SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Securities

Enbridge Inc.
17 June 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	Sustainability-Linked Bonds
Relevant standard(s)	Sustainability-Linked Bond Principles, as administered by ICMA
Lifecycle	Pre-issuance verification
Validity	As long as Enbridge's Sustainability-Linked Securities Framework and benchmarks for the Sustainability Performance target(s) remain unchanged

CONTENTS

SCOPE OF WORK

Enbridge Inc. ("Enbridge" or ''the issuer'' or ''the company'') commissioned ISS ESG to assist with its Sustainability-Linked Bonds by assessing three core elements to determine the sustainability quality of the instrument:

1. The sustainability credibility of the KPIs selected and Sustainability Performance Targets (SPTs) calibrated – whether the KPIs selected are core, relevant and material to the issuer's business model and sector, and whether the associated targets are ambitious.
2. Enbridge's Sustainability-Linked Bonds Framework (June 2021 version) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Market Association (ICMA).
3. Sustainability-Linked Bonds link to Enbridge's sustainability strategy – drawing on Enbridge's overall sustainability profile and related objectives.

ENBRIDGE BUSINESS OVERVIEW

Headquartered in Calgary, Canada, Enbridge is a North American energy infrastructure company that employs c. 13,000 people. The company owns, develops and operates transmission, distribution and storage infrastructure across North America, including:

- **Liquids Pipelines** (LP), which serves 12 million barrels per day (bpd) of refining capacity and connects producers to the markets in the U.S. Midwest, the U.S. Gulf Coast and Eastern Canada.
- **Gas Transmission and Midstream** (GTM), which connects natural gas supply with residential, industrial and commercial markets totaling approximately 170 million people, as well as power generation facilities across the continent.
- **Gas Distribution and Storage** (GDS), which serves approximately 3.8 million retail customers in Ontario and Quebec and distributes about 2.3 billion cubic feet (Bcf) per day of natural gas.
- **Renewable Power Generation**, which has interests in more than 30 renewable power facilities and has a growing presence in offshore wind in Europe. Together, Enbridge's renewable energy projects (either operating or under construction) have the capacity to generate 5,082 megawatts (MW) gross of zero-emission energy.

The company generates electricity based on wind, solar, geothermal, hydropower and waste heat recovery (about 2,075 MW net capacity as at 2021), and aims to invest in further renewable capacity in the future. The majority of Enbridge's revenue is based on natural gas transmission and liquids pipeline operations, although renewable power generation has been a focus for the company since 2002. [1]

[1] Since Enbridge's initial investment in a wind farm in 2002, Enbridge has committed more than $7.3 billion in capital to renewable energy and power transmission projects currently in operation or under construction.

ISS ESG SPO ASSESSMENT SUMMARY

SECTION	EVALUATION SUMMARY[2]
Part 1.A. **KPI selection and SPT calibration** KPI 1 ''Greenhouse gas emission intensity (CO_2e/PJ)''	**KPI selection:** Relevant and core to issuer's business model and sustainability profile. Material to the company's direct operations but not material to the whole Corporate Value Chain as the KPI does not include Scope 3 emissions.[3] **Sustainability Performance Target (SPT) calibration:** • **Limited information available for comparison against past performance** • **Ambitious against issuer's sectorial peer group** • **Currently not benchmarkable against an international standard**
	ISS ESG finds that the KPI selected is core, relevant and moderately material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable and externally verifiable. The KPI is overall benchmarkable, with limitations due to lack of acknowledged reporting principles for energy delivered and due to lack of disclosure within the ''Oil & Gas Storage and Pipelines'' industry. It is considered as material to Enbridge's operations and activities that the company has direct control of (Scopes 1 and 2). However, the KPI is considered as not material to the whole Corporate Value Chain as it does not cover Scope 3 emissions representing the majority of the issuer's GHG emissions. It is worth noting that ISS ESG provided an opinion on SPT 1 disclosed under Enbridge's Framework but did not assess any interim targets that may be used by the issuer for future issuances. Level of ambition of the calibrated SPT 1 against past performance and against international targets (the Paris agreement and well below a 2° Celsius warming scenario) cannot be judged due to the lack of information available on historical data (no information available before the baseline year) and on international standard in place to assess the alignment of Oil and Gas companies targets with the Paris Agreement.[4] ISS ESG finds that the SPT set by the issuer is ambitious against its peer group[5] as it belongs to the top 20% tier of its sector in terms of existence of such targets. The target is set in a clear timeline but the company does not provide clear target observation date in the Framework (according to the issuer, target observation dates will be clearly defined in final terms documents). SPT 1 is benchmarkable with limitations not attributable to the company (e.g., discrepancies regarding the way energy delivered is calculated and disclosed, lack of disclosure for this specific carbon intensity indicator within the ''Oil & Gas Storage and Pipelines'' industry). The achievement of SPT 1 is supported by a credible strategy and action plan. It is worth noting that ISS provided an opinion on the 2030 final target but not on interim targets.

[2] ISS ESG's evaluation is based on the engagement conducted in May and June 2021, on Enbridge's Sustainability-Linked Bond Framework (June 2021 version) and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 29.04.2021).
[3] https://ghgprotocol.org/standards/Scope-3-standard
[4] SBTi is currently developing sector specific targets setting methods for oil and gas companies.
[5] Enbridge peer group is composed of Enbridge, 25 Oil & Gas Storage and pipelines companies derived from the ISS ESG Universe and two companies considered as relevant peers by Enbridge and rated in the ISS ESG universe.

Part 1.B. **KPI selection and SPT calibration** KPI 2 ''Racial and Ethnic Diversity''	**KPI selection:** Relevant, core and material to issuer's business model and sustainability profile **Sustainability Performance Target (SPT) calibration:** • **Ambitious against issuer's past performance** • **Limited information available for comparison against issuer's sectorial peer group** • **Limited information available for comparison against international targets**
	The KPI selected is core, relevant, and material to the issuer's business model from an ESG perspective, and consistent with its sustainability strategy. It is appropriately measurable, benchmarkable, and externally verifiable. It is quantifiable, although there are possible margins of error to the external benchmarking data collected. It covers a material scope of the operations and activities of Enbridge. The SPT calibrated by Enbridge is ambitious against the company's past performance. However, ISS ESG is unable to determine whether the SPT is ambitious against peer performance and international targets. This is due to limitations that cannot be attributed to the issuer. The target is set in a clear timeline, and is supported by a credible strategy and action plan. The target is benchmarkable, although there are several limitations that cannot be attributed to the issuer.

Part 1.C. **KPI selection and SPT calibration –** KPI 3 ''Women on Board of Directors''	**KPI selection:** Relevant, core and material to issuer's business model and sustainability profile **Sustainability Performance Target (SPT) calibration:** • **Ambitious against issuer's past performance** • **Ambitious against issuer's sectorial peer group** • **Ambitious against international targets**
	The KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable. It covers a material scope of the operations and activities of Enbridge. The SPT calibrated by Enbridge is ambitious against the company's past performance. Enbridge is one of the only three companies in its peer group (out of 10) to have concrete and updated targets of Women on Board of Directors. The SPT is in a high order of magnitude as other top tier companies. The target is also in line with international targets. The target is set in a clear timeline, is benchmarkable. The target is supported by a credible strategy and a clear and concrete action plan.

PART 2:	ALIGNED WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES
ALIGNMENT WITH THE SLBPS	The Issuer has defined a formal framework for its Sustainability-Linked Securities regarding the selection of KPI, calibration of Sustainability Performance Target (SPT), sustainability-linked securities characteristics, reporting and verification. The framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA.

Part 3:	Consistent with issuer's sustainability strategy
Link to issuer's sustainability strategy	According to the ISS ESG Corporate Rating published 03.30.2021, the company currently shows a high sustainability performance against peers on key ESG issues faced by ''Multi-Utilities''[6] sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10. The issuer is rated 1st out of 60 companies within its sector as of 03.30.2021. Enbridge gains revenues mainly based on gas transmission and distribution, the operation of pipelines for crude oil and liquids, and the provision of natural gas to private customers. The company also generates electricity based on wind, solar, geothermal, hydropower and waste heat recovery (about 2,075 MW net capacity as at 2021), and aims to invest in further renewable capacity in the future. Yet, today the majority of Enbridge's revenue is based on natural gas transmission and liquids pipeline operations. While gas may function as a short- to medium-term bridge fuel in the energy transition process, it does not offer a long-term solution to the challenge of global warming as it is still responsible for a large share of total greenhouse gas emissions. KPIs selected by the issuer are related to climate change, ethnic diversity and gender equality. Those topics have been defined as key priorities by the issuer in terms of sustainability strategy and ISS ESG finds that those are material sustainability topic for the issuer. ISS ESG finds that future issuances will contribute to the issuer's sustainability strategy thanks to the KPIs' clear link to one of the key sustainability priorities of the issuer and due to an ambitious SPT against company's past performance and peer group except for SPT 1 for which (i) limited information were available for comparison against issuer's sectorial past performance and (ii) no evidence of alignment with international targets.

[6] Although Enbridge is classified under the Multi-Utilities sector in the ESG Corporate Rating Universe, for the purpose of this SPO, trends in the Oil & Gas sector, and specifically the pipeline industry, were also taken into account.

ISS ESG SPO ASSESSMENT

PART 1.A. KPI SELECTION & SPT CALIBRATION – KPI 1 ''Greenhouse gas emission intensity (CO_2e/PJ)''

1.A.1 KPI selection

KPI selected by the issuer

FROM ISSUER'S FRAMEWORK
KPI 1: Greenhouse gas emission intensity (CO_2e/PJ)

- **KPI:** Greenhouse gas emission(GHG) Intensity Level, tonnes CO_2e/PJ (Scope 1 & 2 emissions).
- **SPT:** Achieve a reduction in GHG emissions intensity (Scope 1 & 2) by 35% compared by 2030 to the 2018 baseline.
- **Methodology for KPI measurement:** Enbridge has calculated GHG emissions and energy consumption in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resource Institute/World Business Council for Sustainable Development (the "GHG Protocol") and the internally developed criteria included in Appendix 2 of its Framework.
    - KPI 1 is structured under the following parameters: GHG emissions intensity within a full calendar year:
        - Units will be measured in tonnes of carbon dioxide equivalent per petajoule
        - Will contain scope 1 and 2 emissions identified as:
        - Scope 1 – direct emissions from operations such as stationary fuel combustion, mobile combustion, fugitive, flaring and vented emissions; and
        - Scope 2 indirect emissions from purchased and imported electricity consumption
- **Long-term goal:** Achieve net zero emissions from operations by 2050.
- **Rationale:** Society faces a serious dual challenge—meeting increasing global energy needs with affordable, reliable energy, while at the same time reducing emissions to address the pressing threat of climate change. Enbridge GHG emissions reduction goals are tied to its strategy and longer-term business plans and are aligned with the ambitions of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement. While Enbridge set and met GHG emissions reduction goals in the past, establishing a net zero by 2050 goal represents a meaningful next step in its journey. Enbridge net zero goal is supported by an interim target to reduce its GHG emissions intensity by 35% by 2030 and by the development and execution of near term emissions reduction plans and initiatives. Enbridge is also redesigning methodologies to ensure that future investment decisions align with its GHG emissions reduction goals.
- **Baseline: 835** tCO_2e/PJ.
- **Baseline year:** 2018.
- **2030 goal: 545** tCO_2e/PJ.
- **Scope:** GHG emission reduction KPIs and associated targets cover 100% of Enbridge activities which are under operational control.

Materiality and relevance

Facilitation of the energy transition, resource efficiency and climate change mitigation are considered as key ESG issues faced by the 'Multi-Utilities' / 'Oil & Gas Storage & Pipelines' sectors according to key ESG standards[7] for reporting and ISS ESG assessment. Indeed, the midstream industry generates significant quantities of greenhouse gases and other air emissions from compressor engine exhausts, oil and condensate tank vents, natural gas processing, and fugitive emissions, in addition to emissions from mobile sources. Enbridge has set itself an absolute net-zero emissions target towards 2050 and, to reach its target, focuses on modernizing equipment and applying innovation to existing energy transportation and distribution systems, decarbonizing energy use, investing in renewables and lower carbon energy and balancing residual emissions through procurement of carbon offset credits. The company has set an interim target (reduce its GHG emissions intensity by 35% by 2030) to support its ambition to reach net-zero emissions by 2050.

ISS ESG finds that climate change mitigation and GHG emissions reduction KPI selected by the issuer is:

- **Relevant** to Enbridge's business as its industry is highly GHG-emitting and exposed to climate change mitigation solutions (e.g., decarbonizing energy use, modernizing equipment, and applying innovation to existing energy transportation and distribution systems).
- **Core** to the issuer's business as GHG emissions reduction measures affects key processes and operations that are core to the business model of the issuer (e.g., apply innovation to the existing network).
- **Moderately material** to Enbridge from an ESG perspective:
    - The KPI selected is material related to the direct operations and activities of the issuer as it covers 100% of Scopes 1 and 2 emissions that according to the reported GHG emissions represent c. 20% of the company's GHG total emissions.
    - A key ESG issue where companies in the 'Oil & Gas Storage & Pipelines' sectors have a material impact on climate change, is GHG emissions in the upstream and downstream value chain (i.e. Scope 3 emissions). As the selected KPI does not cover Scope 3 emissions, it is considered not material to the whole Corporate Value Chain of the company due to the fact that Scope 3 represents approximately 80% of the company's total reported GHG emissions[8]. It is also worth noting that the company tracks Scope 3 GHG emissions that result from its utility customers' natural gas use, from employee business air travel and from electricity grid transmission and distribution loss (grid loss) but is still waiting for industry guidance on what emissions sources are part of its Scope 3 emissions to track upstream Scope 3 emissions (e.g., extraction and production of purchased materials, transportation of fuels). However, even though the company does not include Scope 3 emissions in its target setting for those KPIs, the company recognizes the importance of reducing its Scope 3 emissions. Enbridge is currently working on a roadmap to reduce its Scope 3

[7] Key ESG Standards include SASB and TCFD, among others.
[8] https://www.enbridge.com/~/media/Enb/Documents/Reports/ESGDatasheet_2019_PDF_FINAL.pdf

emissions and has already implemented several projects that reduce or avoid Scope 3 emissions such as:

- Working to blend Green Hydrogen – Enbridge Gas Distribution and Storage business produces green hydrogen in Markham, Ontario. The company is working to blend that hydrogen into a portion of its distribution network in the city;
- Investments in Renewable Natural Gas[9] (RNG) – Enbridge believes that RNG provides a cost-effective way to decarbonize sectors like heavy transport, and already have six RNG projects either operating or under construction today (e.g., Enbridge has teamed up with Walker Industries and Comcor Environmental to build Ontario's largest RNG plant in Niagara Falls, Ontario).
- Fueling Compressed Natural Gas (CNG) buses – Enbridge developed a partnership with the City of Hamilton, Ontario to fuel 137 CNG buses at a fast-fill compressor station. CNG buses produce 20% fewer GHG emissions than diesel and can reduce fleet costs by up to 50%.

Consistency with overall company's sustainability strategy

Enbridge periodically conducts ESG materiality assessments to affirm topics of importance to Enbridge's business and strategy and to its stakeholders' expectations (e.g., shareholders, customers, employees, communities, Indigenous nations, governments, non-governmental organizations).

Climate change and energy transition is considered together with community engagement, asset integrity and reliability, health and safety and indigenous inclusion, as a priority topic. As stated in its sustainability report, Enbridge is eager to identify risks and opportunities related to climate change and energy transition, strengthening the resilience of the company's businesses and strategies, managing the company's operational GHG emissions and utility customer energy use.

Enbridge has previously set and met enterprise-wide and business unit specific GHG emissions reduction targets. Between 2005 and 2010, the company achieved an initial target to reduce direct emissions from its Canadian operations to 15% below 1990 levels. Between 2010 and 2011 Enbridge achieved an additional 6% reduction below 1990 levels, for total reductions of 21% below 1990 levels. In 2012, Enbridge set a new target to reduce the emissions intensity of its operations relative to total number of customers. The goal was to reduce emissions intensity by 5% between 2011 and 2015. The target was achieved ahead of schedule, largely on the strength of the accelerated cast iron replacement program. In 2020, the company committed to developing an updated target: reach carbon neutrality by 2050.

ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.

[9] RNG, sometimes called biogas, is generated by decomposing organic waste.

Measurability

- **Material scope and perimeter:** The KPIs selected cover a material scope (100%) of the company's direct operations and activity. However, the KPI does not cover Scope 3 emissions representing approximately 80% of the issuer's total reported GHG emissions. ISS also assumes that Scope 3 emissions could represent more than 80% as the company only reports Scope 3 GHG emissions that result from its utility customers' natural gas use, from its employee business air travel and from electricity grid transmission and distribution loss (grid loss) but does not track upstream Scope 3 emissions such as extraction and production of the products transported on its systems, etc.
- **Quantifiable:** KPIs are measurable and quantifiable. Enbridge GHG emission intensity indicator measures the Scopes 1 and 2 GHG emissions per petajoule (PJ) of energy delivered. While GHG emissions are calculated in accordance with the requirements of the World Resource institute/World Business Council for Sustainable Development Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition (the "GHG Protocol"), the total energy delivered does not refer to acknowledged reporting principles[10].
- **Externally verifiable:** The KPI selected is externally verifiable thanks to the various standards and protocols mentioned above. The company expects to obtain a limited level of assurance on its GHG emission intensity KPI for the years 2018, 2019 and 2020 by the end of 2021.
- **Benchmarkable:** By referring to commonly acknowledged GHG accounting standards and protocol, the KPIs are comparable with the data reported by other companies that disclose both their GHG inventory and total energy delivered. However, there may be limitations that cannot be attributed to the company, due to lack of acknowledged reporting principles for energy delivered (discrepancies regarding the way energy delivered is calculated and disclosed), and due to lack of disclosure for this specific carbon intensity indicator within the ''Oil & Gas Storage and Pipelines'' industry. Indeed, if companies disclose carbon intensity indicators, some use Net Sales as denominator while other use storage capacity or length of pipeline network.

Opinion on KPI selection: *ISS ESG finds that the KPIs selected are core, relevant and moderately material to the issuer's business model and consistent with its sustainability strategy. They are appropriately measurable, quantifiable and externally verifiable. The KPIs are overall benchmarkable, with limitations (for KPI 1) due to lack of acknowledged reporting principles for energy delivered and due to lack of disclosure within the ''Oil & Gas Storage and Pipelines'' industry. The KPIs are considered as material to Enbridge's operations and activities that the company has direct control of (Scopes 1 and 2). However, they are considered as not material to the whole Corporate Value Chain as it does not cover Scope 3 emissions representing the majority of the issuer's GHG emissions.*

[10] Energy delivered is based on the total amount of energy contained in the crude oil, natural gas and electricity delivered to customers on an annual basis.

1.A.2 Calibration of SPT

SPT set by the issuer

FROM ISSUER'S FRAMEWORK[11]
SPT 1: Achieve a reduction in GHG emissions intensity (Scope 1 and 2) by 35% by 2030 compared to the 2018 baseline

- **SPT:** Achieve a reduction in GHG emissions intensity (Scope 1 and 2) by 35% compared by 2030 to the 2018 baseline.
- **SPT Trigger:** Calculated as a percentage reduction in GHG emissions intensity (Scope 1 & 2) by the year 2030, relative to the 2018 baseline, post-merger with Spectra Energy Corp (Spectra).
- **Sustainability Performance Target Observation Date:** 2030
- **2018 Baseline: 835** tCO_2e/PJ.
- **Risks to the target:** not communicated in the Framework by the issuer.

Ambition

Against company's past performance

Indicator	2018 – Baseline	2019	2020	2030 – Target	CAGR[12] '18-'20	CAGR '18-'30
Enbridge's historical GHG Emissions intensity	835	639	625	545	-13.5%	-3.5%

The company discloses information related to its GHG emissions intensity (KPI 1) for the first time in its 2020 Sustainability report. Data is available for the years 2018 (baseline), 2019 and 2020. The company has chosen 2018 as the baseline year as it is the first 'full year' of Enbridge operating as a joint entity with legacy-Spectra. Therefore, historic performance pre-2018 may not be relevant or meaningful as the organization was significantly different and the addition of Spectra would have triggered a re-baslineing under the GHG Protocol. As no information is available before the baseline year, ISS had not been able to assess the level of ambition of SPT 1 against the company's past performance. However, ISS observes that over the 2018 – 2020 period, GHG emissions intensity decreased by -13.6% per year on average (vs -3.5% in average over the 2018 – 2030 period). This strong GHG emissions intensity reduction over the 2018 – 2020 period is mainly due to the divestiture of Enbridge gas gathering and processing assets in 2019.

In this context, the level of ambition against past performance cannot be judged due to the lack of historical data.

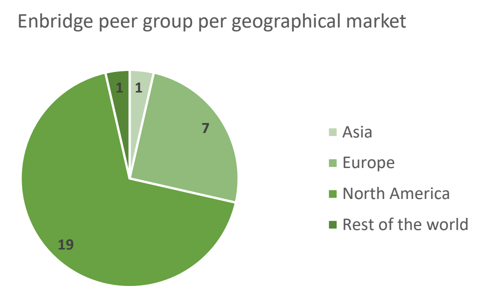
[11] This table is displayed by the issuer in its Sustainability-Linked Bond Framework and have been copied over in this report by ISS ESG for clarity.
[12] CAGR (Compound annual growth rate) compares the rates of change of a metric over a given period of time.

Against company's sectorial peers

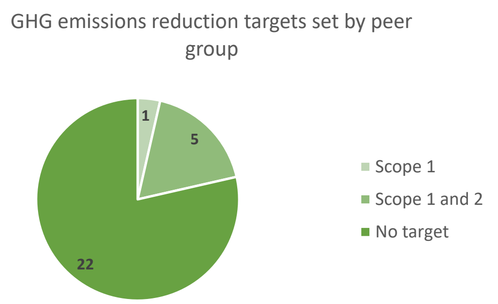
ISS ESG conducted a benchmarking of the SPT set by Enbridge against a peer group composed of 28 companies[13]. Those companies are located in the markets displayed in Figure 1.

As discussed above, Enbridge carbon intensity indicator is benchmarkable but with limitations due to a lack of acknowledged reporting principles for energy delivered (discrepancies regarding the way energy delivered is calculated and disclosed), and of disclosure within the ''Oil & Gas Storage and Pipelines'' sector.

In terms of target set, Enbridge is one of 6 companies in its peer group, and one of two companies in North America, to have a concrete GHG emission reduction target (both intensity and absolute target) and it thus belongs to the top 20% tier of its sector in terms of existence of such targets (see Figure 2).



Source: ISS ESG, as of 22.05.2021



Source: ISS ESG, as of 22.05.2021[14]

As Enbridge is the only company to have set a GHG emission intensity target, limited information is available to assess the level of ambition of SPT 1 against its peers.

ISS ESG concludes that the SPT set by the issuer is ambitious against its peer group as it belongs to the top 20% tier of its sector in terms of existence of such targets. However, ISS was not able to compare the order of magnitude of the targets with the other existing targets as there was no other carbon intensity target in the market.

Against international targets

Paris Agreement

Enbridge's SPTs are targets towards net zero GHG emissions by 2050. As of publication date of this report, no recognized definition of net-zero target is available on the market. However, some institutions have attempted to provide companies with guidance documents available both for corporates and investors, e.g. the Science Based Target Initiative both provide guidance on Net Zero target setting. Despite the lack of exact definitions there are a few requirements that are expected from an organization that sets a Net Zero target:

[13] Enbridge peer group is composed of Enbridge, 25 Oil & Gas Storage and pipelines companies derived from the ISS ESG Universe and two companies considered as relevant peers by Enbridge and rated in the ISS ESG universe.
[14] The data was extracted on 22/05/2021. This does not mean that the data is from this date, but is simply the date of extraction.

- Significant greenhouse gas emissions reductions in operations and/or across value chain: The organization setting the target should ensure that all emissions from the companies' operations and/or products are reduced to a minimum.
- Rely on a limited amount of Negative Emissions Technologies: The target should rely on a limited volume of Negative Emissions Technologies (NETs) such as carbon capture and storage (CCU).
- Be transparent with the assumptions used when setting the target: The organization setting the target should refer to the specific scenario used when creating the organizational pathway to achieve that target, such as International Energy Agencies' (IEA) Sustainable Development Scenario and Net Zero Scenario and the Shared Socioeconomic Pathways. The purpose of using a scenario is not to provide exact predictions of future developments but to contextualize the target setting process and to make sure that the assumptions taken are achievable and realistic. When presenting the organizational pathway, the assumptions about market developments should be clear.

Limited information has been provided by Enbridge on its long term net zero target (e.g., target in line with sector-specific emissions reduction pathways or not, clear statement regarding the role of reductions, offsets and removals in each stage, how transition risks will be managed). ISS ESG recommends that at a later stage when possible, further disclosure and detail is provided on those elements.

Moreover, due to a lack of information available on international standard in place to assess the alignment of Oil and Gas companies targets with the Paris Agreement, ISS ESG has not been able to assess the level of ambition of SPT 1 against international targets.[15]

UN Sustainable Development Goals
In addition, ISS ESG, using a proprietary methodology, assessed that the SPTs achievement would have a positive contribution to the SDG 13 "Climate action".

Measurability & comparability

- **Historical data:** The company discloses information related to its GHG emissions intensity (KPI 1) for the first time in its 2020 Sustainability report. Data is available for the years 2018 (baseline), 2019 and 2020. The company has chosen 2018 as the baseline year as it is the first 'full year' of Enbridge operating as a joint entity with legacy-Spectra. Therefore, historic performance pre-2018 may not be relevant or meaningful as the organization was significantly different and the addition of Spectra would have triggered a re-baslineing under the GHG Protocol. By the end of 2021, the company should obtain a limited level of assurance on its GHG emission intensity KPI for the years 2018, 2019 and 2020. Information before the baseline year will not be available.
- **Benchmarkable:** By referring to commonly acknowledged GHG accounting standards and protocol, SPT 1 is comparable with the data reported by other companies that disclose both their GHG inventory and total energy delivered. However, there may be limitations that

[15] SBTi is currently developing sector specific targets setting methods for oil and gas companies.

cannot be attributed to the company, due to lack of acknowledged reporting principles for energy delivered (discrepancies regarding the way energy delivered is calculated and disclosed), and due to lack of disclosure for this specific carbon intensity indicator within the ''Oil & Gas Storage and Pipelines'' industry. Indeed, if companies disclose carbon intensity indicators, some use Net Sales as denominator while other use storage capacity or length of pipeline network.

- **Timeline:** The issuer does not define a precise timeline related to the SPT achievement. The trigger event are defined and the company plans to measure and disclose the KPI every year. A precise observation date will be included in the offering memorandum.

Supporting strategy and action plan

Enbridge's Climate Policy—first adopted in 2003, and refreshed in 2020—clarifies the key principles that guide climate-related actions across the company and provides the framework for its three-pronged approach:

- Diversification: Enbridge believes that diversification and technological innovation by incumbent energy companies will play a significant role in the transition to a lower-carbon future. Over the past two decades, Enbridge diversified as it evolved from a transporter of crude oil to a diversified energy delivery company with a nearly equal balance of crude oil and natural gas delivery assets and a growing portfolio of investments in renewable energy.
- Innovation: As Enbridge diversifies into lower-carbon businesses, they are also focused on innovation as a catalyst for the transition to a lower emissions future. The company's Technology + Innovation Labs (the Labs) are supporting the business through digital solutions that improve asset utilization and environmental performance[16].
- Reducing emissions: The company believes that its 2030 and 2050 GHG emissions targets will be achieved via several initiatives such as:
    - Modernization and innovation: reduce GHG emissions by modernizing equipment and applying innovation to existing energy transportation and distribution systems to increase efficiency and reduce the emissions intensity of existing infrastructure.
    - Decarbonizing energy use: reduce the emissions intensity of the electricity Enbridge needs with solar self-power projects, utilizing lower intensity power sources from the grid and supporting decarbonization of the power grid.
    - Investment in renewables and lower carbon energy: disciplined investment in lower-carbon infrastructure and business lines including wind and solar power generation, hydrogen and RNG (consistent with existing strategy).
    - Offsets and carbon credits: 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.

[16] For example, the Lab worked with Enbridge LP business to ensure our storage terminals work in unison by recommending the best flow paths, resolving bottlenecks. This helps to maximize throughput and make Enbridge system more efficient, reducing overall energy consumption and emissions.

Opinion on SPT calibration: *It is worth noting that ISS ESG provided an opinion on SPT 1 disclosed under Enbridge's Framework but did not assess interim targets that may be used by the issuer for future issuances. Level of ambition of the calibrated SPT 1 against past performance and against international targets (the Paris agreement and well below a 2° Celsius warming scenario) cannot be judged due to the lack of information available on historical data (no information available before the baseline year) and on international standard in place to assess the alignment of Oil and Gas companies targets with the Paris Agreement. However, ISS ESG finds that the SPT set by the issuer is ambitious against its peer group as it belongs to the top 20% tier of its sector in terms of existence of such targets. The target is set in a clear timeline. The company includes observation dates in the Framework and will provide precise target observation date in its offering memorandum. SPT 1 is benchmarkable with limitations not attributable to the company, and its achievement is supported by a credible strategy and action plan. It is worth noting that ISS provided an opinion on the 2030 final target but not on interim targets.*

PART 1.B. KPI SELECTION & SPT CALIBRATION – KPI 2 ''Racial and ethnic diversity"

1.B.1 KPI selection

KPI selected by the issuer

FROM ISSUER'S FRAMEWORK
• **KPI:** Representation of racial and ethnic diversity as a % of workforce • **SPT:** Achieve 28% representation of Racial and Ethnic Diversity in the workforce by 2025 • **Methodology for KPI measurement:** Measured as a percentage of racial and ethnic groups' representation within Enbridge's workforce. Diversity data is measured through self-disclosure. • **Long-term goal:** n.a. • **Rationale:** Inclusion is one of Enbridge's core values, and thus the company wants its workforce to reflect the diversity of the communities in which the company operates. In setting ethnic and racial representation goals, Enbridge reinforcing its belief that diversity and inclusion are essential to the company. Enbridge recognizes that companies that focus on diversity and inclusion have better employee engagement and better business performance. Enbridge sets ambitious goals to build energy and momentum around identifying opportunities to broaden the talent pools from which the company typically hires. • **Baseline performance:** 16% representation of racial and ethnic diversity in the workforce in 2018 • **Scope:** 100% of Enbridge's workforce, excluding temporary workers and contractors

Materiality and relevance

Equal opportunities and non-discrimination are considered as important ESG issues faced by any company across all sectors. Increasing the diversity of a company's workforce has become an increasing strategic business issue for companies, considering demographic shifts, skills shortages, and stakeholder expectations.

According to information that ISS ESG received from Enbridge, 2030 demographic projections for the United States expect 45% of Americans to be non-white or Latino. In Canada, by 2031, 33%-37% are projected to be a member of the Visible Minority Group[17] or Indigenous communities, with higher concentrations in major centers.

In Canada (where 69% of Enbridge's employees operate as of 2019[18]), the oil and gas workforce has become increasingly diverse in recent years, reflecting the changing demographics in Canada's population. According to a study by the Petroleum Labour Market Information Division of Energy Safety Canada, the pipeline industry specifically[19] saw the largest increase in diversity among other

[17] A visible minority is defined by the Government of Canada as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour".
[18] The remaining 31% of Enbridge's workforce are in the United-States.
[19] Although Enbridge is classified under the Multi-Utilities sector in the ESG Corporate Rating Universe, for the purpose of this SPO, trends in the Oil & Gas sector, and specifically the pipeline industry, were also taken into account.

industries in the sector – where the share of visible minorities in the total workforce grew from 9% in 2006 to 19% in 2016.

Furthermore, in Canada and the United States, where Enbridge operates, companies are required to report on the representation of their workforce, which includes ethnic and racial diversity data. Under the *Employment Equity Act (S.C. 1995, c. 44)* in Canada, companies must collect data on the representation of their workforce according to four designated groups: women, Aboriginal peoples, members of visible minorities, and persons with disabilities. In the United States, companies are required to submit EEO-1 forms to the Equal Employment Opportunity Commission (EEOC) disclosing their workforce statistics by race and gender. Although companies in Canada and the United States must collect this data, companies are not legally bound to publicly disclose this information. Advocates for racial and ethnic diversity have been pushing companies to disclose this information, and there has been a trend towards publicly disclosing this data among companies[20]. ISS ESG finds that the Racial and Ethnic Diversity KPI selected by the issuer is:

- **Relevant** to Enbridge's business as the issue of ethnic and racial diversity is important across all sectors, and considering projected demographic and labor market shifts in the locations where the company operates. Given Enbridge's presence in North America, where recent events in 2020 have sparked high stakeholder concerns around diversity, inclusion and anti-discrimination, this topic is considered relevant given Enbridge's geographic presence.
- **Core** to the issuer's business as diversity and equal opportunities directly relate to its hiring, career development, and business strategy. Thus, the KPI affects the core processes and operations of Enbridge.
- **Material** to Enbridge from an ESG perspective as the KPI captures the share of ethnic and racial minorities in the total workforce, currently underrepresented in Enbridge (19% of total workforce in 2019)[21] but of growing importance for Enbridge as the company believes diversity and inclusion drives innovation and better decisions, employee engagement and talent retention efforts. This is also important to Enbridge considering stakeholder concerns, demographic shifts, and skills shortages.[22]

Consistency with overall company's sustainability strategy

Enbridge is committed to build an inclusive environment of talent that represents the communities Enbridge serves and achieve workforce goals for ethnic and racial groups, veterans, gender and people with disabilities. Enbridge's enterprise-wide Inclusion, Diversity, Equity, and Accessibility Strategy, stewarded by an executive Steering Committee and supported by a dedicated team, prioritizes three main goals:

[20] https://www.bloomberg.com/graphics/diversity-equality-in-american-business/
[21] In 2020, racial and ethnic minorities represented 36.8% of the total population in the United States. In Canada, in 2020 visible minorities and Aboriginals accounted for 22.3% and 4.9% of the population, respectively.
[22] Although increasing racial and ethnic diversity in leadership positions is not included in the scope of this KPI, Enbridge has confirmed that there is a 28% target of racial and ethnic diversity among leadership positions, and a 20% racial and ethnic diversity target for the Board of Directors.

Empowering Employees	Building a diverse and inclusive workplace	Attracting and retaining talent
Educate and equip all employees to model the right diversity and inclusion attitudes and behavior. • Build awareness of the Inclusion, Diversity, Equity, and AccessibilityStrategy, goals and priorities • Engage the workforce through regional advisory groups; expanding employee resource groups across the Company • Invest in learning programs to build inclusive leadership	Embed diversity and inclusion into policies and programs to create a workforce where people feel valued and respected for who they are. • Understand Enbridge's workforce composition and labor market availability • Increase representation for diverse groups • Embed diversity and inclusion best practices into Human Resources processes and programs • Assess and build organizational maturity as an inclusive culture	Improve attraction, progression and retention of diverse talent. Increase representation of diverse talent in leadership positions. • Embed attraction goals for diverse market access and ensure hiring practices enable greater diversity • Engage with Indigenous organizations to develop strategies for increasing Indigenous employment • Ensure diverse representation in Talent Programs

As part of this strategy, Enbridge has outlined social commitments to diversity & inclusion, noting that diversity goals should be reflected at every level of leadership:

- Workforce comprised of 40% **women** by 2025
- 28% **racial and ethnic representation** in the workforce by 2025
- 7% workplace representation of **US Veterans** by 2025
- 6% **people with disabilities** included in the workforce by 2025
- 3.5% representation within the workforce of **Indigenous people** by 2025
- 100% of workfoce to complete **unconscious bias and anti-racism training** by end of 2021
- 100% of employees to complete **Indigenous awareness training** by end of 2022

Finally, Enbridge is a signatory to pledges set forth by CEO Action for Diversity and Inclusion in the U.S. and BlackNorth in Canada.

Opinion: *ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.*

Measurability

- **Material scope and perimeter:** The KPI selected covers 100% of Enbridge's regular workers, which excludes contractors and temporary workers (which represented approximately 14% of total workers in 2019).

- **Quantifiable:** This KPI is quantifiable as companies in the United States and Canada are required to measure diversity metrics of their workforce under a set of categories defined by national legislation.
  - In Canada, the Employment Equity Act requires that federally regulated organizations report on the representation of traditionally under-represented groups. [23] Although not all companies owned and operated by Enbridge in Canada are federally regulated, Enbridge tracks ethnic and racial diversity data for all its Canadian companies in the same way.
  - In the United States, companies are required to report to the Equal Employment Opportunity Commission (EEOC), in line with the Census Bureau categories.[24]
  - The data on ethnic and racial diversity among the workforce is gathered through a self-identification form completed by employees; currently, c. 85% of Enbridge's employees have completed this form as of 2020.
  - However, it is worth noting that there is a subjective element to measuring this KPI, as this metric ultimately relies on how an individual identifies themself. Further, some employees may be wary of disclosing their ethnic and racial background and choose not to respond.
- **Externally verifiable:** The KPI selected is externally verifiable. Performance on the baseline year has been verified by a third-party. Enbridge commits to have the performance data associated with the KPIs verified by an auditor or assurance firm in the future.
- **Benchmarkable:** The KPI is comparable with data reported by other companies in Canada and the United States, based on the standard set of categories defined under the EEOC in the US and Canada's Employment Equity Act.

***Opinion on KPI selection:** ISS ESG finds that the KPI selected is core, relevant, and material to the issuer's business model from an ESG perspective, and consistent with its sustainability strategy. It is appropriately measurable, benchmarkable, and externally verifiable. It is quantifiable, although there are possible margins of error to the data collected. It covers a material scope of the operations and activities of Enbridge.*

1.B.2. Calibration of SPT

SPT set by the issuer

FROM ISSUER'S FRAMEWORK
• **SPT:** Achieve a 28% Racial and Ethnic representation in workforce by 2025

[23] The following underrepresented racial and ethnic diversity categories are collected by Enbridge as per the EEOC in the U.S.: American Indian or Alaska Native; Asian; Black or African American; Hispanic or Latino; Middle Eastern; Native Hawaiian or Other Pacific Islander; Other (inactive); and Two or more Races.
[23] The following underrepresented racial and ethnic diversity categories are collected by Enbridge as per the Employment Equity Act in Canada: Aboriginal Person (First Nations, Inuit, Metis); Aboriginal Person and Member of Visible Minority Group; Member of Visible Minority; Black; East or Southeast Asian; Latin American; South Asian; Two or More; West Asian, Middle Eastern, North African or Arab.

- **SPT Trigger:** Calculated as % of Racial and Ethnic groups representation within Enbridge's workforce
- **Sustainability Performance Target Observation Date:** 2025
- **Baseline Year:** 2018
- **Baseline Performance Data:** 16% representation of racial and ethnic diversity in the workforce in 2018
- **Selection of methodology for calculating the SPT:** Enbridge calibrated this SPT based on an assessment of internal diversity representation and compared this data with external labor market availability studies and demographic projections (data sources: 2016 census in Canada, 2010 census data in the US, the 2020 Mercer Total Compensation Survey). The company then chose aspirational goals that would be challenging, yet achievable, in line with the company's commitment to diversity, equity, inclusion, and social justice.
- **Risks to the target:** not communicated by the issuer.

Ambition

Against company's past performance

Indicator	2017	2018 - Baseline	2019	2025 - Target	CAGR[25] '17-'19	CAGR '17-'25	CAGR '19-'25
Ethnic and racial minority groups in the workforce	15%	16%	19%	28%	13%	8%	7%

The SPT that Enbridge has defined sets to increase the representation of racial and ethnic groups in the workforce to 28% by 2025, compared with a baseline performance of 16% representation in 2018. This equates to an overall growth of 75% in the proportion of racial and ethnic groups in the workforce in six years, or a CAGR of 8%. The company has chosen 2018 as the baseline year, as this figure is the last available and externally verified figure. When comparing the 2025 target with 2017 performance, the total proportion of ethnic and racial diversity in the workforce will be nearly double (from 15% to 28%).

The historical data available (from 2017 to 2019) shows positive trends within the company in improving its representation of ethnic and racial groups in the workforce, with a CAGR of 13% from 2017 to 2019. Although the CAGR decreased to 8% when comparing 2017 performance to the 2025 target, Enbridge has provided ISS ESG with evidence that the target is deemed ambitious, yet achievable, based on a study conducted by the company based on census data in Canada (2016) and the US (2010)[26] as well as the 2020 Mercer Total Compensation Survey. This provides concrete evidence that achieving this target balances ambition and achievability, and means going beyond a "business-as-usual" scenario for Enbridge.

Opinion: *In this context and compared to the baseline year, the SPT set by Enbridge is perceived by ISS ESG as ambitious against the company's past performance.*

[25] CAGR (Compound annual growth rate) compares the rates of change of a metric over a given period of time.
[26] The data on census gathered by Enbridge was based on current availability. It is likely that there is a margin of error with the results of this study, given that racial and ethnic minorities in the labor market has likely increased given continued demographic shifts.

Against company's sectorial peers

According to information provided by the company on a restricted peer group[27], Enbridge is the only company against its industry peers to have publicly set a racial and ethnic diversity goals for their entire workforce. One of Enbridge peers, TC Energy, set a public target to achieve 17% visible minorities in leadership positions by 2025. Although this specific target is not included within the scope of the Framework, it is worth noting that Enbridge has set a goal to achieve representation of 20% racial and ethnic groups on the Board of Directors by 2025. More information would be required for ISS ESG to assess on the ambition of Enbridge's target relative to TC Energy's, given varying perimeters (visible minorities / racial and ethnic diversity; leadership positions / Board of Directors).

Opinion: *In the absence of sufficient accurate data, ISS ESG is not able to assess the level of ambition of Enbridge's target against sectorial peers.*

Against international targets

As of today, there is no industry-specific target available as a reference point in terms of racial and ethnic diversity.

- However, companies across the globe, including ''Multi-Utilities'' / ''Oil & Gas Storage and Pipeline'' companies, have been developing equity, diversity & inclusion action plans. There is limited data available on specific targets in terms of total underrepresented racial and ethnic groups in the workforce.
- The United Nations Sustainable Development Goal 10 "Reduced Inequalities" define the following sub-target to achieve reduced inequalities: "10.2. – By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status", but does not provide a specific target in terms of total underrepresented racial and ethnic minorities in the workforce.

Opinion: *In the absence of a definite international/local target on racial and ethnic diversity in the workforce, ISS ESG is not able to assess the level of ambition of Enbridge's target against international/local objectives. However, it is worth noting that the company did set this target against a robust study of census data and the Mercer Total Compensation Study, which implies that the target is ambitious against geography-specific benchmarks.*

UN Sustainable Development Goals
In addition, ISS ESG, using a proprietary methodology, assessed that the SPT achievement would have a positive contribution to the SDG 10 "Reduced Inequalities".

Measurability & comparability

- **Historical data:** The issuer provided three years of historical data (2017-2019), including a baseline year. This baseline year (2019) has been verified by a third-party.

[27] Peer group composed of 8 companies provided by the issuer that differs from the one used in section 1.A of this SPO.

- **Benchmarkable:** The issuer aligns its calculation methodology with the categories required under diversity data for US and Canadian legislation. However, there are several limitations to benchmarking this data:
    - There is very limited disclosure of this data publicly available from companies, and the categories taken into account in reporting of this data may vary (e.g., data reported by the U.S. Bureau of Labor Statistics did not account for all EEOC categories in their study).
    - Underrepresented racial minorities and ethnic groups, specifically those underprivileged or discriminated against, vary from country and within countries, and it is difficult to capture this nuance in the current calculation methodology.
    - Benchmarking performance along this metric alone might not be enough to understand how the performance compares to the labor market data available for the specific locations where the company operates.
    - Additional complications come into play when making global comparisons, given varying international policies around measuring racial and ethnic diversity data. According to Article 9 of the GDPR[28], processing of personal data revealing racial or ethnic origin is prohibited. Furthermore, France collects no census or other data on the race or ethnicity of its citizens. In Germany, statistical surveys only offer the category “person with a migrant background”. However, this is not the case for the U.S. and Canadian context.
    - Hence, the SPT is benchmarkable, but with limitations that cannot be attributed to the issuer.
- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including a trigger event. Enbridge will continue to publish the progress yearly in its annual report. An observation date has been defined, and a precise observation date will be included in the offering memorandum.

Supporting strategy and action plan

The company’s multi-year enterprise-wide Diversity and Inclusion Strategy focuses on building awareness, delivering learning programs, supporting employee resource groups (ERGs), engaging the workforce through initiatives and implementing action plans to close representation gaps.

Firstly, Enbridge was transparent with all leaders and employees about its diversity representation and goals – Enbridge developed and shared a diversity dashboard across the company. The company also began several recruitment partnerships with external agencies and implemented inclusion workshops for leaders. These activities increased awareness and lead to greater diversity hiring. In addition, through campaigns, a higher number of employees chose to voluntarily self-identify.

[28] The General Data Protection Regulation 2016/679 (GDPR) is a regulation in EU law on data protection and privacy in the European Union and the European Economic Area.

Enbridge also engages its employee community through initiatives, activities, education and networking. Enbridge has 10 affinity groups, also known as ERGs. ERGs are employee-led and company-sponsored entities that:

- Promote understanding and support for historically underrepresented populations
- Educate and create development opportunities for members and allies via events
- Promote a diverse and inclusive work environment

Opinion on SPT calibration: *ISS ESG finds that the SPT calibrated by Enbridge is ambitious against the company's past performance. In the absence of sufficient available data, ISS ESG is unable to determine whether the SPT is ambitious against peer performance and international targets. The target is set in a clear timeline, and is supported by a credible strategy and action plan.* However, no specific observation date has been defined. *The target is benchmarkable, although there are several limitations to doing this that cannot be attributed to the issuer.*

PART 1.C. KPI SELECTION & SPT CALIBRATION – KPI 3 "Women on the Board of Directors"

1.C.1 KPI selection

KPI selected by the issuer

FROM ISSUER'S FRAMEWORK
• **KPI:** Women on Board of Directors • **SPT:** Achieve representation of 40% women on the Board of Directors by 2025 • **Methodology for KPI measurement:** Measured as a Women Board members per total Board members • **Long-term goal:** n.a. • **Rationale:** Board diversity has long been a priority for Enbridge, supported by a written Diversity and Inclusion Policy that highlights the importance the Board places on differences in skills and experience as well as diversity considerations • **Baseline:** 31% women on the Board in 2018 • **Baseline year:** 2018 • **Scope:** 100% of members of the Board of Directors

Materiality and relevance

Gender equality and increasing the representation of women in leadership positions are considered as important ESG issues faced by any company, regardless of the sector. Gender diversity of Boards is an important factor to drive the economic and ESG performance of companies. According to an article[29] published by ISS Corporate Solutions in the Harvard Law School Forum on Corporate Governance in 2018, boards' gender diversity is associated with better ESG performance of the companies. Companies with diverse boards receive higher scores on ESG performance metrics more often than those with non-diverse boards, both on environmental and social factors.

Investors have also been pushing for more diversity in the Board of Directors. Effective February 2022, ISS will expect an issuer included on the S&P / TSX Composite Index in Canada to have at least 30% of its board comprised of women, or set a commitment to achieve 30% women on the board over a reasonable timeframe. In the United States, Nasdaq filed a proposal with the U.S. Securities and Exchange Commission (SEC) in December 2020 to require all companies listed on Nasdaq's US exchange to publicly disclose diversity data regarding their Board of Directors, with the requirement to provide a rationale if they do not have at least two diverse directors, including one woman and one that is either an underrepresented minority or LGBTQ+.[30] Finally, since July 2020, Goldman Sachs will only take a company public if it has at least one woman or non-white board member. ISS ESG finds that women's representation on the Board of Directors KPI selected by the issuer are:

[29] Across the Board Improvements: Gender Diversity and ESG Performance (harvard.edu)
[30] Nasdaq to Advance Diversity through New Proposed Listing Requirements | Nasdaq

- **Relevant** to Enbridge's business as it relates to the topic of gender parity and equal opportunities, which is a relevant topic for companies across sectors.
- **Core** to the issuer's business as the Board and Board Committees influence Enbridge's strategic plans, oversees the company's approach to corporate governance and its culture of Safety, Integrity and Respect, and ensures appropriate systems are in place to manage principal risks, which include sustainability-related matters. Moreover, gender in their Board of Directors can help driving further the ESG performance of the company. Thus, the KPI affects core processes and operations of Enbridge.
- **Material** to Enbridge from an ESG perspective as gender diversity, and specifically gender diversity in leadership positions, is associated with better ESG performance overall. Since the Board of Directors oversees Enbridge's strategic direction, having more women on the Board could lead to significant long-term impact for Enbridge and its stakeholders, as one of the largest pipeline operators in North America.

Consistency with overall company's sustainability strategy

Enbridge is committed to leadership in corporate governance and recognizes the importance of independent directors with a range of diverse perspectives, expertise and experience. Enbridge's Board has adopted a written Diversity and Inclusion Policy applicable to the Board and senior management of the Company. The Diversity and Inclusion Policy highlights Enbridge's approach to diversity and the importance Enbridge places on differences in skills and experience as well as diversity and inclusion considerations.

Enbridge's President & CEO, Al Monaco, is a member of the 30% Club, an international campaign focused on improving representation of women on boards and in senior management, as well as the Catalyst Canada Advisory Board. In 2019, Enbridge signed on to Equal by 30, an international commitment by both public- and private-sector organizations to work toward equal pay, equal leadership and equal opportunities for women in the clean energy sector by 2030

Opinion: *ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.*

Measurability

- **Material scope and perimeter:** This KPI covers 100% of Enbridge's Board of Directors.
- **Quantifiable:** The KPI selected is measurable and quantifiable. The issuer gathers data on the gender of all its employees, including the members of the Board of Directors. The KPI selected will be calculated as the number of women on the Board of Directors expressed as a percentage of the total board members.
- **Externally verifiable:** The KPI selected is externally verifiable. However, the performance data, including the baseline year, have not been verified by a third-party, since this is public and easily verifiable information. This information is publicly disclosed in Enbridge's annual Management Information Circular and associated filings (e.g. Form 8K). Changes in Board composition throughout the year, if any, are also publicly disclosed.

- **Benchmarkable:** The KPI is comparable with data reported by other companies in their annual reporting, based on ISS ESG data, and global benchmarks (e.g. Equileap Gender Equality Global Report Ranking, the Bloomberg Gender-Equality Index).

***Opinion on KPI selection:** ISS ESG finds that the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable. It covers a material scope of the operations and activities of Enbridge.*

1.C.2. Calibration of SPT

SPT set by the issuer

FROM ISSUER'S FRAMEWORK

- **SPT:** Achieve a 40% representation of women on the Board of Directors by 2025
- **SPT Trigger:** Calculation as Women Board members per total Board members
- **2018 Baseline:** 31% representation of women on the Board in 2018
- **Selection of methodology for calculating the SPT:** In November 2020, the Board took steps to underscore its ongoing commitment to diversity and inclusion and established enhanced representation goals for women and racial and ethnic groups on the Board by 2025. The Governance Committee reviewed and updated the Diversity and Inclusion Policy to reflect the enhanced goals for the Board. Before this enhancement, the goal for representation of women on the Board was that each gender comprise at least one-third of the Board. The goal of Board representation of 40% women by 2025 is aligned with Enbridge's goal of senior management representation of 40% women by 2025 and also of workforce representation of 40% women by 2025.
- **Observation date:** 2025
- **Risks to the target:** In the context of a board with a limited number of individuals, even the addition or departure of one board member can create a significant change in the percentage of women relative to the 40% goal (as can be seen from the table on page 26). Enbridge also has another Diversity & Inclusion goal for the board (20% racial and ethnic group representation by 2025). In determining Board composition, Enbridge must ensure the Board continues to possess a balance of experiences, skills, knowledge and diversity. Another risk is unplanned retirements / departures or other unforeseen circumstances. There may be long lead times required to fill vacancies on the board.

Ambition

Against company's past performance

Indicator	2018 - Baseline	2019	2020	2025 - Target	CAGR '18-'20	CAGR '20-'25	CAGR '18-'25
Representation of women on the Board of Directors	**31%**	**38%**	**36%**	**40%**	**8%**	**2%**	**4%**
Total Board Members	**13**	**13**	**11**				
Total Men on the Board	**9**	**8**	**7**				
Total Women on the Board	**4**	**5**	**4**				

Explanatory note: the 2018-2020 figures for Board member composition were calculated as of the proxy circular date. The 2025 target date, however, will be calculated as of end of fiscal year.

Enbridge sets to increase the share of women on the Board of Directors from 31% in 2018 to 40% in 2025. This equates to a growth of 29% in the representation of women on the Board (4% growth yearly). While this growth would represent an improvement in terms of the representation of women on the Board, it is important to compare this growth rate with Enbridge's historical performance (that has been much closer to the goal than the baseline chosen), as well as the ideal absolute rate to achieve gender equality.

From 2018 to 2020, the representation of women on the Board of Directors grew from 31% to 36%. It is important to note that it has even reached 38% in 2019. Thus, representation of women on the Board of Directors is currently higher (and much closer to the target) than it was in 2018 (baseline year), although this proportion could change suddenly as a result of some of the risks mentioned above (e.g. if one current woman board member were to retire).

Currently, Enbridge does not have a pre-determined target for the size of the Board in 2025 as the company recognizes that size is just one of a number of considerations in the director succession process. Other considerations include timing, planning for retirements, being prepared for unforeseen circumstances and ensuring the Board continues to possess a balance of experiences, skills, knowledge and diversity. Indeed, the company has also defined a goal of representation of 20% racial and ethnic groups on the Board of Directors by 2025. This secondary board membership goal adds to the ambition of the SPT as the racial and ethnic diversity goal limits the pool of potential Board members and is thus more challenging to achieve the SPT.

Given the constraints to the pool of eligible Board of Directors members, the risks and challenges to maintain constant the representation of women on the Board, and the fact that the company is eager to achieve this goal whatever it takes, ISS ESG finds that the target can be considered ambitious.

Opinion: *In this context and compared to the baseline year, the SPT set by Enbridge is perceived by ISS ESG as ambitious against past performance.*

Against company's sectorial peers

The ''Gender Equality Global Report & Ranking - 2021 edition'' report[31] highlights that Enbridge is already one of the ten best companies in Canada in terms of Gender Equality score.[32]

Moreover, according to information provided by the company on a restricted peer group,[33] Enbridge is part of the three companies (out of ten) to have publicly set an updated representation of women on the board of directors target. Thus, the company is part of the top 33% in terms of existence of such goal.

ISS ESG concludes that the SPT set by the issuer is ambitious compared to its peer group in terms of defining a representation of women on the board of directors target. Moreover, the SPT remains in a high order of magnitude as top tier companies in its peer group.

[31] https://equileap.com/wp-content/uploads/2021/03/Global-Report-2021.pdf
[32] Score based on the 19 criteria including Gender balance of the company's board of directors and non executive board, Gender balance of the company's senior management, etc.

[33] Peer group composed of 8 companies provided by the issuer that differs from the one used in section 1.A of this SPO.

Opinion: *ISS ESG concludes that the SPT set by the issuer is ambitious compared to its peer group in terms of defining a representation of women on the board of directors target.*

Against international targets

The Bloomberg Gender-Equality (GEI) index measures the commitment of 380 public companies around the world to advancing women in the workplace. According to the 2021 Bloomberg Gender-Equality Index (GEI), women account for an average of 29% of Board members. Enbridge is a participating company in the GEI and received recognition for its performance in 2019 and 2020.

The 30% Club, launched in the U.S. in 2014 with the goal of achieving 30% female directors on S&P 100 boards by 2020. As of March 2021, 30.47% of S&P 100 board directors are women, up from 20.2% at launch.

Furthermore, targets in terms of gender diversity of boards carry across markets. For illustrative purpose, the following table shows the existing quote requirements for representation of women directors on boards and type of requirement (hard law/ mandate or soft/recommendation):

COUNTRY[34]	QUOTA FOR WOMEN IN BOARD COMPOSITION	TYPE OF REQUIREMENT (LAW OF BEST PRACTICE):
Canada	30%	Code of Best Practice
France	40%	Hard Law
Germany	30%	Law and Best Practice
Norway	40%	Hard Law
Portugal	33%	Hard Law
Spain	40%	Code of Best Practice

Source: ISS Proxy Voting Guidelines for 2021, Benchmark Policy, EMEA and Canada

The highest quota listed in the table above is 40%; Enbridge's SPT meets or exceeds all quotas illustrated in the table above.

Thus ISS ESG finds that, SPT set by Enbridge is ambitious against international targets.

Opinion: *ISS ESG finds that the SPT is ambitious compared to international benchmarks for gender equality in the Board of Directors.*

UN Sustainable Development Goals
ISS ESG, using a proprietary methodology, assessed that the SPT achievement would have a positive impact on SDG 5 "Gender equality".

Measurability & comparability

- **Historical data:** The issuer provided three years of historical data, including baseline year.
- **Benchmarkable:** Most companies report on the share of women in the Board of Directors. Thus, this SPT is benchmarkable against other companies' practices.
- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including a trigger event. Enbridge will continue to publish the progress yearly in its public disclosure

[34] https://www.issgovernance.com/policy-gateway/voting-policies/#

filings. An observation date has been defined, and a precise observation date will be included in the offering memorandum.

Supporting strategy and action plan

Enbridge Board has adopted a written Diversity and Inclusion Policy applicable to the Board and senior management of the Company. The Diversity and Inclusion Policy highlights its approach to diversity and the importance Enbridge places on differences in skills and experience as well as diversity and inclusion considerations. The Diversity and Inclusion Policy sets out key criteria for the composition of the Board and senior management.

The Governance Committee of the Board is responsible for developing a Board composition plan, including a process for identifying and considering potential director candidates and recommending the nomination of directors to the Board and Board committees. One of the Governance Committee's objectives is to ensure the Board is composed of members representing a balanced and diverse mix of backgrounds, skills, experience and qualifications.

The President & CEO and the Vice President & Corporate Secretary meet regularly to consider and plan for upcoming director retirements, taking into account relevant factors including directors' skills, age, tenure, residency, and diversity. Moreover, Enbridge engages executive search consultants to undertake external searches for potential director candidates and they are directed to make it a priority to include diverse candidates.

Under Enbridge's Governance Guidelines (published publicly on the company website), a director will retire at the next annual meeting of shareholders after they reach the age of 75. Three directors - two men and one woman - have latest retirement dates prior to 2025, presenting a continuing opportunity for Board renewal.

Opinion on SPT calibration: *ISS ESG finds that the SPT calibrated by Enbridge's is ambitious against the company's past performance. According to information provided by the company on a restricted peer group, the SPT is ambitious against peer company targets publicly disclosed. Moreover, Enbridge, already performing well in terms of women representation at the board level, has set a goal that can be considered as ambitious against international targets. The goal is set in a clear timeline and is benchmarkable.*

PART 2: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES

Rationale for Framework

INFORMATION PROVIDED BY THE ISSUER
Enbridge believes the issuance of Sustainability-Linked Bonds ("SLBs") will further reinforce its efforts to achieve its climate transition strategy and commitment towards a low emissions future, in addition to supporting its broad diversity and inclusion ambitions. Such bonds represent the next step in aligning Enbridge's business and financing with its commitments and values by creating a direct link between its ESG and funding strategies.

Opinion: *ISS ESG considers the Rationale for Issuance provided by Enbridge to be aligned with the SLBP. The issuer has created and committed to publicly disclose the framework in a comprehensive and credible manner.*

2.1. Selection of KPI

ISS ESG conducted a detailed analysis of the sustainability credibility of KPI selection available in section 1 of this report.

Opinion: *ISS ESG considers the Selection of KPIs as per the description provided by Enbridge as aligned with the SLBP.*

- *KPI 1: ISS ESG finds that KPI selected is core, relevant and moderately material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable and externally verifiable. KPI 1 is benchmarkable with limitations due to lack of acknowledged reporting principles for energy delivered and due to lack of disclosure within the ''Oil & Gas Storage and Pipelines'' industry. The KPI is considered as material to Enbridge's operations and activities that the company has direct control of (Scopes 1 and 2). However, it is considered as not material to the whole Corporate Value Chain as it does not cover Scope 3 emissions representing the majority of the issuer's GHG emissions.*

- *KPI 2: ISS ESG finds that the KPI selected is core, relevant, and material to the issuer's business model from an ESG perspective, and consistent with its sustainability strategy. It is appropriately measurable, benchmarkable, and externally verifiable. It is quantifiable, although there are possible margins of error to the data collected. It covers a material scope of the operations and activities of Enbridge.*

- *KPI 3: ISS ESG finds that the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable. It covers a material scope of the operations and activities of Enbridge.*

2.2. Calibration of Sustainability Performance Target (SPT)

ISS ESG conducted a detailed analysis of the sustainability credibility of SPT is available in section 1 of this report.

Opinion: *ISS ESG considers the Calibration of Sustainability Performance Target (SPT) description provided by Enbridge as aligned with the SLBPs.*

- *SPT 1: Level of ambition of the calibrated SPT 1 against past performance and against international targets (the Paris agreement and well below a 2° Celsius warming scenario) cannot be judged due to the lack of information available. However, ISS ESG finds that the SPT set by the issuer is ambitious against its peer group as it belongs to the top 20% tier of its sector in terms of existence of such targets. The target is set in a clear timeline, however, no target observation date is disclosed by the company. SPT 1 is benchmarkable with limitations not attributable to the company and its achievement is supported by a credible strategy and action plan. It is worth noting that ISS provided an opinion on the 2030 final target but not on interim targets.*
- *SPT 2: ISS ESG finds that the SPT calibrated by Enbridge is ambitious against the company's past performance. However, ISS ESG is unable to determine whether the SPT is ambitious against peer performance and international targets. The target is set in a clear timeline, and is supported by a credible strategy and action plan. However, no specific observation date has been defined. The target is benchmarkable, although there are several limitations to doing this that cannot be attributed to the issuer.*
- *SPT 3: ISS ESG finds that the SPT calibrated by Enbridge's is ambitious against the company's past performance. However, according to information provided by the company on a restricted peer group, the SPT is ambitious against peer company targets publicly disclosed. Moreover, Enbridge, that is already performing well in terms of women representation at the board level, has set a target that can be considered as ambitious against international targets. The target is set in a clear timeline and is benchmarkable.*

2.3. Sustainability-Linked Securities Characteristics

FROM ISSUER'S FRAMEWORK

Unless otherwise stated, the proceeds of any SLB will be used for general corporate purposes. Enbridge will assign structural and/or financial implications to the non-achievement of the SPT, as described in the SLB offering documentation. These implications could include, but are not limited to, a coupon step-up, increased redemption fee, or changes to the tenor of the bond. Any financial and/or structural characteristics will be commensurate and meaningful relative to the original financing's financial characteristics.

For any SLBs where a coupon step-up may occur:

- Each SLB may have one or more observation dates where step-ups could be triggered.
- A step-up would be applied from the first coupon date (and applied retroactively for the related interest period including the relevant notification date, or apply to future interest periods, as specified in the SLB) following the relevant notification date until the remaining maturity of the SLB if an SPT is missed on an observation date, as described in the SLB offering documentation.
- Where the SLB allows two or more observation and step-up-dates, then these step-ups would be cumulative.

The exact mechanism and impacts of the achievement or failure to reach the pre-defined SPT(s) will be detailed for each bond in the pre-issuance template. Such documents will detail the KPI definition, calculation methodologies, SPT(s) and trigger events, financial/structural characteristic variation mechanisms, as well as where needed any fallback mechanisms in case the SPT(s) cannot be calculated or observed in a satisfactory manner, and language to take into consideration potential exceptional events or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI or the restatement of the SPT(s). Where relevant, Enbridge may include potential exceptional events that could substantially impact the calculation of the KPI and SPT(s) in the legal documentation for the SLB.

Any future SLBs with the same KPI(s) and SPT Observation Date must utilize an SPT of equal or greater ambition. In addition, at the issuance of such an SLB, any outstanding SLBs would have their equivalent SPT adjusted to reflect the greater ambition – clause of "the most ambitious target" – for three key reasons:

1. To enable the increase of ambition over time, and allow Enbridge to adapt to new circumstances
2. To avoid the coexistence of SLBs with different SPTs at the same dates for the same KPIs
3. To facilitate reporting– avoiding the need to validate the KPI against multiple targets

Opinion: *ISS ESG considers the Sustainability-Linked Securities Characteristics description provided by Enbridge as aligned with the SLBP. The issuer gives a clear but not exhaustive description of the potential variation of the financial characteristics of the securities, while clearly defining the KPIs and SPTs and its calculation methodologies except for SPT 2 (''net zero target''). For each bond, the issuer plans to detail, in the pre-issuance templates, fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, and language to take into consideration potential exceptional events or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI or the restatement of the SPT.*

2.4. Reporting

FROM ISSUER'S FRAMEWORK
On an annual basis, Enbridge will disclose performance of the selected KPI(s) within its yearly sustainability report. This report will be made available within six months of each fiscal year end and will include information on drivers of the KPI outcomes. For each Sustainability-Linked Financing, Enbridge will disclose within the Sustainability-Linked Financing's legal documentation the following: • A SPT Observation Date, where the company's performance of each KPI against the predefined SPT will be observed • A SPT Notification Date, where the company will report on actual performance compared to the SPT Enbridge will report on the performance of each KPI against the predefined SPT within six months of the Target Observation Date and disclose this in a document posted on Enbridge's website.

Opinion: *ISS ESG considers the Reporting description provided by Enbridge as aligned with the SLBPs. This will be made publicly available annually and include valuable information, as described above.*

2.5. Verification

FROM ISSUER'S FRAMEWORK
Verification of the annual performance on KPI 1 and 2 will be conducted to a limited level of assurance by the Company's external auditor under the ISAE 3000 assurance standard (or equivalent) and published on Enbridge's website. Enbridge's external auditor will provide limited level of assurance on the performance of the Company to the designated SPT annually at the Reference Date. This verification will be posted on Enbridge's website within six months following each fiscal year end. Enbridge has obtained a Second Party Opinion from ISS ESG to evaluate this Framework, its transparency and governance as well as its alignment with the Climate Transition Finance Handbook 2020 and the SLBPs, as applicable, published by ICMA. ISS ESG is of the opinion that this Framework is aligned with the core components of the SLBP and is in line with best practices identified by ISS ESG. Enbridge commits to update the Second Party Opinion whenever this Framework is updated in any material respect.

Opinion: *ISS ESG considers the Verification description provided by Enbridge as aligned with the SLBP. The issuer plans on having all annual values of the SPT published and verified. This will outline the performance against the SPT.*

PART 3: LINK TO ENBRIDGE'S SUSTAINABILITY STRATEGY

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

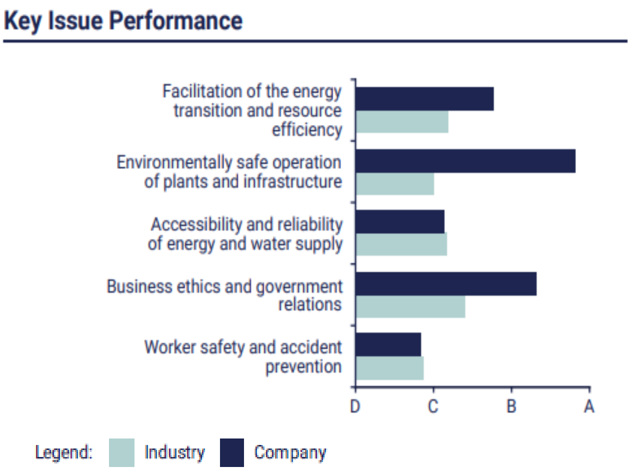
COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
ENBRIDGE	MULTI-UTILITIES[35]	1	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by Multi-Utilities sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 03.30.2021, this Rating places Enbridge 1st out of 60 companies rated by ISS ESG in the Multi-Utilities sector.

Key Challenges faced by companies in term of sustainability management in this sector are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.



Sustainability Opportunities

Enbridge gains revenues mainly based on gas transmission and distribution, the operation of pipelines for crude oil and liquids, and the provision of natural gas to private customers. The company also generates electricity based on wind, solar, geothermal, hydropower and waste heat recovery (about 2,075 MW net capacity as at 2021), and aims to invest in further renewable capacities in the future. Yet, this is not the focus of Enbridge's business model, which is mainly based on natural gas and pipeline operations. While gas may function as a short- to medium-term bridge fuel in the energy transition process, it does not offer a long-term solution to the challenge of global warming as it is still responsible for a large share of total greenhouse gas emissions.

Sustainability Risks

Regarding environmental issues, Enbridge has established an advanced pipeline integrity management and maintenance process, and has taken various measures to avoid and reduce fugitive methane emissions. Although Enbridge is still subject to recurring criticism because of its history of oil spills and its engagement in controversial pipeline projects for the transport of oil

[35] Although Enbridge is classified under the Multi-Utilities sector in the ESG Corporate Rating Universe, for the purpose of this SPO, trends in the Oil & Gas sector, and specifically the pipeline industry, were also taken into account.

sands, no major spills with vast environmental consequences have occurred in recent years. To address climate change, the company has a target of reducing the carbon intensity of its operations (tCO2e per petajoule of energy delivered) by 35% by 2030, based on 2018 levels. In addition, the company is committed to achieve net zero GHG emissions by 2050. Regarding its customers, the company has established comprehensive demand-side management programs to encourage the efficient use of energy, including financial rebates for energy-saving equipment and practices.

For a gas network operator, ensuring the health and safety of employees and contractors is among the most relevant issues due to the frequent occurrence of accidents in the industry. In this regard, Enbridge has established a sound health and safety management system. The accident rate for contractors has decreased in recent years; however, the accident rate among employees has increased. In addition, some fatal accidents have also occurred in recent years. Furthermore, in the context of its equity interest in the Dakota Access Pipeline project[36], Enbridge was involved of failing to obtain free, prior and informed consent of the indigenous people in North Dakota, US. The company has faced criticism about other pipeline projects of the company in the US, e.g. the Line 3 replacement project[37].

Enbridge has established a comprehensive code of ethics covering issues such as corruption, conflicts of interest, insider dealings and gifts and entertainment. Corresponding compliance procedures are in place.

Governance opinion

Enbridge's governance structure is designed to allow for an effective supervision of the company's management team. The board of directors consists of mainly independent members, including the chair of the board, Mr. Gregory L. Ebel (as at February 5, 2021). In addition, the company has in place fully independent committees in charge of audit, remuneration and nomination. The company discloses its remuneration policy for executives, including long-term components, which could incentivize sustainable value creation.

A board committee overseeing the company's sustainability strategy has been established, and is entirely composed of independent members. Sustainability objectives, such as safety, system reliability and environmental aspects, are integrated into the variable remuneration of the executive management team, but details are not available. Enbridge has established a comprehensive code of ethics covering issues such as corruption, conflicts of interest, insider dealings and gifts and entertainment. Corresponding compliance procedures are in place.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of the Enbridge current products and services portfolio to the Sustainable Development Goals defined by the United Nations

[36] Enbridge and its subsidiaries Enbridge Energy Management LLC and Enbridge Energy Partners LP have, through their MarEn Bakken Company LLC joint venture, an effective 27.6% indirect equity interest in the DAPL''

[37] In communication with ISS ESG in December 2020, Enbridge stated that, as the existing Line 3 project crosses two reservations - Fond du Lac and Leech Lake – the company reached an agreement, after an extensive dialogue, to remove and decommission the existing line through the Lake Leech reservation and to route the replacement line across the Fond du Lac reservation. Enbridge added that as free, prior and informed consent (FPIC) requires a good faith process designed to seek consent, the company has exceeded the standard and remains in discussions with the tribes proximate to Line 3.

(UN SDGs). This analysis is limited to evaluation of final product characteristics and does not include practices along the issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Oil services, operation of oil and liquids pipelines	35.4%	OBSTRUCTION	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Energy supply to residential customers	5%	CONTRIBUTION	7 AFFORDABLE AND CLEAN ENERGY; 10 REDUCED INEQUALITIES
Renewable energy generation	1.1%	CONTRIBUTION	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Others	N/A	NO NET IMPACT	N/A

Breaches of international norms and ESG controversies

The company is facing a severe controversy related to failure to respect indigeneous rights at the Dakota Access Pipeline (DAPL). Enbridge, Inc., and its subsidiaries Enbridge Energy Management LLC and Enbridge Energy Partners LP have, through their MarEn Bakken Company LLC joint venture, an effective 27.6% indirect equity interest in the DAPL, failed to obtain the free, prior and informed consent (FPIC) of the Standing Rock Sioux Tribe (the Tribe) in North Dakota, United States (U.S.), according to a September 2016 statement by the United Nations (U.N.) Special Rapporteur (UNSR) on the rights of indigenous peoples. In 2018 the Office of the United Nations High Commissioner for Human Rights (OHCHR) confirmed to ISS ESG that the UNSR remains concerned with the DAPL. In March 2020 the U.S. District Court for the District of Columbia judge determined that the U.S. Army Corps of Engineers (USACE) should have conducted an Environmental Impact Statement (EIS) when it approved the project to take into considerations adverse impacts on the environment and the Tribe, and, in April 2020, it ordered USACE to prepare the EIS. A July 2020 order to shut down the DAPL while USACE conducted the EIS was reversed in August by a federal appeals court allowing the DAPL to continue to operate during the pendency of the EIS. In September and October 2020 the Tribe and other opponents of the DAPL asked the judge to issue a new order to halt operations arguing that the court has already invalidated the pipeline's approval which it is harming the indigenous tribes. In communication with ISS ESG in December 2020, Enbridge stated that under U.S. law the duty to consult with tribes rests with the government. However, Enbridge underscored "its belief that it is important for companies to supplement the government duty with a good faith process of engagement with tribes, aimed at securing - but not necessarily obtaining - FPIC." Enbridge also reiterated that it acquired a stake in the DAPL in August 2016 and, as a non-operating

partner, it does not have control over the DAPL engagement process. ISS ESG remains vigilant of the DAPL companies' measures to address the UNSR's concerns.
It is worth noting that even if ISS assesses negatively Enbridge's Interest in DAPL, as ISS considers any level of involvement in a joint venture as direct involvement, as all partners are assessed to have leverage, Enbridge includes Indigenous engagement and inclusion throughout its business by:

- *implementing an ''Indigenous Peoples Policy''*[38] *and*
- *setting targets related to indigeneous perspectives*[39]

Contribution of Key Performance Indicators categories to sustainability objectives and priorities

ISS ESG mapped the KPIs selected by the issuer for its Sustainability-Linked Bond Framework with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Multi-Utilities sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each KPIs selected.

KPIs SELECTED	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Greenhouse gas emission (GHG) Intensity Level	✓	✓	Contribution to a material objective
Racial and Ethnic Diversity	✓	✓	Contribution to a material objective
Women on Board of Directors	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the KPIs linked to this framework are consistent with the issuer's sustainability strategy, and are material ESG topics for the issuer's industry. The rationale for issuing sustainability-linked bonds is described by the issuer.*

[38] https://www.enbridge.com/~/media/Enb/Documents/About%20Us/indigenous_peoples_policy.pdf?la=en
[39] Increasing Indigenous representation in our workforce by 3.5% by 2025, and completion of Indigenous awareness training by 100% of employees by the end of 2022

DISCLAIMER

1. Validity of the SPO: For Enbridge's Sustainability-Linked Securities issuances as long as the Sustainability-Linked Securities Framework (June 2021), SPTs benchmarks and structural securities characteristics described in this document do not change.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

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ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from Enbridge's 2021 ISS ESG Corporate Rating.

Enbridge Inc.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:
(1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
(2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
(3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:
- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

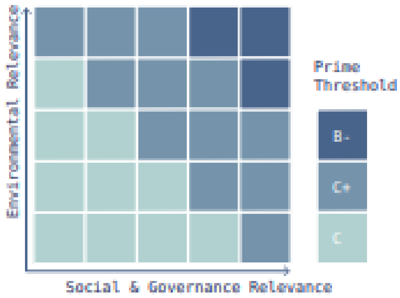
Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Enbridge Inc.

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.
Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:
A+: the company shows excellent performance.
D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).
Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.
0% - < 20%: very low
20% - < 40%: low
40% - < 60%: medium
60% - < 80%: high
80% - 100%: very high
For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ISS ESG Corporate Rating

The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles, as administered by ICMA

ISS ESG reviewed the Sustainability-Linked Securities Framework of Enbridge, as well as the concept and processes for issuance against the Sustainability-Linked Bond Principles administered by the ICMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market by clarifying the approach for issuance. ISS ESG reviewed the alignment of the concept of the Enbridge's issuance with mandatory and necessary requirements as per the Appendix II - SLB Disclosure Data Checklist of those principles, and with encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles, ISS ESG conducted an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT. ISS ESG analysed if the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy thanks to its long-standing expertise in evaluating corporate sustainability performance and strategy. ISS ESG also reviewed if the KPI is appropriately measurable by referring to key GHG reporting protocols and against acknowledged benchmarks. ISS ESG analysed the ambition of the SPT against Enbridge's own past performance (according to Enbridge's reported data), against Enbridge's Multi-Utilities and Pipeline peers (as per the ISS ESG Peer Universe and data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative), the Bloomberg Gender-Equality Index, and the UN SDGs (according the ISS ESG proprietary methodology). Finally, ISS ESG evaluated the measurability & comparability of the SPT, and the supporting strategy and action plan of Enbridge.

ANNEX 3: Quality management processes

SCOPE

Enbridge commissioned ISS ESG to compile a Sustainability-Linked Bond SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Bond Framework aligns with the SLBs and to assess the sustainability credentials of its Sustainability-Linked Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Sustainability-Linked Bond Principles

ISSUER'S RESPONSIBILITY

Enbridge's responsibility was to provide information and documentation on:

- Sustainability-Linked Bond Framework
- Documentation and clarifications related to Enbridge's sustainability policies, strategy and commitments

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Sustainability-Linked Bond to be issued by Enbridge based on ISS ESG methodology and in line with the ICMA SLBs.

The engagement with Enbridge took place in May/June 2021.

ISS ESG's BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

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Project team

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