Risk Factors Comparison 2024-02-09 to 2023-02-10 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following risk factors could materially and adversely affect our business, operations, financial results, market price or value of our securities. This list is not exhaustive, and we place no priority or likelihood based on order of presentation or grouping under sub- captions. RISKS RELATED TO CLIMATE CHANGE Climate change risks could adversely affect our **reputation, strategic plan,** business, operations and financial results, and these effects could be material. Climate change is a systemic risk that presents both physical and transition risks to our organization. A summary of these risks is ~~discussed~~ **outlined** below. Given the interconnected nature of climate **change- related** impacts, we also discuss these risks within the context of other risks impacting Enbridge throughout Item 1A. Risk Factors. Climate change and its associated impacts may **also** increase our exposure to, and magnitude of, other risks identified in Item 1A. Risk Factors. Our business, financial condition, results of operations, cash flows, reputation, access to and cost of capital or insurance, business plans or strategy may all be materially adversely impacted as a result of climate change and its associated impacts. PHYSICAL RISKS Climate- related physical risks **,** ~~as a result~~ **resulting** ~~of~~ **from** changing and more extreme weather, can damage our assets and affect the safety and reliability of our operations ~~and has had such impacts in the past~~ . Climate- related physical risks may be acute or chronic. Acute physical risks are those that are event- driven, including increased frequency and severity of extreme weather events, such as heavy snowfall, heavy rainfall, floods, landslides, fires, hurricanes, cyclones, tornados, tropical storms, ice storms, and extreme temperatures. Chronic physical risks are longer- term shifts in climate patterns, such as long- term changes in precipitation patterns, or sustained higher temperatures, which may cause sea level rises or chronic heat waves. Our assets are exposed to potential damage or other negative impacts from these kinds of events, which could result in reduced revenue from business disruption or reduced capacity and may also lead to increased costs due to repairs and required adaptation measures. Such events may also result in **personal injury,** loss of life ~~or injury~~ or damage to property and the environment. We have experienced operational interruptions and damage to our assets from such weather events in the past, and we expect **to continue** to experience climate- related physical risks in the future, potentially with increasing frequency or severity. TRANSITION RISKS Transition risks relate to the transition to a lower- emissions economy, which may increase our cost of operations, impact our business plans, and influence stakeholder decisions about our company, each of which could adversely impact our reputation, strategic plan, business, operations or financial results. These transition risks include **the following categories** : • Policy and legal risks **Policy and legal risks may result from evolving government policy, legislation, regulations and regulatory decisions focused on climate change, as well as changing political and public opinion, stakeholder opposition, legal challenges, litigation and regulatory proceedings.** Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations regarding reduction of GHG emissions, adaptation to climate change, **and** transition to a lower- carbon economy ~~, and disclosure of climate- related matters~~ . Such policies, laws and regulations vary at the federal, state, provincial and municipal levels in which Enbridge operates and are continually evolving. **The implementation of these measures may be accelerated by** ~~International~~ **international** multilateral agreements ~~, the obligations adopted thereunder~~ , increasing physical impacts of climate change, **and** changing political and public opinion ~~and legal challenges concerning the adequacy~~ **. Enbridge is currently required to adhere to a number** of ~~climate~~ **carbon** - ~~related policy brought against~~ **pricing mechanisms, including explicit carbon prices (i. e., in BC) and implicit carbon prices (i. e., Canadian federal OBPS). In Canada, the federal** ~~governments~~ - **government has proposed new clean electricity regulations** and **is considering options** ~~corporations, among other factors, are expected~~ to **cap and cut oil and gas sector** ~~accelerate the implementation of these measures. Efforts to regulate or restrict~~ GHG emissions **, which may impact our business. Such evolving policy, legislation and regulation** could ~~negatively~~ impact **commodity** demand **and the overall energy mix we deliver and may result in significant expenditures and resources, as well as increased costs** for **our customers** ~~the products we transport. Significant expenditures and resources could be required in order to meet new regulatory requirements~~ . In ~~addition~~ **recent years** , there has been an increase in climate ~~and disclosure~~ - related **regulatory action and** litigation ~~against governments as well as energy companies. There is no assurance that our company will not be impacted by such litigation. In addition, Enbridge is required to adhere to a number of implicit and explicit carbon- pricing mechanisms. Many jurisdictions in~~ which **has** ~~we operate are either increasing~~ the ~~stringency of existing,~~ **potential to adversely impact** ~~or~~ **our reputation** ~~introducing new~~ , ~~legislation or public policy to address climate change and reduce GHG emissions. These mechanisms may present climate- related transition risk to our~~ business ~~strategy~~ , ~~impacting both commodity demand and the overall energy mix we deliver. Carbon pricing mechanisms may expose us to increased costs as well as increasing energy costs to our customers. Our~~ operations ~~are subject to both explicit carbon prices (i. e., in BC)~~ and **financial results** ~~implicit carbon prices (i. e., Canadian federal OBPS). These requirements are evolving; in Canada, the federal government is considering options to cap and cut oil and gas sector GHG emissions, which may impact our business, including a new cap- and- trade system under the Canadian Environmental Protection Act, 1999 or modification of the current carbon pricing approach under the Greenhouse Gas Pollution Pricing Act~~ . • Technology risks Our success in executing our strategic plan, including adapting to the energy transition over time and attaining our GHG emissions reduction goals and targets, depends, in part, on technology (including technology still under development), innovation and continued diversification with renewable power and other lower- carbon energy infrastructure as well as modernization of our infrastructure **, all of which** ~~to reduce GHG emissions. Achieving our GHG emissions reduction goals and targets~~ could require significant capital expenditures and resources, ~~with the potential~~ that **could** ~~the costs required to achieve our goals and targets~~ materially differ from our original estimates and expectations. ~~Similarly, there~~ **There** is **also** a risk that **GHG** emissions

reduction technology does not materialize as expected, making it more difficult to reduce emissions **, or that political or public opinion regarding such technologies continues to evolve** . • Market risks Climate change concerns, ~~increase~~ **increased** ~~in~~ demand for lower- carbon and zero- emissions energy, alternative and new energy sources and technologies, changing customer behavior and reduced energy consumption could impact the demand for our services or **securities. In recent years, there has been a push toward certain investors decreasing the carbon intensity of their portfolios and pressure for banks and insurance providers to reduce or cease support for oil and natural gas and related infrastructure businesses and projects. Potential impacts include increased costs to manage these risks, adverse impacts to our access to and cost of capital, and reduced demand for, or value of, our** securities. The pace and scale of the transition to a lower- carbon economy may pose a risk if Enbridge diversifies either too quickly or too slowly. Similarly, uncertainty in market signals, such as abrupt and unexpected shifts in energy costs and demands, including due to climate change concerns, can impact revenue through reduced throughput volumes on our pipeline transportation systems. • Reputational risks **Companies across all sectors** ~~We have long been committed to strong ESG practices~~ and **industries are facing changing expectations or increasing scrutiny from stakeholders related** ~~performance, and in November 2020, we introduced a set of ESG goals~~ to ~~strengthen transparency~~ **their approach to climate change** and ~~accountability. We have set~~ GHG emissions **. Companies in** ~~reduction goals and one of our strategic priorities is to adapt to~~ the energy ~~transition over time~~ **industry are experiencing stakeholder opposition to both existing and new infrastructure, as well as organized opposition to oil and natural gas extraction and shipment of oil and natural gas products** . If we are not able to achieve our GHG emissions reduction goals **and targets** , are not able to meet future climate, emissions or other **regulatory or** reporting requirements ~~of regulators~~ , or are not able to meet or manage current and future expectations and issues **regarding** ~~important to investors or other stakeholders, including those related to~~ climate change **that are important to our stakeholders** , it could negatively impact our reputation and **, in turn,** our business, operations or financial results. • Disclosure risks **Enbridge** ~~Finally, we~~ currently ~~provide~~ **provides** certain climate- related disclosures, and from time to time, ~~we establish~~ **establishes** and publicly ~~announce~~ **announces** goals and commitments **related** to ~~reduce our~~ **climate change, including reduction of** GHG emissions. ~~These~~ **Standards and processes for climate- related** ~~disclosures~~ - **disclosure** ~~and~~ **, setting** goals ~~,~~ and ~~our~~ **targets, and measuring and reporting on** progress ~~towards these commitments, may be based on standards for measuring progress that~~ are still developing ~~,~~ **for our sector and continue to evolve. Our** internal controls and processes ~~that~~ **also** continue to evolve, and **our climate- related disclosures, goals and targets are based on** assumptions that are subject to change ~~in the future~~ **. Aligning with evolving requirements has required and may continue to require us to incur significant costs** . There can be no assurance that our current or future disclosures and goals, the pathways by which we plan to reach our goals, or the methodologies that we currently use to **measure** ~~support our disclosures~~ and **report on** progress ~~towards our goals~~ , will ~~satisfy any~~ **align with** new and evolving ~~regulations~~ **standards** and **processes,** legal requirements or expectations of ~~our~~ stakeholders **. Such misalignment** ~~, and the costs of aligning our current disclosures and goals to any new legal requirements~~ may **result in** ~~be significant. Additionally, if we fail to achieve or improperly report on our progress toward achieving our emissions reduction goals and commitments, we may be subject to~~ reputational harm, regulatory action ~~,~~ or other legal action ~~. Companies across all sectors and industries are facing changing expectations or increasing scrutiny from stakeholders related to their approach to ESG matters, including climate change and GHG emissions. Companies in the energy industry are experiencing stakeholder opposition to new infrastructure, as well as organized opposition to oil and natural gas extraction and shipment of oil and natural gas products. Our business is undergoing significant changes driven by technological advancements and the energy transition, which could impact our strategic plan, business, operations or financial results. Our success in executing our strategic plan, including adapting to the energy transition over time and attaining our GHG emissions reduction goals and targets depends, in part, on technology (including technology still under development), innovation and continued diversification with renewable power and other lower- carbon energy infrastructure, as well as modernization of our infrastructure to reduce GHG emissions, all of which could require significant capital expenditures and resources. Public policy relating to climate change can drive investment in lower- emissions technologies which could impact both the supply of and demand for crude oil and other liquid hydrocarbons transported on our pipelines~~ . RISKS RELATED TO OPERATIONAL DISRUPTION OR CATASTROPHIC EVENTS Operation of complex energy infrastructure involves many hazards and risks that may adversely affect our business, financial results and the environment. These operational risks include adverse weather conditions, natural disasters, accidents, the breakdown or failure of equipment or processes, and lower than expected levels of operating capacity and efficiency. These operational risks could be catastrophic in nature. Operational risk is also intensified by climate change. Climate change presents physical risks that may affect the safety and reliability of our operations. These include acute physical risks, such as heavy snowfall, heavy rainfall, floods, landslides, fires, hurricanes, cyclones, tornados, tropical storms, ice storms, and extreme temperatures, and chronic physical risks, such as long- term changes in precipitation patterns, or sustained higher temperatures. Our assets and operations are exposed to potential damage or other negative impacts from these operational risks, which could result in reduced revenue from business disruption or reduced capacity and may also lead to increased costs due to repairs and required adaptation measures. Such events have led to, **and** could in the future lead to, rupture or release of product from our pipeline systems and facilities, **resulting in damage to property and the environment, personal injury** or loss of life ~~or injury to people~~ , which could result in substantial losses for which insurance may not be sufficient or available and for which we may bear part or all of the cost. An environmental incident is an event that may cause environmental harm and could lead to increased operating and insurance costs, thereby negatively impacting earnings. An environmental incident could have lasting reputational impacts and could impact our ability to work with various stakeholders. For pipeline and storage assets located near populated areas, including residential communities, commercial business centers, industrial sites and other public gathering locations, the level of damage resulting from these events could be greater. We have experienced such events in the past, ~~including in 2010 on Lines 6A and 6B of the Lakehead System; in October 2018 at the BC Pipeline T- South system; in January 2019, August 2019 and~~

~~May 2020 at the Texas Eastern Pipeline; impacts from the winter storm in February 2021 in Texas; and from wildfires in July 2021 and flooding in November 2021 in BC. We have incurred~~ and expect to continue to incur significant costs in preparing for or responding to operational risks and events. We expect to continue to experience climate- related physical risks, potentially with increasing frequency and severity, and we cannot guarantee that we will not experience catastrophic or other events in the future. In addition, we could be subject to litigation and significant fines and penalties from regulators in connection with any such events. A service interruption could have a significant impact on our operations, and negatively impact financial results, relationships with stakeholders and our reputation. A service interruption due to a major power disruption, curtailment of commodity supply, operational incident, security incident (cyber or physical), availability of gas supply or distribution or other reasons could have a significant impact on our operations and negatively impact financial results, relationships with stakeholders, our reputation or the safety of our end **- use** customers. Service interruptions that impact our crude oil and natural gas transportation services can negatively impact shippers' operations and earnings as they are dependent on our services to move their product to market or fulfill their own contractual arrangements, and this has in the past and may again lead to claims against us. We have experienced, and may again experience, service interruptions, restrictions or other operational constraints, including in connection with the kinds of operational incidents referred to in the previous risk factor. Our operations involve safety risks to the public and to our workers and contractors. Several of our pipelines and distribution systems are operated in close proximity to populated areas and a major incident could result in injury or loss of life to members of the public. In addition, given the natural hazards inherent in our operations, our workers and contractors are subject to personal safety risks. A public safety incident or an injury or loss of life to our workers or contractors, which we have experienced in the past and, despite the precautions we take, may experience in the future, could result in reputational damage to us, material repair costs or increased operating and insurance costs. Cyber attacks **and other cybersecurity incidents** pose threats to our technology systems and could materially adversely affect our business, operations, reputation or financial results. Our business is dependent upon information systems and other digital technologies for controlling our plants, pipelines and other assets, processing transactions and summarizing and reporting results of operations. The secure processing, maintenance and transmission of information is critical to our operations. ~~A security breach of our network or systems, or the network or systems of our third-party vendors, could result in improper operation of our assets, potentially including delays in the delivery or availability of our customers' products, contamination or degradation of the products we transport, store and distribute, damage to our facilities or those of our customers, or releases of hydrocarbon products for which we could be held liable, all of which could materially adversely affect our reputation, business, operations or financial results. Furthermore, we and some of our vendors collect and store sensitive data in the ordinary course of our business, including personal information of our employees and residential gas distribution customers as well as our proprietary business information and that of our customers, suppliers, investors and other stakeholders.~~ Cybersecurity risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber attacks and ~~data security breaches~~ **financially motivated cybercrime** , as well as due to international and domestic political factors including geopolitical tensions, armed hostilities, war, civil unrest, sabotage ~~and~~ **,** terrorism **and state- sponsored or other cyber espionage** . Human error **or malfeasance** can also contribute to a cyber incident, and cyber attacks can be internal as well as external and occur at any point in our supply chain. Because of the critical nature of our infrastructure and our use of information systems and other digital technologies to control our assets, we face a heightened risk of cyber attacks **, such as ransomware, theft, misplaced or lost data, programming errors, phishing attacks, denial of service attacks, acts of vandalism, computer viruses, malware, hacking, malicious attacks, software vulnerabilities, employee errors and / or malfeasance, or other attacks, security or data breaches or other cybersecurity incidents** . Cyber threat actors have attacked and threatened to attack energy infrastructure, and various government agencies have increasingly stressed that these attacks are targeting critical infrastructure, **including pipelines, public utilities, and power generation,** and are increasing in sophistication, magnitude, and frequency **. Additionally, these risks may escalate during periods of heightened geopolitical tensions** . New cybersecurity legislation, regulations and orders have been recently implemented or proposed **,** resulting in additional actual and anticipated regulatory oversight and compliance requirements, which will require significant internal and external resources. We cannot predict the potential impact to our business of potential future legislation, regulations or orders relating to cybersecurity. We have **experienced** ~~been, and~~ - **an increase in the number of attempts by external parties to access our systems or our company data without authorization, and we** expect **this trend** to continue **. Although** ~~to be, the target of cyber- attacks against which~~ we ~~have deployed,~~ **devote significant resources** and ~~continue to deploy,~~ security measures **to prevent unwanted intrusions and to protect our systems and data, whether such data is housed internally or by external third parties, we and our third party vendors have experienced and expect to continue to experience cyber attacks of varying degrees in the conduct of our business. To- date, these prior cyber attacks have not, to our knowledge, had a material adverse effect on our business, operations or financial results. However, there is a risk that any such incidents could have a material adverse effect on us in the future** . Our ~~information~~ **technology** systems or those of our vendors or other service providers are expected to become the target of further cyber attacks or security breaches which could compromise our data and systems **or our access thereto by us, our customers or others** , affect our ability to correctly record, process and report transactions, result in the loss of information, or cause operational disruption or incidents. **There can be no assurance that our business continuity plans will be completely effective in avoiding disruption and business impacts. Furthermore, we and some of our third- party service providers (who may in turn also use third- party service providers) collect, process or store sensitive data in the ordinary course of our business, including personal information of our employees, residential gas distribution customers, land owners and investors, as well as intellectual property or other proprietary business information of ours or our customers or suppliers. We and some of our third- party services providers will process increasing amounts of personal information upon the closing of the previously announced acquisitions of gas utilities in the US, due to their large residential customer bases.** As a result

of **the foregoing** ~~a cyber attack or security breach~~ , we could ~~also~~ **experience loss of revenues, repair, remediation or restoration costs, regulatory action, fines and penalties, litigation, breach of contract or indemnity claims, cyber extortion, ransomware, implementation costs for additional security measures, loss of customers, customer dissatisfaction, reputational harm,** be liable under laws that protect the privacy of personal information, **other negative consequences** ~~be subject to regulatory action, fines or penalties, incur additional costs for remediation, litigation, breach of contract or indemnity claims~~ , or other costs **or financial loss. These risks may be heightened** , **and the consequences magnified, upon closing of the Acquisitions. Regardless of the method or form of cyber attack or incident, any or** all of ~~which~~ **the above** could materially adversely affect our reputation, business, operations or financial results. In addition, a cyber attack could occur and persist for an extended period without detection. Any investigation of a cyber attack or other security incident may be inherently unpredictable, and it would take time before the completion of any investigation and availability of full and reliable information. During such time, we may not know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which could further increase the costs and consequences of a cyber attack or other security incident, and our remediation efforts may not be successful. The inability to implement, maintain and upgrade adequate safeguards could materially and adversely affect our results of operations, cash flows, and financial condition. **Moreover, recent rulemakings may require us to disclose information about a cybersecurity incident before it has been completely investigated or remediated in full or even in part.** As cyber attacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. Furthermore, media reports about a cyber attack or other significant security incident affecting **Enbridge** ~~the Company~~ , whether accurate or not, or, under certain circumstances, our failure to make adequate or timely disclosures to the public, law enforcement, other regulatory agencies or affected individuals following any such event, whether due to delayed discovery or otherwise, could negatively impact our operating results and result in other negative consequences, including damage to our reputation or competitiveness, harm to our relationships with customers, partners, suppliers **, investors,** and other third parties, interruption to our management, remediation or increased protection costs, significant litigation or regulatory action, fines or penalties, all of which could materially adversely affect our business, operations, reputation or financial results **.** Terrorist attacks and threats,escalation of military activity in response to these attacks or acts of war,and other civil unrest or activism could adversely affect our business,operations or financial results.Terrorist attacks and threats (which may take the form of cyber attacks),escalation of military activity,armed hostilities,war,sabotage,or civil unrest or activism may have significant effects on general economic conditions and may cause fluctuations in consumer confidence and spending and market liquidity,each of which could adversely affect our business.Future terrorist attacks,rumors or threats of war,actual conflicts involving the US or Canada,or military or trade disruptions may significantly affect our operations and those of our customers.Strategic critical infrastructure targets,such as energy- related assets,are at greater risk of cyber attack and may be at greater risk of other future attacks than other targets in the US and Canada. **Enbridge** ~~The Company~~ ' s infrastructure and projects under construction could be direct targets or indirect casualties of a cyber or physical attack.In addition,increased environmental activism against pipeline construction and operation could potentially result in work delays,reduced demand for our products and services,new legislation or public policy or increased stringency thereof,or denial or delay of permits and rights- of- way . Pandemics, epidemics or infectious disease outbreaks, such as the COVID- 19 pandemic, may adversely affect local and global economies and our business, operations or financial results. Disruptions caused by pandemics, epidemics or infectious disease outbreaks could materially adversely affect our business, operations, financial results and forward- looking expectations. Governments' emergency measures to combat the spread could include restrictions on business activity and travel, as well as requirements to isolate or quarantine. The duration and magnitude of such impacts will depend on many factors that we may not be able to accurately predict. COVID- 19 and government responses interrupted business activities and supply chains, disrupted travel, and contributed to significant volatility in the financial and commodity markets. Disruptions related to pandemics, epidemics or infectious disease outbreaks could have the effect of heightening many of the other risks described in this Item 1A. Risk Factors. Terrorist attacks and threats, escalation of...... and rights- of- way. RISKS RELATED TO OUR BUSINESS AND INDUSTRY There are utilization risks with respect to our assets. With respect to our Liquids Pipelines assets, we **are** ~~may be~~ exposed to throughput risk on the Canadian Mainline ~~depending upon the tolling framework we adopt for that system~~ , and we are exposed to throughput risk under certain tolling agreements applicable to other Liquids Pipelines assets, such as the Lakehead System. A decrease in volumes transported can directly and adversely affect our revenues and earnings. Factors such as changing market fundamentals, capacity bottlenecks, regulatory restrictions, maintenance and operational incidents on our system and upstream or downstream facilities, and increased competition can all impact the utilization of our assets. Market fundamentals, such as commodity prices and price differentials, weather, gasoline price and consumption, alternative and new energy sources and technologies, and global supply disruptions outside of our control can impact both the supply of and demand for crude oil and other liquid hydrocarbons transported on our pipelines. With respect to our Gas Transmission and Midstream assets, gas supply and demand dynamics continue to change due to shifts in regional and global production and consumption. These shifts can lead to fluctuations in commodity prices and price differentials, **which could** ~~resulting~~ --- **result** in ~~oversupply of pipeline takeaway capacity~~ **our system not being fully utilized** in some areas ~~and an adverse effect to the utilization of our systems~~ . Other factors affecting system utilization include operational incidents, regulatory restrictions, system maintenance, and increased competition. With respect to our Gas Distribution and Storage assets, customers are billed on both a fixed charge and volumetric basis and our ability to collect the total revenue requirement (the cost of providing service, including a reasonable return to the utility) depends on achieving the forecast distribution volume established in the rate- making process. The probability of realizing such volume is contingent upon four key forecast variables: weather, economic conditions, pricing of competitive energy sources and growth in the number of customers. Weather is a significant driver of delivery volumes, given that a significant portion of our Gas

Distribution customer base uses natural gas for space heating. Distribution volume may also be impacted by the increased adoption of energy efficient technologies, along with more efficient building construction, that continue to place downward pressure on consumption. In addition, conservation efforts by customers may further contribute to a decline in annual average consumption. Sales and transportation service to large volume commercial and industrial customers is more susceptible to prevailing economic conditions. As well, the pricing of competitive energy sources affects volume distributed to these sectors as some customers have the ability to switch to an alternate fuel. Even in those circumstances where we attain our respective total forecast distribution volume, our Gas Distribution business may not earn its expected ROE due to other forecast variables, such as the mix between the higher margin residential and commercial sectors and the lower margin industrial sector. Our Gas Distribution business remains at risk for the actual versus forecast large volume contract commercial and industrial volumes. With respect to our Renewable Power Generation assets, earnings from these assets are highly dependent on weather and atmospheric conditions as well as continued operational availability of these energy producing assets. While the expected energy yields for Renewable Power Generation projects are predicted using long- term historical data, wind and solar resources are subject to natural variation from year- to- year and from season- to- season. Any prolonged reduction in wind or solar resources at any of the Renewable Power Generation facilities could lead to decreased earnings and cash flows. Additionally, inefficiencies or interruptions of Renewable Power Generation facilities due to operational disturbances or outages resulting from weather conditions or other factors, could also impact earnings. Our assets vary in age and were constructed over many decades which causes our inspection, maintenance or repair costs to increase. Our pipelines vary in age and were constructed over many decades. Pipelines are generally long- lived assets, and pipeline construction and coating techniques have changed over time. Depending on the era of construction and construction techniques, some assets require more frequent inspections, which has resulted in and is expected to continue to result in increased maintenance or repair expenditures in the future. Any significant increase in these expenditures could adversely affect our business, operations or financial results. Competition may result in a reduction in demand for our services, fewer project opportunities or assumption of risk that results in weaker or more volatile financial performance than expected. Our Liquids Pipelines business faces competition from competing carriers available to ship liquid hydrocarbons to markets in Canada, the US and internationally and from proposed pipelines that seek to access basins and markets currently served by our Liquids Pipelines. Competition among existing pipelines is based primarily on the cost of transportation, access to supply, the quality and reliability of service, contract carrier alternatives and proximity to markets. The liquids transported in our pipelines currently, or are expected to increasingly, compete with other emerging alternatives for end- users, including, but not limited to, **electricity,** electric batteries, biofuels, and hydrogen. Additionally, we face competition from alternative storage facilities. Our natural gas transmission and storage businesses compete with similar facilities that serve our supply and market areas in the transmission and storage of natural gas. The natural gas transported in our business also competes with other forms of energy available to our customers and end- users, including electricity, coal, propane, fuel oils, and renewable energy. Our Renewable Power Generation business faces competition in the procurement of long- term power purchase agreements and from other fuel sources in the markets in which we operate. Competition in all of our businesses, including competition for new project development opportunities, could have a negative impact on our business, financial condition or results of operations. Completion of our secured projects and maintenance programs are subject to various regulatory, operational and market risks, which may affect our ability to drive long- term growth. Our project execution continues to face challenges with intense scrutiny on regulatory and environmental permit applications, politicized permitting, public opposition including protests, action to repeal permits, and resistance to land access **. We have experienced permit denials, in particular, in relation to necessary maintenance on the Line 5 Pipeline on the Bad River Reservation in northern Wisconsin based on a stated desire of the Bad River Band to shut down the pipeline** . Continued challenges with global supply chains have created unpredictability in materials cost and availability. Labor shortages and ~~union strikes~~ **inflationary pressures** have increased costs of engineering and construction services. Other events that can and have delayed project completion and increased anticipated costs include contractor or supplier non- performance, extreme weather events or geological factors beyond our control. Changing expectations of stakeholders regarding ESG ~~practices~~ and climate change **practices** could erode stakeholder trust and confidence, damage our reputation and influence actions or decisions about our company and industry and have negative impacts on our business, operations or financial results. Companies across all sectors and industries are facing changing expectations or increasing scrutiny from stakeholders related to their approach to ESG matters of greatest relevance to their business and to their stakeholders. For energy companies, climate change, GHG emissions, safety and stakeholder and Indigenous relations remain primary focus areas, while other environmental elements such as biodiversity **, human rights,** and supply chain are ascendant. Companies in the energy industry are experiencing stakeholder opposition to new and existing infrastructure, as well as organized opposition to oil and natural gas extraction and shipment of oil and natural gas products. Changing expectations of our practices and performance across these ESG areas may impose additional costs or create exposure to new or additional risks. We are also exposed to the risk of higher costs, delays, project cancellations, loss of ability to secure new growth opportunities, new restrictions or the cessation of operations of existing pipelines due to increasing pressure on governments and regulators, and legal action, such as the legal challenges to the operation of Line 5 in Michigan and Wisconsin. Our operations, projects and growth opportunities require us to have strong relationships with key stakeholders, including local communities, Indigenous groups and others directly impacted by our activities, as well as governments, regulatory agencies, investors and investor advocacy groups, investment funds, financial institutions, insurers and others, which are increasingly focused on ESG practices and performance. Enhanced public awareness of climate change has driven an increase in demand for lower- carbon and zero- emissions energy. **There have been efforts in recent years affecting the investment community, including certain investors increasing investments in lower- carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG- intensive operations and products. Certain stakeholders have also**

pressured commercial and investment banks and insurance providers to reduce or stop financing and providing insurance coverage to oil and natural gas and related infrastructure businesses and projects. Managing these risks requires significant effort and resources. Potential impacts could also include changing investor sentiment regarding investment in Enbridge, which could impair our access to and increase our cost of capital, including penalties associated with our sustainability- linked financing and could adversely impact demand for, or value of, our securities. Over the past year, ~~the invasion of Ukraine~~ **geopolitical uncertainty, slowing Canadian** and **US economies and continuing** inflationary ~~pressure~~ **pressures** ~~following the COVID- 19 pandemic~~ have underscored the critical need for access to secure **,** affordable energy ~~. Enbridge has a long history of diversifying its portfolio of businesses to align with the mix of energy that people need and want~~ . The pace and scale of the transition to a lower- emission economy may pose a risk if Enbridge diversifies either too quickly or too slowly. Similarly, unexpected shifts in energy demands, including due to climate change concerns, can impact revenue through reduced throughput volumes on our pipeline transportation systems. We have long been committed to strong ESG practices, performance and reporting, and in 2020 introduced a set of ESG goals to strengthen transparency and accountability. The goals include increasing diversity and inclusion within our organization and reducing GHG emissions from our operations to net- zero by 2050, with corporate and business unit action plans aligned to our strategic priority to adapt to the energy transition over time. The costs associated with meeting our ESG goals, including our GHG emissions reduction goals, could be significant. There is also a risk that some or all of the expected benefits and opportunities of achieving our ESG goals may fail to materialize, may cost more than anticipated to achieve, may not occur within the anticipated time periods or may no longer meet changing stakeholder expectations. Similarly, there is a risk that emissions reduction technologies do not materialize as expected making it more difficult to reduce emissions. If we are not able to achieve our ESG goals, are not able to meet current and future climate, emissions or related reporting requirements of regulators, or are unable to meet or manage current and future expectations regarding issues important to investors or other stakeholders (including those related to climate change), it could erode stakeholder trust and confidence, which could negatively impact our reputation, business, operations or financial results. ~~Potential impacts could also include changing investor sentiment regarding investment in Enbridge or impair our access to and increase our cost of capital, including penalties associated with our sustainability- linked financing.~~ Our forecasted assumptions may not materialize as expected, including on our expansion projects, acquisitions and divestitures. We evaluate expansion projects, acquisitions and divestitures on an ongoing basis. Planning and investment analysis is highly dependent on accurate forecasting assumptions and to the extent that these assumptions do not materialize, financial performance may be lower or more volatile than expected. Volatility and unpredictability in the economy, both locally and globally, and changes in cost estimates, project scoping and risk assessment could result in a loss of profits. Similarly, uncertainty in market signals, such as abrupt and unexpected shifts in energy costs and demands, as we saw in 2020 resulting from the COVID- 19 pandemic, have impacted, and may in the future impact, revenue through reduced throughput volumes on our pipeline transportation systems. **One or all of the Acquisitions may not occur on the terms contemplated in the applicable Purchase and Sale Agreement or at all, or may not occur within the expected time frame, which may negatively affect the benefits we expect to obtain from the Acquisitions. We cannot provide any assurance that the Acquisitions will be completed in the manner, on the terms and on the time frame currently anticipated, or at all. Completion of each of the Acquisitions is subject to the satisfaction or waiver of a number of conditions as set forth in the applicable Purchase and Sale Agreement that are beyond our control and may prevent, delay or otherwise materially adversely affect its completion. The success of the Acquisitions will depend on, among other things, our ability to integrate the US gas utilities into our business in a manner that facilitates growth opportunities and achieves anticipated results. There is a significant degree of difficulty and management distraction inherent in the process of integrating an acquisition, including challenges integrating certain operations and functions (including regulatory functions), technologies, organizations, procedures, policies and operations, addressing differences in the business cultures of Enbridge and the US gas utilities and retaining key personnel. The integration may be complex and time consuming and involve delays or additional and unforeseen expenses. The integration process and other disruptions resulting from the Acquisitions may also disrupt our ongoing business. Any failure to realize the anticipated benefits of the Acquisitions, additional unanticipated costs or other factors could negatively impact our earnings or cash flows, decrease or delay any beneficial effects of the Acquisitions and negatively impact our business, financial condition and results of operations.** Our insurance coverage may not fully cover our losses in the event of an accident, natural disaster or other hazardous event, and we may encounter increased cost arising from the maintenance of, or lack of availability of, insurance. Our operations are subject to many hazards inherent in our industry ~~. Our assets may experience physical damage~~ as **described** ~~a result of an accident or natural disaster. These hazards can also cause, and~~ in **this Item 1A. Risk Factors** ~~some cases have caused, personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage, and suspension of operations~~ . We maintain an insurance program for us, our subsidiaries and certain of our affiliates to mitigate a certain portion of our risks. However, not all potential risks arising from our operations are insurable, or are insured by us as a result of availability, high premiums and for various other reasons. **Enbridge** ~~The Company~~ self- insures a significant portion of certain risks through our wholly- owned captive insurance subsidiaries, and **Enbridge** ~~the Company~~ ' s insurance coverage is subject to terms and conditions, exclusions and large deductibles or self- insured retentions which may reduce or eliminate coverage in certain circumstances. **Enbridge** ~~The Company~~ ' s insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, terms, policy limits and / or deductibles can vary substantially. We can give no assurance that we will be able to maintain adequate insurance in the future at rates or on other terms we consider commercially reasonable. In such case, we may decide to self- insure additional risks. A significant self- insured loss, uninsured loss, a loss significantly exceeding the limits of our insurance policies, a significant delay in the payment of a major insurance claim, or the failure to renew insurance policies on similar or favorable terms could materially and adversely affect

our business, financial condition and results of operations. We are exposed to the credit risk...... affect our earnings and cash flows. Our business is exposed to changes in market prices including interest rates and foreign exchange rates. Our risk management policies cannot eliminate all risks and may result in material financial losses. In addition, any non- compliance with our risk management policies could adversely affect our business, operations or financial results. Our use of debt financing exposes us to changes in interest rates on both future fixed rate debt issuances and floating rate debt. While our financial results are denominated in Canadian dollars, many of our businesses have foreign currency revenues or expenses, particularly the US dollar. Changes in interest rates and foreign exchange rates could materially impact our financial results. We use financial derivatives to manage risks associated with changes in foreign exchange rates, interest rates, commodity prices, power prices and our share price to reduce volatility of our cash flows. Based on our risk management policies, substantially all of our financial derivatives are associated with an underlying asset, liability and / or forecasted transaction and not intended for speculative purposes. These policies cannot, however, eliminate all risk, including unauthorized trading. Although this activity is monitored independently by our Risk Management function, we can provide no assurance that we will detect and prevent all unauthorized trading and other violations, particularly if deception, collusion or other intentional misconduct is involved, and any such violations could adversely affect our business, operations or financial results. **To** ~~In addition, to~~ the extent that we hedge our **exposure to market** ~~foreign exchange rates, interest rates or commodity~~ prices, we will forego the benefits we would otherwise experience if these were to change in our favor. In addition, hedging activities can result in losses that might be material to our financial condition, results of operations and cash flows. Such losses have occurred in the past and could occur in the future. See Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk and Item 8. Financial Statements and Supplementary Data for a discussion of our derivative instruments and related hedging activities . Our business requires the retention and...... backwardation, have likewise limited margin opportunities . We rely on access to short- term and long- term capital markets to finance capital requirements and support liquidity needs. Cost effective access to those markets can be affected, particularly if we or our rated subsidiaries are unable to maintain an investment- grade credit rating. A significant portion of our consolidated asset base is financed with debt. The maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from assets. Accordingly, we rely on access to both short- term and long- term capital markets as a source of liquidity for capital requirements not satisfied by cash flows from operations and to refinance investments originally financed with debt. Our senior unsecured long- term debt is currently rated investment- grade by various rating agencies. If the rating agencies were to rate us or our rated subsidiaries below investment- grade, our borrowing costs would increase, perhaps significantly. Consequently, we would likely be required to pay a higher interest rate in future financings and our potential pool of investors and funding sources could decrease. We maintain revolving credit facilities at various entities to backstop commercial paper programs, for borrowings and for providing letters of credit. These facilities typically include financial covenants and failure to maintain these covenants at a particular entity could preclude that entity from accessing the credit facility, which could impact liquidity. Furthermore, if our short- term debt rating were to be downgraded, access to the commercial paper market could be significantly limited. Although this would not affect our ability to draw under our credit facilities, borrowing costs could be significantly higher. ~~Recently, interest rates have increased significantly.~~ If we are not able to access capital at competitive rates or at all, our ability to finance operations and implement our strategy may be affected. An inability to access capital on favorable terms or at all may limit our ability to pursue enhancements or acquisitions that we may otherwise rely on for future growth or to refinance our existing indebtedness. Any downgrade or other event negatively affecting the credit ratings of our subsidiaries could make their costs of borrowing higher or access to funding sources more limited, which in turn could increase our need to provide liquidity in the form of capital contributions or loans to such subsidiaries, thus reducing the liquidity and borrowing availability of the consolidated group **.Our business requires the retention and recruitment of a skilled and diverse workforce,and difficulties in recruiting and retaining our workforce could result in a failure to implement our business plans.Our operations and management require the retention and recruitment of a skilled and diverse workforce,including engineers,technical personnel,other professionals and executive officers and senior management.We and our affiliates compete with other companies in the energy industry,and for some jobs the broader labor market,for this skilled workforce.If we are unable to retain current employees and / or recruit new employees of comparable knowledge and experience,our business could be negatively impacted.In addition,we could experience increased costs to retain and recruit these professionals** .Our Liquids Pipelines growth rate and results may be **directly and** indirectly affected by commodity prices **and government policy.Effective December 31,2021,the Government of Alberta lifted the oil production curtailment that was imposed in December 2018** .Wide commodity price basis between Western Canada and global tidewater markets have negatively impacted producer netbacks and margins in the past years that largely resulted from pipeline infrastructure takeaway capacity from producing regions in Western Canada and North Dakota which are operating at capacity.A protracted long- term outlook for low crude oil prices could result in delay or cancellation of future projects.The tight conventional oil plays of Western Canada,the Permian ~~Basin~~ **basin** ,and the Bakken region of North Dakota have short cycle break- even time horizons,typically less than 24 months,and high decline rates that can be well managed through active hedging programs and are positioned to react quickly to market signals.Accordingly,during periods of comparatively low prices,drilling programs,unsupported by hedging programs,will be reduced and as such,supply growth from tight oil basins may be lower,which may impact volumes on our pipeline systems.Our Energy Services and Gas Transmission and Midstream results may be adversely affected by commodity price volatility.Within our US Midstream assets, ~~we hold~~ **through our** investments in DCP and Aux Sable, ~~which~~ **we** are engaged in the businesses of gathering,treating ~~,~~ **and** processing ~~and selling~~ natural gas and natural gas liquids.The financial results of these businesses are directly impacted by changes in commodity prices.To a lesser degree,the financial results of our US Transmission business are subject to fluctuation in power prices which impact electric power costs associated with operating compressor stations.Energy Services generates margin by capitalizing on quality,time and location differentials when opportunities arise.Changing market

conditions that impact the prices at which we buy and sell commodities have in the past limited margin opportunities and impeded Energy Services' ability to cover capacity commitments and could do so again in the future.Other market conditions,such as backwardation,have likewise limited margin opportunities ~~.We are exposed to the credit risk of our customers,counterparties,and vendors.We are exposed to the credit risk of multiple parties in the ordinary course of our business.Generally,our customers are rated investment- grade,are otherwise considered creditworthy or provide us security to satisfy credit concerns.However,we cannot predict to what extent our business would be impacted by deteriorating conditions in the economy,including possible declines in the creditworthiness of our customers,vendors,or counterparties.It is possible that payment or performance defaults from these entities,if significant,could adversely affect our earnings and cash flows.Our business requires the retention and recruitment of a skilled and diverse workforce,and difficulties in recruiting and retaining our workforce could result in a failure to implement our business plans.Our operations and management require the retention and~~ . RISKS RELATED TO GOVERNMENT REGULATION AND LEGAL RISKS Many of our operations are regulated and failure to secure timely regulatory approval for our proposed projects, or loss of required approvals for our existing operations, could have a negative impact on our business, operations or financial results. The nature and degree of regulation and legislation affecting permitting and environmental review for energy infrastructure companies in Canada and the US continues to evolve. Within the US and in Canada, pipeline companies continue to face opposition from anti- energy / anti- pipeline activists, Indigenous and tribal groups and communities, citizens, environmental groups, and politicians concerned with ~~either~~ the safety of pipelines ~~or~~ **and** their potential environmental effects. In the US, the **EPA** ~~Environmental Protection Agency~~ redefined the Waters of the United States **to align with the U. S. Supreme Court' s May 25, 2023 Sackett v. EPA decision that limits the scope of waters regulated by the Clean Water Act, issued new rules** under Section 401 of the Clean Water Act **broadening** ~~, and~~ the ~~FERC~~ **scope of state review for water quality certifications,** released **rules** ~~draft policy statements~~ on **methane control** ~~the Certification of New Interstate Natural Gas Facilities~~ and **reporting, Cross- state Ozone Pollution (The Good Neighbor Plan), and** the **Power Plant Rule** ~~Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Project Review that could introduce changes to the regulatory approval process for natural gas infrastructure~~ . The Council for Environmental Quality published immediately applicable guidance for conducting analyses under the National Environmental Policy Act **(NEPA), followed by a new rule governing implementation of NEPA in federal actions** that may significantly change environmental scope and cost assessments **. The FERC has focused on the relationship between natural gas and electric power generation, particularly in connection with reliability issues during severe weather events. The PHMSA issued a draft rule on leak detection and repair. Federal agencies also issued guidance on how environmental justice concerns should be considered and addressed** . Many other regulations adopted during the previous US presidential administration are being challenged in multiple courts and some have been overturned by reviewing courts. The current US administration may take further action to modify or reverse regulations that were promulgated by the previous US administration. In March of 2023, the Supreme Court of Canada ~~will hear~~ **heard** the Attorney General of Canada' s appeal of the Alberta Court of Appeal' s non- binding decision that the federal Impact Assessment Act (~~"~~IAA ~~"~~) is unconstitutional. The IAA includes impact assessment requirements that could apply to either federally or provincially regulated pipeline projects that fall within prescribed criteria or that the federal Minister of Environment otherwise designates for review. The potential for any pipeline project to be subject to IAA requirements adds significant uncertainty as to regulatory timelines and outcomes. The Alberta Court of Appeal found that the IAA is an impermissible federal overreach into provincial jurisdiction that would amount to a de facto expropriation of provincial natural resources and proprietary interests by the federal government. The Supreme Court of Canada **issued its decision on October 13, 2023, with a majority of the court (5- 2) finding that the federal impact assessment regime is outside of the federal Parliament' s authority and that the IAA should focus more narrowly on effects within federal jurisdiction. The decision is a non- binding advisory reference case, so the IAA and associated regulations are not" struck down"; however, the federal government** will ~~determine whether~~ **take the Supreme Court of Canada' s guidance and in collaboration with provinces and Indigenous groups, will seek to amend** the IAA **so that it is** ~~and the related Physical Activities Regulations are within the~~ constitutional **. The resulting amendments** ~~legislative authority of the Parliament of Canada, the outcome of which~~ could impact the ~~applicability~~ **risks and timing** of **potential future regulatory approvals and** the ~~legislation to provincially regulated~~ **scope of federal review of intraprovincial** pipeline projects ~~. These actions could adversely impact permitting of a wide range of energy projects. We may not be able to obtain or maintain all required regulatory approvals for our operating assets or development projects. If there is a significant delay in obtaining any required regulatory approvals, if we fail to obtain or comply with them, or if laws or regulations change or are administered in a more stringent manner, the operations of facilities or the development of new facilities could be prevented, delayed or become subject to additional costs~~ . Our operations are subject to numerous environmental ~~and climate~~ laws and regulations, including those relating to climate change ~~and~~ **,** GHG emissions and climate- related disclosure, compliance with which may require significant capital expenditures, increase our cost of operations, and affect or limit our business plans, or expose us to environmental liabilities. We are subject to numerous environmental laws and regulations affecting many aspects of our past, current, and future operations, including air emissions, water **and soil** quality, wastewater discharges, solid waste and hazardous waste. If we are unable to obtain or maintain all required environmental regulatory approvals and permits for our operating assets and projects or if there is a delay in obtaining any required environmental regulatory approvals or permits, the operation of existing facilities or the development of new facilities could be prevented, delayed, or become subject to additional costs. Failure to comply with environmental laws and regulations may result in the imposition of civil or criminal fines, penalties and injunctive measures affecting our operating assets. We expect that changes in environmental laws and regulations, including those related to climate change ~~and~~ **,** GHG emissions **and climate- related disclosure** , could result in a material increase in our cost of compliance with such laws and regulations, such as costs to monitor and report our emissions and install new emission controls to reduce emissions. We may not be able to include some or all of such increased costs in the rates charged for

utilization of our pipelines or other facilities. Our operations are subject to operational regulation and other requirements, including compliance with easements and other land tenure documents, and failure to comply with applicable regulations and other requirements could have a negative impact on our reputation, business, operations or financial results. Operational risks relate to compliance with applicable operational rules and regulations mandated by governments, applicable regulatory authorities, or other requirements that may be found in easements, permits, or other agreements that provide a legal basis for our operations, breaches of which could result in fines, penalties, awards of damages, operating restrictions (including shutdown of lines) and an overall increase in operating and compliance costs. We do not own all of the land on which our pipelines, facilities and other assets are located and we obtain the rights to construct and operate our pipelines and other assets from third parties or government entities. In addition, some of our pipelines, facilities and other assets cross Indigenous lands pursuant to rights- of- way or other land tenure interests. Our loss of these rights **, including through our inability to renew them as they expire,** could have an adverse effect on our reputation, operations and financial results. We have experienced litigation in relation to certain Line 5 **and other** easements; refer to Part II. Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations- Legal and Other Updates. Regulatory scrutiny over our assets and operations has the potential to increase operating costs or limit future projects. Regulatory enforcement actions issued by regulators for non- compliant findings can increase operating costs and negatively impact reputation. Potential regulatory changes and legal challenges could have an impact on our future earnings from existing operations and the cost related to the construction of new projects. Regulators' future actions may differ from current expectations, or future legislative changes may impact the regulatory environments in which we operate. While we seek to mitigate operational regulation risk by actively monitoring and consulting on potential regulatory requirement changes with the respective regulators directly, or through industry associations, and by developing response plans to regulatory changes or enforcement actions, such mitigation efforts may be ineffective or insufficient. While we believe the safe and reliable operation of our assets and adherence to existing regulations is the best approach to managing operational regulatory risk, the potential remains for regulators or other government officials to make unilateral decisions that could disrupt our operations or have an adverse financial impact on us. Our operations are subject to economic regulation and failure to secure regulatory approval for our proposed or existing commercial arrangements could have a negative impact on our business, operations or financial results. Our Liquids Pipelines, Gas Transmission and Gas Distribution assets face economic regulation risk. Broadly defined, economic regulation risk is the risk that governments or regulatory agencies change or reject proposed or existing commercial arrangements or policies, including permits and regulatory approvals for both new and existing projects or agreements, upon which future and current operations are dependent. Our Mainline System, other liquids pipelines, gas transmission and distribution assets are subject to the actions of various regulators, including the CER, the FERC, and the OEB with respect to the rates, tariffs, and tolls for these assets. The changing or rejecting of commercial arrangements, including decisions by regulators on the applicable permits and tariff structure or changes in interpretations of existing regulations by courts or regulators such as with respect to the **negotiated settlements applicable to our** Mainline **System** ~~Commercial Framework~~, could have an adverse effect on our revenues and earnings **. Our Renewable Power Generation assets in Canada and the US are subject to directives, regulations, and policies of federal, provincial and state governments. These measures are variable and can change as a result of, among other things, tax rate changes and a change in the government, which can have a negative impact on our commercial arrangements** . Our Renewable Power Generation assets in Europe (France, Germany and the UK) are also subject to the directives, regulations and policies established and enforced by the EU and the UK government. These measures are variable and can include price controls, caps and demand reduction goals, all of which can have a negative impact on our revenues and earnings. We are subject to changes in our tax rates, the adoption of new US, Canadian or international tax legislation or exposure to additional tax liabilities. We are subject to taxes in the US, Canada and numerous foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. In particular, Canada ~~has~~ **and other OECD countries have** introduced ~~interest deductibility rules, the US enacted the Inflation Reduction Act and we are anticipating~~ a minimum tax rate to be ~~introduced~~ **applied** on a global basis ~~for OECD~~ **. The final legislation and list of the participating** countries **remains uncertain. In addition, the US enacted the Inflation Reduction Act in 2022 however key regulations still remain outstanding that could impact the interpretation of that act** . All of these measures could cause our effective tax rate to increase. We are also subject to the examination of our tax returns and other tax matters by the US Internal Revenue Service, the Canada Revenue Agency and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, particularly in the US or Canada, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition and operating results could be materially adversely affected. We are involved in numerous legal proceedings, the outcomes of which are uncertain, and resolutions adverse to us could adversely affect our financial results. We are subject to numerous legal proceedings. In recent years, there has been an increase in climate and disclosure- related litigation against governments as well as companies involved in the energy industry. There is no assurance that we will not be impacted by such litigation, or by other legal proceedings. Litigation is subject to many uncertainties, and we cannot predict the outcome of individual matters with assurance. It is reasonably possible that the final resolution of some of the matters in which we are involved or new matters could require additional expenditures, in excess of established reserves, over an extended period of time and in a range of amounts that could adversely affect our financial results or affect our reputation. Refer to Part II. Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations- Legal and Other Updates for a discussion of certain legal proceedings with recent developments.