Rampion 2 Wind Farm

Category 4: Compulsory Acquisition

Funding Statement (tracked changes)

Date: June 2024
Revision B

Application Reference: 4.2
Pursuant to: APFP Regulation 5 (2)(h)
Ecodoc number: 004866008-02

Document revisions

Revision	Date	Status/reason for issue	Author	Checked by	Approved by
A	04/08/2023	Final for DCO Application	Eversheds Sutherland	RED	RED
B	03/06/2024	Deadline 4	RED	RED	RED

Table of Contents

1 INTRODUCTION

1.1 This Funding Statement forms part of an application submitted by Rampion Extension Development Limited ("RED" or "the Applicant") for the Development Consent Order ("DCO") which seeks development consent for a new offshore windfarm 'Rampion 2' (the "Proposed Development") with an output in excess of 100 megawatts (MW). The Proposed Development is adjacent to the Rampion 1 Offshore Windfarm in the English Channel, 13km to 25km off the Sussex coast. The Proposed Development also includes offshore and onshore electricity transmission infrastructure, including a new onshore substation that will connect to the existing National Grid substation at Bolney, Mid Sussex.

1.2 Further details on the Proposed Development is contained in ES Chapter 4: Proposed Development (Volume 2) (Document 6.2.4).

1.3 This Funding Statement is submitted pursuant to Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 (as amended) ("the Regulations") and is required because the DCO, if made, would authorise the compulsory acquisition of land, new rights and restrictive covenants. Regulation 5(2)(h) requires an explanation of how an order containing the authorisation of compulsory acquisition is proposed to be funded.

1.4 The Applicant has also, in preparing this Funding Statement, taken into account guidance contained in paragraphs 17 and 18 of the "Guidance related to procedures for the compulsory acquisition of land" (September 2013) ("the Compulsory Acquisition Guidance")[1].

1.5 This Funding Statement is therefore provided to satisfy Regulation 5(2)(h) and the Guidance noted above and should be read alongside the other application documentation and in particular:

1.5.1 The Statement of Reasons (Document 4.1);

1.5.2 The Book of Reference (Document 4.3); and

1.5.3 The Land Plans (Document 2.1.1 and 2.1.2).

1 Issued by the Department of Communities and Local Government as it was then titled, in September 2013.

2 THE APPLICANT

2.1 The Applicant is a joint venture company called Rampion Extension Development Limited ("RED") (Company Registration Number: 12091939).

2.2 RED is a joint venture between RWE Renewables UK Limited, Enbridge Rampion UK II Limited, and a Macquarie-led consortium. RWE and Enbridge are also legacy shareholders in the Rampion 1 project. RWE is the majority shareholder and development service provider for the RED joint venture.

2.3 RWE AG (which is the ultimate Parent Company of RWE Renewables UK Limited) is a global energy company and one of Europe's five leading electricity and gas companies. It has significant expertise in gas and lignite production, in electricity generation from gas, coal, nuclear and renewables, and in energy trading as well as electricity and gas distribution and supply. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE has locations in Europe, North America and the Asia-Pacific region. It was rated as Baa2 by Moody's and BBB+ by Fitch, as of ~~December 2022~~April 2023.

2.4 Enbridge is a leading North American energy infrastructure company with natural gas, oil and renewable power networks and a growing European offshore wind portfolio. Enbridge Inc. was most recently rated as ~~Baa1~~ Baa2 by Moody's and BBB+ by Standard & Poor's~~, with a stable outlook~~.

2.5 The Macquarie consortium, which is an investor in many other UK renewable energy assets, includes Corio Generation, USS pension fund (Universities Superannuation Scheme Limited), Ontario Limited, and regulated funds Macquarie European Investment Fund (MEIF 5) Lux SCSp MEIF 5 LP.

2.6 The Applicant's ultimate parent companies and investors have significant assets and financial resources available to them, a summary of which is provided in the table below. The combined value of the regulated funds MEIF 5 Lux SCSp MEIF 5 LP was approximately EUR €4.~~8~~ 7 billion as at the end of ~~March 2023~~December 2024.

Entity	Total Assets	Document
RWE AG	Euros €~~121,859,000~~103,262,000,000	**Appendix 1**- Extracts from the Interim Statement on the first quarter of ~~2023~~ 2024
Enbridge Inc.	CAD $~~179,608,000,000~~180,317,000,000	**Appendix 2** – Extracts from the Enbridge ~~2022~~ 2023 Annual Report
Macquarie Group	AUS $~~387,872,000,000 as at 31st March 2023~~403,404,000,000	**Appendix 3** - Macquarie Group Annual Report, Year Ended 31 March ~~2023~~ 2024
Universities Superannuation Scheme Limited	£~~15,052,000~~13,924,000 Net Current assets of scheme at 31st March ~~2022~~ 2023	**Appendix 4** - Universities Superannuation Scheme Report and Accounts for the year ended 31 March ~~2022~~ 2023
Ontario Limited	CAD $~~316,320,000,000~~310,203,000,000	**Appendix 5** - Ontario Teachers' Pension Plan ~~2022~~ 2023 Annual Report

3 COST OF ACQURING LAND AND INTERESTS SUBJECT TO COMPULSORY ACQUISITION

3.1 The costs of acquisition of the land, rights and restrictive covenants required for the Proposed Development (whether by voluntary agreement with the relevant parties or through the exercise of compulsory acquisition powers in the DCO) will be funded by the Applicant via its shareholders. The Applicant is satisfied that the requisite amount of funding will be available to meet this cost.

3.2 The Applicant has taken professional advice from expert chartered surveyors, Carter Jonas, in relation to the estimated compensation liability that could arise from the compulsory acquisition of the land, the acquisition of new rights, the imposition of restrictive covenants, the temporary use of land, and the interference with existing rights as a result of the exercise of the powers in the DCO.

3.3 The total estimated compensation liability for all of the outstanding interests in the event that these are acquired pursuant to powers of compulsory acquisition is £14.8 million.

3.4 This includes advice upon the value of the land or rights/restrictions acquired; compensation for severance and injurious affection pursuant to section 7 of the Compulsory Purchase Act 1965; potential Part 1 Land Compensation Act 1973 claims and section 10 Compulsory Purchase Act 1965 injurious affection claims; and statutory blight. A provision has also been included for losses arising from the exercise of the temporary possession powers sought under the DCO.

3.5 The Applicant's assessment of the compensation payable for the exercise of compulsory acquisition powers has been undertaken in accordance with the body of statute and case law known as the "Compensation Code". The compensation payable for the compulsory acquisition of new rights and imposition of restrictive covenants for the onshore cable infrastructure therefore includes the estimated compensation for the acquisition of the rights and restrictions, crop loss and disturbance compensation, tax (where applicable), professional fees and statutory interest.

3.6 In view of the level of information available to inform the valuation estimate at this stage, a general contingency of 20% has been added to all items included in the estimate.

3.7 The cost of compensating affected parties will be met by the Applicant from funding to be drawn down from its shareholders, via the mechanism that is further explained in section 4 below. The monies will be secured in accordance with the Funding Guarantee (see below).

3.8 As such, barring any unprecedented and unforeseen circumstances, no funding shortfalls are anticipated. The Applicant therefore will have the funds available to meet the estimated compensation liability that could flow from the exercise of compulsory acquisition powers pursuant to the DCO. The possibility of the Applicant being unable to meet its financial commitments in respect of land assembly is extremely remote as demonstrated by the sound credit rating and extensive assets of its shareholders.

Blight

3.9 The Applicant has taken advice from Carter Jonas and does not anticipate there to be any persons who meet the statutory criteria for a valid blight notice.

3.10 Nor, through the course of consultation and negotiations with landowners and occupiers along the route, has either the Applicant or Carter Jonas been made aware of any parties intending to serve a Blight Notice; or of any attempts to sell any of the affected land or property that has resulted in it only being able to be disposed of at a significantly lower price than it would have been expected to sell.

3.11 Should any claims for blight arise, the compensation for and costs of acquiring the land pursuant to a valid blight notice will be met by the Applicant via its shareholders. Due to the low risk of a valid blight claim no express provision is made for such payments but the total estimated compensation assessment of £14.8 million referred to above, which includes a 20% general contingency, is considered to be sufficient to cater for blight claims should they arise .

Funding Guarantee

3.12 The Applicant has considered the funding of compulsory acquisition compensation costs in light of the approach followed on other NSIP applications and subsequently approved following examination.

3.13 As such, the Applicant has included Article 52 in the DCO which provides that compulsory acquisition powers contained in the DCO must not be exercised unless a guarantee (or an alternative form of security) in respect of the liabilities of the undertaker to pay compensation in respect of the exercise of the relevant powers is in place.

3.14 The form and the amount of the guarantee (or other form of security) must be approved by the Secretary of State. It will be for the Secretary of State to satisfy themself in relation to the adequacy and amount of the guarantee (or other form of security) provided at the relevant time.

3.15 The Applicant has given consideration to whether the approval of the form or quantum of the guarantee (or other form of security) should be delegated to the local planning authorities within those areas the land and rights to be acquired are situated. Due to the fact that the Proposed Development spans the administrative areas of several local planning authorities and may necessitate multi-party discussions on numerous occasions, this is considered to be an unnecessary burden for those authorities and the Applicant. As such, the Applicant considers it appropriate that this control be exercised by the Secretary of State as a single approval. This approach accords with the approach in the Hornsea Offshore Wind Farm Project Three DCO and the Triton Knoll Electrical System DCO.

3.16 Article 52(3) of the DCO ensures that the guaranteed funding will be held by a means that is directly accessible to persons entitled to compensation.

3.17 Article 52 of the DCO therefore ensures that adequate funding is in place before any compulsory acquisition compensation liability arises.

4 FUNDING THE PROPOSED DEVELOPMENT

4.1 The current cost estimate for Rampion 2 is approximately £3 billion. This cost estimate includes construction costs, development costs, project management costs, financing costs and land acquisition costs.

4.2 The Applicant has assessed the commercial viability of Rampion 2 and is confident that Rampion 2 will be commercially viable based on the reasonable assumption that it receives the key consents it requires, including the DCO, and that a Final Investment Decision is taken, indicating the final unconditional decision of the shareholders to invest in the construction of the wind farm and associated infrastructure. This approach is the standard model for development of offshore wind projects.

4.3 The Applicant is a special purpose vehicle, which currently does not have substantial assets of its own. It is funded by its shareholders on the basis of a rolling budget looking ahead to anticipated expenditure. It is envisaged that the funding mechanism for Rampion 2 will be via funding from the Applicant's shareholders, for which approval will be obtained via a "Gate" approval processes. The Gate process involves the review of the project, and approval to proceed, at specific "Milestone" points in the project development, culminating in the Financial Investment Decision.

4.4 This funding mechanism will meet the capital expenditure for Rampion 2, including the cost of acquiring the required land and the necessary rights over land (whether compulsorily or by agreement) and any compensation otherwise payable as a result of the exercise of the powers in the DCO.

4.5 This funding model has been successfully deployed on RWE projects in the past, such as the 400MW Rampion offshore windfarm project, which was developed by a Joint Venture owned 50.1% by E.ON (RWE's predecessor company, 25% by the Green Investment Bank (Macquarie's predecessor), and 24.9% by Enbridge.

4.6 Given the substantial resources of the Applicant's shareholders, and their experience of delivering similar energy projects, the Applicant is confident that the required funding for the Proposed Development will be available in the period during which compulsory acquisition powers would be exercisable by the Applicant under the DCO, if it is made.

5 CONCLUSIONS

5.1 This Funding Statement demonstrates that the compensation arising from the exercise of compulsory acquisition powers pursuant to the DCO will be met, including any blight claims (howsoever unlikely); and demonstrates that the necessary outstanding funding for the delivery of the Proposed Development will be secured.

5.2 Accordingly, were the Secretary of State to grant the compulsory acquisition powers sought in the DCO, the Proposed Development is likely to be undertaken and not be prevented due to difficulties in sourcing and securing the necessary funding.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 1:

Extracts from RWE Interim Statement on the first quarter of ~~2023~~ 2024

RWE

Interim statement on the first quarter of 2024

RWE confirms forecast for 2024 // Adjusted EBITDA of €1.7 billion for Q1 reflects earnings normalisation // Significant earnings growth in Offshore Wind and Onshore Wind / Solar segments // Acquisition of three large offshore wind projects off the east coast of England completed

Contents

At a glance

RWE Group – key figures[1]		Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Power generation	GWh	33,780	37,179	- 3,399	129,701
External revenue (excl. natural gas tax / electricity tax)	€ million	6,629	9,340	- 2,711	28,566
Adjusted EBITDA	€ million	1,709	2,312	- 603	7,749
Adjusted EBIT	€ million	1,220	1,858	- 638	5,802
Income before tax	€ million	2,451	1,915	536	4,006
Net income / income attributable to RWE AG shareholders	€ million	1,922	1,598	324	1,450
Adjusted net income	€ million	801	1,315	- 514	4,098
Cash flows from operating activities	€ million	- 2,143	886	- 3,029	4,235
Capital expenditure	€ million	2,861	5,432	- 2,571	9,979
Property, plant and equipment and intangible assets	€ million	1,723	874	849	5,146
Acquisitions and financial assets	€ million	1,138	4,558	- 3,420	4,833
Proportion of taxonomy-aligned investments[2]	%	96	90	6	89
Free cash flow	€ million	- 4,915	- 4,468	- 447	- 4,582
Number of shares outstanding (average)	thousands	743,841	743,841	–	743,841
Earnings per share	€	2.58	2.15	0.43	1.95
Adjusted net income per share	€	1.08	1.77	- 0.69	5.51
		31 Mar 2024			31 Dec 2023
Net debt	€ million	- 11,222			- 6,587
Workforce[3]		20,542			20,135

1 Some prior-year figures restated; see commentary on page 5 et seq.
2 Taxonomy-alignment is when an activity meets the applicable requirements under the EU Taxonomy Regulation.
3 Converted to full-time equivalents.

Major events

RWE acquires three large-scale UK offshore wind projects from Vattenfall. In March 2024, we took over three offshore wind projects off the coast of Norfolk in the east of England from Swedish energy company Vattenfall. The purchase price corresponds to a portfolio value of £963 million. The majority of the payment covers Vattenfall's historical development expenditure. The projects – Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas – each have a planned capacity of up to 1.4 GW. After 13 years of development, all the relevant permits have been obtained. Norfolk Vanguard West and Norfolk Vanguard East are the most advanced projects. Our next step is to secure Contracts for Difference (CfDs) for them, which would entitle us to a state-backed price guarantee for all power generated. All three offshore wind farms in the Norfolk pipeline are expected to become operational over the course of the current decade.

RWE and Masdar join forces to further develop Dogger Bank South wind power projects. We have formed a partnership with Abu Dhabi-based clean energy firm Masdar to realise two offshore wind projects, which are planned for the southern section of Dogger Bank in the British North Sea. The agreement became effective at the end of February 2024. Masdar now holds a 49 % stake in both projects and has contributed to the already incurred project costs accordingly. RWE owns 51 % and is responsible for building and running the assets. Dogger Bank is a significant expanse of shallow sandbank off the north-east coast of England. The two wind farm projects could each have an installed capacity of up to 1.5 GW. We expect to complete them by late 2031.

Contract not finalised for wind project in the New York Bight. An offtake agreement for offshore wind power, which we had been awarded by the state of New York for our Community Offshore Wind project in October 2023, will not be finalised. The decision was taken by the New York State Energy, Research and Development Authority (NYSERDA), the contracting entity, in mutual agreement with us. Under the contract, we would have been entitled to sell the electricity generated by turbines with a capacity of 1.3 GW, which we are planning to build off the east coast of the USA, to the state of New York at fixed conditions for 25 years (see Annual Report 2023, page 36). Negotiations were concluded with no final awards being made as the wind turbine manufacturer announced that the class of wind turbine originally envisaged for the project was no longer available. Using a different model would have raised the development costs, making the offtake agreement non-viable. We now plan to participate in one of the future tenders in 2024 and 2025 to secure a new contract with conditions reflecting the change.

Success at British capacity market auction. In a British capacity market auction in February 2024 for the period from 1 October 2027 to 30 September 2028, we secured capacity payments for all participating RWE power plants. These stations, most of which are gas-fired, have a combined secured capacity of 6,353 MW. The auction cleared at £65 per kilowatt plus inflation adjustment. We will receive the payments for making our assets available during the above period and thus contributing to security of supply.

Gersteinwerk once again selected for German capacity reserve. Our natural gas combined-cycle units F, G and K 1 at the Gersteinwerk site in Werne (Westphalia) will participate in the German capacity reserve for the period from 1 October 2024 to 30 September 2026. The decision was taken in February 2024 as part of a tender process organised by the Federal Network Agency. Altogether, the plants will provide a total of 820 MW of reserve capacity, which can be used to ensure grid stability as required. We will receive a capacity payment of €99.99 per kilowatt and year. Units F and G had already submitted winning bids at the first two tenders of this kind. As reserve power stations, they have not operated on the regular electricity market since 1 October 2020, and can only be fired up when required to do so by the transmission system operator. By contrast, unit K 1 participated in the capacity reserve tender for the first time.

Lignite phaseout: RWE shuts down five power plant units in the Rhenish region. In late March 2024, we decommissioned five power plant units in the Rhenish coal-mining region with a total capacity of 2.1 GW. The units in question, Niederaussem E and F (295 MW each), as well as Neurath C (292 MW), D (607 MW) and E (604 MW) are being shut down as part of Germany's coal exit. The federal government had temporarily extended their service lives to help reduce the amount of gas used in power generation. The decision was taken in response to the sharp decline in Russian gas exports to Germany due to the war in Ukraine. However, the gas supply situation has since stabilised. Now that these lignite units have been decommissioned, our CO_2 emissions from power generation, which were already down 27 % in 2023, will experience another significant decline. Since late 2020, we have closed 12 of our 20 lignite units. In addition, we stopped producing briquettes in 2022. We plan to fully exit from lignite-fired power generation by the end of March 2030.

RWE enters the US green bond market. In April 2024, we placed our first green US dollar bond. We issued two tranches of US$1 billion, one with a 10-year tenor and a coupon of 5.875 % and the other with a 30-year tenor and a coupon of 6.250 %. The offering attracted strong investor interest: the order book was several times oversubscribed at US$7.6 billion. The funds raised will be used to finance renewables projects in the USA. These were the second issuances of the year: we had already placed a €500 million green eurobond on the market in January with an 8-year term and a coupon of 3.625 %.

RWE increases headroom for issuing senior bonds. In order to raise the necessary funds to finance our growth investments, we have upped our debt issuance programme (DIP) from €10 billion to €15 billion. The DIP is a prospectus that enables us to place bonds. It does not include our US bonds or the two outstanding hybrid bonds. As at early May 2024, we had used €6.6 billion of the financial headroom afforded by the DIP.

Dividend of €1.00 per share paid. The Annual General Meeting of RWE AG held on 3 May 2024 approved the dividend proposed by the Executive Board and the Supervisory Board for the past fiscal year by a substantial majority. We therefore paid a dividend of €1.00 per share on 8 May. This represents an increase of €0.10 versus last year. We plan to raise the dividend annually by 5 % to 10 % until 2030. The Executive Board envisages that the dividend payment for 2024 will be €1.10 per share, which represents an increase of 10 %.

Balance sheet

Assets € million	31 Mar 2024	31 Dec 2023
Non-current assets		
Intangible assets	10,370	9,787
Property, plant and equipment	31,341	28,809
Investments accounted for using the equity method	4,254	4,066
Other non-current financial assets	5,840	5,573
Derivatives, receivables and other assets	3,582	3,625
Deferred taxes	633	642
	56,020	**52,502**
Current assets		
Inventories	1,988	2,270
Trade accounts receivable	6,388	7,607
Derivatives, receivables and other assets	28,361	29,474
Marketable securities	6,620	7,724
Cash and cash equivalents	3,885	6,917
	47,242	**53,992**
	103,262	**106,494**

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 2:

Extracts from the Enbridge ~~2022~~ 2023 Annual Report

Tomorrow is on

2023 Annual Report

ENBRIDGE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-15254

ENBRIDGE INC.
(Exact Name of Registrant as Specified in Its Charter)

Canada	**98-0377957**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

200, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8
(Address of Principal Executive Offices) (Zip Code)
(403) 231-3900
(Registrant’s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	ENB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant’s common shares held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2023, was approximately US$75.1 billion.

As at February 2, 2024, the registrant had 2,125,586,356 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
Not applicable.

EXPLANATORY NOTE

Enbridge Inc., a corporation existing under the *Canada Business Corporations Act*, qualifies as a foreign private issuer in the United States (US) for purposes of the *Securities Exchange Act of 1934, as amended* (the Exchange Act). Although, as a foreign private issuer, Enbridge Inc. is not required to do so, Enbridge Inc. currently files annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the Securities and Exchange Commission (SEC) instead of filing the reporting forms available to foreign private issuers.

Enbridge Inc. intends to prepare and file a management information circular and related material under Canadian requirements. As Enbridge Inc.'s management information circular is not filed pursuant to Regulation 14A, Enbridge Inc. may not incorporate by reference information required by Part III of this Form 10-K from its management information circular. Accordingly, in reliance upon and as permitted by Instruction G(3) to Form 10-K, Enbridge Inc. will be filing an amendment to this Form 10-K containing the Part III information no later than 120 days after the end of the fiscal year covered by this Form 10-K.

GLOSSARY

"we", "our", "us" and "Enbridge"	Enbridge Inc.
AFUDC	Allowance for funds used during construction
Aitken Creek	Aitken Creek Gas Storage Facility and Aitken Creek North Gas Storage Facility
AOCI	Accumulated other comprehensive income/(loss)
ARO	Asset retirement obligations
ASC	Accounting Standards Codification
Aux Sable	US Midstream ownership interest in Aux Sable Liquid Products LP, Aux Sable Midstream LLC, Aux Sable Canada LP
BC	British Columbia
bcf/d	Billion cubic feet per day
CE Regulation	Clean Electricity Regulation
CER	Canada Energy Regulator
CTS	Competitive Toll Settlement
DAPL	Dakota Access Pipeline
Dawn	An extensive network of underground storage pools at the Tecumseh Gas Storage facility and Dawn Hub
DCP	DCP Midstream, LP
EBITDA	Earnings before interest, income taxes and depreciation and amortization
EEP	Enbridge Energy Partners, L.P.
EIEC	Enbridge Ingleside Energy Center
Enbridge Gas	Enbridge Gas Inc.
ESG	Environment, Social and Governance
Exchange Act	United States Securities Exchange Act of 1934
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse gas
Gray Oak	Gray Oak Pipeline, LLC
H2	Hydrogen gas
IJT	International Joint Tariff
IR	Incentive Regulation
ISO	Incentive Stock Options
kbpd	Thousand barrels per day
LMCI	Land Matters Consultation Initiative
LNG	Liquefied natural gas
M&N	Maritimes & Northeast Pipeline

M&N Canada	Canadian portion of our Maritimes & Northeast Pipeline
Moda	Moda Midstream Operating, LLC
MTS	Mainline Tolling Settlement
MW	Megawatts
NCIB	Normal course issuer bid
NEXUS	NEXUS Gas Transmission Pipeline
NGL	Natural gas liquids
Noverco	Noverco Inc.
OBPS	Output-based pricing system
OCI	Other comprehensive income/(loss)
OEB	Ontario Energy Board
OPEB	Other postretirement benefit obligations
Phase 1	Phase to establish 2024 base rates on a cost-of-service basis
Phase 1 Decision	On December 21, 2023, the Ontario Energy Board issued its Decision and Order on Phase 1
PPA	Power purchase agreement
PSU	Performance Stock Units
RNG	Renewable natural gas
ROU	Right-of-use
RSU	Restricted Stock Units
SEC	US Securities and Exchange Commission
SEP	Spectra Energy Partners, LP
Spectra Energy	Spectra Energy Corp
Texas Eastern	Texas Eastern Transmission, LP
TGE	Tri Global Energy, LLC
the Acquisitions	On September 5, 2023, we announced that Enbridge had entered into three separate definitive agreements with Dominion Energy, Inc. to acquire The East Ohio Gas Company, Questar Gas Company and its related Wexpro companies, and Public Service Company of North Carolina
the Board	Board of Directors
the Lakehead System Settlement	On May 24, 2023, Enbridge filed an Offer of Settlement with the Federal Energy Regulatory Commission for the Lakehead System
the Moda Acquisition	On October 12, 2021, through a wholly-owned US subsidiary, we acquired all of the outstanding membership interests in Moda Midstream Operating, LLC
the Partnerships	Spectra Energy Partners, LP and Enbridge Energy Partners, L.P.
Tres Palacios	Tres Palacios Holdings LLC
TSX	Toronto Stock Exchange
UK	The United Kingdom
US	United States of America
US GAAP	Generally accepted accounting principles in the United States of America
Vector	Vector Pipeline L.P.
VIEs	Variable interest entities
Westcoast	Westcoast Energy Inc.

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,	**2023**	2022
(millions of Canadian dollars; number of shares in millions)		
Assets		
Current assets		
Cash and cash equivalents	**5,901**	861
Restricted cash	**84**	46
Trade receivables and unbilled revenues	**4,410**	5,616
Other current assets *(Note 9)*	**2,440**	3,255
Accounts receivable from affiliates	**85**	114
Inventory *(Note 10)*	**1,479**	2,255
	14,399	12,147
Property, plant and equipment, net *(Note 11)*	**104,641**	104,460
Long-term investments *(Note 13)*	**16,793**	15,936
Restricted long-term investments *(Note 23)*	**717**	593
Deferred amounts and other assets	**8,041**	9,542
Intangible assets, net *(Note 14)*	**3,537**	4,018
Goodwill *(Note 15)*	**31,848**	32,440
Deferred income taxes *(Note 24)*	**341**	472
Total assets	**180,317**	179,608
Liabilities and equity		
Current liabilities		
Short-term borrowings *(Note 17)*	**400**	1,996
Trade payables and accrued liabilities	**4,308**	6,172
Other current liabilities *(Note 16)*	**5,659**	5,220
Accounts payable to affiliates	**26**	105
Interest payable	**958**	763
Current portion of long-term debt *(Note 17)*	**6,084**	6,045
	17,435	20,301
Long-term debt *(Note 17)*	**74,715**	72,939
Other long-term liabilities	**8,653**	9,189
Deferred income taxes *(Note 24)*	**15,031**	13,781
	115,834	116,210
Commitments and contingencies *(Note 30)*		
Equity		
Share capital *(Note 20)*		
Preference shares	**6,818**	6,818
Common shares *(2,125 and 2,025 outstanding at December 31, 2023 and 2022, respectively)*	**69,180**	64,760
Additional paid-in capital	**268**	275
Deficit	**(17,115)**	(15,486)
Accumulated other comprehensive income *(Note 22)*	**2,303**	3,520
Total Enbridge Inc. shareholders' equity	**61,454**	59,887
Noncontrolling interests *(Note 19)*	**3,029**	3,511
	64,483	63,398
Total liabilities and equity	**180,317**	179,608

Variable Interest Entities (VIEs) *(Note 12)*

The accompanying notes are an integral part of these consolidated financial statements.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 3:

Extracts from the Macquarie Group Annual Report Year Ended 31 March ~~2023~~ 2024

MACQUARIE

2024 Annual Report

Macquarie Group
Year ended 31 March 2024

Macquarie Group Limited
ACN 122 169 279

Macquarie is a global financial services group operating in 34 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment.

2024 Annual General Meeting

Macquarie Group Limited's 2024 AGM will be held at 10:30am on Thursday, 25 July 2024.

Details of the meeting will be sent to shareholders separately.

Contents

About Macquarie

Macquarie Group Limited (MGL, the Company) is listed in Australia and is regulated by the Australian Prudential Regulation Authority (APRA), the Australian banking regulator, as a Non-Operating Holding Company (NOHC) of Macquarie Bank Limited (MBL), an authorised deposit-taking institution (ADI). Macquarie's activities are also subject to supervision by various other regulatory agencies around the world.

Founded in 1969, Macquarie now employs over 20,600(1) people globally, has total assets of $A403.4 billion and total equity of $A34.0 billion as at 31 March 2024.

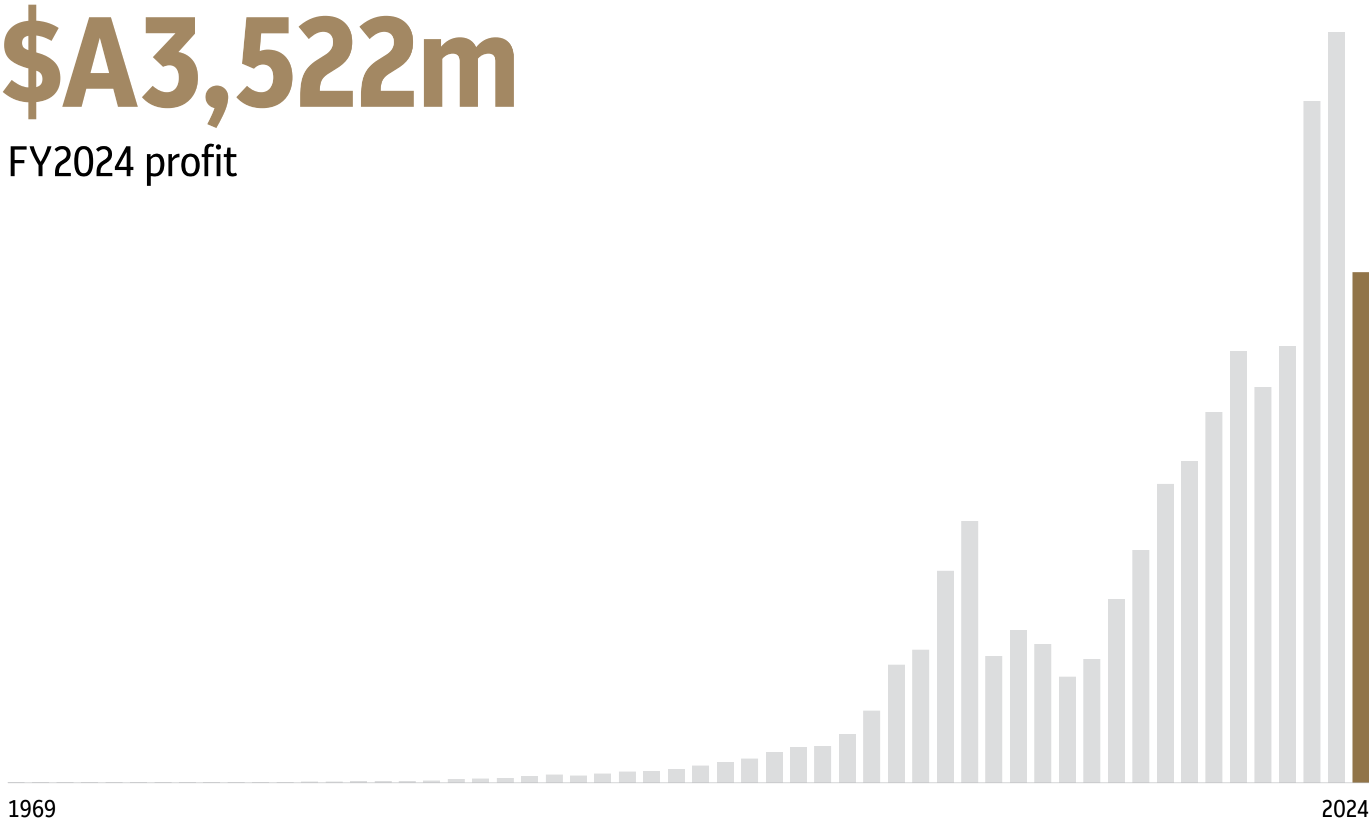
Macquarie's breadth of expertise covers asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice, access to capital and principal investment. The diversity of our operations, combined with a strong capital position and robust risk management framework, has contributed to Macquarie's 55-year record of unbroken profitability.

Macquarie works with government, institutional, corporate and retail clients and counterparties around the world, providing a diversified range of products and services. We have established leading market positions as a global specialist in a wide range of sectors, including renewables, infrastructure, resources, commodities and energy.

Alignment of interests is a longstanding feature of Macquarie's client-focused business, demonstrated by our willingness to both invest alongside clients and closely align the interests of our shareholders and staff.

$A3,522m

FY2024 profit



Statements of financial position

As at 31 March 2024

		CONSOLIDATED		COMPANY	
		2024	2023	**2024**	2023
	Notes	**$m**	$m	**$m**	$m
Assets					
Cash and bank balances		**31,855**	45,656	**–**	–
Cash collateralised lending and reverse repurchase agreements		**58,416**	54,323	**–**	–
Trading assets	7	**27,924**	16,881	**–**	–
Margin money and settlement assets	8	**24,117**	25,256	**–**	–
Derivative assets	9	**24,067**	36,114	**1**	3
Financial investments	10	**24,378**	21,874	**1,763**	–
Held for sale assets		**2,204**	921	**–**	–
Other assets	11	**12,638**	10,438	**22**	30
Loan assets	12	**176,371**	158,572	**–**	–
Due from subsidiaries	30	**–**	–	**49,712**	48,817
Interests in associates and joint ventures	14	**6,969**	5,574	**–**	–
Property, plant and equipment and right-of-use assets	15	**8,134**	6,639	**–**	–
Intangible assets	16	**4,254**	3,827	**–**	–
Investments in subsidiaries	17	**–**	–	**33,805**	32,604
Deferred tax assets	18	**2,077**	1,797	**41**	3
Total assets		**403,404**	387,872	**85,344**	81,457
Liabilities					
Cash collateralised borrowing and repurchase agreements		**12,599**	18,737	**–**	–
Trading liabilities	19	**5,044**	4,810	**–**	–
Margin money and settlement liabilities	20	**28,423**	27,482	**–**	–
Derivative liabilities	21	**25,585**	32,790	**5**	5
Deposits	22	**148,416**	134,714	**–**	–
Held for sale liabilities		**407**	173	**–**	–
Other liabilities	23	**14,472**	12,512	**169**	241
Due to subsidiaries	30	**–**	–	**7,257**	5,686
Issued debt securities and other borrowings	24	**119,878**	109,461	**43,135**	39,055
Deferred tax liabilities	18	**383**	196	**–**	–
Total liabilities excluding loan capital		**355,207**	340,875	**50,566**	44,987
Loan capital	26	**14,201**	12,891	**3,371**	3,362
Total liabilities		**369,408**	353,766	**53,937**	48,349
Net assets		**33,996**	34,106	**31,407**	33,108
Equity					
Contributed equity	27	**11,372**	12,407	**13,809**	14,872
Reserves	28	**3,891**	3,302	**1,744**	1,559
Retained earnings	28	**18,218**	17,446	**15,854**	16,677
Total capital and reserves attributable to the ordinary equity holders of Macquarie Group Limited		**33,481**	33,155	**31,407**	33,108
Non-controlling interests	28	**515**	951	**–**	–
Total equity		**33,996**	34,106	**31,407**	33,108

The above statements of financial position should be read in conjunction with the accompanying notes.

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 4:

Extracts from Universities Superannuation Scheme Report and Accounts for the year ended 31 March ~~2022~~ 2023

For members, for the future.

Universities Superannuation Scheme Limited

Group Report and Accounts
for the year ended
31 March 2023

Company number: 01167127

Contents

Company information

Company registration number	01167127
Registered office	Royal Liver Building Liverpool L3 1PY
Company secretary	Mr M Burt (appointed 1 October 2022) Ms N Mayo (resigned 1 October 2022)
Directors	Dame K M Barker (Chair) Mr R C Picot (Deputy Chair and Senior Director) Mr A C Brown Professor Sir P J Curran Mrs M D'Auria Mr G Dixon Ms E Kelleher Dr A Kerneis Professor Sir V A Muscatelli Ms H M Shay Mr S W Spinks Dr D C H Watts
Bankers	Barclays Bank PLC 48B & 50 Lord Street Liverpool L2 1TD National Westminster Bank PLC 2-8 Church Street Liverpool L1 3BG
Independent auditor	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
Website	uss.co.uk

Strategic report

for the year ended 31 March 2023

The directors submit their Strategic report, Directors' report and the consolidated financial statements for the year ended 31 March 2023.

Principal activity

Universities Superannuation Scheme Limited (USSL or the company) is a company incorporated in the United Kingdom on 18 April 1974, which is limited by guarantee and does not have share capital and is the corporate trustee (the trustee) of the Universities Superannuation Scheme (USS or the scheme). The scheme is the principal pension scheme for academic and comparable staff in universities and other higher education institutions in the United Kingdom; it is a hybrid scheme providing both defined benefit (DB) and defined contribution (DC) pension benefits to its members.

USS Investment Management Limited (USSIM) is a wholly-owned subsidiary of the company incorporated in the United Kingdom. Its principal activity is to provide investment management and advisory services to the company. Together these companies are referred to as 'the group'.

The group recovers its costs in accordance with the Scheme Rules generating neither profit nor loss. Accordingly, the group's business model focuses on maximising value for money for the scheme's members and the employers in the scheme.

Review of the business

The board provides monitoring and oversight of USS's operations, ensuring that the scheme is adequately funded, benefits are paid when they fall due, the scheme is effectively administered in line with objectives and continues to meet the needs of the UK higher education sector.

The 2020 valuation, completed in September 2021, revealed the need for higher contributions to fund the pensions and the Joint Negotiating Committee (JNC) agreed revised future service benefits and contributions in response. These changes were implemented from 1 April 2022 following consultation with members.

As explained further below, market conditions have changed substantially since the 2020 valuation, and despite falls across most asset classes reducing the value of the scheme's assets during the year, the scheme ended the year in a much better implied funding position than it has been for some time. With the emergence of a potential surplus and reduced contribution rate, the JNC has been able – for the first time in more than a decade – to consider improving the benefits offered by the scheme and/or lowering the contributions paid by members and employers. Following guidance provided by the company in February, University and College Union (UCU) and Universities UK (UUK) have stated their joint commitment to prioritising the improvement of benefits to pre-April 2022 levels (for accrual from 1 April 2024), subject to confirmation of the pricing from the trustee and completing the required consultations.

One of the key goals for the 2023 valuation will be to work with stakeholders on the JNC to turn an improved funding position into a platform on which to build greater resilience and stability of funding costs and benefits into the future. USSL has been actively facilitating stakeholder discussions with a view to completing the valuation in time to implement any changes they decide to make by April 2024.

During the year, supply disruptions from the Covid pandemic lingered and were heightened by the economic and geopolitical impact of the war in Ukraine. Inflation rose to double-digit levels and central banks increased interest rates in response. September then saw significant turbulence in the gilt market, and the volatility of the UK investment market presented new challenges. Many asset classes, including traditional safe havens like government bonds, posted market value losses of around 20% in the year.

For the Investment Builder, the defined contribution (DC) part of USS, recent turbulent investment markets against a backdrop of high inflation have meant that the one year performance of the USS Growth Fund, which comprises 59% of the total assets, is lower than its long-term return target. Members with Investment Builder pots will have seen these effects on their reported pot values. However, looking over a longer time horizon the fund return since inception is in line with the target.

Despite this challenging backdrop the company's subsidiary USSIM has continued to deliver a robust investment performance. Falls in scheme asset values have been significantly outweighed by reductions in the estimated value of scheme liabilities supporting the improved indicative funding position noted above.

The scheme announced its Net Zero ambition in May 2021, and has since set up a Net Zero programme to ensure focus and delivery across the business. Interim targets have been set to reduce carbon emissions by 25% by 2025 and 50% by 2030. A climate tilt has been introduced to a large portion of the equity investments held, and a £500m sustainable growth mandate has been launched. This mandate will invest globally in growing, private businesses with proven business models supporting energy transition or greenhouse gas mitigation held through third party global funds which have demonstrable track records of scaling such businesses.

Principal risks and uncertainties

The board's approach to risk management within the group is set out in its risk management framework which defines the board's risk appetite, the types of risks the group is exposed to and the related risk governance arrangements. The group's risk framework includes a dedicated risk team and risk governance arrangements, policies and processes. The framework aims to ensure that risks are effectively identified, managed, monitored and reported across the business. Further information about the wider context of the USS risk management framework can be found in the scheme's Annual Report and Accounts which are available on the website **uss.co.uk/about-us/report-and-accounts**.

Risks that could impact on the delivery of business objectives, and the internal control systems that support them, are documented and assessed against risk appetite.

Strategic report for the year ended 31 March 2023

Continued

Where key risk indicators show that a risk may be greater than the acceptable risk appetite, appropriate remedial actions are developed, implemented and tracked to resolution. This Strategic report analyses the risks relevant to the group's performance as a trustee company with an investment management subsidiary which impact the scheme's performance and might indirectly impact the group, together with the risks which directly impact the group including financial risks, recognising that it generates neither a profit nor a loss.

There are various potential risks and uncertainties that could impact the group's long-term performance. The board assesses these risks and uncertainties and takes appropriate mitigating action where necessary. As noted above, the company is regulated by The Pensions Regulator and is also authorised and supervised under the Master Trust regime by The Pensions Regulator. USSIM is regulated by the Financial Conduct Authority (FCA). The board, together with a dedicated team, regularly assesses regulatory developments and ensures appropriate compliance. The principal risks, potential impacts and mitigations in place for the group are described below.

Principal risks and uncertainties which are scheme related and directly impact the group

Service delivery risk

There is a risk that the pension service delivery fails to meet the requisite quality or timeliness standards which may lead to poor or incorrect outcomes for our members. There are robust operational controls and defined service standards and service level metrics in place together with a comprehensive workload forecasting tool, as well as quality control checking and regular training of all staff.

Legal and regulatory risk

There is a risk that the group is adversely impacted by changes to policy, legislation or regulation or that the group fails to apply effective oversight of its compliance with such policy, legislation or regulation. This could lead to additional cost and organisational complexity or fines, compensation costs and censure, as well as damage to stakeholder relationships and the scheme's reputation.

The group engages dedicated compliance and legal professionals to assist the board in assessing existing and emerging regulatory initiatives, monitoring changes to, and compliance with, the law and regulations and providing ongoing compliance training. Investment in our risk and control framework reflects the level of focus expected from a pension scheme of our scale and complexity. The key performance indicator for the year is the completion of the quarterly review process against the group's legal and regulatory obligations ensuring that no significant regulatory issues arise, as well as satisfactory completion of all education and awareness activity by relevant staff.

The group has reported two compliance issues to The Pensions Regulator (TPR) within the financial year. The first relates to historic issues in relation to iterations of the Scheme Rules that applied at different points prior to October 2011. While the issues affect a relatively small proportion of members, the group is currently working to identify those affected and will be contacting them in due course. The remediation programme for this issue is complex and will continue into the next financial year. The second issue relates to a small cohort of pensioner members whose DC funds were not correctly allocated as per the lifestyle glidepath. This issue has now been closed with any remediation having been provided to members impacted. Notwithstanding the above the control environment has remained robust in the year and the business has continued to strengthen controls in an appropriate and diligent manner.

Under the Senior Managers and Certification Regime (SMCR), the compliance team maintains the management responsibilities map and the business control team supports the reasonable steps framework. The compliance team facilitates the annual certification and mandatory training of Certified Persons and Senior Managers and updates the FCA Register with the relevant details.

Resilience, technology and change risk

There is a risk that the group's ability to provide important services is compromised as a result of disruption to IT or facilities infrastructure, inadequacy of technology arrangements or changes to business capabilities and processes not being delivered reliably. This could lead to an adverse impact on operational capacity and controls or result in deterioration of the value of the scheme's assets, adversely impacting the scheme's funding and liquidity position and asset valuation in the short term.

To mitigate this risk resilient business continuity management, including IT disaster recovery and governance is in place. A team of experienced business change professionals is employed by the group, augmented by further external resources as necessary. Business change governance is closely monitored and controlled with oversight from the group executive. The key performance indicator for the year is to ensure that greater than 80% of milestones for change projects are completed in line with deadlines laid out in agreed project plans. 88% (2022: 93%) of milestones were completed in line with deadlines laid out in agreed project plans during the year.

People risk

There is a risk that the group fails to attract and retain sufficient competent and engaged staff to operate key process elements necessary for the organisation to do business in a manner that aligns with the USS core values of Integrity, Collaboration and Excellence. This may lead to an inability to provide the necessary capacity and skills to achieve successful delivery of the group's strategic priorities, leading to poor investment performance, increased incidence of operational error and failure, and ultimately result in reputational damage with key stakeholders.

To mitigate the risk, the group has consistently sought to build and maintain an experienced and talented team. This is supported by clear objective setting linked to the strategic priorities, regular performance and remuneration reviews with reference to appropriate benchmarks, training and development programmes, and employee satisfaction reviews.

As a responsible employer, employee health and well-being is a priority. The group also has an Equity, Diversity and Inclusion (EDI) strategy to address a range of challenges including improving diversity at senior levels.

Strategic report for the year ended 31 March 2023

Continued

The key performance indicator for the year is a measure of employee engagement and training satisfaction levels. The aim of the annual independent employee engagement survey is to measure the levels of alignment with our goals, commitment and motivation. The most recent employee engagement score for the group was 7.7 out of 10 (2022: 7.6 out of 10), which is close to the industry benchmark.

Information security and privacy risk
The group is exposed to the risk that the confidentiality, integrity and availability of the data it holds and manages is not maintained. The impact of this risk may lead to breaches of applicable data protection legislation, potential for regulatory censure or fine, damage to stakeholder relationships and reputation, together with potential monetary loss and remediation costs.

The group's strategies to mitigate this risk include the implementation of an appropriate information security and data protection framework and processes, the implementation of appropriate cyber risk controls, the delivery of regular education and awareness training to employees and ongoing maintenance of the international information security accreditation, ISO 27001.

In May 2023, one of the scheme's service providers – Capita plc – informed the company that USS member data held on their servers had been compromised by hackers. The company has engaged extensively with Capita on this regrettable issue and members have been provided with access to a leading identity protection service, free of charge. The company will keep this important issue under review, in line with any investigations the Information Commissioner's Office feels necessary to pursue to inform its view on what appropriate action should follow.

Scheme strategy and stakeholder risk
There is a risk that institutions, members or their representative bodies no longer view USS as their preferred service provider for retirement benefits. This may lead to members choosing not to participate in USS, missing out on the scheme's benefits, or employers, or their representative bodies, no longer viewing USS as the right provider to build a secure financial future for their employees and their families.

To mitigate this risk the group holds regular meetings with employers, member representatives and employer representatives, including both UUK and UCU. This engagement is ongoing but is more frequent during actuarial valuations. The group works closely with the scheme's stakeholders, including the JNC, who are responsible for agreeing member benefits and meeting their needs as well as engaging on low-cost options and conditional indexation to ensure the continued suitability of USS benefits for the sector. The covenant has also been strengthened through the implementation of a minimum 20-year rolling moratorium on institutions leaving the scheme and pari passu rules on future institutional secured debt issuance.

In addition, the group performs quarterly member and employer surveys, publishes regular updates, articles, videos for members and institutions in relation to developments impacting them and the scheme on its website **uss.co.uk**, and offers individual employer and member webinars. The new My USS digital offering provides better access for members to information about their pension benefits.

Supplier performance failure risk
The group is exposed to the risk that a supplier fails to properly perform a business-critical contracted service. This could result in a failure to perform business-critical activities on a timely basis, failure to obtain value for money for the scheme or performance of the service in a manner that is not in the scheme's best interest. To mitigate this risk the group has a dedicated procurement function with responsibility (together with the Group General Counsel) for controlling supplier onboarding and ongoing monitoring of key suppliers' financial position and performance. The function provides support in taking appropriate remedial actions and ultimately replacement of non-performing suppliers should value for money not be received. Relationship management structures are in place with key suppliers, supported by service-level agreements, management information provision and incident escalation and resolution protocols. The key performance indicator for the year is the completion of key supplier healthchecks on a timely basis. There were no significant issues identified during the year.

Principal risks and uncertainties which are scheme related and indirectly impact the group
The group is responsible as the trustee and investment manager of the scheme. While neither the company nor USSIM is the beneficial owner of underlying scheme assets, the company holds them as trustee for the scheme. As such, the risks set out below would indirectly impact the group in respect of the quality of the service it provides, but do not impact the group's own financial statements directly.

Funding risk
The risk that USS holds inadequate assets to cover the accrued pension benefits. This may lead to the requirement to substantially increase contributions, amend investment strategy and/or reduce future benefits.

To mitigate this risk, the group has implemented a comprehensive Financial Management Plan (FMP) as part of each actuarial valuation, incorporating the acknowledged strength of the employers' covenant, the appropriate contribution rate and investment strategy, and has a dedicated funding strategy and actuarial team focused on funding of the Retirement Income Builder. The group regularly monitors the funding level, employers' covenant strength, contribution adequacy and liability in the context of the FMP, and regularly analyses the sources of changes in both the liability and the deficit and of the impact of this on the required contribution rate.

Further details relating to the funding of the scheme can be found in note 17, Deficit recovery liability.

Investment performance risk
The investment portfolio managed by the group is exposed to investment performance risk, the risk that investment returns are below the required return over the medium to long term (5+ years), leading to the scheme funding ratio being below acceptable minimum levels for DB, or member investment return targets not being met for the DC portfolios.

To mitigate this risk the group has a documented, structured and effective investment process, run by experienced investment professionals, incorporating robust controls and diligent oversight.

Strategic report for the year ended 31 March 2023

Continued

The DB investment portfolio is diversified across various investment types and risk factors. It is managed relative to a balanced scorecard, which reflects the complex and long-term needs of the scheme using a range of quantitative and qualitative factors linking back to the scheme's risk appetite as set by the board.

Over five years to the end of March 2023 the annualised return on the DB asset portfolio (net of costs) was 2.4% (2022: 7.8%). Within the Investment Builder, the DC element of the scheme, investment options are diversified across investment types and an experienced dedicated team monitors the performance of the DC portfolios and the related managers. Further information with more detailed commentary on investment performance risks can be found in the scheme's Annual Report and Accounts for the year ended 31 March 2023 and the Statement of Investment Principles, both of which are available on the website **uss.co.uk.**

Climate change risk

There is a risk of material financial impacts from climate change. The impact of this risk would be loss of value of assets from transition to a low-carbon economy or from actual or potential physical damage, especially where the scheme is a long-term holder of those assets.

To mitigate this risk the scheme has set an ambition to achieve Net Zero for carbon emissions for the scheme investments that USSIM manages by 2050 with interim targets for 2025 and 2030. Climate risk has been integrated into governance and risk management processes with oversight at board level. Climate risk has been integrated into the investment decision making process, and regular scenario analysis and modelling is performed to help identify and quantify the systemic impact of climate change on the economy and markets. USSIM has a dedicated in-house Responsible Investment (RI) team with specialist expertise to support investment teams and the trustee.

Non-financial KPIs

A range of non-financial KPIs are measured throughout the year, including those in relation to member service, employer service and the metrics associated with staff employed in the business.

Pension services

Members' and employers' experiences of USS, of its systems and processes, and of its people are a crucial barometer of the group's success in managing the scheme. The group has continued to invest in its pensions administration and support function in response to the increasing complexity of the scheme and the regulatory environment.

The group has continued to improve decision support available to members – launching new modellers for contributions and tax calculations enabling members to do more online than ever before, and a more bespoke approach to communicating with members, aligning updates with where they are in their journey to retirement. Following the benefit changes introduced in April 2022, the number of members with individual Investment Builder accounts increased. Significant resource was dedicated to supporting members through this change, holding webinars and providing information and guidance covering the choices available.

These efforts (and others) were formally recognised last year when the scheme achieved the Customer Service Excellence (CSE) quality mark. The accreditation followed an independent assessment of our performance against five criteria: customer insight, culture, information and access, delivery and timeliness, and quality of service.

Member ratings of their overall relationship with USS are likewise improving, with 30% now giving a good or very good rating in response to our quarterly survey, compared with 17% this time last year. Dissatisfaction with the 2020 valuation is understandably still a prominent theme in members' comments, but the proportion of members rating their overall relationship as poor has also decreased from 42% to 32%.

Scheme employer satisfaction scores remain very high – 90% rate their relationship with USS as good or very good.

Value for money and effective cost control

The group must demonstrate value for money including transparency and accountability when engaging with suppliers since its costs are ultimately recharged to the scheme.

This is achieved by working to ensure that expenditure and sourcing decisions are approved before suppliers are engaged, and that cost performance against budgets is monitored on a monthly basis, and against external benchmarks annually.

The operating costs for the year amounted to £164.7m (2022:£190.7m). A summary of total operating costs for the year analysed by nature of expense is as follows:

	2023 Total £'000	2022 Total £'000
People related expense		
Wages and salaries (inclusive of social security, redundancy and pension costs)	58,232	53,264
Employee incentives (inclusive of social security)	40,655	44,458
Contractor costs	914	244
Pension deficit expense and provision funding cost	105	31,556
Other personnel costs	4,486	3,749
People related expense	**104,392**	133,271
Premises costs	4,014	4,090
Investment costs	17,779	20,016
Other costs	38,551	33,344
Total operating costs	**164,736**	190,721

Strategic report for the year ended 31 March 2023

Continued

Total operating costs have decreased by £26.0m or 14% year-on-year.

The most significant driver of the decrease was the movement in the pension deficit liability which had an impact of £0.1m to the income statement during the year compared to the £31.6m incurred in prior year (in relation to initial recognition of the liability under the deficit recovery plan as agreed as part of the 2020 valuation).

Increased headcount during the year (described below and detailed in note 5) and inflation led to higher wages and salaries costs (£5.0m). This increase is partially offset by reduced investment costs (£2.2m) as a result of the group's in-sourcing strategy and cost efficiency initiatives. In other costs, increases in computer and information services costs (£2.6m) and irrecoverable VAT (£3.8m) related to investment activities contributed to the increase, while spend on professional fees is £2.1m lower as activity related to the 2020 valuation wound down.

Long-term incentive plans (LTIPs)

A significant portion of employee incentives are earned by employees of USSIM. This year the Investment Committee has assessed USSIM's performance under the first full year of the new Investment Balanced Scorecard approach. Prior to 2021, investment performance was assessed in terms of outperformance relative to the Reference Portfolio over a rolling five-year period, and in 2021 on an interim balanced scorecard approach.

Under this revised approach, performance is assessed using a range of quantitative and qualitative factors aligned to USSIM's investment objectives and the interests of the scheme's members and employers. More information about the implementation of the investment balanced scorecard approach is included in the scheme's Annual Report and Accounts.

The group balance sheet contains a £20.7m provision (2022: £20.7m) which represents the present value of estimated future pay-outs and related costs of the LTIPs granted and not yet paid. For USSIM LTIPs issued in the current year this is based on the assessment of the investment balanced scorecard (as discussed above), and on a hybrid approach for LTIPs issued in prior years but not yet paid, which includes performance against relevant balanced scorecards and investment performance benchmarks. After reflecting the assessment of the investment balanced scorecard for the scheme performance year ended 31 December 2022, and the impact of Group LTIPs, a £10.5m charge was made in the group in the current year (2022: £16.9m). This provision represents a critical accounting judgement and a source of estimation uncertainty. Further details are shown in note 13 to the financial statements, and in the remuneration report in the scheme's Annual Report and Accounts.

Deficit recovery agreement

The group's balance sheet contains a £46.5m (2022: £47.3m) liability to reflect the discounted cash flow value of the group's share of the pension deficit recovery contributions as defined in the 31 March 2020 actuarial valuation and related deficit recovery agreement, which represents the contractual obligation in respect of the group's current and past employee members. Further details are shown in note 17 to the financial statements.

Employee numbers

The employees of the group are critical to the success of the group and scheme overall. To deliver value for members and institutions, the board ensures that the group has the right mix of skills and experience. The group continued to invest in its people during the year which saw average headcount increase from 554 to 579 largely as a result of continued development in the in-house investment management capability.

Companies Act 2006, Section 172 statement

Section 172 of the Companies Act 2006 (CA2006) sets out the duty of the directors to promote the success of the company. Details of how directors discharge this duty are presented below. The group has also adopted the 'Wates Principles' to provide a framework for disclosure of its corporate governance arrangements and more detail is provided in the scheme's Governance supplement on the website **uss.co.uk/about-us/report-and-accounts**.

Long-term decision making

The group has a long-term focus and purpose to deliver an investment strategy to support the sustainability of the scheme and ensure that pensions can be paid as they fall due. As part of its decision making the board considers the likely consequences of any decision in the long-term for all significant matters discussed. The board regularly discusses strategic issues and considers the long-term impact on the group and the scheme it serves.

Business relationships

The group recognises the important role it plays in supporting the continued success of the Higher Education (HE) sector in the United Kingdom and the critical relationships it has with its members and beneficiaries. The group works with more than 300 employers and has more than 520,000 (2022: 500,000) members and so has a significant impact on the wider community by working to help build a secure financial future for members and their families and support them through their working life and into retirement.

The group works closely with employers to deliver an efficient, timely and high-quality service to our members.

The group is committed to continuously improving member experience, including delivering communications directly to its members rather than communicating through their employer and a shift to more online services. Members' needs are also represented by UCU whom the group engages with regularly through the JNC (for more information on the activities of the JNC see the Governance Report provided on the USS website).

The group provides regular information to employers and members with regards to the performance of the scheme investments, through various communication channels as well as conducting annual employer and member engagement surveys.

The group manages business relationships with suppliers through a robust supplier onboarding process followed by ongoing monitoring of critical and key suppliers through regular health-checks, supplier management activity and financial oversight.

Strategic report for the year ended 31 March 2023
Continued

Other stakeholders
The group has also identified USS employees and regulators as key stakeholders and additionally recognises its responsibilities in relation to society more broadly in relation to its investments, including financially material environmental, ethical, social and corporate governance impacts.

The group considers all long-term risks to the performance of the investment portfolio, including material environmental, ethical, social and corporate governance factors where these have a financial bearing. The group's commitment to responsible investment is captured in its Statements of Investment Principles, Investment Beliefs, Responsible Investment and Stewardship Code.

The group has had regular engagement with The Pensions Regulator (TPR) as part of its ongoing supervision of the scheme. As a multi-employer scheme offering DC benefits, USS is required to be an authorised Master Trust. USS is required to evidence that the authorisation criteria continue to be met and this is done through providing TPR with copies of various documents such as the scheme report and accounts, which include the Chair's defined contribution statement and supervisory return as well as notifying it of any significant or triggering events as and when they occur.

Information on employee engagement is detailed in the Directors' report.

Streamlined energy and carbon report (SECR)
The SECR requirement disclosures below show the impact of the group's operations on the environment and the initiatives undertaken to improve that impact.

		Group 2023	Group 2022	Company 2023	Company 2022
1. UK energy usage					
Electricity[1]	MWh	828	828	537	547
2. Greenhouse gas emissions					
Electricity[1]	tCO_2e	160	176	104	116
Fuel	tCO_2e	–	1	–	1
Mileage[2]	tCO_2e	5	2	2	1
Total		**165**	**179**	**106**	**118**
3. Emissions intensity ratio	Average employees[3]	579	554	365	365
	tCO_2e/FTE	**0.28**	**0.32**	**0.29**	**0.32**

1 The electricity data in megawatt hours (MWh) has been taken directly from invoices received from energy providers. The greenhouse gas emissions (GhG) of electricity have been calculated using a conversion factor of 0.19338 (2022: 0.21233) as published alongside the SECR guidance. The conversion factor is used to convert this to tonnes of carbon dioxide emissions (tCO2e).
2 The GhG of mileage is calculated based on the total mileage claims reimbursed. An average reimbursement of 45p per mile is then used to calculate mileage travelled. A conversion factor of 0.27039 (2022: 0.26549) as published alongside the SECR guidance is then used to calculate total GhG.
3 This is the average monthly headcount during the year.

The implementation of a hybrid working framework continues to have an impact on the group's carbon footprint. The group is currently conducting a review of its operational carbon footprint to identify high carbon emission areas and put in place sustainable action plans to reduce carbon emissions. The group has reduced printers on site by over 50% and is set this year to replace lighting with a more energy-efficient infrastructure. The group can confirm that none of its waste goes to landfill. Further information on the group's approach to climate risks and their impact, in line with the Task Force on Climate-related Financial Disclosures (TCFD) regulations is available on the website: **uss.co.uk/how-we-invest/responsible-investment**.

Business conduct
The group takes seriously the need to maintain a reputation for high standards of business conduct and the need to act fairly between members. The rules, principles, practices and processes by which USS is governed are set out in the USS Governance Framework. The USS Group Code of Conduct provides statements of, and guidance for, behaviours and acceptable business conduct that apply to all staff members.

USS has been approved as a Master Trust, reflecting the high standards that are being met by the company in running the scheme on behalf of universities and in protecting members' benefits.

This report was approved by the board on 20 July 2023 and signed on its behalf.

By order of the board

Michael Burt
Company Secretary

Universities Superannuation Scheme Limited
Balance sheets as at 31 March 2023
Company registration number: 01167127

		Group		Company	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible fixed assets	7	1,620	1,556	1,620	1,556
Tangible fixed assets	8	2,969	3,976	2,633	3,542
Investment in subsidiary undertakings	9	–	–	921	921
		4,589	**5,532**	**5,174**	**6,019**
Current assets					
Debtors due within one year	10	124,280	118,240	121,462	115,575
Cash at bank and in hand		473	669	–	1
		124,753	**118,909**	**121,462**	**115,576**
Current liabilities					
Creditors: amounts falling due within one year	11	(53,990)	(46,662)	(107,538)	(100,524)
Net current assets		**70,763**	**72,247**	**13,924**	**15,052**
Total assets less current liabilities		**75,352**	**77,779**	**19,098**	**21,071**
Creditors: amounts falling due after more than one year	12	(7,157)	(8,299)	–	(64)
Provision for liabilities	13	(21,744)	(22,121)	(3,305)	(3,338)
Deficit recovery liability	17	(46,451)	(47,359)	(15,793)	(17,669)
Net assets and reserves		**–**	**–**	**–**	**–**

The notes on pages 16 to 30 form part of these financial statements.

The company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The company's result for the year was £nil (2022: £nil) as its costs are recharged in full to the scheme.

The financial statements were approved by the board of directors on 20 July 2023 and were signed on its behalf by:

Dame Kate M Barker
Chair

Mr Russell C Picot
Deputy Chair and Senior Director

RAMPION EXTENSION DEVELOPMENT LIMITED

RAMPION 2 OFFSHORE WIND FARM

FUNDING STATEMENT APPENDIX 5:

Extracts from Ontario Teachers' Pension Plan ~~2022~~ 2023 Annual Report

Investing to make a mark

ONTARIO TEACHERS' PENSION PLAN

2023 Annual Report

Table of contents

About Ontario Teachers'

We deliver retirement security to

340,000

working members and pensioners.

We have

$247.5B[1]

in net assets.

We invest in

50+ countries

through our global offices around the world.

We are a global, independent organization

Sponsors' role

Ontario Teachers' Federation (OTF) and the Ontario government are the plan's joint sponsors. Together, OTF and the Ontario government ensure the plan remains appropriately funded, and decide:

- the contribution rate;
- member benefits, including inflation protection levels; and
- how to address any funding shortfall or surplus.

Board's role

Our board members are appointed by OTF and the Ontario government, and they oversee the management of the pension fund and administration of the pension plan. Board members are required to:

- act independently of both the plan sponsors and management; and
- make decisions in the best interests of all plan beneficiaries.

Management's role

Management sets long-term investment and service strategies with three main responsibilities:

- investing assets in a manner to ensure the plan can pay present and future pensions;
- administering the plan and paying pension benefits to members and their survivors; and
- operating the business in line with the long-term enterprise strategies.

1 All figures as at December 31, 2023, and expressed in Canadian dollars unless otherwise noted.

Consolidated statement of financial position

As at December 31 (Canadian $ millions)	2023	2022
Net assets available for benefits		
ASSETS		
Cash	**$ 501**	$ 1,107
Receivable from the Province of Ontario (NOTE 3)	**3,284**	3,298
Receivable from brokers	**792**	562
Investments (NOTE 2)	**305,335**	311,270
Premises and equipment	**291**	83
	310,203	316,320
LIABILITIES		
Accounts payable and accrued liabilities	**686**	590
Due to brokers	**592**	1,364
Investment-related liabilities (NOTE 2)	**61,412**	67,131
	62,690	69,085
Net assets available for benefits	**$ 247,513**	$ 247,235
Accrued pension benefits and surplus		
Accrued pension benefits (NOTE 4)	**$ 211,393**	$ 206,197
Surplus	**36,120**	41,038
Accrued pension benefits and surplus	**$ 247,513**	$ 247,235

The accompanying notes are an integral part of these Consolidated Financial Statements.

On behalf of the Plan administrator:

Steve McGirr
Chair

Debbie Stein
Board Member