functioning.

We have comprehensive emergency response plans that are regularly reviewed, audited, updated and tested. Steve Panger, Fire Chief, Superior Fire Department in Superior, Wisconsin

With the training and equipment we've received from Enbridge, and through the work we're doing jointly with the Superior Petroleum Partners group and the Superior Fire Department, we are in a stronger position to respond to the type of emergencies that could occur in these industrial facilities. And by doing that, we're providing greater safety to residents, workers and our firefighters.



Read more from Chief Panger in our 2017 Corporate Sustainability Report.

Stakeholder and Indigenous Engagement

With energy infrastructure spanning North America, constructive, meaningful engagement with those who are affected by, or who can affect, our activities and operations is fundamental to how we do business.

We focus on collaborating with stakeholders to build long-term relationships, create shared value, reduce our environmental impact, improve safety and innovate for the future. We recognize and respect Indigenous rights and culture. We work to engage Indigenous communities early in planning and implementing our projects, and over the lifecycle of our operations in implementing strategies for safety, cultural protection and environmental stewardship.

Building sustainable relationships connects directly to each of our core values— Integrity, Safety and Respect. Engaging with stakeholders and Indigenous Peoples in ways that create value for them and for us improves social and environmental outcomes, makes our projects and operations better, and enhances our ability to execute on our strategic priorities.

Stakeholder Engagement

We work hard to earn and maintain the trust of our stakeholders.

We believe that our long-term success depends on our ability to build effective, mutually beneficial relationships with the people and communities living near our operations, including more than 92,000 landowners in Canada and the U.S. Coordinated, comprehensive management systems guide our approach, which is grounded in respect for our stakeholders and our commitment to work hard to foster open, transparent and meaningful dialogue.

2017 Highlights

~26,000

total direct and indirect engagements with stakeholders and other groups in Canada on our Line 3 Replacement Program (2014-2017).

~23,000 in the U.S. (2015-2017).

~\$5.4 M

invested in nearly 450 initiatives to support communities surrounding all of our projects in 2017.

A comprehensive, coordinated and consistent approach

We have an integrated management system for stakeholder engagement that supports a multi-disciplinary and risk-based approach. The system is coordinated and scalable with common processes and tools that work to enhance effectiveness and provide consistency across all of our projects and operations. It's based on leading industry practices and global benchmarking systems, and further advances accountability, reporting and continuous improvement.

Through our Regional Engagement Plans (REPs), we work to develop and maintain constructive, meaningful and long-term stakeholder relationships based on a solid understanding of the regional environment and an effort to learn the priorities, interests and concerns of our communities and stakeholders.

Customized engagement plans are developed for each new project as it enters the planning stage. These Major Project Engagement Plans (MPEPs) are proactive, two-way communication



and consultation strategies designed to help us:

- understand stakeholder issues; answer their questions and obtain their input on our project plans;
- improve our awareness of more broadly based community interests and perspectives; and
- make changes to our plans based on what we learn.

We recognize that some stakeholders have concerns about our projects and operations, and we respect their desire to voice them. We welcome and encourage respectful, two-way dialogue, and take all stakeholder grievances, concerns, issues and requests seriously. We carefully track issues raised so that we can effectively follow up and incorporate them into our REPs and MPEPs.

Who are our stakeholders?

Our stakeholders include the individuals and groups who live and work near—or who can affect or are affected by—our pipelines, power lines, operations and facilities. They include landowners, communities, governments, businesses, industry, non-government organizations, and regulators, as well as the individuals and organizations with whom we work to prepare for and respond to emergencies.

Because Indigenous Peoples in Canada and the U.S. have distinct rights, Enbridge acknowledges that Indigenous Peoples are more than stakeholders and has adopted a separate corporate policy to ensure that our activities respect those rights.





We engaged and trained

543

first responder agencies regarding the roles and responsibilities of pipeline operators and first responders.

The NEXUS Drain-tile Program

Through proactive outreach early in the NEXUS Gas Transmission project, the project team identified the importance of drain-tile systems to local farmers in Ohio and Michigan. More than 200 miles of the project— 60% of the project's total tracts—required work to existing drain-tile systems. Drainage systems are unique to each individual piece of land and play an integral part in a farm's productivity. Understanding that even the slightest disturbance to these systems could have a significant impact on agricultural operations, NEXUS worked collaboratively with local farmers to select preferred drain-tile experts in the community for all pre- and post-construction drain-tile work, and extended monitoring.

Public Awareness Programs

Our Public Awareness Programs equip our neighbors—landowners, business owners, tenants, communities, elected officials, Indigenous groups, excavators and emergency responders—with the information they need on how to live and work safely near pipelines and associated facilities. Although the requirements for public awareness outreach vary between Canada and the U.S., beginning in 2018, our programs will be governed by our integrated enterprise-wide Public Awareness Plan to ensure quality and consistency of performance. We design our Public Awareness Programs to meet—and in many cases exceed-regulatory requirements.

Spotlia

Learn more about Enbridge's <u>Public</u> Awareness Programs.

Indigenous Engagement

We are committed to forthright and sincere consultation with Indigenous people.

We recognize the history, uniqueness and diversity of Indigenous peoples and strive to build trust and lasting relationships. In the course of our projects and operations, we are regularly in contact with many Indigenous communities in Canada and Native American tribes in the U.S. In both countries, legal requirements and good business practice mandate consultation and engagement with Indigenous communities on energy infrastructure projects and operations.

Wennell Swampy, Samson Cree Nation near Edmonton. Alberta

By applying for Enbridge's Aboriginal Construction Monitoring Program, I was able to challenge myself and obtain more skills, experience and knowledge from a higher, managerial position in the energy industry in hopes to maintain that career level in the near future. I also hope that the experience and skills I've obtained through the monitoring program will benefit me for any other future opportunities!

Read more from Wennell Swampy in our 2017 Corporate Sustainability Report.



2017 Highlights

More than \$200 million spent

on materials and services sourced from Indigenous suppliers in Canada and the U.S.

More than \$1.7 million invested to support educational, safety and cultural initiatives with Indigenous Communities.

agreements through our engagement on the Line 3 **Replacement Program with** the majority of Indigenous groups along the pipeline route in Canada.

employees & contractors received Indigenous awareness training.

Enbridge's Indigenous Peoples Policy

Our Indigenous Peoples Policy outlines the key principles that guide our engagement with Indigenous Nations and groups in areas in North America where our pipelines cross their lands.

We are focused on proactive engagement with Indigenous communities across the life cycle of our projects and operations in order to meet the requirements and expectations for Indigenous consultation and involvement, and to establish more enduring relationships with Indigenous communities. We recognize that legal, regulatory and historical differences

exist between the Indigenous peoples in Canada and those in the U.S. As a result, we tailor our approach to accommodate the differences.

We undertake transparent and meaningful consultations with Indigenous peoples and communities near our projects and operations, engaging early and often. Our goal is to learn as much as possible about the underlying social, economic, political and environmental conditions of the individuals and communities in guestion, and to understand their expectations, interests and concerns.

Indigenous Rights and Relationships in North American Energy Infrastructure

Indigenous relations are evolving in North America. This is a positive development and one we are pleased to participate in. To that end, we've published a discussion paper that outlines our approach and we welcome feedback that can help us strengthen our performance.

Indigenous Rights and Relationships in North American Energy Infrastructure



Spotligh

2017 Corporate Sustainability Report Summary 11

Climate and Energy Solutions

▲ In Ontario, Enbridge is partnering with Hydrogenics on North America's first utility-scale project to convert surplus electricity into hydrogen gas. In the future, the hydrogen can be used for a number of purposes such as fueling cars and trains, and/or it can be blended into the natural gas system to offset traditional natural gas. We recognize that climate change is a global issue and that we all have a role to play in addressing it.

We believe that a low-carbon future can support a sustainable, competitive business environment while creating new opportunities for companies like Enbridge. The ability to diversify our business mix — and to substantially increase our natural gas business — was a key driver in our combination with Spectra Energy. We believe natural gas has and will continue to play a critical role in meeting society's demand for energy and — because it is a less carbon-intensive fuel than other hydrocarbons — supporting global greenhouse gas (GHG) emission reduction goals. More broadly, our diversification enables us to leverage all of our company's assets — liquids pipelines; renewable energy; and natural gas transmission, distribution and storage infrastructure — to support the transition to a low-carbon economy, while keeping pace with the world's growing energy needs.

Climate Change, Emissions Reduction & Energy Efficiency

We are taking measurable steps toward a low-carbon future.

Our strategy to address the climate impacts resulting from our business and to support the global transition to a low-carbon economy includes:

- publicly tracking and reporting our efforts to reduce our energy use and GHG emissions;
- integrating climate considerations into key business decision making;
- taking an active and constructive role on new climate change policy solutions with governments, industry associations, environmental organizations and communities;
- exploring new lower carbon business opportunities, including our work to "green" the natural gas we distribute; and
- enhancing demand-side management (DSM) programs for customers of our natural gas utilities.

Enhancing Our Climate Reporting

Recognizing our stakeholders' interest in how we're addressing climate change related risks and opportunities, we're developing a separate report aligned to the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

We anticipate publishing our report in late 2018.



Our GHG Emissions Performance (Scope 1)

We recognize that for us to play a key role in the transition to a low-carbon future and support the achievement of national and global emission reduction goals, we must take a proactive approach to reducing our own carbon footprint. That approach includes a focus on reducing the carbon intensity of our operations through enhanced energy efficiency and a commitment to continuously improve the way we manage methane emissions from our facilities.







Gas Transportation & Midstream



* 2017 data includes emissions related to assets and operations added through the combination with Spectra Energy which closed February 27, 2017. Detailed data for all business segments and historical data for Spectra Energy is available in the data tables at **csr.enbridge.com**



Actions We are Taking to Decrease Our GHG Emissions

Offices and Buildings

We build and/or lease new facilities that meet LEED standards. In 2017, we also consolidated our offices in Houston, Edmonton and Calgary, resulting in a significant reduction in our real estate footprint.

Vehicles

Enbridge Gas Distribution has the largest natural gas vehicle (NGV) fleet in Canada.

Union Gas achieved 92% of its 2017 fuel efficiency target for its vehicle fleet. For 2018, Union Gas has set an idling target for its vehicle fleet to support our commitment to reducing discretionary idling.

Virtual Meeting Solutions

Our network of more than 100 TelePresence videoconferencing meeting rooms provides an alternative to business travel. In 2017, our employees held 8,621 meetings via TelePresence.

Carbon Capture and Storage

Several of our natural gas facilities in Canada use CCS technology. On average, these facilities remove and store over 10 to 20 kilotons of CO₂ per year.

Systems Optimization

To reduce electricity consumption, we optimize the performance of the pumps that push crude oil through our pipelines.

Construction

We implement several measures that help keep emissions as low as possible during the construction of pipeline projects, including the use of locally sourced and recycled pipe whenever possible, and organizing work sites to reduce travel time and vehicle use by project personnel.

Helping our customers improve their energy efficiency

Through a wide range of Demand Side Management (DSM) programs, we encourage our natural gas customers — from homeowners to industrial facilities — to adopt energy-saving equipment and operating practices to reduce their natural gas consumption.





Our Climate Policy

We share our stakeholders' concerns regarding the impact of global climate change, and our corporate <u>Climate Policy</u> outlines the steps we are taking to manage climate risks and respond to opportunities associated with the transition to low-carbon sources of energy. This Policy is designed to ensure that our strategy and action on climate changerelated issues are aligned with new and emerging market and regulatory trends, and also support ongoing corporate goals for current and future business development and growth.

Jamie Bonham, NEI Investments

Our ongoing dialogue with Enbridge on its approach to the low-carbon energy transition is a good example of why we see such value in engaging with companies. It allows us to ascertain how engaged senior



Spotligh

management is on the issue of climate change, and as important, to gain a broader understanding of the company's strategy for low-carbon resilience.

Read more from Jamie Bonham in our 2017 Corporate Sustainability Report

Renewable & Low Carbon Energy

We are helping the world transition to a low-carbon future.

To meet current and future demand, the world requires all forms of energy-oil, natural gas and renewable power. At the same time, demand for low-carbon energy sources is growing. As a North American energy infrastructure leader, Enbridge is well positioned to help advance the transition to a low-carbon future.



All megawatt figures are gross capacity.

2017 Highlights

.8 R

committed in renewable energy and power transmission projects in North America and Europe.

Visit enbridge.com and search Renewable Energy for more information about our commitment to Climate and Energy Solutions.

Since 2002, Enbridge has invested in the development of more than **3,500 MW** gross (2,500 MW net) of zero-emission energy-enough power to meet the energy needs of more than **1.8 million** homes.



Investing in Offshore Wind

We see great potential in offshore wind and to date have invested in five large projects in the United Kingdom, France and Germany for a total of approximately 1,009 MW of net generation capacity under development. As of the date of publication of this report, Enbridge has entered into an agreement with the Canada Pension Plan Investment Board (CPPIB) for the sale of a 49 percent interest in select North American onshore renewable power assets owned by Enbridge. In addition, CPPIB and Enbridge have entered into a joint venture agreement for the completion of two German offshore wind projects (Hohe See, and related expansion) and the pursuit of future European offshore wind projects. Enbridge and its affiliates will continue to manage, operate and provide administrative services for the renewable power assets.

Offshore wind is a strong fit for Enbridge, given our history with onshore renewable technology, our majorprojects capability and our experience in working off-shore in the Gulf of Mexico. We plan to continue to grow our offshore renewable generating capacity and be at the forefront of the global transition to a low-carbon future.

"We are very pleased to be partnering with CPPIB in future development of our European offshore wind business, which we believe will have great opportunities for years to come. The combination of our operating and development capability with CPPIB's resources and experience creates a powerful Canadian champion for developing offshore renewable energy projects in Europe."

Al Monaco, President & CEO Enbridge Inc.

Sustainability Across Enbridge

Our attention to environmental, social and governance matters extends beyond our priority focus areas to include a number of other topics important to our stakeholders which enable us to continually improve our sustainability performance.

Here are some highlights. For more, please see our Annual Corporate Sustainability Report.



Employee Relations

People are the foundation of our success.

None of what Enbridge has achieved so far—or will accomplish in the future is possible without our people. Today, there are about 15,000 people on the Enbridge team, living and working in communities across North America. We are focused on keeping our people safe and healthy, developing and training them, and promoting diversity, inclusion and respect.

28%

of our managers are women

Over the past year, our focus has been on the integration of Enbridge and Spectra Energy and supporting our people as they have adjusted to new teams, new roles and new ways of working, and to building a strong culture grounded in our values of integrity, safety and respect.

Environmental Management Systems

We take a systems-based approach to environmental protection.

We recognize that protecting our natural resources, enhancing biodiversity and supporting conservation are key to a sustainable environment, and we integrate these concepts into our business decision-making and daily operations.

In executing projects, we use leading construction practices and we are committed to identifying, mitigating and proactively managing any potential negative impacts to the environment. Enbridge has a long history of environmental stewardship, underpinned by adherence to established and evolving regulatory processes, as well as our own corporate policies and procedures.



~\$1.1 million in Ecofootprint grants to support 17 communityled environmental projects in North Dakota, Minnesota and Wisconsin.

Customer Relations

Listening and responding to our customers' needs is a fundamental priority for us.

We have a wide range of customers – from energy producers who ship their products on our oil and gas transportation networks; to refiners and processors; to the residential, commercial and industrial customers who consume the natural gas we distribute. Safe, reliable operations combined with responsive customer service help us retain existing customers and attract new business. Both are critical elements of our business success and essential for creating long-term value for our shareholders and stakeholders.

As Canada's largest natural gas distribution provider, we serve approximately **3.7 million** retail customers.



Research, Development & Innovation

We are continually looking for opportunities to enhance existing energy technologies and advance new ones.

Over the years, we've invested more than \$22.5 million in research, development and innovation that's helped to make our energy infrastructure systems safer, more reliable and more efficient, and to reduce the carbon intensity of the energy we deliver.

\$22.5 million invested in technology development and innovation projects.

Our commitment to continuous improvement across our operations drives ongoing investment in industryleading technologies, processes and methods focused on integrity, reliability, leak detection and damage prevention. We're supporting a wide variety of projects such as fiber optic pipeline monitoring to big data applications that enhance the efficiency of our pipelines and wind turbines.

We also manage a portfolio of legacy investments in emerging energy technologies that have the potential to diversify our energy systems and to accelerate the transition to a lower carbon future.

Supply Chain Management

We work with suppliers to advance our sustainability performance.

Our supply chain—organizations that provide materials, goods or services to Enbridge, including contractors, subcontractors, vendors and consultants-plays a key role in our ability to live up to our social responsibility commitments and attain our sustainability objectives. To that end, we strive to work with suppliers who are leaders in their industries; are willing to uphold our core values of integrity, safety and respect; adhere to our fundamental policies and procedures and the Enbridge Statement on Business Conduct: and share our commitment to the highest standard.

In 2017, we spent more than **\$216.8 million** with Indigenous businesses, contractors and suppliers in Canada and the U.S.

The creation of opportunities for Indigenous socio-economic participation continues to be integral to our Supply Chain Management strategies and management systems.



Community Investment

We support and engage with our communities.

Enbridge exists to help fuel the quality of life within communities where we work and operate. As part of our work, we support organizations that champion solutions for safety, environmental and social issues. We collaborate with community leaders to support local priorities, and we plan and implement initiatives that help improve the quality of life for residents. We also invest where we believe we can make impactful and sustainable change, and where our employees can contribute to their communities.

We made over **3,500** community-strengthening investments totaling more than **\$23.9 million** in organizations across North America.

0

To see where we have been investing in Canada and U.S., please see our <u>Community Investments 2017 Map.</u>

Economic Benefits & Impact

We're focused on creating value for our shareholders, generating economic opportunities and supporting our communities.

Through our consistently strong financial performance, we have steadily generated solid returns to shareholders for more than six decades. At the same time, we've also created positive economic impacts and opportunities that have benefited many other stakeholders, including our customers, suppliers, community members and organizations, employees and governments.

We brought into service **16 major projects** with a combined value of **\$12 billion.**



Annual Reports

2017 Safety Report to the Community

Our annual Safety Report to the Community, which outlines our progress as we strive for 100 percent safety and zero incidents, is available at **enbridge.com/safetyreport**

2017 Annual Corporate Sustainability Report

Enbridge publishes an Annual Corporate Sustainability Report. Our first report for our combined company will be published in August 2018 and will be available at **csr.enbridge.com**

2017 Annual Review

Our 2017 Corporate Annual Review, Proxy Statement and MDA are available online.

Visit our Investment Center on **enbridge.com** for more information.

Additional 2018 Reports

Q2 2018: Indigenous Rights and Relationships in North

American Energy Infrastructure Enbridge published a discussion paper which outlines our approach to Indigenous engagement and consultation. We welcome feedback that can help us strengthen our

Q4 2018: Climate Resiliency

approach and performance.

Beginning with a special report in 2018, we are aligning our climate reporting with the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD), including 2 degree scenario planning.













200, 425 – 1st Street S. W. Calgary, Alberta, Canada T2P 3L8

Telephone: 403-231-3900 Facsimile: 403-231-3920 Toll free: 800-481-2804

enbridge.com

