



Economic impact

GRI 201-1

We are focused on creating long-term value for all our stakeholders and generating sustained economic opportunities.

Business context and our approach

For decades, Enbridge has delivered the energy that millions of people and our economics across North America rely on. Our business today is underpinned by our best-in-class liquids, natural gas transmission and natural gas utility businesses and our growing renewable power business. These businesses are connected to the best markets in North America, which support stable and growing demand for the energy we deliver and the long-term resiliency of our assets.

2019 marked the final year of our three-year plan that strategically repositioned the Company for the future by diversifying our assets to reflect an evolving energy mix, divesting \$8 billion in assets, simplifying our corporate structure and strengthening our balance sheet, while moving to an equity self-funding model. We also successfully delivered \$9 billion of capital projects into service in 2019, which supports the continued growth of our cash flows. These actions have reinforced our proven value-creating formula which combines high-quality assets, a low-risk business model and organic-driven growth that continues to generate stable, predictable cash flows and a strong return on capital invested.

Our actions

Contribution to our communities

We contribute to communities where we operate in many ways: delivering affordable, reliable energy; purchasing from local suppliers and service providers; committing to fair and local job creation; paying government taxes to fund local programs such as public schools, roads, bridges and parks; and actively giving back to communities through philanthropy and volunteerism.

In addition, our capital-driven growth projects support significant investment in local communities, creating direct and indirect jobs opportunities and business opportunities for local suppliers.

Prior to and during the project development, we consult with local communities, Indigenous groups, landowners and other potentially impacted stakeholders to identify economic and socio-economic impacts and where Enbridge can make a difference. For additional details on our approach, please refer to the [Community Engagement](#), [Indigenous Inclusion](#) and [Corporate Citizenship](#) chapters of this report.

Our performance

We ended 2019 having delivered record financial results and distributable cash flow (DCF)* per share of \$4.57, at the top end of our guidance range for 2019. This was supported by adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)* of approximately \$13.3 billion, a 3% increase from 2018, and DCF of approximately \$9.2 billion, a 21% increase from 2018. Similarly, our ratio of year-end debt to EBITDA was 4.5x, which is at the very strong end of our 4.5–5.0x target, supporting a robust balance sheet and financial flexibility.

Our businesses performed well and generated record operating and financial results. In LP, we delivered an average of 4 billion barrels of oil—a new record. In GTM, we transported more than 7.7 Tcf of natural gas in 2019—an average of more than 21 Bcf per day. And our utility business safely delivered more than 1.8 Tcf of natural gas to customers.

*Adjusted EBITDA and DCF are non-GAAP measures. For more information on non-GAAP measures including reconciliations to GAAP measures, please refer to disclosure in Enbridge's fourth quarter and full year 2019 earnings news release available on enbridge.com.

“ We remain focused on creating value for all our stakeholders by enhancing returns from our existing assets and re-investing our cash flows into new organic growth that fits our low-risk business model. To deliver on this strategy, we've developed and honed world-class commercial, operational and project management teams that work throughout the lifecycle of our assets to maximize value for all of our stakeholders.



Jonathan Morgan,
Vice President, Investor Relations

Our strong financial and operational performance supported an increase of our annual dividend by approximately 10% to \$3.24 per share in 2020.

We're proud to have delivered 25 years of consecutive dividend increases for our shareholders.

In 2019, we brought into service seven major projects representing total investment of \$9 billion. These projects include:

- The Canadian segment of the L3RP, one of North America's largest pipeline infrastructure programs. L3RP created more than 24,000 temporary full-time equivalent jobs during construction and generated labor income of nearly \$2 billion. The project resulted in estimated tax revenues to federal and provincial governments of more than \$500 million during construction.
- The Gray Oak pipeline in the USGC is designed to add capacity and connection to exports for Permian producers, supporting production in major shale plays and bringing growth to Texas' energy industry. Gray Oak is an important component of Enbridge's broader emerging USGC liquids infrastructure strategy. Full in-service is expected in 2020. Enbridge holds a 22.75% interest in the pipeline.
- The Hohe See offshore wind project in Germany entered service in August 2019. The project has capacity to generate more than 600 MW (gross) of emissions-free energy – enough to supply the power needs for about 710,000 homes and save about 1.9 million tonnes of CO₂ per year. Enbridge holds a 25.5% stake in the project.



We currently have \$11 billion of secured, low-risk growth projects including:

- The U.S. portion of the L3RP which consists of replacing existing pipe from Joliette, North Dakota to Clearbrook, Minnesota, and then will primarily follow existing pipeline and transmission routes from Clearbrook to Superior, Wisconsin. The replacement of Line 3 will ensure that Enbridge can transport the crude oil required by refiners in Minnesota, neighboring states, Eastern Canada and the Gulf Coast.
- The T-South Reliability and Expansion Program includes upgrades and reliability enhancements on our gas transmission system in British Columbia, stretching from south of Chetwynd to the Canada/U.S. border. The T-South system moves about 55% of the natural gas used in the province.

Creating local economic value

We're proud to deliver economic benefits in the states and the provinces where we do business across North America. To learn more about the ongoing tax revenue, local and regional economic stimulation, community investments and workforce salary provided by Enbridge in your area, search by state or province on enbridge.com.

- The Atlantic Bridge Project is designed to provide additional capacity on our Algonquin Gas Transmission and Maritimes & Northeast Pipeline systems to move reliable, economical natural gas into New England and to specific end-use markets in the Canadian Maritime provinces. The project's Weymouth Compressor Station will enable access to additional supplies of natural gas for four local gas utilities and one industrial customer in northern New England and Atlantic Canada, facilitating the conversion from more carbon-intensive and more expensive sources of energy to natural gas, delivering both environmental benefits and cost savings.
- The Saint-Nazaire offshore wind project is a partnership with EDF Renouvelables to develop a 480 MW wind farm. The project is expected to come into service in 2022 and with capacity to produce enough power to supply the energy needs of 400,000 homes.
- Enbridge, EDF Renewables and wpd launched the 500 MW Fécamp offshore wind farm, comprised of 71 wind turbines off the coast of northwest France. Project commissioning is scheduled in 2023. The power generated by the wind farm will provide enough annual electricity to meet the power needs for 770,000 people, or over 60% of the Seine-Maritime department's population. The construction of the project will create over 1,400 local jobs in total.

Economic value creation and distribution

\$50,069M

Operating revenues



~\$9B

Goods and services purchased



\$1.3B

Employee wages



\$23M

Community investments



\$5,973M

Dividend declared



\$2.4B

Taxes paid to local, state/provincial and federal governments

\$8,260M

Operating income

We directly contribute to local economic growth through the jobs we create, the goods and services we purchase and the taxes we pay. In 2019, our procurement spend was approximately \$9 billion across roughly 14,000 suppliers.

Enbridge further contributes to the economy through the taxes we pay. In 2019, we paid more than \$2.4 billion in property tax, corporate income tax, sales-and-use tax, and other taxes to local, state/provincial and federal governments.

Looking forward, we are well-positioned to continue delivering strong and growing results. Ninety-eight percent of our EBITDA is underpinned by cost of service, long-term take-or-pays or similar structures, which provides highly predictable cash flows and our \$11 billion of secured capital projects in execution support further growth under a consistent business model.

SPOTLIGHT: Fueling quality of life: The Enbridge Energy Dashboards

The world needs energy. Enbridge exists to fuel people's quality of life—and we're using an all-of-the-above energy supply strategy to meet that growing demand.

Whether it's crude oil and liquids pipelines, natural gas gathering, transportation, processing and distribution services, or renewable power generation, we're connecting key supply basins and demand markets in North America with the energy that heats homes and businesses, powers industry and keeps people on the move.

Through four rotating dashboards on our website, we offer a real-time look at what we're doing today—to move the energy everyone needs, to fuel people's quality of life.

