

February 22, 2021

Larry Fink
Chairman and Chief Executive Officer
BlackRock Inc.
55 East 52nd Street
New York, New York
10055

Dear Larry,

Your annual letter outlining BlackRock's perspective on the creation of durable, sustainable value for all stakeholders has helped stimulate important discussions across public companies, institutions and the investment community. From my perspective this year's letter again hits the mark and is consistent with our values and business strategies at Enbridge. We are pleased to outline our response below.

Our Response to COVID-19

The COVID-19 pandemic has taken an unprecedented human and economic toll, causing immense hardship and pain for many. This, taken with accentuated and deeper socio-economic challenges including racism and the imperative to improve the sustainability of businesses, economies and societies make 2021 an important inflection point.

At Enbridge we learned some time ago that in a crisis you are guided by your values and it's critical to retain unwavering focus on all stakeholders – customers, employees, communities and shareholders. At the pandemic's onset our priority was – and remains – the health and safety of our people.

We immediately enhanced procedures to keep our workforce safe and ensure continuity of our business – making sure the delivery of energy central to people's lives was uninterrupted. This included new safety protocols at worksites, control rooms and throughout the entire organization.

For our office professionals it meant immediately implementing Work From Home protocols. We doubled our emergency childcare benefit, enhanced our compassionate care benefits and significantly expanded our mental health program to ensure our people had the support they needed to cope with COVID challenges of balancing personal and work responsibilities.

In our communities, we focused our corporate citizenship program on areas of greatest need, working closely with community response organizations and first responders. We addressed issues of food security, mental health and social services. We also worked closely with Indigenous communities in Canada and the U.S., to not only offer pandemic

support but continued economic, employment and contracting opportunities. We also committed to helping consumers and businesses manage their natural gas bills during this challenging time.

We took steps to further bolster our financial strength by increasing available liquidity to ensure we could sustain a prolonged downturn. We reduced costs by \$300 million but avoided layoffs through organization-wide salary roll backs (including a 15% reduction to CEO salary and board compensation), early retirements, a voluntary workforce reduction program and supply chain efficiencies. While Enbridge qualified for federal pandemic-related business subsidies in Canada, we didn't avail ourselves of them.

Our business model and past strategic actions helped us to remain resilient in the face of the worst economic and energy downturn in history. Our business generates predictable long-term cash flows supported by strong commercial underpinnings, strong investment grade customers, low market price risk and a solid balance sheet.

With these efforts, we exceeded the midpoint of our pre-COVID distributable cash flow guidance range, increased our dividend by 10% through 2020 and raised it by another 3% for 2021 — our 26th consecutive annual increase. We exited the year in a strong financial position, with an engaged team and a clear path forward to enhance and grow our core businesses, while maintaining our disciplined approach to capital and cost management.

In short, despite an extremely challenging social and economic environment, we continue to demonstrate commitment to serving all constituents.

Bridge to the Energy Future

At Enbridge, we deliver the energy that fuels quality of life. Our four businesses transport, store and generate energy. Whether it is crude oil, natural gas or renewable power, we deliver the energy that millions of families, small businesses, industries, and communities across North America rely on every day.

As a capital-intensive infrastructure company with long-lived assets, we plan decades ahead. Enbridge's success has been rooted in understanding energy fundamentals and adapting to key market trends, all while staying focused on the needs of our customers. Along the way, we've grown from a single 1,100-mile line that was solely used to move crude oil, to a diverse network that spans across eight Canadian provinces and 40 U.S. states and delivers natural gas, liquids and renewable power – including a growing offshore wind presence in Europe.

To address climate change, we're focused on bridging to the energy future. We'll do this by continuing to provide access to affordable, reliable and increasingly sustainable, low emission energy. We are investing in the bridge to the future through our natural gas, renewable projects, and investments in low-carbon energy infrastructure – including renewable natural gas (RNG) and hydrogen.

Enbridge currently has the capacity – either operating or under construction – to generate more than 1,900 MW (net) of zero-emission energy. We continue to pursue further investment in renewable projects in part through a joint venture with the Canada Pension Plan Investment Board designed to grow our existing European offshore wind portfolio.

We believe that RNG provides a cost-effective way to decarbonize sectors like heavy transport. We are already invested – with six RNG projects either operating or under construction today. By way of example, the City of Toronto is now using carbon-negative RNG to fuel garbage trucks and we're working with several municipalities to use carbon-negative RNG for buses.

Enbridge was also an early investor in hydrogen, with the operation of Canada's first utility-scale power-to-gas plant. This 2.5 MW hydrogen energy storage project (expandable to 5 MW) helps balance the provincial electricity grid. We have also recently received regulatory approval to undertake a pilot to blend hydrogen into select portions of the local natural gas distribution network. In Quebec, we are developing a renewable energy ecosystem based on green hydrogen. And, since we move about 20% of the natural gas consumed in the U.S., we're working actively to determine how much hydrogen can be blended into our natural gas transmission and distribution system.

As we explore new opportunities, our approach will be proactive yet disciplined. We'll continue to align our asset mix with long-term energy fundamentals while investing in projects that build low cost optionality and complement our low risk business model – and meet the needs of a changing world.

Net Zero Commitment

In November 2020, we announced greenhouse gas emissions reduction targets aligned with the ambitions of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement. While we have set and met GHG targets in the past, establishing a net zero by 2050 target represents a meaningful next step in our GHG emissions reduction journey – a journey that started 20 years ago when we reported our GHG emissions in our first Sustainability Report.

Our net zero target is supported by an interim target to reduce our GHG emissions intensity 35% by 2030 and the development of short-term emissions reduction plans and initiatives. Moreover, methodologies are being re-designed to ensure that future investment decisions align with our emissions target objectives. To hold ourselves accountable, we are linking to our emissions progress through objectives set out in annual performance scorecards.

More recently, we further integrated ESG into our business with the launch of a three-year \$1.0 Billion Sustainability Linked Credit Facility – the first of its kind in our sector – aligning our ESG performance with funding costs.

With the oversight of our Board of Directors, we have identified multiple pathways – already well-established in our strategy and business – to help us achieve these targets:

• **Modernization and Innovation** – We are reducing emissions by applying innovation – including machine learning and predictive analytics – to existing energy transportation and distribution systems to increase efficiency while minimizing the emissions intensity of existing infrastructure. At the same time, we are modernizing our equipment by replacing older and less efficient compression facilities on long haul gas transportation systems and employing new equipment and technology to capture vented emissions and to enhance leak detection.

• **Decarbonizing Energy Use** – We are reducing emissions associated with the electricity we procure. We are also moving on solar energy facilities to power electric compressors and pumps on Enbridge’s natural gas transmission and liquids pipelines.

• **Investment in Renewables and Lower Carbon Energy** – Investment in low carbon infrastructure and business lines including wind and solar power generation, hydrogen, compressed natural gas, and renewable natural gas (as described above). In addition, we believe that carbon capture technology could support deep decarbonization of heavy industry across North America. New carbon capture use and sequestration infrastructure could support blue hydrogen production and help to launch this new clean fuel industry on the continent.

• **Offsets and Carbon Credits** – We will balance residual emissions through procurement of carbon offset credits generated by nature-based solutions and Renewable Energy Certificates (RECs), with a primary focus on areas proximate to our operations.

We will report on progress against these targets in our annual sustainability report. These reports are developed using the Taskforce on Climate-related Financial Disclosures (TCFD) framework, along with guidance from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Future sustainability reports will continue to supplement the disclosure provided in our 2019 climate report – Resilient Energy Infrastructure – as we continue to integrate sustainability and financial reporting.

Building a Deeper Connection and Better Future for All Stakeholders

The events of the past year have made it imperative that – as we bridge to the energy future – we also focus on building a more diverse, equitable and inclusive culture. We believe that diversity and inclusion lead to better ideas, better business solutions, and better opportunities to attract and retain talent.

We’ve made D&I a priority as we work to build an organization where people feel safe, welcome and have opportunity to thrive and grow based on merit. Our mission is to reflect the communities in which we operate. In early 2021, as evidence of our commitment at the highest level, we added *Inclusion* to our core values of *Safety, Integrity and Respect*.

We are guided by a policy covering board and senior management diversity and a robust Inclusion, Diversity, Equity and Accessibility Strategy (IDEAS). Given the importance we place on this, Enbridge's Human Resources & Compensation Committee of the Board oversees our D&I strategies and initiatives.

Four of our 11 directors are women and 10 of our directors are independent, including the chair of the board. Our four female directors (one of whom is a person of color) each chair a board committee. Yet, as we know that more can be done to strengthen board diversity, we have established enhanced board diversity goals of 40% women and 20% racial and ethnic groups by 2025.

We have also established goals for workforce representation aimed at building an inclusive environment of talent that better represents the communities in which we operate. We are targeting that by 2025 our goal is a workforce that will include 28% racial and ethnic group representation, 40% women, 6% persons with disabilities, and 3.5% Indigenous peoples.

As a company with a long-standing history of engagement with Indigenous communities, we are committed to advancing Indigenous economic reconciliation. We require all new employees to complete Indigenous awareness training.

We are also working to set new supplier diversity targets while increasing procurement from qualified and competitive diverse suppliers – our Line 3 Replacement Project provides a good example. On the Canadian portion of that project, we provided more than \$450 million in economic opportunity for Indigenous nations and groups. On the U.S. portion of the project to date, we've provided more than \$180 million in Indigenous economic opportunity.

We will continue to be transparent about our diversity and inclusion journey, providing details in our sustainability report. We'll continue to track our progress using a diversity dashboard accessible to all employees – a dashboard that uses transparency to encourage discussion while allowing us to determine if action is needed to increase representation. It provides a snapshot of employee representation by gender, ethnic and racial group, disability status and U.S. veteran status.

In order to accomplish our goals, we've put in place a dedicated team, complemented by a passionate and motivated network of team members to shape strategy, drive awareness and instill practices across the organization. We also have a Diversity & Inclusion Steering Committee and an active network of employee-led Employee Resource Groups.

In Summary: It's About Performance, Not Promise.

Our focus on tracking and managing ESG business risk has long been central to our ability to continue safely and reliably delivering the energy that people need and want. How well we perform as a steward is inextricably linked to our ability to create long-term value for all stakeholders.

We know we have more to do – and yet take great pride in what we have accomplished to date. We are pleased that the Climate Disclosure Project graded our work on climate change an A- and that the S&P ESG Evaluation report and other institutional rating scores place Enbridge among the best in our industry globally.

We also know that setting aggressive ESG goals is not enough. Performance matters. That is why the accelerated goals we put in place – on everything from safety to greenhouse gas emissions and diversity of our workforce – are linked to executive and employee compensation.

Like you and your team at BlackRock, Enbridge is driven by a belief that how we do things is as important as what we do. We do business in service of all our stakeholders – and we are the better for it.

Sincerely,

A handwritten signature in black ink, appearing to read "Al Monaco". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Al Monaco