

Risk Factors Comparison 2025-02-14 to 2024-02-09 Form: 10-K

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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 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 and~~ strategy may all be materially adversely impacted as a result of climate change and its associated impacts. **PHYSICAL RISKS** Climate- related physical risks, resulting from changing and more extreme weather, can damage our assets and affect the safety and reliability of our operations. 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 **and operations** are exposed to potential damage or other negative impacts from these kinds of events, which **have in the past resulted and could in the future** 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 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. **Such events may also result in personal injury, loss of life.** **TRANSITION RISKS** ~~The~~ **Transition risks relate to the transition to a lower- emissions carbon economy involves policy, legal, technology and market changes** which may, **in turn,** increase our cost of operations, ~~impact our business plans,~~ and influence stakeholder **sentiment and** decisions about **Enbridge our company,** each **including potentially reducing the demand for some of our services,** which could ~~adversely impact our reputation, strategic plan, business, operations or financial results-~~ **result in a decrease in profitability or reduction in the value of our assets.** These ~~transition-~~ **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 **and regulators** continue to evaluate and implement policy, legislation, ~~and regulations regarding reduction and decisions aimed at mitigating the impacts of and adapting to climate change, including measures to reduce GHG emissions, adaptation to climate change, and transition shift to a lower- carbon economy sources of energy.~~ Such policies, laws and regulations vary at the federal, state, provincial and municipal levels in which Enbridge operates and are continually evolving. ~~The implementation~~ **Rules, standards, and methodologies for setting climate- related goals and for measuring and reporting climate- related information are still developing. At the same time, we have seen the rise of anti- ESG activism, creating competing stakeholder priorities and increasing uncertainty. As a result, our climate- related goals and disclosures are based on assumptions that are subject to change. Collectively, these measures have resulted** may be accelerated by international multilateral agreements, increasing physical impacts of climate change, and changing political and public opinion **are expected to continue to result in increased costs to us.** Enbridge is currently required to adhere ~~adheres~~ to a number of carbon- pricing mechanisms, including explicit carbon prices (i. e., in BC) and implicit carbon prices (i. e., Canadian federal ~~OBPS output- based pricing system~~). In Canada, the federal government has proposed new **clean Clean electricity Electricity regulations Regulations** and is considering options to cap and cut **GHG emissions from the** oil and gas sector **GHG emissions,** which may impact our business. Such evolving policy, legislation and regulation could 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. In recent years, there has **also** been **changing political and public opinion and stakeholder opposition in relation to parts of our business and industry, as well as** an increase in climate- related **litigation and** regulatory action ~~and litigation against companies, all of which could~~ has the potential to adversely impact our reputation, ~~strategy~~ business, operations and financial results. • Technology risks ~~Our success in executing~~ **Executing** our strategic ~~plan priorities,~~ including adapting to **participating in** the energy transition over time and attaining our GHG emissions reduction goals and targets, depends, in part, on ~~technology technological~~ (including technology still under **improvements and innovation. This includes the development**), innovation and continued diversification with **use of emerging technologies, such as** renewable power and other lower- carbon energy infrastructure. **Such technological developments** as well as modernization of our infrastructure, all of which could require significant capital expenditures and resources, ~~that could materially differ from our original estimates and expectations~~ **may, impact our competitiveness.** There is also a risk that GHG emissions reduction technology ~~does~~ **may** not materialize as expected, ~~making which could make~~ it more difficult to reduce emissions, ~~and meet~~ **or our ESG goals** that political or public opinion regarding such technologies continues to evolve. • Market risks **Concerns about** Climate ~~climate~~ change concerns, increased demand for lower- carbon **forms of** 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 our securities. In recent years, there has been a push toward certain investors, lenders and insurers have taken or are contemplating actions to decrease the carbon intensity of their portfolios and pressure for banks and insurance providers to reduce or cease support for the fossil fuel industry oil and natural gas and related infrastructure businesses and projects. Potential impacts include increased costs to manage these risks, adverse and could negatively impact to our access to and cost of capital, and reduced as well as demand for, or value of, our securities or. The pace and scale of the transition to a lower-carbon economy may pose a risk if Enbridge diversifies either too quickly or our services too slowly. Similarly, uncertainty in market signals, such as abrupt and unexpected shifts in energy costs and demands, including due to climate change concerns, could impact revenue through reduced throughput volumes on our pipeline transportation systems.

Reputational risks Companies across all sectors and industries are facing changing expectations or increasing and increased scrutiny from stakeholders related to their approach to climate change and GHG emissions. Companies in the energy industry are experiencing stakeholder opposition to both existing their operations and new infrastructure, as well as organized opposition to oil and natural gas extraction and shipment of oil and natural gas products projects. Enbridge's ESG If we are not able to achieve our GHG emissions reduction goals and targets, sustainability-related activities are not able to meet future climate, commitments emissions or other regulatory or reporting requirements, or are not able to meet or manage current and plans future expectations and issues regarding climate change that are important to our stakeholders, including it could negatively impact our reputation and, in turn, our business, operations or financial results.

Disclosure risks Enbridge currently provides certain climate-related information disclosures, and data from time to time, establishes and publicly announces goals and commitments related to climate change, including reduction of GHG emissions. Standards and processes for climate-related disclosure, setting goals and targets, and measuring and reporting on progress are still developing for our sector and continue to evolve. Our internal controls and processes also continue to evolve, and our climate-related disclosures, goals and targets are based on various assumptions, estimates, judgments, risks, that are subject to change. Aligning with evolving requirements has required and may continue to uncertainties. Achieving these ESG goals and commitments will require us to incur significant costs, collective efforts and actions from a wide range of stakeholders, much of which is beyond our control, and there can be no assurance that our current the impact of these efforts and actions will be realized. Our ESG goals and pathways or for reducing operational emissions will continue to evolve and may need to be restated, modified, or recalibrated as data improves, standards, methodologies, metrics, and measurements mature, and as legislation, regulations, policies, and stakeholder sentiment evolve. If we experience challenges, or perceived challenges in achieving our climate-related goals, are not able to meet future climate-related, emissions, or other regulatory or reporting requirements, or are not able to meet or manage stakeholder expectations regarding climate change or disclosures-disclosure and goals of climate-change information (including potential allegations of greenwashing), the pathways by it could negatively impact our reputation or investor sentiment and could expose us to government enforcement actions or litigation, which we plan to reach our goals, or the methodologies that we currently use to measure and report on progress, will align with new and evolving standards and processes, legal requirements or expectations of stakeholders. Such misalignment may, in turn, impact our business, operations or financial result-results in reputational harm, regulatory action or other legal action.

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, relationships with stakeholders, and our reputation. These operational risks include adverse weather conditions, natural disasters, accidents, the breakdown or failure of equipment or, processes or human error, and lower than expected levels of operating capacity and efficiency. These operational risks could be catastrophic in nature. Operational risk is also intensified by exposure to severe weather conditions and natural disasters, including those related to climate change, which. Climate change presents physical risks that may affect the safety and reliability of our operations, These include including acute physical risks, such as but not limited to 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. Such an incident has in the past, which and could in the future, 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. Such An environmental incident incidents could also have lasting reputational impacts and could impact impair our relationships 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, 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 have in the past, and could in the future, 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 **led to** 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 Enbridge assets may change over time and operate over a broad geographic area. These assets include liquids pipelines, gas transmission, and gas distribution systems which are operated near in close proximity to populated areas and a. A major incident could involving these assets has resulted in and may again** 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, **legal claims**, 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. **With the evolution of AI, our business has incorporated AI into our operations in order to gain efficiencies and productivity in our day-to-day operations, which has the potential to increase technology and cybersecurity risks.** The secure processing, maintenance and transmission of information is critical to our operations. Cybersecurity risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber attacks and financially - motivated cybercrime, as well as ~~due to~~ international and domestic political factors, including geopolitical tensions, armed hostilities, war, civil unrest, sabotage, 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~~ **cybersecurity incidents**, 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 ~~continue to threatened~~ **threaten** to attack energy infrastructure, **including our assets**, and various government agencies have increasingly stressed that these attacks are targeting critical infrastructure, including pipelines, public utilities, and power generation **facilities**, and are increasing in sophistication, magnitude, and frequency. Additionally, these risks may escalate during periods of heightened geopolitical tensions. ~~New~~ **In addition, 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 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 we devote significant resources and 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, **including denial of service attacks**. To -date, these prior cyber attacks have not, to our knowledge, had a material adverse effect on our business, operations or financial results. However, **we have experienced an increasing number of cybersecurity threats in recent years and** there is a risk that any such incidents could have a material adverse effect on us in the future. Our 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 In light of the Acquisitions, due to their large residential customer bases, 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, we could 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, ~~liability be liable~~ **liability** under laws that protect the privacy of personal information, other ~~negative-adverse~~ consequences, or other costs or financial loss. **In light of the Acquisitions, These-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 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, 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~~ **adverse** 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, **, or geopolitical uncertainty** could adversely affect our business, operations or financial results. Terrorist attacks and threats (which may take the form of cyber attacks, **, as outlined above**), 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'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 **of energy infrastructure** 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. **Enbridge also faces risks related to international relations and geopolitical events. Factors such as political, economic, or social instability, trade disputes, increased tariffs, changes in laws, strict regulations, and shifts in political leadership can lead to higher commodity prices and affect energy availability and costs.** 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. 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 **partially** exposed to throughput risk on the Canadian Mainline, 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~~ **prices** and consumption, **, tariffs**, 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 result in our system not being fully utilized in some areas. 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 **of our gas distribution franchises** 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) **in certain jurisdictions** 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 gas Distribution~~ **distribution** customer base uses natural gas for space heating. ~~Distribution volume may also~~ **Our ability to add new customers could** be impacted by ~~the increased adoption of~~ **market conditions affecting housing activity such as interest rates, affordability levels, and** energy **transition** 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~~ **are** 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 gas Distribution~~ **distribution** business may not earn its expected ROE due to other forecast variables, such as **fluctuations in** the mix between ~~the higher -~~ **and lower-** margin **customers** residential and commercial sectors and the lower margin industrial sector. Our Gas ~~All of our gas Distribution~~ **distribution** business ~~businesses~~ **businesses** ~~remains~~ **remain** at risk for the actual versus

forecast of 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, including coating techniques have changed over time. Depending on the era of construction and construction techniques, some assets require more frequent inspections, which has have resulted in and is are expected to continue to result in increased maintenance or repair expenditures costs 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 commodities transported in our pipelines currently, or are increasingly 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-- business compete competes with similar facilities that serve our supply and market areas in the transmission and storage of natural gas. The natural gas transported and distributed 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 inflationary pressures have increased the costs of engineering and construction services. Governments in Canada and the US have enacted or proposed legislation and policies that have the potential to disrupt global and North American supply chains, which may, in turn, disrupt our project execution. They have also enacted legislation and policies relating to forced labor and child labor in supply chains which require the company to, among other things, report on the steps taken in the previous year to mitigate the risk of forced labor or child labor in our supply chain, and these requirements continue to evolve and may impact our supply chain. Other events that can delay, and have in the past delayed project completion and increased anticipated costs include contractor or supplier non- performance, extreme weather events or geological factors beyond our control. The effects of US and Canadian Government policies on tariffs and trade relations between Canada and the US are uncertain and could adversely impact us. The potential imposition of trade tariffs by the US on imports from Canada, together with retaliatory tariffs by Canada on imports from the US, and other potential measures, including tariffs, duties, fees, economic sanctions or other trade measures, present risks to our business operations. Such measures, the nature, extent and timing of which are uncertain, could lead to increased costs for us and our customers and reduced demand for Canadian energy. The potential for such measures introduces uncertainty in North American energy markets, possibly disrupting supply chains and access to capital markets and jeopardizing our competitiveness, and could significantly impact our business. The US Government has also stated its interest in renegotiating and altering the Agreement between the United States of America, Mexico and Canada (USMCA), which could further impact the energy market and our business. Changing expectations of stakeholders and government policies regarding sustainability, ESG and, climate change, and environmental protection practices continue to evolve and diverge, and an inability to meet these requirements and expectations could erode stakeholder trust and confidence, damage our reputation and, influence actions or decisions about Enbridge 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 and increasing scrutiny from a wide range of stakeholders related to their approach to sustainability and ESG matters of greatest relevance to their business and to their stakeholders. For Our and other energy companies customers, climate change, GHG emissions, safety and stakeholder shareholders and Indigenous relations remain primary focus areas, while employees and other stakeholders have diverse expectations environmental elements such as biodiversity, demands human rights, and supply chain perspective on these topics, which are ascendant continuing to evolve. For example, Companies companies in the energy industry are, including Enbridge, have experiencing experienced stakeholder opposition to new their operations and existing infrastructure projects, as well as organized opposition to the fossil fuel industry in general 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 result in impose additional costs or create exposure to new or additional

heightened risks, which may include. We are also exposed to the risk of higher costs, **project delays or**, project cancellations, loss of ability to secure new growth opportunities **or permits**, new restrictions **on** or the cessation of operations of existing pipelines due to increasing pressure on governments and regulators, **public opposition including protests, activism** and legal action, such as the legal challenges to the operation of Line 5 in Michigan and Wisconsin. **We may not be able to meet the diverse expectations and demands of all of our stakeholders, which could result in adverse publicity, harm our reputation, lead to claims against us and affect our relationships with our customers and employees, and subject us to legal and operational risks, any of which could have a material adverse effect on our business**. 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 some of whom** are increasingly focused on **sustainability and** ESG practices and performance. Enhanced public awareness of climate change has driven an increase in demand for lower- carbon **forms of** and zero- emissions energy. **There In recent years, certain investors** 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- divestment** of companies with **high higher** exposure to GHG- intensive operations and products. **Certain stakeholders have also pressured commercial- Commercial** and investment banks and **insurance providers- insurers have been pressured** to reduce or **stop- cease providing** financing and **providing** insurance coverage to **the fossil fuel industry** 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 impaired** our access to and **increase increased** our cost of capital, including penalties associated with our sustainability- linked financing and could adversely -- **adverse impact impacts to the** demand for, or value of, our **services or our** securities. **In recent Over the past year- years**, geopolitical uncertainty, slowing Canadian **and US economies economy** and continuing inflationary pressures have underscored the critical need for access to secure, affordable energy. 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 **, for example,** 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 fail to** meet changing stakeholder expectations **or may be challenged**. 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- experience challenges, or perceived challenges, in achieve- achieving** our ESG goals, **meeting** are not able to meet current and future- climate -, emissions or related **regulatory or** reporting requirements of regulators -, or **meeting** are unable to meet- or **managing stakeholder** manage current and future expectations regarding **sustainability and ESG** issues important to investors or other stakeholders (including those related to climate change) **, it could erode stakeholder trust and confidence have a negative impact on our reputation or investor sentiment or expose us to government enforcement actions or litigation**, which could negatively **may, in turn,** impact our reputation-, business, operations or financial results. 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 **and the use of appropriate** 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 **, for example, from** reduced throughput volumes on our pipeline transportation systems. **We One or all of the Acquisitions may not occur on- encounter difficulties integrating the US Gas Utilities into** terms contemplated in the applicable Purchase and Sale Agreement **or our business in a successful manner** at all, or may not occur within the expected time frame, which may negatively affect the benefits we expect to obtain from the Acquisitions. **In 2024, we completed** 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 **US Acquisitions** is subject to the satisfaction or waiver of a number of conditions as **Gas Utilities** 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 Gas utilities 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 cultural** differences **, in the business cultures of Enbridge and the retention of 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 as described in this Item 1A. Risk Factors. We maintain an insurance program for ~~us~~ **Enbridge**, 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 ~~lack of~~ **lack of** availability, high premiums and ~~for-~~ **or various** other reasons. Enbridge self-insures a significant portion of certain risks through our wholly-owned captive insurance subsidiaries, and Enbridge'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'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 **that** we consider commercially reasonable. In such **a** 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. 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 **the** 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 **are** not intended for speculative purposes. These policies cannot, however, eliminate all risk, including unauthorized trading. Although this activity is monitored independently by our ~~Risk-risk~~ **Risk Management 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 the extent that we hedge our exposure to market 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. 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~~ **would** increase, ~~perhaps~~ **potentially** significantly. Consequently, we ~~would~~ **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. **If** 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. 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 Liquids Pipelines growth rate and results may be indirectly affected by commodity prices. Wide commodity price basis between Western Canada and global tidewater markets ~~have~~ **has** 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, 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~~ **may** be reduced, and as such, supply growth from tight oil basins may be lower, which ~~may~~ **may** impact volumes on our pipeline systems. **Crude oil marketing 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 our ability to cover capacity commitments and could do so again in the future. Other**

market conditions, such as backwardation, have likewise limited margin opportunities. Our Energy Services and Gas Transmission and Midstream results may be adversely affected by commodity price volatility. Within our US Midstream assets, we hold investments a 13.2 % effective economic interest in DCP and Aux Sable, which are engaged in the businesses of gathering, treating, processing and selling natural gas and natural gas liquids. In addition, we own Tomorrow RNG, which operates landfill gas-to-RNG production facilities and Aitken Creek Gas Storage Facility, which operates an underground natural gas storage facility. The financial results of these businesses are directly and indirectly impacted by changes in commodity prices. To a lesser degree, the financial results of our US-Gas Transmission business are subject to fluctuation in power prices, which impact electric power costs associated with operating some of our 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 with 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 recruitment of a skilled and diverse workforce, including engineers, technical personnel, other professionals and executive officers and senior management. We Enbridge 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.

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. In addition, Within within the US and in Canada, pipeline energy companies continue to face opposition from anti-energy / anti-pipeline activists, Indigenous and tribal groups and communities, citizens, environmental groups, and politicians and other stakeholders concerned with the safety of pipelines energy infrastructure and their potential environmental effects. In the US, the EPA redefined released rules to reduce methane emissions from the Waters of oil and gas sector, standards for reducing emissions from fossil fuel fired power plants, and rules to streamline the United process for States states and tribes to assume authority over 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's ; issued new rules under Section section 404 permitting program 401 of the Clean Water Act broadening the scope of state review for discharges of dredge water quality certifications, released rules on methane control and fill material reporting, Cross-state Ozone Pollution (The Good Neighbor Plan), and the Power Plant Rule. The Council for Environmental Quality published immediately applicable guidance for conducting (CEQ) issued its Phase 2 rule concerning 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 for energy projects. 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 rules on leak detection updating requirements for sustainable and safe pipeline operation 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 the courts, including the ability of the CEQ to promulgate regulations applicable to other federal agencies, and some have been overturned by reviewing courts. The current new US administration may take further action to modify or reverse regulations that were promulgated by the previous current US administration. In Canada March of 2023, the Supreme Court of Canada issued a heard the Attorney General of Canada's appeal of the Alberta Court of Appeal's non-binding decision that on 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 it the federal impact assessment regime is largely outside of the federal Parliament's authority and that the IAA should focus more narrowly on effects within federal jurisdiction. The federal government amended the IAA in response to this decision is a non-binding advisory reference case, so the IAA and associated regulations are not "struck down"; however, the federal government will 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 constitutional. The resulting amendments could impact the risks and timing of potential future regulatory approvals and the scope and application of federal review of intraprovincial pipeline projects remains unclear. In November 2024, the Government of Alberta has again referred the issue to the Alberta Court of Appeal for hearing, to determine whether the IAA, as amended, is unconstitutional. As a result, the uncertainty for pipeline and other energy infrastructure projects in

Canada is ongoing. 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 existing facilities or the development of new facilities could be prevented, delayed or become subject to additional costs. Our operations are subject to numerous environmental laws and regulations, including those relating to climate change, GHG emissions and climate-related disclosure, and anti-greenwashing, 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 or litigation, and affect our reputation and relationships with stakeholders. We are subject to numerous environmental laws and regulations affecting many aspects of our past, current, and future operations, including, but not limited to, air emissions, climate change, water and soil quality, wastewater discharges, land management, solid waste and hazardous waste substances, wildlife and protected species, biodiversity, noise, emergency response, and pollution. We are also subject to new and evolving laws, regulations and rules related to ESG and sustainability-related disclosure, including climate-related disclosure, and anti-greenwashing provisions, including recent amendments to Canadian competition legislation, which simultaneously increase stakeholder expectations to report environmental and climate-related information and also substantiate such information in accordance with standards that are still developing and evolving, and which may, in some cases conflict. Our exposure to these risks could result in adverse impacts to our reputation and relationships with stakeholders or increased costs, liabilities or litigation. 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, and rules 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, GHG emissions and climate-related disclosure, and anti-greenwashing, 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, and third-party substantiation, verification or assurance of our environmental data, the costs of which we may not be able to recover 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 operational restrictions or (including shutdown shutdowns, 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 right 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 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 of our assets and operations has the potential to increase operating costs or limit future projects. Regulatory enforcement actions issued by regulators for non-compliant compliance 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 Future actions of regulators 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 and Storage 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, the Ohio Commission, the Utah Commission, the Wyoming Commission, the Idaho Commission, and the North Carolina Commission, with respect to the rates, tariffs, and tolls for these assets. The changing or rejecting rejection 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 has had in with respect to the past negotiated settlements applicable to our Mainline System, and could in the future 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 and other OECD countries have introduced a minimum tax rate to be applied on a global basis. 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 **and reputation**. We are subject to numerous legal proceedings **related to our business and operations**. In recent years, there has been an increase in climate ~~and disclosure~~- related **regulatory action and litigation**, **including** against ~~governments as well as~~ companies involved in the energy industry. There is no assurance that we will not be impacted by such **regulatory action**, litigation, or ~~by~~ other legal proceedings. **By its nature**, ~~Litigation~~ **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 **adversely** 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.