

REPORT ON SUSTAINABILITY



JULY 2026

IN THIS REPORT



General disclosures

- 03 Message from the CEO & Board Chair
- 05 About TC Energy
- 06 Our business

Sustainability in our business

- 07 Sustainability at TC Energy
- 08 2025 Sustainability performance highlights

Material topics

- 10 Climate
- 31 Environmental management
- 35 Indigenous engagement
- 38 Stakeholder relations
- 40 Employee and contractor safety
- 43 Asset integrity and process safety
- 46 People and culture
- 49 Governance

Appendix

- 55 About this report
- 56 Performance data
- 69 Content indices
- 71 Endnotes
- 73 Forward-looking information and non-GAAP measures



MESSAGE FROM THE CEO & BOARD CHAIR

A MESSAGE FROM FRANÇOIS AND JOHN

Our Report on Sustainability shows how we create long-term value—and how sustainability is embedded in the way we operate. It reflects the priorities that guide our strategy, the progress we are making against our commitments and how our business continues to adapt as the energy landscape evolves. It also demonstrates our focus on disciplined execution that drives strong performance, and transparent reporting to our shareholders, stakeholders and rights holders.



François L. Poirier
President and Chief Executive Officer



John E. Lowe
Chair of the Board of Directors

A disciplined approach that stands the test of time

For over 75 years, we have built and operated infrastructure critical to North America’s energy network. Today, that network spans more than 94,000 kilometres of natural gas pipelines and over 650 billion cubic feet of storage—moving more than 30 per cent of the natural gas consumed daily across the continent. Alongside our pipeline network, our Power and Energy Solutions portfolio—anchored by our ownership interest in Bruce Power, the continent’s largest operating nuclear facility—is designed to deliver complementary solutions to grow with market demand and adapt to evolving energy needs.

Since our founding, markets have evolved, demand has grown and expectations have changed—but our approach remains grounded in the same core principles: operating safely, investing with discipline and building long-term infrastructure responsibly in the areas where we operate.

That foundation continues to shape how we run our business today, with sustainability considerations integrated into how we operate, engage with communities, allocate capital and manage risk—allowing us to deliver solid growth, low risk and repeatable performance.

Sustainability in a changing environment with growing demand

Energy demand is increasing across North America, driven by electrification, fuel switching—including coal-to-gas conversions—LNG exports, industrial growth and growing reliability needs from local distribution companies (LDCs). New sources of demand—including data centres and AI—are further accelerating this demand growth and are emphasizing the need for reliable power generation. Balancing emissions reduction with this increased demand and higher system utilization—while navigating shifting policy and stakeholder expectations—requires disciplined choices and sustained focus. The pace of change in

technology, regulation and markets continues to shape how progress is achieved. At the same time, geopolitical uncertainty has reinforced the importance of energy security, positioning North America to play a larger role in supplying reliable and affordable energy across the continent and globally.

In this environment, our integrated network continues to perform. The high availability and performance of our assets captured rising demand and drove strong financial performance in 2025, with record utilization and multiple pipeline flow records across our natural gas network. We improved upon our five-year trend of higher natural gas throughput while reducing methane emissions intensity by 24 per cent since 2019. We placed more than \$8 billion of projects into service—expanding capacity and reliability while supporting economic growth across North America. At the same time, we delivered our best safety performance in five years, including a significant improvement in High Energy Serious Injury and Fatality (HSIF) rate and zero significant process safety events. These results reflect our strategic priorities of maximizing the value of our assets and delivering energy where and when it is needed through safety, operational and project execution excellence.

Sharpening our focus and advancing performance

Through our ongoing evaluation of sustainability-related risks and opportunities, and consistent dialogue with shareholders, stakeholders and rights holders, we have refined our targets—placing greater emphasis on outcomes that directly support how we create and protect long-term value. We have integrated priorities such as safety, emissions reduction, and Indigenous and stakeholder relationships into how we run the business—areas that reflect the interests of our stakeholders and rights holders and strengthen the durability and equitability of our approach. We increased visibility of our five-year performance trends to provide a clearer view of how we are progressing on issues that require sustained effort over time.

Prioritizing methane intensity reductions

With significant growth expected across our North American natural gas network, we are prioritizing methane—the most impactful emissions—where proven abatement technologies and closer alignment with evolving regulatory expectations support competitiveness and strong financial performance.

In 2025, we identified the key activities and sequencing needed to advance our target of reducing methane intensity by 40 to 55 per cent by 2035 from a 2019 baseline. These include enhancing maintenance planning intervals to improve coordination of venting mitigation activities, including emissions metrics alongside safety, reliability and financial metrics in maintenance capital decisions, and scaling operational practices that deliver measurable improvements. We also aligned the methane component of the long-term incentive for executive compensation with our methane intensity target to drive near-term accountability.

This work reflects a broader, system-level approach to managing emissions while supporting increasing demand and maintaining system competitiveness, enabling pragmatic progress on emissions reduction as more capital-efficient decarbonization pathways continue to mature.

Performance driven by relationships and partnerships

Strong relationships are foundational to how we operate and grow. Building and maintaining trust with Indigenous communities, landowners, governments and customers is critical to our ability to develop projects, operate safely and deliver long-term value. This begins with early engagement, open communication and a commitment to working together over the full lifecycle of our assets.

In 2025, we continued to strengthen these relationships across our business. The Coastal GasLink pipeline marked a significant milestone, supporting Canada’s

first LNG exports to global markets. Along the route, 17 Indigenous Nations chose to pursue an option for equity participation—creating a path to long-term economic ownership alongside employment, contracting and community benefits. Following commercial in-service the due diligence process commenced for the Indigenous Nations on the investment opportunity, reflecting continued progress toward shared ownership and prosperity. Building on this momentum, we advanced construction of the Cedar Link Project—an expansion of the Coastal GasLink system—designed to deliver natural gas to the world’s first Indigenous-owned LNG facility.

In Ontario, we progressed development of the proposed Ontario Pumped Storage Project in partnership with the Saugeen Ojibway Nation, with alignment and shared decision-making established early. More broadly, our focus on early engagement with Indigenous communities continues to make a measurable difference. In 2025, this approach helped secure 36 letters of support ahead of regulatory filings as projects advanced under our NGTL System Multi-Year Growth Plan—reinforcing the value of building alignment early and working collaboratively over time.

These relationships are not separate from our strategy—they are essential to it.

Confidence in our future

2025 was defined by growing energy demand, shifting expectations and evolving market dynamics.

Our portfolio is resilient and well positioned for today’s energy markets underpinned by our focus on natural gas and reliable nuclear and lower-carbon power. Together with our disciplined capital allocation and low-risk business models, these assets are delivering affordable, reliable and lower-emitting energy today — demonstrating that our strategy is working.

Our people are central to how we deliver that value. Every day, they plan, build and operate complex infrastructure with care and discipline—connecting communities, businesses and markets to the energy

they need. In 2025, 94 per cent of employees reported that our purpose, mission, vision and values are reflected in the work they do, demonstrating a strong, shared commitment across our organization.

For 75 years, we have adapted without losing focus. As demand grows and expectations evolve, we will continue to operate safely and reliably, invest with discipline and proudly connect the world to the energy it needs.

Sincerely,



François Poirier
*President and
Chief Executive Officer*
July 2026



John Lowe
*Chair of the
Board of Directors*
July 2026



ABOUT TC ENERGY

We are a leader in North American energy infrastructure, spanning Canada, the United States (U.S.) and Mexico. For over 75 years, we have proudly connected the world to the energy it needs. Every day, we move more than 30 per cent of the natural gas used across the continent and connect LNG exports to global markets, powering communities and industries. Complemented by strategic ownership and low-risk investments in power generation, our infrastructure delivers affordable, reliable and sustainable energy across North America.

Our greatest strength is our people. Generations of employees have built a company defined by disciplined execution, operational excellence and a commitment to safety in every step. Their work powers lives and livelihoods across the continent.

We carry forward a legacy of nation-building energy infrastructure and strong partnerships. By working with communities, businesses and leaders across our extensive energy network, we help strengthen North America’s position as a global energy leader while creating opportunities today and for generations to come.

TC Energy’s common shares trade on the Toronto (TSX) and New York (NYSE) stock exchanges under the symbol TRP. To learn more, visit us at [TCEnergy.com](#).

LAND ACKNOWLEDGEMENT

TC Energy acknowledges the Indigenous ancestral lands on which the company operates across North America and affirms our commitment to understanding how the histories, cultures and rich traditions of the Peoples of these lands have been shaped by the past, how they influence our present and what we can learn to prosper together in the future. We are committed to working with the original keepers of the land to advance shared ownership and prosperity.

WE ARE A LEADER IN NORTH AMERICAN ENERGY INFRASTRUCTURE

PURPOSE

We are proud to connect the world to the energy it needs.

MISSION

To safely and efficiently move, generate and store the critical energy that North America and the world rely on.

VISION

To be the trusted leader in North America’s energy infrastructure, committed to excellence in safety, performance and stakeholder relationships.

VALUES



Safety in every step

I put safety first to protect myself, my teammates, the public and the environment.



Personal accountability

I act with integrity and own my commitments and outcomes.



One team

I am part of the greater whole, where our unique skills enable us to achieve more together.



Active learning

I embrace learning in all aspects of my work with curiosity and creativity.

OUR BUSINESS

NATURAL GAS

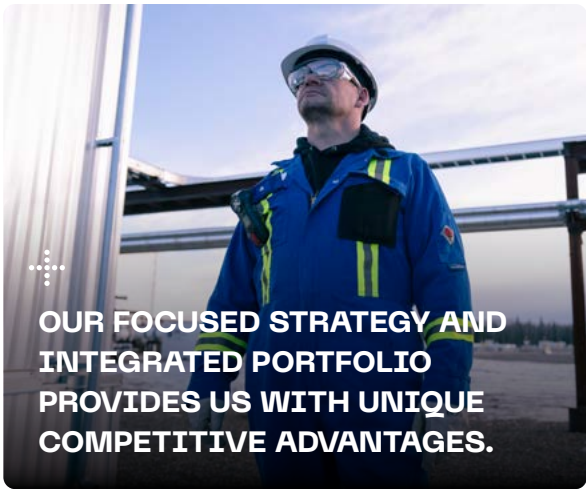
Represents

91% of our 2025 comparable EBITDA¹

~30% of North America's daily natural gas demand transported through our network

94,000+ km (58,000 mi) of pipeline network—one of the largest on the continent

Our natural gas business is a cornerstone of North America's energy security and economic strength. With one of the largest networks on the continent, we connect abundant, cost-competitive supply to growing demand across Canada, the U.S. and Mexico.



POWER AND ENERGY SOLUTIONS

Represents

9% of our 2025 comparable EBITDA¹

4,650 MW of power-generation capacity from owned and operated assets

>75% low-carbon nameplate capacity from nuclear and renewable power sources

Anchored by our 48.3 per cent ownership in Bruce Power, nuclear is the core of our Power and Energy Solutions business—supplying reliable, affordable and sustainable energy that complements our natural gas infrastructure.

Unrivalled continental connectivity

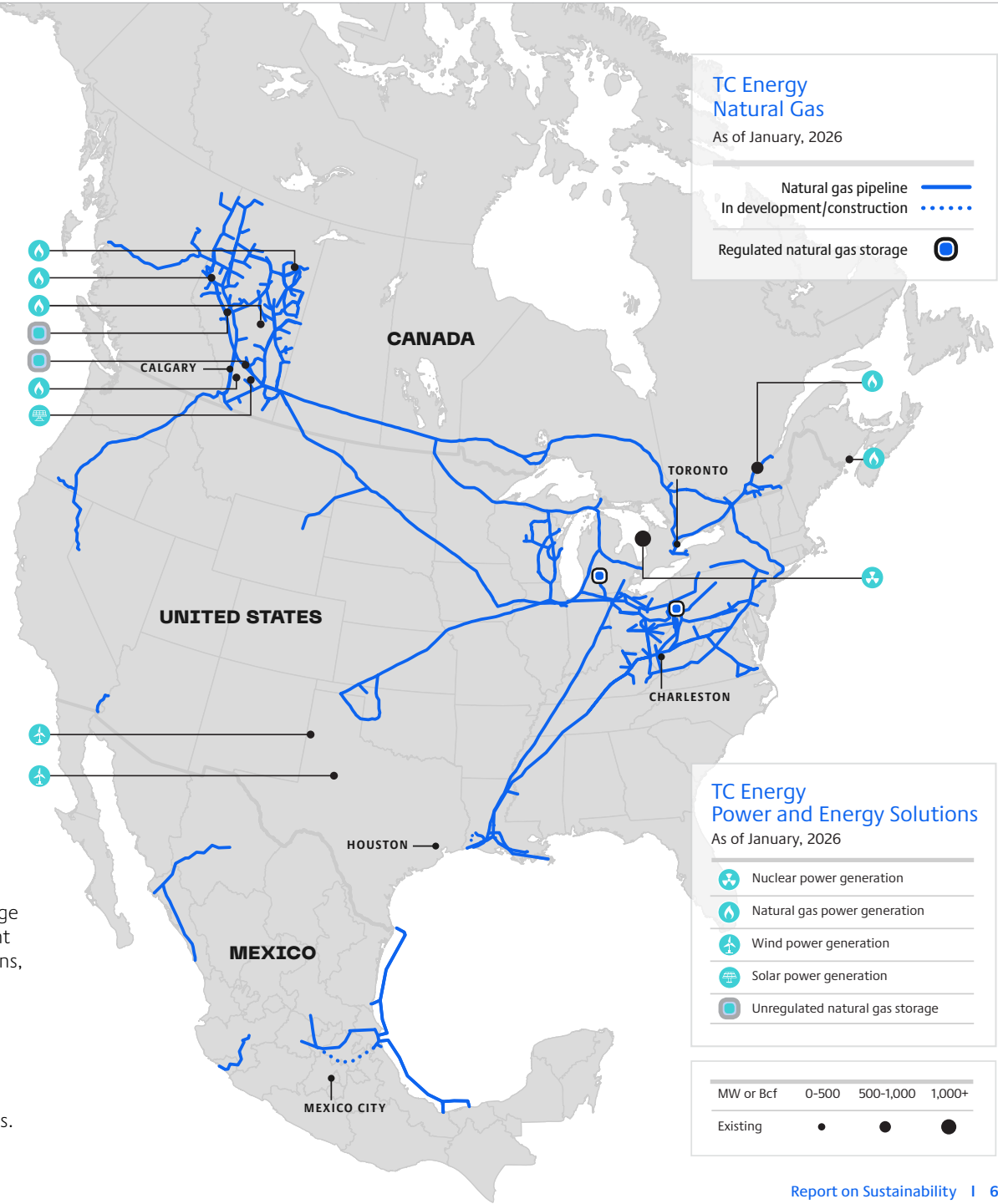
We are the only natural gas infrastructure company with critical assets in Canada, the U.S. and Mexico, connecting energy to opportunity across borders and continents.

Unwavering focus on natural gas

We are North America's leading natural gas transmission and storage company, positioned to meet rising demand from new power plant and data centre development, LNG exports, coal-to-gas conversions, electrification, LDC reliability and industrial growth.

Complementary positions in power

Our stake in nuclear and expertise in natural gas-fired generation and storage position us to provide reliable energy supply and contribute to grid stability, while advancing lower-carbon solutions.



¹ Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures section in this Report.

SUSTAINABILITY AT TC ENERGY

At TC Energy, disciplined management of material risks and opportunities, including those related to sustainability, underpins our ability to deliver energy responsibly and supports a value proposition of solid growth, low risk and repeatable performance. We are working to further integrate sustainability considerations into our strategic planning, decision-making and operations across our business and value chain to support our ability to meet the growing demand for safe, reliable and affordable energy, today and for decades to come.

Our sustainability commitments address climate and environmental management, asset integrity and process safety, employee and contractor safety, stakeholder and Indigenous relations, people and culture, and are supported by a strong and clear governance foundation. By integrating considerations from these focus areas into how we plan, allocate capital and operate our assets, we believe we are better positioned to manage risk, strengthen resilience and maintain stakeholder trust, ultimately enabling long-term value creation.

SUSTAINABILITY TOPICS

We review our sustainability commitments and related disclosures annually to help ensure continued relevance and alignment with evolving business priorities and stakeholder expectations. We periodically conduct materiality assessments, with timing informed by significant changes in our business or external environment.

Where appropriate, we refine elements of our disclosures, including commitments or targets, to evolve with our business and the external environment, while maintaining alignment with our long-term strategy and governance framework.

We periodically evaluate the potential impacts, risks and opportunities of relevant sustainability topics, considering how these may affect both financial performance² and people and the environment, using criteria such as scale, scope, magnitude and likelihood.

This Report on Sustainability covers topics identified as material, or strategically relevant.

References and use of the terms “materiality”, “material” and similar terms throughout this document reflect definitions in referenced sustainability frameworks, standards and guidelines, and do not correspond to the concept of materiality under Canadian or U.S. securities laws. Refer to "About this Report" on [page 55](#).

² We used our internal Enterprise Risk Management financial thresholds for this assessment and would need to conduct additional evaluations to determine financial materiality in accordance with the International Sustainability Standards Board.

³ Our target addresses Scope 1 methane emissions associated with our natural gas transmission and gas storage assets, expressed in tonnes of CH₄ per Bcf. For planning purposes, target progress is measured under the operational control reporting boundary, relative to the 2019 baseline year intensity of 10.72 tonnes CH₄/Bcf, which we recalculated to align with the structural and methodological changes noted for the 2020 through 2023 reporting periods. Further information on structural and methodological changes is provided in the [Appendix: Performance data](#).

⁴ Our target addresses Scope 1 and Scope 2 GHG emissions quantified under our operational boundary.

⁵ Restoration refers to returning disturbed land to equivalent land capability. Restoration activities are multi-year efforts with end of activity targets rather than annual targets. Restoration proceeds when site conditions allow, with ongoing engagement with landowners until activities are successfully completed. Further information is provided in the [Appendix: Performance data](#).

⁶ Target is based on annual rate of high energy serious injuries and fatalities per 100 million hours, as of December 31, as adapted from Construction Safety Research Alliance (CSRA) serious injury and fatality rate calculation methodology. Internally, we use a 12-month rolling rate to identify changes in the pace or direction of trends. "High energy" is defined as an element of work that involves more than 1,500 Joules of physical energy. "Serious injury" is defined as a life-threatening or life-altering incident. The target incorporates an explicit goal of zero fatalities.

⁷ Significant process safety incidents are defined by TC Energy as unplanned or uncontrolled releases of hazardous material that result in severe consequences. They are a subset of Tier 1 process safety incidents. In evaluating the significance of the incident, we consider the environmental, reputational, regulatory, and financial impacts to our company. Health and safety impacts are excluded to prevent duplication with the HSIF metric. While significant process safety incidents may have an environmental impact, not all process safety incidents will have an environmental impact. This is merely one factor considered when determining whether an incident is classified as "significant".

⁸ Racially and/or ethnically diverse means Aboriginal peoples (persons who are Indigenous, Inuit or Métis) and members of visible minorities (means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour).

OUR SUSTAINABILITY TARGETS

MATERIAL TOPIC	TARGET	STATUS	2025
CLIMATE 	40 to 55% reduction in methane intensity below 2019 baseline, by 2035 ³	In progress	24% reduction from baseline
	Position to achieve zero emissions from our operations on a net basis ⁴	In progress	Ongoing
ENVIRONMENTAL MANAGEMENT 	Restore or offset all land disturbances resulting from construction and operation of our North American assets ⁵	Not achieved	99%
INDIGENOUS ENGAGEMENT 	Identify and support community-led initiatives through partnerships with Indigenous groups	In progress	Ongoing
EMPLOYEE AND CONTRACTOR SAFETY 	Combined (employee and contractor) High Energy Serious Injury and Fatality rate: not to exceed 11 per 100 million hours in 2025 ⁶	Achieved	4
ASSET INTEGRITY AND PROCESS SAFETY 	Zero significant ⁷ process safety incidents annually	Achieved	0
GOVERNANCE	30% women on our Board of Directors	Achieved	38%
	At least one member who identifies as racially and/or ethnically diverse ⁸ on our Board of Directors	Achieved	2

2025 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

ENABLING SOLID GROWTH, LOW RISK AND REPEATABLE PERFORMANCE

24%

Methane intensity reduction since 2019¹ while increasing throughput by 20% and growing Natural Gas Pipelines comparable EBITDA² by 57%

99%

Disturbed land restored³ within 5 years

\$5.4B

Invested with Indigenous and Native American businesses from 2021 - 2025⁴

66%

Improvement in HSIF rate⁵ vs. 2024 while placing \$8.3 billion of assets into service 15% under budget

ZERO

Significant process safety incidents⁶ while achieving >97.1% asset availability

94%

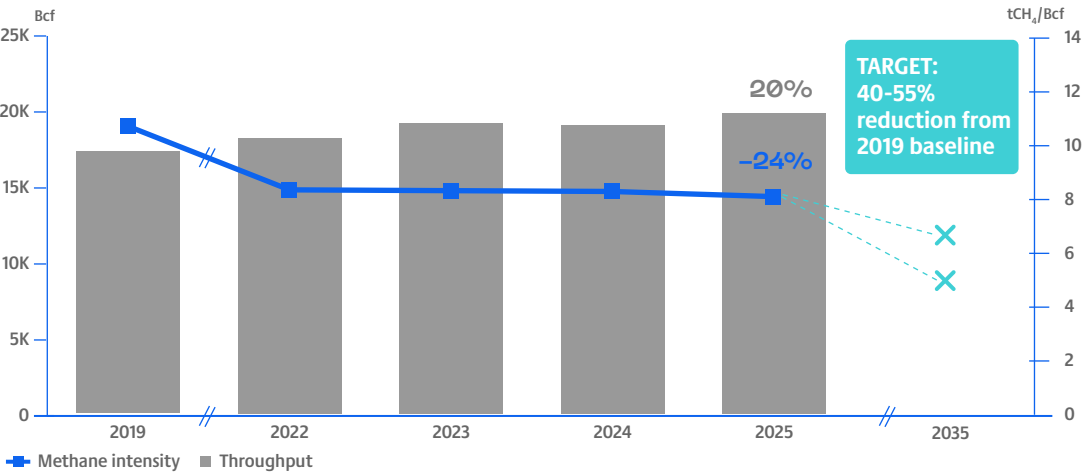
Employees agreed that our purpose, mission, vision and values connect to the work they do every day

See endnotes on page 71



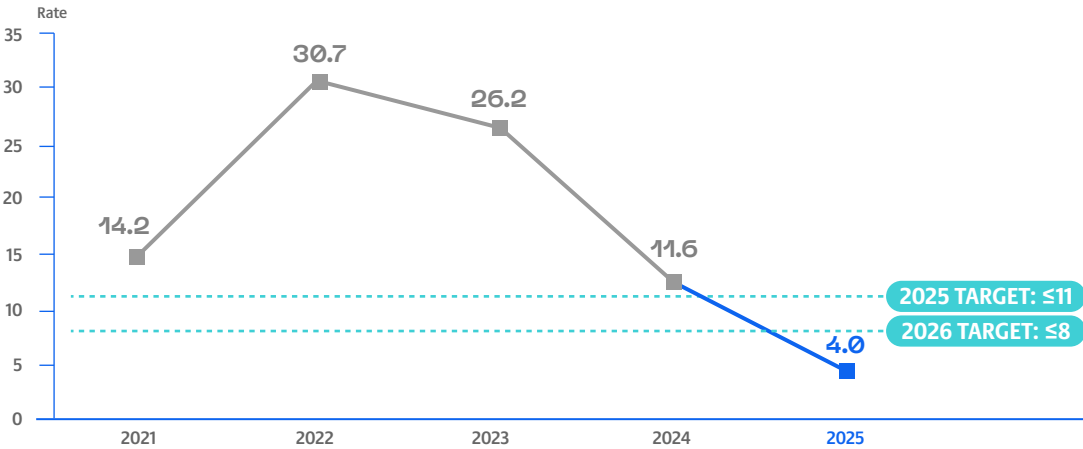
CLIMATE

Methane intensity and throughput¹
Change from 2019 baseline



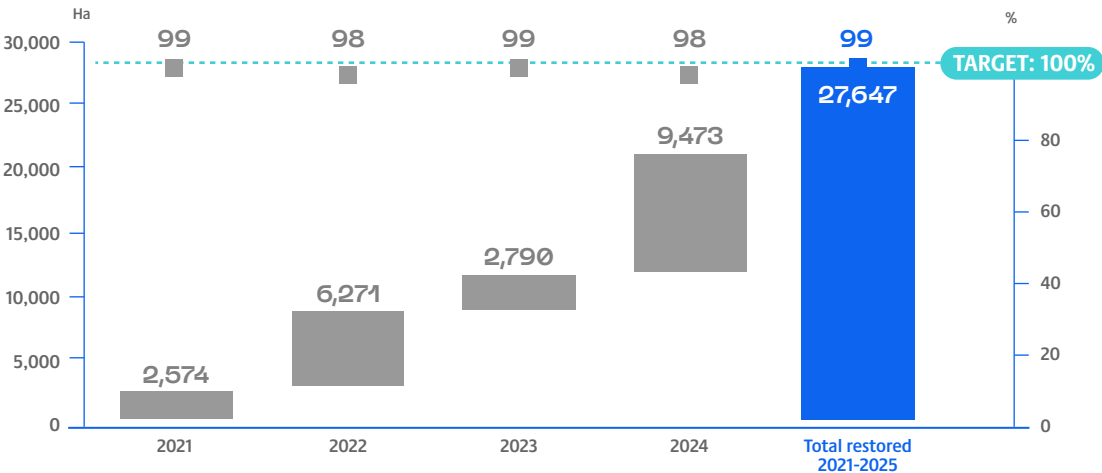
EMPLOYEE AND CONTRACTOR SAFETY

Combined High Energy Serious Injury and Fatality rate per 100 million hours worked⁷
2021-2025



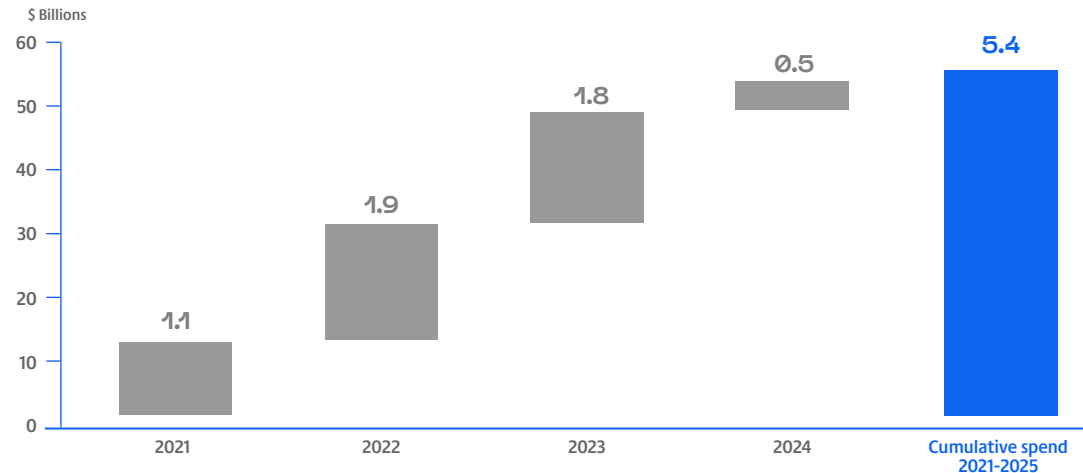
ENVIRONMENTAL MANAGEMENT

Cumulative land restoration³
2021-2025



INDIGENOUS ENGAGEMENT

Total Tier 1 and 2 Indigenous and Native American cumulative 5 year spend⁴
2021-2025



See endnotes on page 71

CLIMATE

As an owner and operator of long-life energy infrastructure across North America, we are exposed to the physical impacts of a changing climate as well as the risks and opportunities of a transition to a lower-carbon energy system. Effectively managing climate-related risks and opportunities is critical to our ability to protect the safety and resilience of our assets, allocate capital prudently and remain competitive over the long term.

OUR COMMITMENT

Enable the energy transition

Contribute to global efforts to address climate change and strategically manage the risks and opportunities of a shift to a lower-carbon economy.

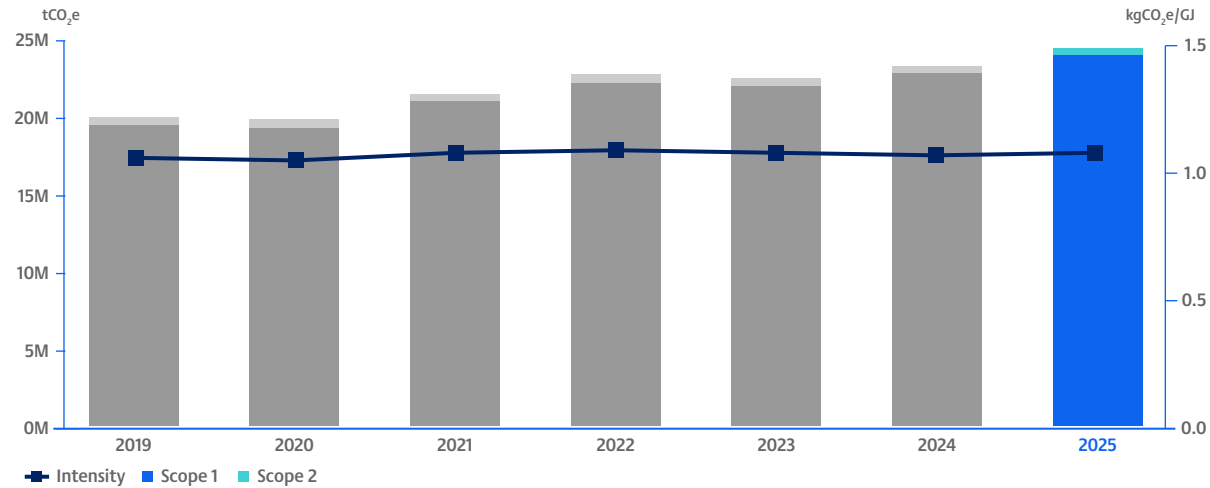
OUR TARGETS

- 40 to 55 per cent reduction in methane intensity below 2019 baseline, by 2035.⁹
- Position to achieve zero emissions from our operations on a net basis.¹⁰

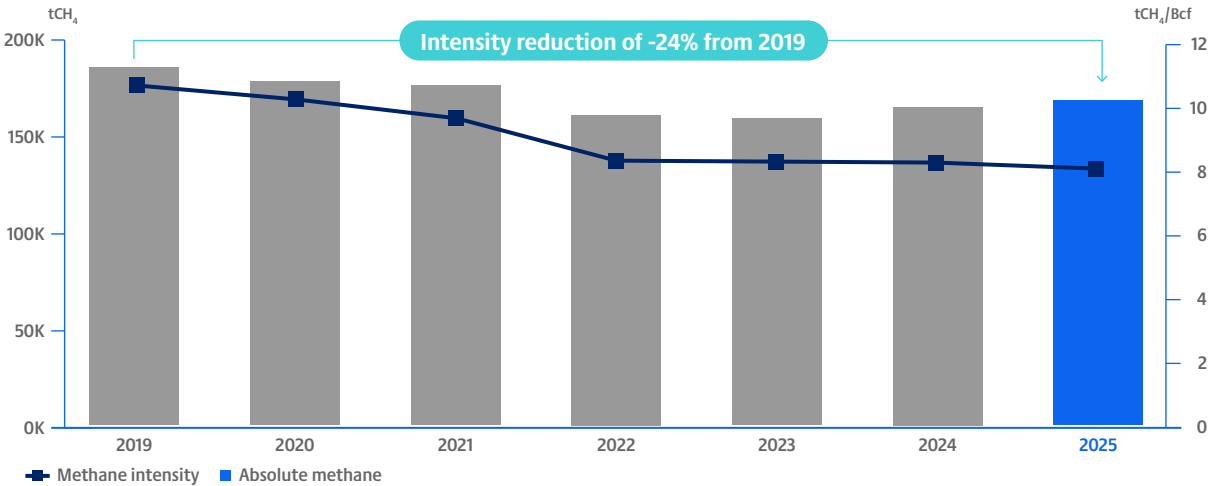


2025 PERFORMANCE

GHG performance



Methane performance



⁹ Our target addresses Scope 1 methane emissions associated with our natural gas transmission and gas storage assets, expressed in tonnes of CH₄ per Bcf. For planning purposes, target progress is measured under the operational control reporting boundary, relative to the 2019 baseline year intensity of 10.72 tonnes CH₄/Bcf, which we recalculated to align with the structural and methodological changes noted for the 2020 through 2023 reporting periods. Further information on structural and methodological changes is provided in the [Appendix: Performance data](#).

¹⁰ Our target addresses Scope 1 and Scope 2 GHG emissions quantified under our operational boundary.

Stable GHG emissions intensity amid growth

In 2025, our GHG emissions intensity performance was stable as we increased system utilization and expanded our natural gas pipeline network. Increased throughput from growth drove higher stationary combustion, the primary driver of our Scope 1 emissions. Scope 2 emissions, while a smaller portion of our emissions profile, also increased, reflecting greater utilization of electric-driven compression.

Progress toward methane target

We reduced our methane emissions intensity by two percent year-over-year, achieving a 24 per cent reduction from our 2019 baseline, demonstrating continuous improvement and progress toward our 2035 target. On an absolute basis, our methane emissions increased modestly from 2024, driven primarily by venting from a small number of discrete events. This was partially offset by reductions in our fugitive emissions, reflecting the continued effectiveness of our Leak Detection and Repair (LDAR) program.

IN 2025, WE SHIFTED FOCUS FROM TARGET SETTING TO EXECUTION, ENHANCING FORMAL GOVERNANCE THROUGH A CROSS-FUNCTIONAL WORKING GROUP AND SENIOR LEADERSHIP OVERSIGHT.

OUR APPROACH

Our approach to managing climate-related risks and opportunities is grounded in the same discipline that underpins our corporate strategy and low-risk business model. We operate a portfolio of long-term, highly contracted assets, largely supported by rate regulation and firm take-or-pay contracts limiting our exposure to commodity prices or volume risk. This structure provides stability, revenue certainty and resilience across a range of market and policy environments.

Our strategic focus on natural gas and power, including nuclear, reflects both the current stage of the energy transition and our view of the long-term fundamentals shaping energy demand.

Our role in the North American energy system

Our infrastructure transports approximately 30 per cent of North America’s daily natural gas demand, connecting cost-competitive supply to high demand markets. We believe that natural gas will be the backbone of North American economic growth for decades and remains the fuel that best balances reliability, affordability and sustainability. We view natural gas as a critical enabler of the transition to a lower-carbon economy and expect it to play a sustained role as energy systems continue to evolve.

As electrification accelerates, natural gas is a critical partner to renewable energy sources, providing firm, cost-effective and dispatchable power to support growing energy demand, while displacing higher-emitting fuels and maintaining system reliability. With significant growth opportunities expected across our natural gas system—driven primarily by LNG exports and power generation, including coal-to-gas conversion and emerging demand from AI and data centres—prioritizing methane intensity reduction is the most practical near-term focus for strengthening the emissions performance of our existing and growing asset base. This near-term focus supports responsible growth and positions us to meet evolving stakeholder expectations and maintain competitiveness of our assets.

At the same time, we maintain a meaningful and differentiated position in low-carbon power generation through a 48.3 per cent equity ownership interest in Bruce Power, North America’s largest operating nuclear power plant. As electricity demand continues to rise, particularly in jurisdictions with limited options for new dispatchable generation, we expect nuclear and other options such as pumped hydro storage will play an increasingly important role in maintaining system reliability while reducing emissions. These investments represent significant potential diversified growth opportunities for our business.

We recognize that the energy mix will continue to evolve. Alongside our core competencies, we are building strategic capabilities in complementary low-carbon technologies to better identify and respond to market shifts. These strategic investments in technologies and innovation build potential for new opportunities while supporting emissions reduction across our existing infrastructure.

While we remain committed to positioning to achieve net-zero emissions from our operations long-term, we have adjusted our decarbonization pace to align with technological readiness, policy frameworks and market conditions necessary to deliver a pragmatic, orderly and financially disciplined path toward a lower-carbon energy system. We have demonstrated our ability to adapt as market conditions change and we continue to monitor signposts and adjust as pathways become viable. Our broad footprint across North America provides visibility into evolving market dynamics and early indicators to the pace and direction of the transition to a lower-carbon energy system, informing our planning and investment decisions. Fundamentally, our goal is to protect and enhance the long-term value of our infrastructure so our assets remain used and useful for decades to come.

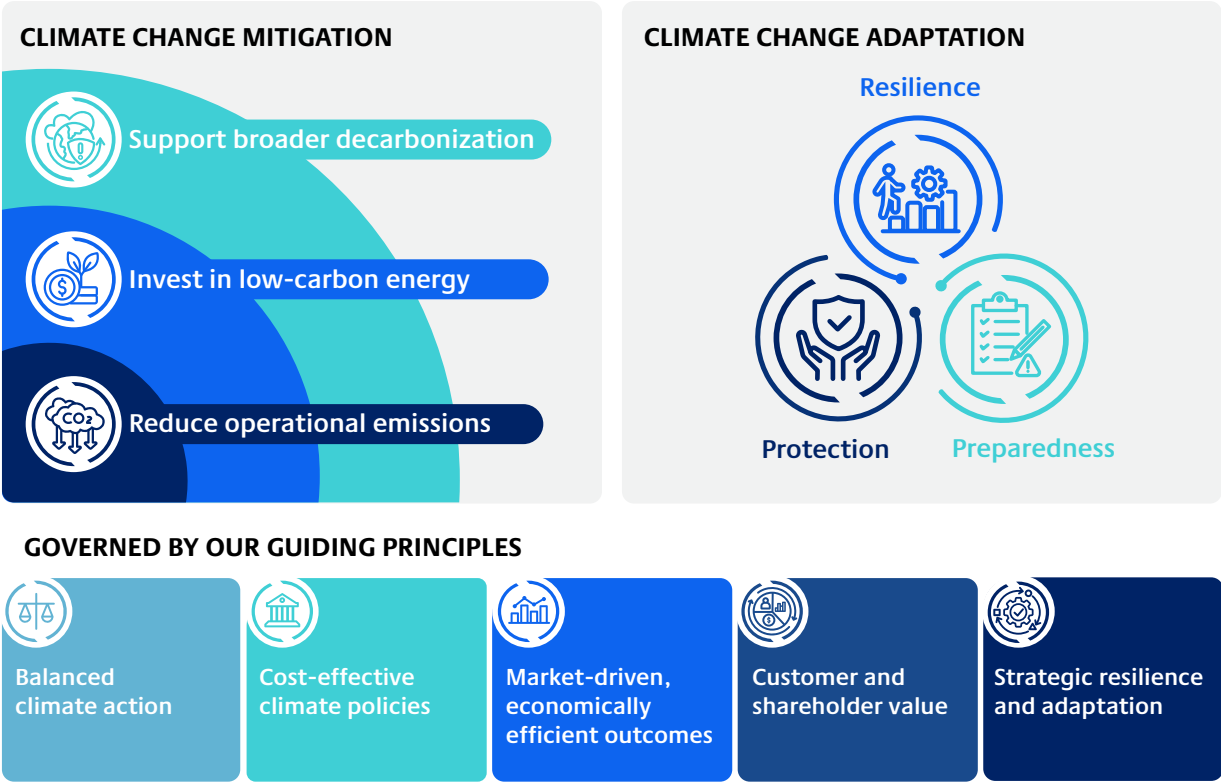


Our approach to mitigation and adaptation

Our climate strategy is anchored in two core pillars: climate change mitigation and climate change adaptation. Five guiding principles govern these pillars, informing how climate considerations are incorporated into decision-making across the organization in alignment with our low-risk business model, disciplined capital allocation approach and commitment to long-term shareholder value.

Our mitigation efforts aim to balance growing energy demand with the need to address rising global emissions. We prioritize actions where we have customer and policy support, enabling us to earn a full return on invested capital. Our approach to climate change adaptation¹¹ focuses on protecting our assets and operations, preparing for changing conditions and responding effectively when impacts occur. Read more on [page 26](#). Through these efforts, we aim to manage climate-related risks and opportunities while maintaining energy security, affordability and reliability, and delivering consistent, low-risk growth.

Our Climate Strategy



OUR EMISSIONS PROFILE

Our corporate emissions profile primarily reflects emissions associated with the operation of our extensive natural gas transmission and storage infrastructure, alongside a differentiated position in power generation. Our operations span Canada, the U.S. and Mexico, each with a distinct emissions profile.

We own and operate extensive natural gas infrastructure that connects natural gas supply from key resource basins, including the Western Canadian Sedimentary Basin and the Appalachian Basin, to North American and international markets. These core midstream assets rely on critical facilities such as compressor stations, valve sites, metering and regulating stations and storage sites to support the safe and reliable delivery of natural gas energy to meet market demand. The resulting asset base features extensive geographic dispersion, with emission sources distributed across remote and diverse regions of North America.

Emissions associated with our power generation assets differ materially from those of our natural gas systems. The power portfolio includes an equity interest in nuclear generation at Bruce Power, solar, wind and natural-gas fired cogeneration facilities, and power purchase agreements, and generates limited direct operational emissions. While cogeneration facilities contribute to operational emissions, they represent a comparatively small portion of our consolidated Scope 1 and Scope 2 emissions.

Scope 1 emissions

Scope 1 GHG emissions represent direct releases from sources we own or operationally control. Our Scope 1 emissions primarily originate from stationary combustion activities, specifically the fuel consumed by natural gas-fired compressor engines used in our natural gas transportation and storage businesses, as well as the natural gas turbines at our cogeneration facilities operated within our power and energy solutions business. As pipeline throughput increases to meet market demand, additional energy inputs are required to drive increased compression, resulting in additive fuel gas combustion-related emissions or indirect emissions from electric drive compression (i.e. Scope 2 emissions). The remaining portion of our direct emissions profile is attributable to venting, flaring, incineration and fugitive emissions that result from essential operational, safety, maintenance and integrity activities or unplanned events across our natural gas transmission pipelines, storage infrastructure and power generation facilities.

Scope 2 emissions

Scope 2 emissions are indirect GHG emissions resulting from the generation of purchased energy, including electricity, steam and heat we consume in the operation of natural gas pipeline and storage assets, power generation and corporate operations. For example, we use purchased electricity to power a range of equipment and systems, including lighting, computers and control infrastructure. Electric-drive compressor units represent the largest source of electricity consumption within our Scope 2 emissions profile.

Scope 3 emissions

Scope 3 emissions are indirect GHG emissions occurring across our value chain from sources beyond our ownership or operational control. While these emissions result from our business activities, they originate at third-party facilities and are classified as either upstream or downstream of our operational boundary. Upstream emissions encompass the GHG impacts of goods, services and energy required to support our operations, such as the manufacturing of capital goods, prior to reaching our assets. Conversely, downstream emissions occur after a service is rendered or a product leaves our control, including subsequent processing by third parties.

We currently report five Scope 3 categories identified as relevant to our operations:

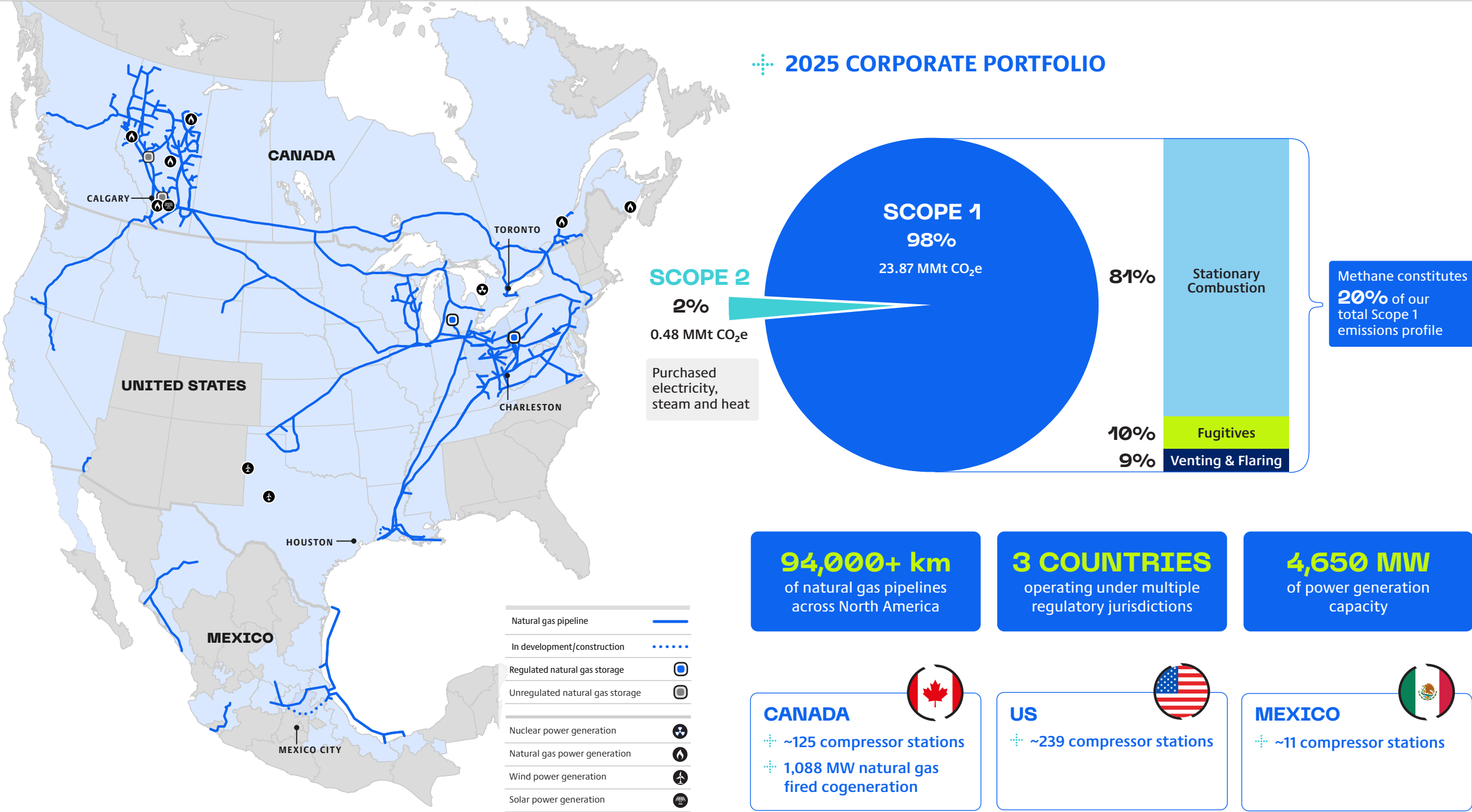
- Fuel/energy related activities
- Waste generated in operations
- Business travel
- Employee commuting
- Upstream leased assets

In 2023, we completed a third-party-supported Scope 3 relevance assessment to determine applicable and material categories under the GHG Protocol. Based on this assessment, we determined Category 11 (Use of Sold Products) was not relevant to our core business activities, as we do not take ownership of the natural gas transported through our pipeline system and therefore do not control or influence the end-use combustion of the product. This distinction keeps our reporting focused on the areas where our operational decisions and value-chain engagements have the most direct influence.



To learn more about our methane measurement and quantification practices, refer to our [2025 Oil and Gas Methane Partnership \(OGMP\) 2.0 Reassessment Report](#).





REDUCING OPERATIONAL EMISSIONS

A focus on addressing methane emissions

We are prioritizing methane management across our natural gas systems, where emissions reductions deliver the greatest immediate climate benefit and align closely with evolving regulatory expectations, while enhancing the competitiveness and long-term value of our assets. Consistent with this focus, in 2025 we introduced a target to reduce methane emissions intensity 40–55 per cent by 2035 from 2019 levels¹³. We express the target as a range to reflect variability across assets and operating conditions, as well as uncertainty in external factors that influence the pace and performance of methane-reduction initiatives over time. This approach establishes a clear directional ambition while preserving flexibility as conditions evolve.

Our assessment of emissions reduction opportunities considers technical feasibility, economic viability, regulatory alignment and capital availability. Through this lens and informed by our marginal abatement cost curve, methane reduction is well positioned for near-term action relative to other decarbonization pathways. Proven technologies are available today, and many methane-related initiatives deliver operational benefits, including efficiency improvements and reduced product loss. These attributes enable pragmatic progress on emissions reduction while broader, more capital-intensive decarbonization pathways continue to mature. Overall, our current focus reflects a balanced approach that prioritizes reductions where we have the greatest operational control and visibility, while maintaining alignment with regulatory frameworks and disciplined capital deployment, supporting cost-effective emissions reduction consistent with our low-risk business model.



Strengthening accountability

- Our capital allocation framework for growth and modernization incorporates GHG and methane intensity considerations.
- In 2025, we aligned the methane component of the long-term incentive for executive compensation with our methane intensity target¹⁴.



WE AIM TO STRIKE THE RIGHT BALANCE BETWEEN PROTECTING AND ENHANCING THE VALUE OF OUR ASSETS BY MANAGING CLIMATE-RELATED RISKS, MAINTAINING COMPETITIVE TOLLS FOR OUR CUSTOMERS AND GENERATING STRONG RETURNS FOR OUR SHAREHOLDERS.

¹³ Our target addresses Scope 1 methane emissions associated with our natural gas transmission and gas storage assets, expressed in tonnes of CH₄ per Bcf. For planning purposes, target progress is measured under the operational control reporting boundary, relative to the 2019 baseline year intensity of 10.72 tonnes CH₄/Bcf, which we recalculated to align with the structural and methodological changes noted for the 2020 through 2023 reporting periods.

¹⁴ In 2024, we introduced a methane intensity reduction metric as part of executive compensation, representing 10 per cent of the three-year vesting performance share unit (PSU) grants.



PATHWAYS TO ACHIEVE OUR METHANE INTENSITY REDUCTION TARGET

Building on the governance structure in place to establish the target, we formed a group of cross-functional subject matter and technical experts to refine and further identify practical pathways to achieve this target. The initial findings underpin our approach, reflecting a comprehensive assessment of the business practices that influence methane emissions performance across our operations:

Clear accountability mechanisms are essential to sustained performance.

- Aligning our methane target with the long-term incentive for executive compensation reinforces ownership and disciplined execution across the organization.

Vented emissions represent a key opportunity for further improvement.

- Predictable maintenance planning horizons allow us to consider vent mitigation practices earlier and may reduce outage frequency through a more systematic approach to outage scheduling and work bundling.
- Embedding emissions considerations alongside safety, reliability and financial metrics in project risk and value assessment tools used to prioritize capital allocation for our operating assets can support further alignment on emissions risk management.

Disciplined asset growth and modernization can support methane intensity reductions.

- As natural gas demand increases, system expansion and higher transported volumes can support our methane intensity performance.
- When upgrading equipment and technology, we expect to reduce methane leak potential while adhering to our existing methane management practices.

In 2025, we focused on identifying the activities and sequence of events that would lay the foundation and support achieving our target. We anticipate a multi-year scale-up period to see reductions in our methane emissions intensity materialize, as sustained performance improvements require organizational alignment, governance integration and execution at scale.

Our approach remains adaptable, preserving the ability to reassess priorities and deploy capital efficiently in response to changing market and regulatory conditions, while maintaining focus on timely return on and of capital and alignment with our risk preferences. Despite ongoing regulatory and policy uncertainty, we continue to advance methane management as a cornerstone of system sustainability and operational excellence, balancing emissions improvements with reliability and economic considerations.

Near term actions

Based on the initial findings outlined above, we are advancing the following initiatives:

Improving venting management

Vented emissions account for approximately 43% of our methane emissions. Current venting mitigation tactics include:

- mobile re-compression units
- in-line isolation technology
- destruction methods such as flaring and incineration
- commercial and operational drawdowns (i.e. minimize resource impacts through adjusting volume receipts or deliveries to draw down natural gas in the system)

Mobile re-compression continues to be the most impactful and scalable technique used in venting mitigation across our footprint. In Canada, we own and operate a fleet of mobile re-compression units that recover a significant portion of natural gas from targeted pipeline sections. In the U.S., third-party contractors provide similar natural gas recovery services when natural gas volumes, economics and reliability considerations support deployment. In Mexico, the commercial construct and operational practices currently do not support large-scale vent mitigation.

The use of venting mitigation strategies considers safety, security of supply—including outage duration—and economic factors. These factors include commodity value and carbon tax implications for venting, which vary by operating jurisdiction. Deployment tactics are developed in coordination with commercial and operations teams to minimize disruption while maintaining safe and reliable operations.

We are working to formalize venting management best practices that account for differing regulatory, commercial and operational factors and anticipate incorporating them at key decision points during the project design phase to support consistent and informed execution.



Avoiding venting with isolation technology

Tecno Plug® is an in-line isolation technology we use to safely perform maintenance work without requiring the blowdown of many kilometers of pipeline, thereby reducing the volume of natural gas that would otherwise be vented.

In 2025, we completed full-scale testing on larger-diameter pipelines, supported by 3D scanning, to assess suitability across a wider range of pipe configurations. We deployed Tecno Plug® six times across our footprint, preventing an estimated 70,000+ tonnes of carbon dioxide equivalent (CO₂e) from being vented and resulting in an estimated \$12 million in cost avoidance.

Integrating methane into planning frameworks

We are evolving our Integrated Asset Investment Planning (IAIP) framework to better incorporate emissions alongside safety, reliability and financial drivers. This more fully reflects a project’s risk profile as we evaluate maintenance capital projects and other capital demands.

We are also working to optimize our maintenance scheduling, capacity management and venting management activities to support emissions performance alongside disciplined capital allocation, minimizing safety risk exposure and improving overall system reliability. A coordinated approach to these activities has delivered measurable benefits. For example, on our NGTL system in Alberta and British Columbia, planning for maintenance outages commences 18-24 months in advance. We communicate planned outages to our customers one year in advance, enabling them to plan their business activities (e.g. plant turnarounds). This extended outlook allows our operations teams to effectively plan and coordinate venting management strategies to minimize vented emissions while managing costs and customer impacts.

Scaling this practice across our footprint and extending our work plan outlook to a multi-year horizon could enable longer-term planning and coordination between portfolios, and may reduce the number of outages required. As we implement optimization initiatives, we expect benefits for customers, including cost and resource efficiencies; improved system reliability and availability through reduced risk of missed volume deliveries; and enhanced flexibility to offer incremental services, such as short-term capacity sales, and park and loan services within our natural gas system service offering.

Addressing fugitive emissions by advancing our Leak Detection And Repair (LDAR) program

The LDAR program is a core element of our methane management approach, supporting the accuracy and completeness of our methane emissions inventory and identifying abatement opportunities across our portfolio.

As outlined in our [OGMP 2.0 Reassessment Report](#), we apply LDAR in a manner that reflects jurisdictional regulatory frameworks, asset characteristics and the maturity and breadth of measurement information. Across jurisdictions, we consistently evaluate ways to optimize the program by leveraging measured operational data, emerging technologies and operational feedback.

In Canada and Mexico, the scale, frequency and quantification requirements embedded in federal and/or provincial regulations, enable more targeted application of detection, measurement and repair activities. The Canadian LDAR program, in particular, operates within a regulatory framework that provides greater certainty around cost recovery for methane emissions reduction activities.

For U.S. operations, we apply LDAR as a maintenance practice to support regulatory compliance. It reinforces asset integrity and operational reliability and supports complete and credible fugitive emissions reporting.

We continue to leverage and assess learnings from the Canadian program's measurement data for applicability across our Canadian footprint and other jurisdictions. For our Canadian assets, an example includes adjusting the frequency of LDAR surveys for compressor and meter stations to reflect risk-based emissions considerations. In the U.S., we leverage measured operational data to develop emission factors and apply to similar assets (e.g. meter and valve sites). We assess applicable inspection technologies evaluated in Canada for remote valve sites in our Mexico operations.



Addressing broader Scope 1 and 2 emissions

Our long-term emissions-reduction strategy focuses on strengthening operational efficiency and selectively evaluating a targeted set of technologies that complement our existing portfolio.

STRENGTHENING OPERATIONAL EFFICIENCY

Managing GHG emissions while meeting customer demand for increased throughput involves trade-offs, as higher throughput requires more compression, leading to increased emissions. We seek to balance these objectives through continuous improvement in facility fuel efficiency and system performance. We use advanced analytics and selective automation to enable more integrated system operation, supporting safety, reliability and resource optimization. Where supported by policy and regulatory frameworks, we work with customers to align emissions management with cost efficiency and operational needs.

For example, on the NGTL system where carbon pricing applies, our toll settlement includes incentive mechanisms to reduce both fuel consumption and emission compliance costs, where savings are shared with our customers. To achieve this, in 2025 we stood up a new system-level optimization platform that integrates real-time anomaly detection to inform operational

decisions and identify fuel-efficiency opportunities, while maintaining reliability. As we advance linking individual facility intelligence with system optimization to create a shared, data-driven view of fuel burn and emissions, we are strengthening coordination between field and centralized operations teams to support timely decision-making and continuous improvement.

In jurisdictions without carbon pricing, we pursue fuel efficiency opportunities to reduce combusted emissions from compressor operations while maintaining safety performance, toll competitiveness and system reliability. Using advanced analytics, our compressor optimization tool (COT) evaluates multiple compressor configurations to identify the most fuel-efficient operating setup at the facility level for our entire U.S. footprint. This capability has supported a shift in operating practices, driving closer collaboration between commercial, field and technical teams to help ensure insights are actionable and implemented with confidence.

We are selectively pursuing opportunities to mitigate Scope 2 emissions through incorporating power purchase agreements (PPAs) in our commercial decisions where practical. We also consider Scope 2 emissions when evaluating compressor units for system expansion, using a standardized valuation model to evaluate the impact of electric compression to customer tolling structures.

DECARBONIZATION TECHNOLOGY LEVERS AND KEY SIGNPOSTS

We are monitoring and evaluating emerging and increasingly cost-effective solutions that have the potential to accelerate decarbonization of our assets and the broader energy system, including electrification, carbon capture, utilization and storage (CCUS) and hydrogen-based solutions.

We recognize that the pace and trajectory of emissions reductions associated with targeted technologies will depend on evolving policy, market, commercial and technological conditions. Accordingly, our approach is capability-driven, focused on strengthening our ability to identify, evaluate and execute emissions-reduction opportunities as conditions evolve. This approach allows us to support disciplined decisions on scalable, repeatable deployment that aligns with our low-risk business model.

We use selective evaluations and pilots to improve our understanding of technology performance, cost trajectories, integration with long-lived infrastructure, and continue to assess the stability of supporting commercial, policy and regulatory frameworks.

Emissions-reduction opportunities are evaluated through our capital allocation and risk management frameworks, as appropriate, and are subject to return thresholds, contracting requirements, and cost-recovery considerations, consistent with our low-risk business model.



Monitoring external signposts to inform long-term emissions-reduction readiness

We are monitoring signposts across these enabling conditions and continue to refine our assessment criteria. Insights available today inform how we evaluate emissions-reduction opportunities, balancing near-term integration with longer-term optionality.

TECHNOLOGY
Readiness, scalability and durability

Indicators include efficiency improvements, cost trajectories and whether technologies can support a sizable, durable market rather than one-off or highly site-specific applications. We also consider how technologies may integrate with long-lived infrastructure and operate within the constraints of critical energy systems.

COMMERCIAL
Financeable, low-risk business models

Indicators include customer demand, contracting appetite, risk allocation and cost-recovery mechanisms. Solutions reliant on speculative demand or undefined risk sharing are unlikely to align with our low-risk business model.

POLICY
Economic signals that enable scale

Indicators include the durability, clarity and structure of policy frameworks, particularly signals that are predictable, aligned with long-term system needs and supportive of disciplined capital allocation rather than short-term or highly conditional incentives.

REGULATORY
Predictability and execution certainty

Indicators include permitting timelines, jurisdictional alignment and the predictability of approval processes. Regulatory uncertainty or fragmentation can materially affect the feasibility and timing of deployment.



Supporting Carbon Capture and Storage (CCS) development and advancing pipeline safety through R&D

TC Energy owns a multi-purpose research facility in Alberta that plays an important role in helping make pipelines safer and more reliable. It allows us to study how gases behave to determine the requirements for design, construction and operation of new pipeline systems.

In 2025, we worked with international partners to carry out a first-of-its-kind research on the effect of constituents within a CO₂ stream under varying conditions. The results of this testing are helping engineers ensure the safe design of new CO₂ pipelines as CCS infrastructure continues to develop and expand.

Current technology levers and where they fit today:

	ELECTRIFICATION	CARBON CAPTURE AND SEQUESTRATION	HYDROGEN
OVERALL STATUS	Electrification can be an effective emissions-reduction lever, as a significant portion of our operational emissions originate from fuel combustion at compressor stations. As of 2025, approximately six per cent of our U.S. and 12 per cent of our Canadian compressor fleet have electric or hybrid-electric drive capabilities, which we deploy where site-specific conditions are favourable. We do not currently deploy electric drive compressors in Mexico. We consider electrification across new facilities, replacement of end-of-life equipment and operational optimization where conditions allow. The feasibility of electrification is highly site-specific and fundamentally shaped by commercial considerations and system reliability requirements. Accordingly, we selectively deploy electrification where we can integrate it without compromising reliability, affordability or service performance.	CCUS represents a potential emissions-reduction option for a limited subset of post-combustion sources within our asset base. Its applicability is highly dependent on asset-specific and location-specific factors, including nameplate capacity, utilization rates and resulting flue gas volumes, proximity to viable storage, permitting and regulatory certainty, long-term liability frameworks and the availability of durable commercial structures to support capital recovery. As a result, we consider CCUS a selective, location-dependent solution rather than a portfolio-wide pathway. This reflects, in part, the relatively low carbon dioxide (CO₂) concentration of flue gas from our post-combustion sources, which increases energy requirements and cost per tonne captured, with current efforts focused on technical evaluation, subsurface understanding and commercial feasibility rather than portfolio-wide deployment.	Hydrogen-based solutions, including methane pyrolysis and hydrogen-fueled compression, offer a potential pathway to reduce emissions in hard-to-abate applications over the longer term. At present, these pathways remain early-stage and developmental. Accordingly, we view hydrogen-based solutions as longer-term options, and are focused on technical understanding, market awareness and positioning rather than near-term deployment.
TECHNOLOGY	Electric motor drives are proven and commercially available; however, scalability is limited by the availability, reliability and carbon intensity of regional power grids, as well as the need for supporting transmission and distribution infrastructure.	Capture solutions work well for certain applications but have not yet performed consistently at scale across all use cases, and remain capital-intensive and subject to efficiency limits. Their feasibility depends on access to suitable transportation and permanent storage, which varies significantly by geography.	Key elements, including hydrogen production methods, turbine compatibility and by-product handling from a methane pyrolysis production method, are still maturing and have not performed consistently at scale.
COMMERCIAL	Ensuring reliability equivalent to gas-driven compression can significantly increase costs, as electrified configurations may require twinning electric motor drives with gas-driven compression and/or incremental investment to support grid connectivity. Deployment depends on the availability of durable commercial arrangements and cost-recovery structures that preserve system reliability and align with our low-risk business model.	Without sufficient policy support, the waste-like nature of captured CO₂ limits revenue opportunities for CCUS. Until utilization pathways emerge at scale, no revenue drivers currently exist to incentivize investment.	Hydrogen economics remain uncertain, with supporting infrastructure, market structures and scalable commercial models still forming.
POLICY AND REGULATORY	Emissions outcomes and financial viability depend on electricity market design, grid emissions intensity and jurisdiction-specific permitting and interconnection processes. Policy alignment is variable across jurisdictions, which can affect the consistency and durability of these assessments and the resulting emissions benefits.	Outcomes are closely tied to permitting requirements, pore-space access, long-term CO₂ sequestration liability frameworks and the stability of policy incentives, all of which vary by jurisdiction and materially affect execution certainty.	Deployment depends on evolving frameworks, emissions accounting methodologies and jurisdictional clarity, which continue to influence feasibility and timing.

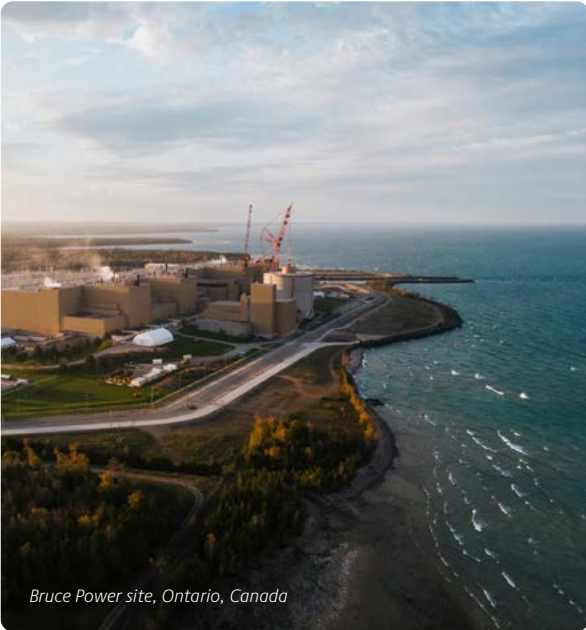
INVESTING IN LOW-CARBON ENERGY

Anchored by our position in nuclear power, our Power & Energy Solutions business is designed to deliver complementary solutions that drive incremental shareholder value. Our portfolio is designed to grow with market demand, adapt to evolving energy needs and capitalize on opportunities that allow us to deliver solid growth, low-risk, repeatable performance for decades to come.

Nuclear power generation

Our 48.3 per cent equity ownership in Bruce Power, North America’s largest operating nuclear power generation facility, reinforces our profile of stable, long-life, low-risk assets that underpin our financial strength. Bruce Power plays a critical role in meeting Ontario’s growing electricity demand and decarbonization goals, currently generating approximately 30 per cent of the province’s electricity needs. We invest approximately \$1 billion annually through the Major Component Replacement (MCR) program and Project 2030 to extend the life and increase capacity of the asset, targeting a site peak output of over 7,000 MW by the early 2030s.

Electricity demand is expected to increase by 65 per cent through 2050 in Ontario.¹⁵ With a brownfield site, greater than 90 per cent Canadian-based supply chain and strong alignment from all levels of government, Bruce Power is uniquely positioned to support the province’s required emission-less baseload expansion. In August 2025, Bruce Power initiated a federal impact assessment for the potential 4,800 MW Bruce C project, and in May 2026, the government of Ontario [announced](#) additional funding of \$300 million to further advance pre-development work at the Bruce C site.



Bruce Power site, Ontario, Canada

Pumped hydro storage

Along with the Saugeen Ojibway Nation (SON), our prospective partner, we continue to advance pre-development work on the Ontario Pumped Storage (OPS) Project. The proposed 1,000 MW storage project is expected to provide critical fast-response reliability to the electricity grid and complement our nuclear position in Ontario. In January 2025, the Ontario government announced an investment of up to \$285 million, which will allow the OPS Project to advance development work. In March of 2026, we initiated the Government of Canada’s Impact Assessment process, marking an important milestone in advancing a project that is expected to support economic growth, create local jobs and contribute to a reliable and sustainable electricity system for Ontario.

The OPS Project remains subject to a final investment decision by our Board of Directors, the SON and the Ontario Government.

Carbon capture and sequestration

In June 2021, we announced a partnership with Pembina Pipeline Corporation to jointly develop a world-scale system which, when fully constructed, is expected to be capable of transporting and sequestering more than 20 million tonnes of CO₂ annually. As an open-access system, the Alberta Carbon Grid (ACG) is intended to serve as the backbone for Alberta’s emerging carbon capture, utilization and storage industry.

In October 2022, ACG entered into a carbon sequestration evaluation agreement with the Government of Alberta to further evaluate one of the largest Areas of Interest (AOI) for safely storing carbon from industrial emissions in Alberta. ACG continues to progress an appraisal program needed to evaluate the suitability of the AOI, including the advancement and completion of well drilling and testing activities to support the development of a detailed Measurement, Monitoring and Verification plan required to apply for a sequestration permit. We are continuing to advance discussions on a commercial agreement with customers that aligns with our risk preferences.

Venture and early-stage investments

In addition to our core low-carbon power investments, we have made select venture and early-stage investments in strategic funds and lower-carbon technologies. These small investments focus on opportunities related to our existing infrastructure and core expertise and target emissions reductions, system efficiency or long-term energy system resilience.

Our venture activities are designed to build technical capability, inform our view of evolving markets and create long-term strategic optionality.

SUPPORTING BROADER DECARBONIZATION

Beyond our own operations, our infrastructure supports broader energy-system decarbonization by enabling fuel switching and providing firm, reliable capacity that supports the integration of renewable power generation. Our natural gas transmission network connects cost-competitive supply to power generation, industrial and export markets, supporting the displacement of higher-emitting fuels such as coal, diesel and fuel oil across our footprint and globally through LNG.

In 2025, Coastal GasLink entered commercial in-service, enabling Canada’s first LNG exports from the west coast to Asian markets, where coal remains a primary source for electricity generation. This milestone highlights how our infrastructure can support system-level emissions reductions, subject to downstream use and market conditions.

In early 2026, Coastal GasLink [entered into](#) commercial agreements with LNG Canada, marking an important milestone in advancing Phase 2 development. If approved¹⁶, Phase 2 could enable a meaningful increase in throughput, potentially more than doubling the capacity of the existing system and supporting additional LNG exports from Canada’s west coast.

We recognize the role that accurate and reliable GHG emissions data play in building market confidence in these efforts. We have made considerable progress in maturing our emissions data management and continue to improve the quality and transparency of our data and disclosures, including methane. While full lifecycle emissions accounting is complex and, in our view, best addressed through sector-wide methodologies, we continue to monitor carbon accounting developments to inform how we may support broader efforts to quantify LNG-related emissions impacts.

¹⁵ Ontario Independent Electricity System Operator (IESO) 2026 APO Summary
¹⁶ Phase 2 remains subject to a final investment decision by LNG Canada (and its jointventure participants) and required approvals.

CLIMATE-RELATED LOBBYING AND PUBLIC POLICY AND REGULATORY ENGAGEMENT

Public policy and regulatory frameworks influence energy markets, shape the composition and competitiveness of the energy mix, and affect the pace, feasibility and cost-effectiveness of emissions reduction efforts. We engage constructively with policymakers and regulators across our operating jurisdictions to support our business objectives, including the timely development of energy infrastructure.

Permitting - We advocate for greater certainty and timeliness in permitting processes, along with reduced administrative burden, while maintaining core principles of safety, environmental protection and early engagement with stakeholders and rights holders.

Public policy - We advocate for stable and durable public policy and regulatory frameworks that support capital investment, competitiveness and the efficient development of critical energy infrastructure. We believe a strong energy sector can coexist with meaningful emissions reduction, with natural gas being the cornerstone of a reliable and resilient energy system. As a flexible, dispatchable and abundant fuel, natural gas supports the integration of renewables, enhances affordability and helps reduce overall emissions by displacing higher-emitting fuels while preserving system reliability.

Key policy positions

INDUSTRIAL CARBON PRICING IN CANADA

We support industrial carbon pricing when it is designed to incent the lowest-emitting and market viable product through clear, stable and predictable price signals, provided those signals remain the primary driver of emissions outcomes. Overlapping requirements and policies may often dilute price signals, distort the carbon market and reduce its overall effectiveness. We believe provincial governments are best suited to design industrial carbon pricing programs that are fit-for-purpose to deliver emission reductions at the lowest cost in their jurisdictions, while aligning with regional economic contexts and avoiding undue impacts on the competitiveness of local industry. Interprovincial collaboration could further enhance the overall cost-effectiveness of these programs. Market-based mechanisms, such as Alberta’s Technology Innovation and Emissions Reduction (TIER) program provide an efficient and cost-effective framework by reducing emissions while supporting continued investment and technological advancement in the sector. For example, TIER’s design was a key factor in accelerating the phase out of coal-fired electricity generation in Alberta, well ahead of the Federal timeline.

Climate-related lobbying - Our approach to climate-related lobbying aligns with our business objectives and the following principles:

- Reducing emissions is important and must be balanced with energy security, reliability, affordability and economic growth.
- To deploy capital for decarbonization, we require regulatory frameworks that provide certainty and stability complemented by flexible, outcome-driven policies.
- We favour policies that rely on market incentives—such as clear price signals and regulatory flexibility—rather than prescriptive rules, to direct investment toward the lowest-cost and most effective emissions reductions, while ensuring capital is deployed efficiently and delivers value.

U.S. GHG REGULATIONS

GHG-related regulations in the U.S. continue to evolve, creating a complex compliance environment across federal and state jurisdictions. We are closely monitoring regulatory developments and support transparent reporting of climate-related risks and emissions. We take a practical and measured approach to support long-term, durable and cost-effective compliance mechanisms while minimizing disruption to the safe and reliable delivery of energy across North America.

METHANE REGULATIONS

We continue to prioritize methane emissions reductions, supported by our enterprise-wide methane intensity reduction target introduced in 2025.



Canada - The final Federal Methane Regulations introduced in 2025 contemplate a phased approach to implementation from 2028 to 2030 and allow two compliance pathways, depending on facility emission intensity. We support the outcome-based approach incorporated in Part 2 of the Federal Methane Regulations and continue to work with the government to further define a best-in-class compliance approach that advances methane emission reductions in a cost-effective and practical way.



U.S. - We have engaged through INGAA¹⁷ on the U.S. EPA Methane Rule for Oil & Gas to support regulatory clarity and methane standards that are fit for purpose, practical and aligned with their intended objectives. In the U.S., our maintenance and operational practices are designed to meet regulatory compliance requirements. We support durable and stable methane regulations that reinforce asset integrity and operational reliability and allow operators to develop complete and credible emissions reporting. Any regulatory requirements affecting transmission infrastructure need to include flexibility to minimize the risk of disruption to the supply, reliability and competitiveness of our service offering.



Mexico - We strategically engage with government officials, maintain key memberships in trade associations and participate in public forums to advocate for transparent, responsible public policy development and regulatory processes that benefit all stakeholders. We promote natural gas access and support the displacement of higher-emitting fuels.

TRADE ASSOCIATIONS

We are a member of trade associations that address energy industry issues relevant to our business and stakeholders. Through this participation, we engage with a range of perspectives, share experience and contribute to informed policy and regulatory development.

As trade association positions typically reflect a consensus among members, there may be instances where an association’s policy positions or lobbying activities do not fully align with our views on a specific issue. In such circumstances, we may engage with the association to address potential misalignment and may reassess our participation or level of support, as appropriate.

¹⁷ Interstate Natural Gas Association of America



CLIMATE-RELATED RISK MANAGEMENT

Climate-related risks and opportunities represent a broad range of potential impacts to our business. To capture a range of potential risks and timeframes, we leverage multiple processes to identify, assess and monitor climate-related risks and opportunities.¹⁸

In the short term, we identify and assess potential climate risks through our ERM program and, where relevant, TC Energy's Operational Management System (TOMS), enabling the company to assign accountabilities and develop mitigation strategies.

Integration with Enterprise risk management (ERM)

Our ERM program focuses on risks that could impact enterprise-level strategic objectives over a one- to three-year time horizon. We assess risks based on their likelihood of occurrence and potential impact should they materialize, with the most material risks captured in our enterprise risk register. Climate-related risks with potential to affect our operations, business strategy or financial results may intersect with enterprise risks in our risk register. As a result, we systematically assess climate-related risks through our ERM program.

A network of liaisons from across the organization support the ERM by identifying potential emerging risks and reporting on their management and mitigation to the Board. This network helps identify and escalate emerging climate-related risks, such as climate-related policies and regulations, energy market shifts, stakeholder issues and physical risks affecting operations.

Integration with TC Energy's Operational Management System (TOMS)

We employ an Operational Management System that integrates operational risk management and asset integrity practices. When necessary, we may escalate operational risks from asset-level monitoring to enterprise-level evaluation annually through the corporate ERM process, ensuring operational insights inform strategic risk oversight. This integration is essential for identifying and managing the impacts from physical climate risks, including operational disruptions from extreme weather events and impacts on asset integrity from persistent, long-term shifts in climate patterns.

Using climate scenario analysis to identify climate-related risks and opportunities

We use climate scenario analysis to identify risks and opportunities that might impact our business over the medium- to long-term under a diverse range of potential climate scenarios, should the conditions in those scenarios unfold.

¹⁸ Our [2025 Annual Report](#) contains information on the risks applicable to TC Energy and is publicly available in the Reports and filings section of the [investors page on our website](#). For more information about the company's processes for identifying and managing risk, including climate-related risks, please refer to the risk oversight and enterprise risk management section of the [2026 Management Information Circular](#).

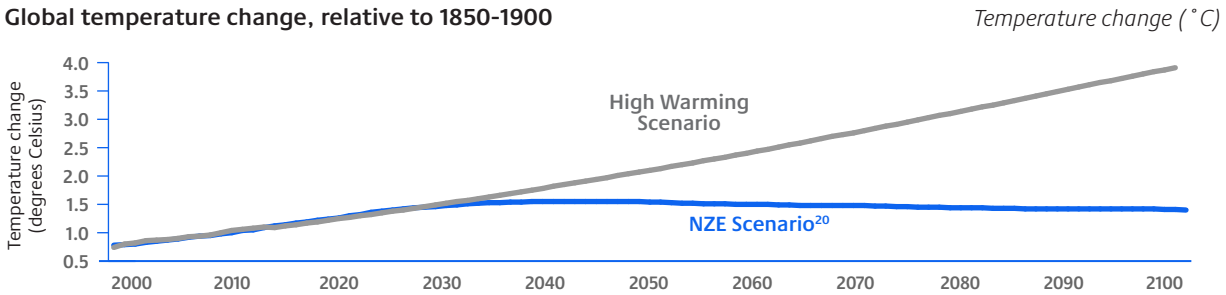
CLIMATE SCENARIO ANALYSIS

Taking a long-term view to a wide spectrum of energy outlooks is foundational to our strategic planning process. We develop detailed internal forecasts of energy market fundamentals spanning multiple sectors, integrating valuable insights from our internal subject matter experts across business development, commercial, regulatory and policy functions. We further enhance our forecasts by incorporating outlooks and analysis from reputable third-party energy experts. While our business strategy is anchored in our internal forecasts, we continually monitor signposts such as market, technological and regulatory developments to adapt our strategy as the future unfolds.

Climate scenario analysis serves as a complementary tool in our strategic planning process. We periodically conduct climate scenario analysis to test the resiliency¹⁹ of our strategy across a wide range of energy transition pathways in order to strengthen our understanding of potential climate-related risks and opportunities. In 2024, we engaged a third-party consultant to perform a thorough qualitative climate scenario analysis using globally recognized scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). The analysis focused on two primary scenarios:

- **Net Zero Emissions by 2050 Scenario (IEA NZE)**²⁰: an accelerated energy transition scenario aligned with the ambitious goal of reaching net zero global emissions by 2050, limiting global warming to 1.5°C above pre-industrial levels by 2100. This scenario aligns with the 2015 Paris Agreement adopted under the United Nations Framework Convention on Climate Change (UNFCCC), which represents the most recent international agreement on climate change. Transition risks and opportunities are more pronounced under this scenario.
- **High Warming Scenario (IPCC SSP3-7.0)**: a scenario with significant challenges to adopting new climate policies to reduce emissions, resulting in a continued rise in emissions and temperatures. Physical climate risks are more pronounced under this scenario.

Global temperature change, relative to 1850-1900



Sources: IPCC Sixth Assessment Report, IEA World Economic Outlook 2021 scenarios

In addition to the two primary scenarios, we also evaluated a more gradual energy transition scenario (IEA Stated Policies or "STEPS" Scenario) that projects medium-term growth in fossil fuel demand, followed by a long-term transition towards lower-carbon energy sources. Transition risks and opportunities are less pronounced under this "Gradual Transition" scenario, providing a different perspective on transition impacts compared to the NZE Scenario. Details on the potential financial impacts of climate-related risks and opportunities under both the Gradual Transition and NZE scenarios are provided in the following section.

TIME HORIZONS

We evaluated these climate scenarios across three distinct time horizons: short-term (1–5 years), medium-term (6–15 years) and long-term (16–25 years).

Climate scenarios include a variety of standardized assumptions about future energy market fundamentals, including the impact of climate policies on the energy mix and the rate of technological change to support the transition to lower-carbon energy systems. While these theoretical views of the energy future are informative for strategic planning and risk management purposes, we do not assign probabilities to these scenarios and do not consider them to be forecasts or expected outcomes.

SCENARIO OUTCOMES

Net Zero Emissions (NZE) Scenario

To reach net zero GHG emissions by 2050, the NZE Scenario assumes a reduction in global energy consumption and a shift in the energy mix away from fossil fuels and towards lower-carbon energy. Accordingly, this scenario models a steep decline in North American natural gas demand as well as an exponential increase in demand for many different forms of lower-carbon energy.

A decline in natural gas demand of this magnitude would pose a substantial medium- to long-term risk to our existing natural gas pipeline infrastructure. A more stringent regulatory environment in this scenario would create significant challenges in securing approvals for new natural gas pipeline projects and would increase GHG compliance costs. Furthermore, access to capital for fossil fuel-related investments could be substantially constrained, potentially limiting our ability to fund growth opportunities.

These risk factors could significantly affect future earnings and asset values for our existing natural gas pipeline infrastructure, as well as hinder future growth projects. In the medium-term, these risks would be partially mitigated by our business model and low-risk preferences; approximately 98 per cent of our comparable EBITDA²¹ is underpinned by rate-regulated or long-term take-or-pay contracts, providing a degree of financial stability.

A rapid energy transition would also present substantial investment opportunities in emerging energy markets and technologies. The NZE Scenario assumes adequate capital market capacity to support investment in lower-carbon energy technologies and infrastructure, coupled with supportive policies and streamlined permitting processes to facilitate rapid deployment of proven, scalable lower-carbon energy solutions.

Under these favorable conditions, we would be well-positioned to strategically realign our asset portfolio and capture a significant share of the growing lower-carbon energy opportunities through:

- our existing capabilities in lower-carbon energy generation, including nuclear power and energy storage technologies, that would enable us to capitalize on new [lower-carbon opportunities](#).
- our extensive pipeline network across North America that provides a footprint of linear infrastructure that we could use to transport emerging clean fuels and captured carbon emissions for sequestration, all assumed to scale rapidly under this scenario.

High Warming Scenario

The High Warming Scenario forecasts a significant increase in global GHG emissions and temperatures, substantially elevating the long-term risk of physical climate hazards. The climate scenario analysis modeled diverse climate hazards and their potential effects on a representative sample of 54 locations from across our natural gas pipelines and power generation assets, spanning diverse geographic locations across North America. This climate hazard modeling indicated that under a High Warming Scenario and absent mitigations, we could have an elevated risk exposure to wildfires, extreme heat and landslides at certain asset sites. The modeling also revealed moderate risk exposure to water stress, flooding and tropical cyclones in the absence of mitigations. See [page 26](#) for a detailed discussion of the potential exposures, financial impacts and mitigating measures for these risks.

¹⁹ In the context of climate scenario analysis, resilience refers to our ability to maintain long-term financial strength by leveraging our existing assets while shifting our portfolio to align with future energy needs.
²⁰ The IEA NZE Scenario is a normative scenario targeting a specific outcome of net zero emissions by 2050, working backward to identify the conditions and actions required to achieve it.
²¹ Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures section in this Report.

TRANSITION RISKS

SHORT TERM (S/T): 1–5 years	MEDIUM TERM (M/T): 6–15 years	LONG TERM (L/T): 16–25 years
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POLICY AND LEGAL RISK

Description

We operate in highly regulated jurisdictions across North America. Evolving policies and regulations affect our ability to operate our existing assets and develop growth projects, both of which require various permits and government approvals. Complex and divergent regulatory frameworks in different jurisdictions and levels of government can increase compliance challenges, and changes in government administrations or policy approaches can further introduce uncertainty and delays in obtaining necessary permits. Opposition groups can also influence regulatory decisions through organized protests, legal challenges and media campaigns. In addition, there are a variety of existing and evolving initiatives and policies in development at the federal, regional, state and provincial levels aimed at reducing GHG and methane emissions. Climate-related litigation is continuously evolving, which could also impact our ability to operate our assets.

Potential Financial Impacts²²

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Low
NZE Scenario		Medium	Medium

Complying with more stringent climate-related regulations may result in higher operating costs or higher capital expenditures or may impact our ability to develop new projects and meet our growth targets. Similarly, climate-related litigation may result in legal costs or affect our ability to execute on growth projects.

We own assets in a number of regions subject to GHG emissions management regulations and carbon pricing policies. In 2025, we incurred \$194 million of expenses under existing carbon pricing programs.

Mitigation measures

We actively monitor emerging policies and regulations, participate in the regulatory review processes and submit formal comments to regulators as appropriate. We identify material risks associated with evolving regulatory and government decisions through our ERM program and report them quarterly to the Board. We also consider potential regulatory and policy risks in our capital allocation framework and strategic planning processes. The majority of our regulatory compliance costs related to existing carbon pricing programs are recoverable through regulated rate frameworks or commercial agreements.

TECHNOLOGY RISK

Description

The transition to a lower-carbon economy may give rise to technological advancements that support developing and scaling alternative forms of lower-carbon energy or improve energy efficiency. The development and deployment of new technologies inherently bears financial risks and uncertain outcomes.

Potential financial impacts²²

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Medium
NZE Scenario		Medium	Medium

Exploring, developing and implementing new technologies may require increased expenditures in research and development (R&D). Capital projects relying on new technologies may have an increased risk of cost overruns, project delays and cash flow uncertainty.

Mitigation measures

We are strategically positioned to capitalize on lower-carbon energy opportunities through our proven expertise in nuclear power and energy storage solutions. We continue to build additional expertise in emerging lower-carbon technologies through pilot projects and small strategic investments. Our approach to investing in emerging technology is to develop capabilities that are complementary to our core businesses and where we can develop commercial opportunities as the technologies mature and become aligned with our investment risk preferences. We also monitor signposts, such as customer, regulatory and government decisions regarding new technologies, to remain aligned with changing market conditions.

²² Potential financial impacts are directional, order-of-magnitude estimates based on the inherent risk exposures—absent the effects of potential risk mitigants—under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.

MARKET RISK

Access to capital

Description

We require access to substantial amounts of capital at a competitive cost to fund our portfolio of growth projects and replace maturing debt obligations. Investors and lenders consider climate-related risks and opportunities in their decision-making, affecting our access to or cost of capital.

Potential financial impacts²²

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Low
NZE Scenario		Medium	Medium

Reduced access to capital could inhibit our ability to execute on growth prospects or refinance existing debt. A higher cost of capital could negatively impact future earnings, asset values and our ability to deliver returns on our investments in excess of our cost of capital. Significant increases in interest rates could result in higher interest expenses.

Mitigation measures

We take a disciplined approach to capital allocation, staying within our capital spending target while maximizing the expected returns of the projects that we sanction. We expect to finance our capital program through a combination of internally generated cash flows, capital markets, portfolio management activities and other funding options. We recover a portion of interest expense related to our natural gas pipelines through regulated tolls, which helps mitigate the impacts of rising interest rates.

We have candid and proactive engagement with the investment community to solicit feedback and keep them apprised of our prospects, risks and challenges as well as sustainability-related updates. We seek to maintain an understanding of the evolving sustainability expectations of our investors and financial partners, which we consider in our decision-making.

Natural gas supply/demand

Description

A long-term shift in the global energy mix away from fossil fuels and towards lower-carbon energy could result in a decline in North American natural gas demand and LNG exports, decreasing demand for our natural gas pipeline assets.

Potential financial impacts²²

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Medium	Medium
NZE Scenario		High	High

Declining natural gas demand could significantly impact future earnings and impair asset values for our existing natural gas pipeline infrastructure, as well as hinder future growth projects.

Mitigation measures

We continue to view natural gas and LNG as playing a critical role in the global energy mix across various energy transition scenarios, displacing higher-carbon fuels and providing essential grid stability to support renewable power generation. As part of our strategic planning process, we develop comprehensive internal projections of energy market fundamentals based on granular, bottom-up, customer-driven analysis, drawing on third-party research and advice from external experts. We continuously monitor signposts and market developments to inform our views on the pace and direction of the energy transition.

While we maintain strong confidence in long-term natural gas demand, we believe our diversified strategy provides resilience against potential market shifts. We have established expertise spanning nuclear power, renewable power, lower-carbon fuels and energy storage solutions, and we are developing capabilities in emerging lower-carbon energy technologies through small strategic investments and pilot projects. In the medium-term, our stable business portfolio, comprising primarily rate-regulated revenues or long-term take-or-pay contracts with creditworthy counterparties, largely insulates us from volumetric risk, even as natural gas demand declines. Our rate-regulated construct also provides potential to accelerate depreciation and redeploy capital, offsetting potential terminal value risk.

²² Potential financial impacts are directional, order-of-magnitude estimates based on the inherent risk exposures—absent the effects of potential risk mitigants—under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.

REPUTATIONAL RISK

Description

As concerns around the effects of climate change continue to grow, there is increasing pressure on energy companies to reduce GHG emissions, enhance climate-related disclosures and manage climate-related risks. Our operations and growth prospects require strong relationships with rights holders and stakeholders. Inadequately managing stakeholder expectations and concerns about climate-related risks can have a significant impact on the operations of our current assets as well as our ability to access capital and develop new projects on time and on budget.

Potential financial impacts²²

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Medium
NZE Scenario		Medium	Medium

Reputational damage could result in increased capital costs, delayed project completion or impeded earnings growth.

Mitigation measures

As we work to be the trusted leader in North American energy infrastructure, we recognize the importance of maintaining constructive and positive relationships with all our rights holders and stakeholders including Indigenous communities, customers, landowners, suppliers, investors, governments and government agencies, regulators, financial institutions and environmental non-governmental organizations. We carefully and proactively cultivate these relationships through transparent, accountable engagement to build enduring and trusting relationships and create mutually beneficial outcomes for all stakeholders.

We have specific stakeholder programs and policies that shape our interactions, clarify expectations and assess risks. We maintain detailed documentation of all stakeholder and rights holder engagements, tracking issues raised and resolution measures implemented. Our approach emphasizes:

- open, proactive dialogue and meaningful consultation
- active solicitation and incorporation of feedback
- timely, transparent communication through regulatory processes and operations
- direct, respectful resolution of concerns through collaborative discussion

In 2025, our Board Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO), other members of management and our Investor Relations team participated in over 500 meetings with shareholders and bondholders, including over 40 meetings on sustainability-related topics. Where relevant, feedback from these meetings is provided to the Board on a quarterly basis. We continue to enhance and refine our climate-related disclosures to provide information that is clear, relevant, comparable and decision-useful to investors. We take into consideration input and feedback from investors and stakeholders and rely on guidance from existing and emerging climate disclosure standards and frameworks.

PHYSICAL RISKS

Physical climate hazards²³ can be either event-driven (acute) with immediate, severe impacts, or gradual (chronic), leading to persistent long-term shifts in climate patterns. The frequency and severity of climate hazards, particularly acute weather events, is difficult to predict. Climate hazards vary greatly across different geographical regions depending on weather patterns, topography and proximity to bodies of water.

To assess the potential exposure and impacts of these physical climate hazards on our business, we engaged a third-party service provider in 2024 to conduct a thorough climate hazard analysis. We include details of the scenarios and approach to this simulation in the [Climate Scenario Analysis](#) section.

The climate hazard analysis indicated that, in the High Warming Scenario, without considering potential mitigations, we may have an elevated risk exposure to wildfires, extreme heat and landslides for certain assets. The analysis also showed, in the absence of mitigants, a more moderate risk exposure to water stress, flooding and tropical cyclones for certain assets. We discuss these risks, along with their potential mitigants and areas of financial impact, below.²⁴

Wildfires

Description: Wildfire risk can be exacerbated by extreme heat and drought conditions caused by climate change. In the High Warming Scenario, an increased risk of wildfires in Western Canada, Texas and Mexico could impact our natural gas pipelines, renewable energy and cogeneration assets.

Potential financial impacts: Wildfires could cause asset damage or operational disruptions, resulting in lost revenues and costly repairs.

Potential mitigation measures:

- proactive vegetation management
- use of fire-resistant materials
- early warning systems for rapid response
- comprehensive emergency response plans

Extreme heat

Description: Extreme heat refers to an increase in average temperatures and increase in the number of days with extreme heat. In the High Warming Scenario, extreme heat is the climate hazard with the most widespread impact across our operations, with the most severe impacts on our operations in Mexico and the southern U.S.

Potential financial impacts: Prolonged extreme heat may impact the efficiency and reliability of our operations, resulting in increased maintenance costs and decreased revenues due to reduced output.

Potential mitigation measures:

- more frequent maintenance to address the heightened stress on equipment
- use of more heat-resistant materials
- upgrading cooling systems to operate more efficiently in higher temperatures
- designing future facilities with greater cooling capacity

²² Potential financial impacts are directional, order-of-magnitude estimates based on the inherent risk exposures—absent the effects of potential risk mitigants—under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.
²³ Climate hazard refers to the potential occurrence of climate-related physical events or trends that may cause damage and loss.
²⁴ Given the difficulty in predicting climate hazards, the magnitude of potential annualized financial impacts (low/medium/high) has not been estimated.

Landslide susceptibility

Description: Landslide susceptibility is generally caused by unstable terrain, often as a result of heavy rainfall or flooding. The majority of our assets are in areas with negligible landslide susceptibility. In the High Warming Scenario, some of our natural gas pipeline assets in mountainous regions of Western Canada, the U.S. and Mexico could face higher landslide risks.

Potential financial impacts: Landslides could potentially cause asset damage or operational disruptions, resulting in lost revenues and costly repairs.

Potential mitigation measure: Slope Monitoring Program to identify areas prone to instability for proactive risk assessments and early intervention.

Flooding

Description: Flooding can be caused by extreme rainfall, river flooding or inundation from rising sea levels. In the High Warming Scenario, most of our assets would only have a minor increase in flooding risk, with the exception of a small number of assets located closer to rivers and coastal areas that may be more vulnerable to flooding.

Potential financial impacts: Flooding could potentially cause asset damage or operational disruptions, resulting in lost revenues and costly repairs.

Potential mitigation measures:

- use of flood barriers, reinforced foundations or elevating assets to reduce vulnerability
- use of predictive modeling and risk assessments in the design of new infrastructure to locate assets above projected flood zones
- real-time monitoring of river conditions to adjust operations during flooding events, minimizing operational disruptions

Water stress

Description: Water stress arises from potential water scarcity and unpredictable water availability. This risk is particularly pronounced in areas where water is sourced from renewable supplies that depend on consistent precipitation and surface runoff for replenishment. In the High Warming Scenario, some of our cogeneration power plants that use water from renewable sources for cooling and steam generation may experience increased long-term water stress. In contrast, our Bruce Power nuclear facility, which relies on access to significant volumes of water for cooling, would be expected to face minimal water stress due to its access to the Great Lakes system—a vast and stable water supply that is less reliant on renewable water sources.

Potential financial impacts: Water stress could disrupt operations or reduce operational efficiency, resulting in lost revenues and increased costs.

Potential mitigation measures:

- use of closed-loop and hybrid cooling systems for power generation to minimize water consumption
- incorporate water risk assessments into asset planning processes so new projects have access to sustainable water resources or efficient water-use systems

Tropical cyclones

Description: Tropical cyclones, commonly known as hurricanes, produce extremely high wind speeds, significant rainfall and potential flooding. In the High Warming Scenario, some of our assets located in the southeastern U.S. and in northern Mexico could have an increased long-term risk of exposure to tropical cyclones.

Potential financial impacts: Tropical cyclones could cause operational disruptions, resulting in lost revenues and costly repairs.

Potential mitigation measures:

- implement emergency response plans
- proactively procure critical spare parts
- having maintenance crews on standby to respond quickly to address damage

Other general mitigation measures for physical climate-related risks

Our asset designs take into account site-specific exposures to environmental factors such as extreme weather events, which are impacted by climate change. Our emergency response plans are focused on quickly and effectively responding to emergencies and mitigating impacts in a timely manner. Should a severe weather event occur, our response would be managed under the processes outlined in our Emergency Management Program. We also maintain insurance to mitigate the financial impact of asset damage caused by extreme weather events. However, insurance does not cover all events in all circumstances.

Additional mitigations to address the risk of physical climate hazards include:

- enhanced inspection and maintenance of assets and pipeline rights-of-way (including on, and in the vicinity of, pipeline crossings at watercourses), emergency and crisis response planning and training, and business continuity planning including recovery, risk mitigation and restoration.
- use of historical weather data and systems to forecast weather events to design more resilient sites and facilities.
- alignment on contingency planning with other parties in broadly based logistics networks, which enables us to coordinate shutdowns in advance of severe weather events and make resumption of energy supply a priority following a storm.
- planning for extreme weather events in operational response plans, including the installation of on-site emergency generators at a number of our operational facilities to provide power in the event of extended outages.
- partnering with research organizations and industry groups to monitor the resilience of assets to physical risks, including severe weather events such as 100- and 200-year rainfall events. This helps determine the need to maintain or replace assets, including existing pipelines.



To better support geohazard risk management, we implemented a customized web-based geohazard platform, GeoForce, to identify, inventory and track geohazards across our U.S. pipeline system. The platform was built within the Environmental Systems Research Institute (ESRI) ArcGIS Enterprise environment and leverages a diverse amount of ESRI products.

TRANSITION OPPORTUNITIES

SHORT TERM (S/T): 1–5 years	MEDIUM TERM (M/T): 6–15 years	LONG TERM (L/T): 16–25 years
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RESOURCE EFFICIENCY

Description

Improving resource efficiency enables us to reduce the consumption of resources such as natural gas and electricity required in our operations.

Potential financial impacts²⁵

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Low
NZE Scenario		Low	Low

By improving resource efficiency, we can lower operating costs, reduce our GHG emissions intensity and potentially minimize exposure to GHG regulatory compliance costs.

Realization examples

We are investing in modernizing our natural gas pipeline assets with advanced technologies such as gas recovery and recompression systems to drive operational efficiencies. In Canada, we developed commercial incentives in our rate and tolling structures to support investing in fuel efficiency projects, lowering operating costs and carbon compliance costs, while sharing the financial benefits with our customers.

ENERGY SOURCES

Description

Shifting our energy consumption to lower emissions-intensive energy sources, such as electricity, helps reduce our GHG emissions intensity.

Potential Financial Impacts²⁵

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Low	Low
NZE Scenario		Medium	Medium

These opportunities can reduce our exposure to GHG regulatory compliance costs while also reducing operating costs.

Realization examples

- In Canada, our Valhalla North Berland River (VNBR) project aims to provide incremental capacity to the NGTL system using non-emitting electric compression, helping reduce our GHG emissions intensity. We completed construction on the non-emitting electric compressor unit, which is expected to be operational in the second half of 2026.
- In 2025, we placed our VR and WR projects into service in the U.S., upgrading compressor stations to hybrid-drive compression and reducing our GHG emissions intensity while strengthening system reliability and expanding capacity.

²⁵ Potential financial impacts are directional, order-of-magnitude estimates based on the inherent opportunities under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.

PRODUCTS AND SERVICES

Description

The energy transition will create long-term demand for new lower-carbon technologies that could generate growth opportunities for TC Energy.

Potential financial impacts²⁵

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Medium	Medium
NZE Scenario		High	High

Opportunities related to new products and services could lead to increased capital investment, revenues and earnings.

Realization examples

Our strategy positions us to capitalize on lower-carbon energy opportunities through our proven expertise in nuclear power and energy storage solutions. We continue to build additional expertise in emerging lower-carbon technologies through pilot projects and small strategic investments. Our disciplined approach guides our pursuit of growth initiatives that align with our risk management framework and return expectations as new energy technologies mature.

Some examples of current and potential opportunities include:

- Nuclear** – Bruce Power delivers approximately 6,580 MW of safe, affordable, reliable and non-emitting baseload generation capacity. Through our 48.3 per cent ownership stake, we are investing approximately \$1 billion annually to support Bruce Power's life extension programs and Project 2030, which aims to increase site output to 7,000 MW by the early 2030s. Bruce Power is also advancing the Bruce C Project, a proposed 4,800 MW generating station and Canada's first large-scale nuclear build in 30 years.
- Energy storage** – With our prospective partner, Saugeen Ojibway Nation, we continue to advance the proposed Ontario Pumped Storage Project. The energy storage facility is designed to provide 1,000 MW of flexible, clean energy to Ontario's electricity system, enhancing grid reliability and supporting the integration of renewable resources.

MARKETS

Description

Global demand growth for various forms of lower-carbon energy can create new market opportunities for natural gas and LNG.

Potential financial impacts²⁵

	S/T	M/T	L/T
Gradual Transition Scenario	Medium	Medium	Medium
NZE Scenario		Low	Low

New market growth opportunities could drive increased capital investment, revenues and earnings.

Realization examples

We continue to view natural gas and LNG as a cornerstone of the global energy transition, supporting the displacement of coal and other carbon-intensive fuels, and providing essential grid stability for renewable power generation.

- North American markets** – Through over 94,000 km of pipelines, we are the only energy infrastructure company with strategic natural gas pipeline corridors connecting low-cost basins to high-demand markets in each of Canada, the U.S. and Mexico. We currently move approximately 30 per cent of natural gas consumed in North America and are expanding our pipeline capacity and extending our footprint to serve growing industrial and electric power generation markets. In Mexico, we completed the Southeast Gateway pipeline in 2025. The Southeast Gateway pipeline is a transformative infrastructure project, serving as a critical artery for delivering natural gas to underserved regions in southeast Mexico, driving economic growth while supporting the country's transition to lower-emitting, more reliable sources of energy.
- LNG export markets** – Growing global demand for natural gas is translating into substantial growth opportunities for North American LNG exports. We transport up to 30 per cent of North American LNG feedgas demand and are developing new projects to capture the next wave of LNG growth.

²⁵ Potential financial impacts are directional, order-of-magnitude estimates based on the inherent opportunities under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.

RESILIENCY

Description

By proactively assessing climate-related impacts across various energy transition scenarios, we can strengthen business resilience, mitigate potential risks and position to capture emerging opportunities.

Potential financial impacts²⁵

	S/T	M/T	L/T
Gradual Transition Scenario	Low	Medium	Medium
NZE Scenario		Medium	Medium

Building resiliency can drive revenue growth, reduce costs and generate capital investment opportunities.

Realization examples

In 2024, we performed a detailed climate scenario analysis that provided valuable insights into the resiliency of our business strategy against a wide range of climate scenarios and identified possible physical climate hazards and potential mitigants. We continuously monitor signposts and market developments to inform our views on the pace and direction of the energy transition and adjust our business strategy as needed.

We also provide access to safe, reliable, secure and affordable energy across multiple platforms, including:

- our integrated natural gas pipeline network facilitates North American gas transmission and LNG exports, supporting the transition from more carbon-intensive fuels while providing crucial grid stability for renewable power integration.
- Bruce Power, the world's largest operating nuclear facility, delivers 6,580 MW of non-emitting baseload generation.
- the proposed Ontario Pumped Storage Project, which would add 1,000 MW of reliable, on-demand clean energy storage to Ontario's electricity system.



²⁵ Potential financial impacts are directional, order-of-magnitude estimates based on the inherent opportunities under two climate scenarios. Refer to the Climate-related Scenario Analysis on [page 23](#) for more information.

ENVIRONMENTAL MANAGEMENT

TC Energy operates infrastructure across diverse geographies and operating environments, each with distinct environmental considerations. Our assets interact with the natural environment and communities throughout their lifecycle. Effective environmental management is fundamental to the safe, reliable and compliant operation of our system and our ability to further develop our infrastructure.



OUR COMMITMENT

Leaving the environment as we found it

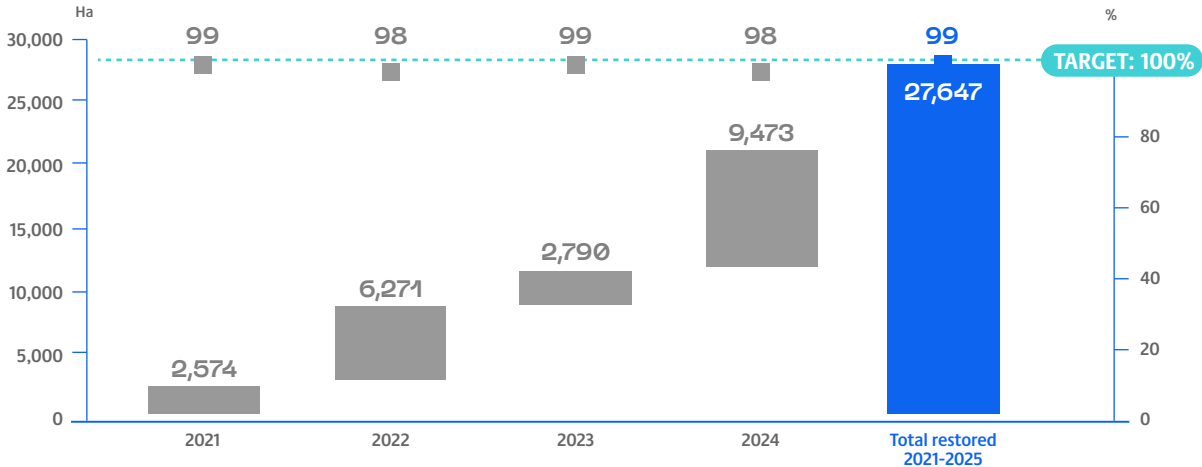
Safeguard habitat and biodiversity and minimize land use impacts, including restoring the environment to a condition equal to or better than we found it.

OUR TARGET

Restore or offset all land disturbances resulting from construction and operation of our North American assets²⁶.

2025 PERFORMANCE

Cumulative land restoration²⁷
2021–2025



Advancing restoration efforts following completion of major projects

In 2025, we restored 99 per cent of land disturbances resulting from construction and operation of our assets.

Restoration activities—returning disturbed land to equivalent land capability—are typically multi-year, and some sites have regulatory requirements that require monitoring beyond five years to confirm the effectiveness of mitigation measures.

We continue the reforestation process on our El Encino–Topolobampo, Tula–Villa de Reyes, and Sur de Texas–Tuxpan natural gas pipeline systems. Of the approximately 1.3 million plants planned for reforestation

across approximately 1,514 hectares, over 780,000—or approximately 59 per cent of the total—was planted across the three systems by end of 2025.

We also continue revegetation along our Coastal GasLink pipeline route using commercially available species and select species of concern identified through Indigenous consultation, plant surveys and expert input. In 2025, we planted nearly 500,000 tree and native plant seedlings on the project footprint, including over 47,000 Whitebark pine seedlings. Whitebark pine is an endangered species vulnerable to white pine blister rust, a fungal disease.



BY THE END OF 2025, WE INVESTED MORE THAN \$12 MILLION IN ACTIVITIES THAT RESTORE BIODIVERSITY AND REDUCE THE IMPACTS OF CLIMATE CHANGE, SURPASSING OUR \$10 MILLION GOAL.

Supporting ethical lichen harvesting for woodland caribou

2025 marked the second year of our three-year, \$255,000 commitment to support the Wilder Institute/Calgary Zoo's Lichen Harvesting Program. The program involves ethical harvesting of lichen with local communities and school groups in Alberta and British Columbia to provide dietary supplements for the zoo's woodland caribou, a species classified as Vulnerable on the International Union for Conservation of Nature's Red List. Lichen comprises up to 85 per cent of the woodland caribou winter diet.

²⁶ Restoration refers to returning disturbed land to equivalent land capability. Restoration activities are multi-year efforts with end-of-activity targets rather than annual targets. Restoration proceeds when site conditions allow, with ongoing engagement with landowners until activities are successfully completed. Further information is provided in the [Appendix, Performance data](#).

²⁷ The cumulative total of disturbed land currently includes land disturbed by natural gas pipeline and maintenance projects that underwent post-construction monitoring in the reporting year to determine restoration success. The cumulative total of disturbed lands includes land disturbed from projects constructed in preceding years that have not yet achieved restoration and are being monitored annually for restoration status. We do not include operating facilities that are above ground (fenced and graveled sites) in our disturbed lands or restoration reporting until they undergo decommissioning and abandonment. Projects are typically monitored annually following final clean-up after construction is completed, for five years, until restoration has been achieved.

OUR APPROACH

Anchored in our core values, environmental protection is embedded across the full lifecycle of our assets, from early planning and construction through operations, maintenance and reclamation. We seek to minimize environmental impacts while operating safely, reliably and in compliance with applicable laws and regulations. Three principles guide our environmental management activities:

Stewardship - We believe success comes from joint efforts to address interactions with the environment and providing sustainable benefits to the environment in the context of developing and operating important energy infrastructure.

Protection - We are dedicated to developing innovative solutions to manage our environmental footprint while providing responsible, safe and affordable energy to the North American economy.

We believe evidence-based assessments that consider scientific information and Indigenous and stakeholder knowledge provide an objective and knowledge-based foundation from which to develop and apply mitigation and adaptive management measures.

Performance - We monitor, measure, assess and communicate our environmental performance and recognize the importance of learning from our experiences to continuously improve our efforts to protect the environment.

Our assets are subject to federal, state, provincial and local environmental statutes and regulations governing environmental protection. To address regulatory risks, we monitor the evolving regulatory environment, work to build trust and alignment with stakeholders and respond promptly to emerging issues and concerns.

Our integrated operational management system, TOMS, establishes a framework for managing environmental risks

and is used to capture, organize, document, monitor and improve our related policies, standards and procedures. This management system governs environmental matters and is applicable throughout the lifecycle of all our assets. The management system follows a Plan-Do-Check-Act cycle and outlines training requirements for applicable roles to raise awareness of environmental commitments and requirements and sets environmental performance goals that are regularly monitored.

We integrate risk identification and baseline assessment into our planning process for all projects over an asset's lifecycle. Before construction starts, we assess how proposed infrastructure could interact with various resources, including wildlife and wildlife habitat, vegetation, fish and fish habitat and wetlands. We develop environmental protection and restoration plans that incorporate findings from environmental assessments, align with applicable environmental legislation and reflect all regulatory and project-specific environmental commitments made throughout the lifecycle of the project.

The environmental impact assessment process typically includes:

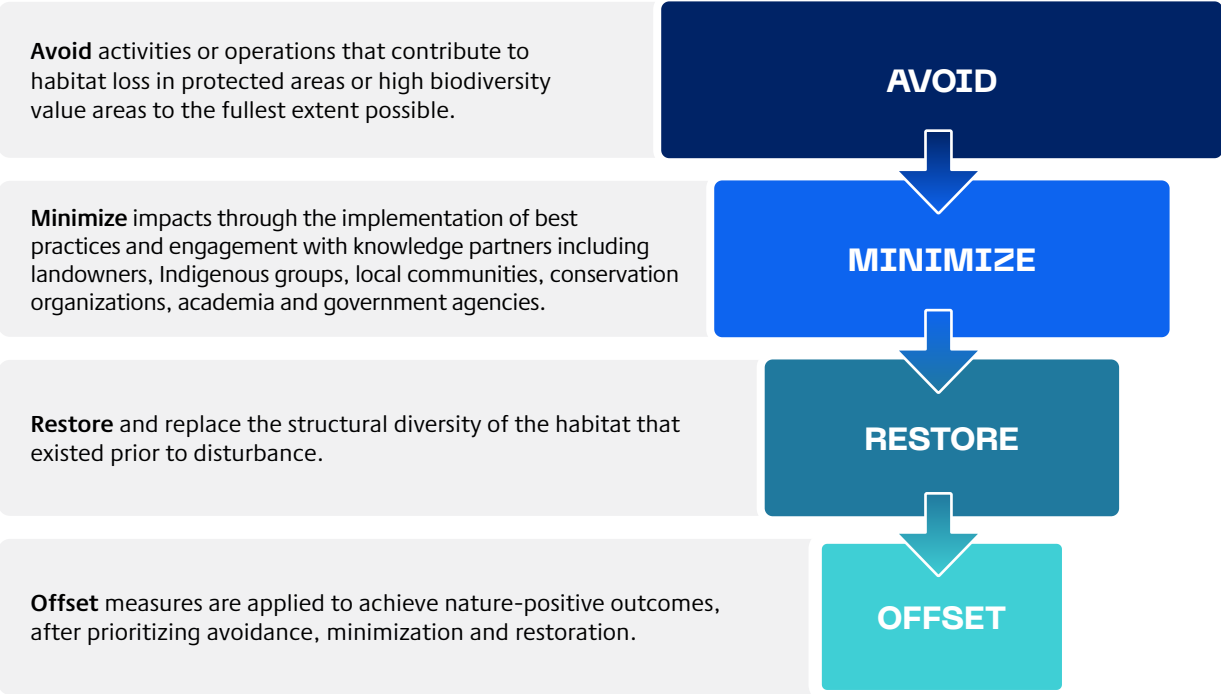
- collecting and sharing data on local biodiversity through site assessments.
- analyzing land use, water use, waste management practices and emissions.
- engaging with multiple knowledge partners including landowners, local and Indigenous communities, conservation organizations, academia and government agencies, as applicable, to inform environmental protection plans and best practices.
- applying practical and effective mitigation measures to minimize or eliminate impacts and support the protection and reclamation of natural ecosystems and biodiversity conservation.

Habitat, biodiversity and land

We work to safeguard habitat and biodiversity and reduce land use impacts, including restoring the environment to a condition equal to or better than we found it.

The assessment of biodiversity-related risks, for example, those related to cumulative impacts on protected or threatened habitats or valued species, uses a hierarchy strategy of mitigating impacts.

Biodiversity Mitigation Hierarchy





Protecting a federally listed species

The Cheat Mountain salamander, a federally protected species found only in the highlands of West Virginia, has been a focus of our biodiversity protection efforts near the WB Xpress Project. In partnership with the U.S. Fish and Wildlife Service and the U.S. Forest Service (Monongahela National Forest), we developed and implemented a plan to restore subterranean habitat along a former access road, reconnecting two separate salamander populations while maintaining continued access to the right-of-way for pipeline operations and maintenance. In 2025, during the ninth year of monitoring at this location, six individual salamanders were identified, demonstrating the positive impact of sustained collaboration, long-term monitoring and habitat restoration efforts.

MINIMIZING IMPACTS

Where we identify a sensitive habitat or an area of high biodiversity value, we prioritize avoidance. Where avoidance is not possible, we aim to minimize disturbance.

For instance, when determining the pipeline construction method around waterways, we consider crossing locations and possible trenchless installations. We monitor wildlife interactions during construction and operations and may delay or adjust work plans while wildlife is migrating or nesting. Minimizing our impact on habitats during the construction phase helps us return it to its pre-disturbance state more quickly.

RESTORATION, OFFSETS AND ONGOING MONITORING

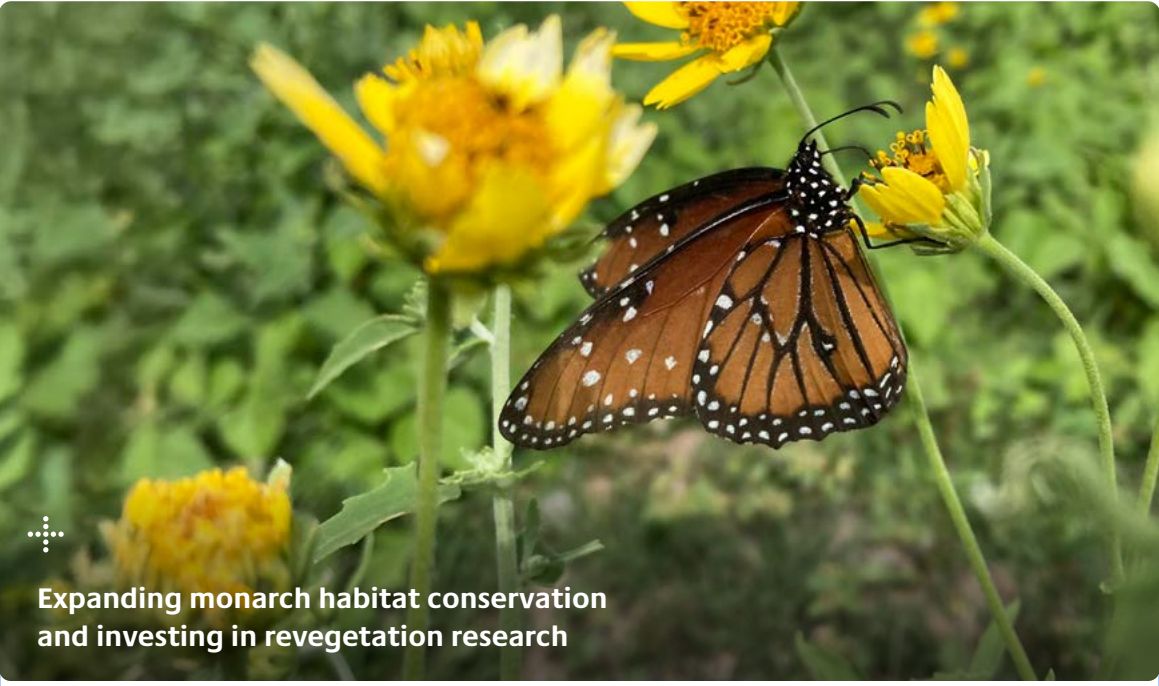
Our environmental plans guide the monitoring of effectiveness of the mitigation measures implemented, such as those used in replanting and vegetation management, soil conservation and wildlife monitoring. Our habitat restoration, reclamation and monitoring activities are based on:

- the studies undertaken to identify sensitive environmental features
- an assessment of risks and impacts that the site and its activities pose to the environment
- a description of the measures to avoid, prevent, reduce and manage environmental impacts and risks
- a process for monitoring, inspection and adaptive management
- Indigenous and non-Indigenous community and stakeholder input and feedback

Habitat restoration, reclamation and monitoring activities begin once project construction is complete. We stabilize the disturbed area, including the soil, before re-vegetation begins, using approved seed mixes.

Once assets are operational, natural growth takes time. We monitor our footprint to check on progress and monitor for compliance with applicable legal and regulatory environmental requirements across our operating jurisdictions.

If restoration is not possible, we consider an offset measure to compensate for the lost values, which may entail enhancing or restoring wildlife habitat.



Expanding monarch habitat conservation and investing in revegetation research

Each year, we identify and manage suitable rights-of-way and other idle or set-aside lands to support long-term pollinator habitat. Conservation practices include seasonal mowing, targeted tree and brush removal to enhance habitat conditions, selective herbicide treatments, and seeding and planting with native pollinator species, implemented in coordination with local stakeholders and conservation partners.

Our efforts were recognized at the 2025 North American Monarch Summit with a Certificate of Achievement for conserving 330 acres of monarch butterfly habitat on our managed lands in the U.S., delivered through our participation in the Monarch Candidate Conservation Agreement with Assurances program.

To improve pollinator habitat outcomes across our U.S. natural gas system, we launched a research initiative in 2025 to establish regionally appropriate pollinator seed mixes that support pollinator species, meet stabilization requirements and remain readily available for operational use. We are evaluating the effectiveness of these regional seed mixes, with results expected to inform broader future application.

Together with our habitat conservation programs, this initiative is helping to establish resilient habitats that support pollinators, including bees, butterflies and other beneficial insects—critical to promoting biodiversity and environmental health.

Air Quality

Air quality emissions from our operations and construction projects include NOx, SOx, particulate matter (PM) and volatile organic compounds (VOC) that can impact air quality.

We manage air quality emissions through operational, maintenance and technology-driven initiatives designed to meet or exceed regulatory requirements. These efforts are often integrated with our broader decarbonization strategies.

We monitor and manage our air quality emissions in accordance with applicable environmental statutes and regulations in each jurisdiction and work closely with appropriate regulatory authorities and agencies. This includes environmental assessments conducted during project development, routine operational inspections and emissions testing to verify compliance.

Water

Our cogeneration power assets are responsible for most of our water consumption, followed by hydrostatic testing of pipelines.

Our cogeneration assets recover waste heat from power generation to supply steam-based thermal energy to nearby industrial facilities. Steam is delivered and returned as condensate for reuse in a closed-loop system, with water consumption primarily reflecting the make-up water required to offset system losses and cooling needs. Any water discharged from operations is treated prior to release in accordance with applicable regulatory requirements.

We also use water for hydrostatic testing of pipeline integrity during commissioning or maintenance. Water for testing is drawn from nearby natural or municipal sources in accordance with applicable permits and regulatory requirements. Prior to discharge, the water is filtered and sampled to verify it meets applicable water quality requirements and standards. Most water used for pipeline testing is returned to the land near the original watershed source, with a small proportion sent for treatment or disposal.

Waste

Our projects and operations generate small amounts of waste such as recyclable hydrocarbons from our storage systems, recovered oily liquids from the natural gas in our natural gas pipelines or used oils and glycols from turbines, pumps and engines.

When we cannot recycle or recover it, waste is processed at licensed, secure disposal facilities in accordance with applicable laws and regulations.

Clean-up, treatment, storage and disposal of hazardous substances are conducted in accordance with applicable federal, state and provincial environmental statutes and regulations.

WANT TO LEARN MORE?

+ [Environment Principles](#)

+ [Safeguarding Biodiversity | Our approach](#)

+ [Fact sheet: Reducing our environmental footprint](#)

+ [Fact sheet: Hydrostatic testing](#)



INDIGENOUS ENGAGEMENT

Our assets and development activities span lands where Indigenous groups hold unique rights and interests. We recognize Indigenous communities as rights holders with distinct relationships to the land. Meaningful engagement throughout the lifecycle of our assets is critical to maintaining our social license to operate and achieving regulatory certainty. Indigenous equity partnerships, local contracting and collaborative engagement support de-risking project development and construction, align long-term interests and advance economic prosperity, strengthening our reputation as a trusted partner.



OUR COMMITMENT

Fostering enduring, mutually beneficial relationships with Indigenous groups

Be the partner of choice for Indigenous groups.

OUR TARGET

Identify and support community-led initiatives through partnerships with Indigenous groups.

2025 PERFORMANCE

Revising Indigenous Relations Policy

In 2025, we revised our Indigenous Relations Policy to explicitly outline the principles that govern our collaborative approach to relationships with Indigenous groups, aimed at achieving regulatory certainty and maintaining access to land, while supporting capacity-building initiatives and participation in economic opportunities. These principles are:

- those most impacted should benefit most
- mutual benefit for TC Energy and the Indigenous groups with whom the company engages
- being a partner of choice for Indigenous groups
- early, honest and continuous communication

We engaged with over 400 Indigenous communities across North America in 2025, reflecting these principles in practice and maintaining a focus on building long-term, mutually beneficial relationships while identifying opportunities to strengthen our approach.

Prioritizing early engagement

We continue to prioritize early, honest and ongoing engagement with Indigenous communities. This collaborative approach resulted in 36 letters of support ahead of regulatory filings as we progress various projects as part of our Multi-year Growth Plan on our NGTL system, demonstrating the value and importance of building enduring, mutually beneficial relationships with Indigenous groups.

Supporting economic participation

Throughout 2025, we supported economic participation through our projects and partnerships across Canada. 2025 marked a major milestone with the first LNG shipment to global markets—made possible by our Coastal GasLink pipeline. Our Executive Leadership Team, alongside the Indigenous Advisory Council (IAC), travelled to mark the project's completion.

Following commercial in-service in late 2024, the due diligence process commenced for the Indigenous Nations that elected to participate in the Coastal GasLink equity ownership opportunity, reflecting continued progress toward shared ownership and prosperity.²⁸

We also advanced construction on the Cedar Link Project, an expansion of the existing Coastal GasLink pipeline system. The project is designed to deliver natural gas to the world's first Indigenous-owned LNG facility—Cedar LNG. The Cedar Link Project is expected to be in service in 2028, subject to completion of commissioning activities at the Cedar LNG facility.

In Ontario, we progressed development of the proposed [Ontario Pumped Storage Project](#) in partnership with the Saugeen Ojibway Nation (SON). As prospective partners in the Project, the SON, will benefit directly through an equity ownership position and will have access to priority employment, training and contracting opportunities for their members.

In August 2025, Bruce Power and the SON announced plans to scale production to meet growing global demand for cancer-fighting medical isotopes. Refurbishment through the MCR program is designed to help ensure a steady supply of these materials for decades. This partnership further supports economic opportunities within the SON territory. Read more about our investment in Bruce Power on [page 20](#).



70+

Relationship Agreements

\$5 MILLION

in financial support for community-led initiatives through partnerships with Indigenous groups

311

scholarships awarded to Indigenous People

\$160 MILLION

in procurement with Indigenous suppliers²⁹

²⁸ Any decision to exercise these options rests with the participating Indigenous communities and remains subject to customary regulatory approvals and consents, including from LNG Canada.
²⁹ This represents our Tier 1 and Tier 2 Indigenous and Native American spend in 2025.

OUR APPROACH

Our [Code of Business Ethics Policy](#) and [Indigenous Relations Policy](#) guide our approach to Indigenous engagement, and apply to all employees and contractors working across Canada, the U.S. and Mexico. Our Indigenous Relations Policy—updated in October 2025—supports the spirit and intent of the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) and its guiding principles, including Free, Prior and Informed Consent (FPIC). Our Indigenous Relations team reviews project plans to help ensure we adhere to our Indigenous Relations Policy.

In addition, we have implemented corporate-wide mandatory Indigenous Awareness Training for employees and contractors in Canada and the U.S. to increase understanding of Indigenous history and culture.

Enhancing governance and risk identification

In addition to front-end engineering, detailed cost estimation and commercial structuring, our review of major projects that informs final investment decision includes enhanced assessment of non-technical risks, greenhouse gas emissions, alignment with policy and regulatory direction and Indigenous consideration. For major projects, as part of the capital allocation decision process, management’s recommendation to the Board includes an assessment of impacts on Indigenous Peoples.



Indigenous Advisory Council (IAC)

As outlined in our Reconciliation Action Plan, we established an IAC in 2021. As of July 2026, the IAC is composed of four Indigenous leaders. The IAC meets in-person with the Executive Leadership Team twice annually to discuss our efforts to advance reconciliation both internally and within the organization’s external purview. The Council’s advice is considered and incorporated into the development of internal and external reconciliation efforts. For example, we have implemented changes to our approach to Indigenous and local hiring and contracting, launched an Indigenous Business Advisory Forum, expanded and adjusted the use of co-developed Relationship Agreements to provide clarity for how we work with communities in support of mutually beneficial goals, and developed a purpose-built Indigenous cultural space at our head office to build a sense of belonging for Indigenous members of our workforce.

Meaningful engagement and consultation

Our commitment to respecting Indigenous Peoples’ rights and the principles of FPIC means we strive to achieve consent among Indigenous groups potentially affected by our work. We have built strong relationships and gained support from most communities we work with; however, to achieve unanimous alignment and support from every constituent across any long, linear infrastructure project is not reasonable nor feasible. We work toward consensus by identifying and resolving issues collaboratively and sharing benefits.

We adhere to the engagement and consultation processes in the jurisdictions where we work and seek to meet or exceed requirements while prioritizing respectful engagement and building relationships and partnerships.

We start with early engagement to understand the impacted Indigenous group’s concerns and then work to mitigate project-related effects on the exercise of Indigenous rights through environmental and project planning.

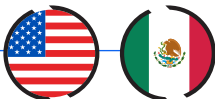
We strive to maximize project benefits for potentially affected Indigenous communities through various means, including investment in community-led initiatives, employment and contracting opportunities and project agreements. We believe that those most impacted should benefit most.

Building strong, respectful relationships and partnerships requires that we understand the communities where we operate and the people who live there. Our field-based engagement team is focused on building and maintaining relationships across both projects and ongoing operations, reflecting the long-term nature of our assets and activities, and includes 16 Indigenous engagement leads across our Canadian operations. We develop community-specific engagement plans with communities and tailor them to the nature, location and proximity of our activities.



Canada

In Canada, where the Crown has a duty to consult Indigenous Peoples on projects that impact their treaty and Indigenous rights and delegates aspects of the duty to consult to companies, we engage early and often on new projects. We offer capacity funding to support participation in the regulatory process, as well as funding for traditional knowledge and land use studies that help inform early project design. Additionally, we have created construction and post-construction monitoring programs to increase Indigenous participation and enhance knowledge in the planning and execution of our work.



U.S. and Mexico

In the U.S. and Mexico, where the federal governments lead Indigenous consultation, we work with government bodies to comply with effective Indigenous consultation processes in structure and in practice, and to foster community relationships through various social responsibility initiatives.

Creating economic opportunities

Advancing economic opportunities for Indigenous communities is a cornerstone of our commitment to building long-term, respectful relationships and supporting economic reconciliation. We work to provide opportunities in various ways including equity ownership, employment and contracting opportunities, relationship agreements, education and training programs, capacity funding, community investments and scholarships.

EQUITY OWNERSHIP

Advancing economic opportunities for Indigenous participation through equity ownership remains an effective way to align long-term interests with communities most impacted by our operations. These partnerships provide Indigenous groups with sustainable, multi-generational revenue streams and greater economic sovereignty.

In Canada, we believe Indigenous-led consortiums are the most effective way to move greenfield, large-scale projects forward, and we continue to support this approach. Our [Canadian Indigenous Equity Framework](#) outlines our values and principles for equity opportunities, demonstrating our commitment to building greater alignment and sharing in benefits through partnerships across our Canadian footprint.

HIRE & BUY LOCAL (HBL) PROGRAM

The HBL program is our strategic approach to prioritize employment, contracting and procurement opportunities for Indigenous and local communities impacted by our projects and operations. The HBL program provides a transparent, structured framework to promote community participation through contractually binding commitments for hiring and local business engagement. This program strengthens community relationships, supports local economies and mitigates project risks. Read more on [page 38](#).

INDIGENOUS BUSINESS ADVISORY FORUM

The Indigenous Business Advisory Forum was established in 2024 to advise us on Indigenous hiring and contracting practices. Participants from Indigenous communities near our Canadian NGTL and Foothills pipeline systems meet twice annually to provide guidance to strengthen Indigenous participation through employment and business opportunities and procurement within our supply chains. Learnings from these sessions are incorporated into our Hire & Buy Local program.

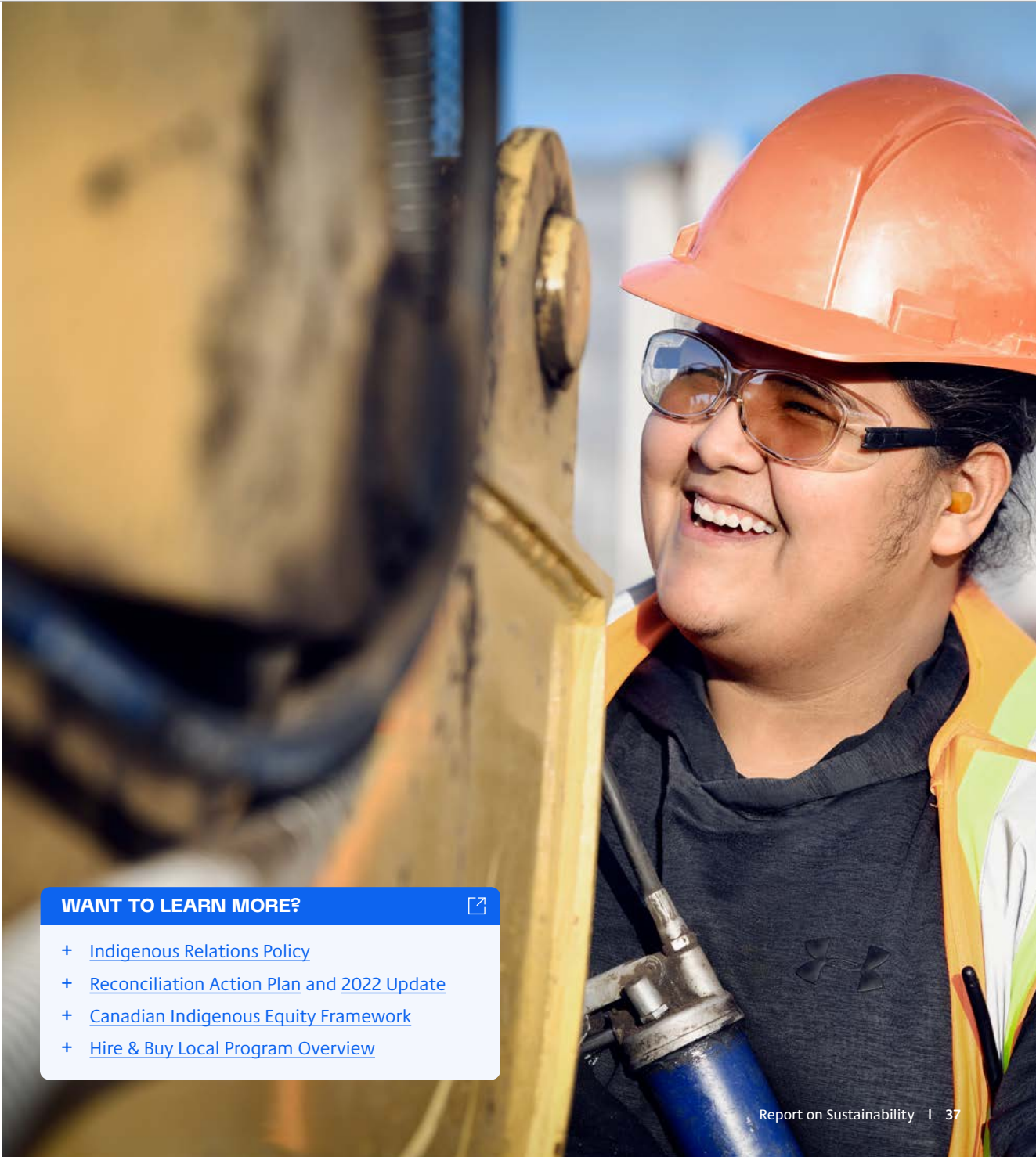
RELATIONSHIP AGREEMENTS

Where appropriate, we formalize support through agreements with Indigenous groups that acknowledge their unique governance, relationship to the land and legal standing. These agreements define our agreed-upon approach to communicating, working together and raising issues through the potential planning, regulatory approval and development process, and provide economic benefits to communities. We have 20 agreements on the Coastal GasLink project and over 50 with Indigenous communities across the NGTL and Foothills pipeline systems.

Addressing grievances

We maintain multiple mechanisms to enable Indigenous communities and other stakeholders to raise concerns related to our operations and development activities. These mechanisms are intended to support early issue identification, timely resolution and regulatory transparency.

Concerns may be raised through our Ethics Helpline, external website, regulatory processes or directly through regional Indigenous engagement leads, who serve as the primary point of contact and address issues at the local level. Where concerns cannot be resolved locally, they are escalated internally through established governance processes. For project-related matters, communities may also access formal regulatory mechanisms, including submitting statements of concern, to help ensure issues are considered as part of regulatory review and decision-making.



WANT TO LEARN MORE?

- + [Indigenous Relations Policy](#)
- + [Reconciliation Action Plan and 2022 Update](#)
- + [Canadian Indigenous Equity Framework](#)
- + [Hire & Buy Local Program Overview](#)

STAKEHOLDER RELATIONS

With operations and construction activities spanning across North America, meaningful engagement with rights holders and stakeholders is fundamental to executing our strategy. Proactive engagement enables us to anticipate and respond to evolving expectations, obtain regulatory and project approvals, support timely and reliable project delivery and maintain long-term operations. Building and maintaining strong relationships over the lifecycle of our operations contributes to shared, sustainable value for the communities our activities impact.



OUR COMMITMENT

Fostering mutually beneficial relationships

Promote wellbeing for our communities and maintain mutually beneficial external relationships.

OUR APPROACH

We strive to earn and maintain the trust of communities, landowners and governments through consistent, transparent and respectful engagement.

Community relations

Our Community Relations team enables the two-way exchange of information and feedback with local communities regarding our projects and operations.

We take a proactive approach to engagement, recognizing its critical role in fostering strong relationships, supporting regulatory compliance, advancing investment objectives, supporting safety and increasing public awareness. This approach also enables us to identify mutually beneficial opportunities early on, such as developing training capacity and sourcing local goods and services.

Local Community Relations Advisors are embedded within capital projects and regionally-based Community Relations Liaisons support our operations. Each practitioner has a deep understanding of the diverse social, economic and political landscapes in the context of the communities they support.

100%
of our operations have local community engagement plans.

CREATING OPPORTUNITIES

Guided by the principle that those impacted most should benefit most, our Hire & Buy Local Program (HBL) helps ensure that the local communities closest to our projects benefit directly from our economic activity.

The HBL program centres on:

Prioritizing communities – We classify communities as Proximate, Local or Regional based on their geographic proximity to our projects and other factors. Communities most affected by project activities receive the highest access to opportunities.

Targeting opportunities – Contracting opportunities reflect our HBL program's tiered approach. Designated services are reserved for Indigenous businesses from Proximate communities, while Targeted Services create opportunities for Proximate and Local businesses. This model promotes equitable participation while reflecting diverse community capacities and needs.

Taking a lifecycle approach – To help ensure consistent delivery and long-term local benefit, we embed local participation throughout the lifecycle of our projects.

Strengthening local economies – We aim to create sustainable economic value by supporting employment, business development and skills growth within communities near our projects.

Being a good neighbour – We are committed to building trust and fostering strong local relationships. Through engaging early and often, we work to understand and support local priorities, ensuring our presence contributes positively to local quality of life.

INVESTING STRATEGICALLY

Our Community Investment Program supports organizations that are vital to communities across our operational footprint and aligned with our business goals.

We prioritize outcomes-focused investments and support for our employees to give back to the causes they care about most. See [page 48](#) for details on our employee giving activities.

Our Community Investment Program donates to non-profits, registered charities, associations, municipalities, Indigenous and Tribal groups and foundations in four focus areas:

Safety – Equipping first responders and other community organizations with the resources they need to keep our communities safe.

Education – Training and education programs that build a strong and skilled energy workforce for the future.

Environment – Protecting ecologically sensitive landscapes, important wildlife habitats and the species which inhabit them.

Resilient communities – Strengthening and connecting communities by improving access to nutritious food, supporting disaster relief, hosting events that foster connection and psychological wellbeing, and investing in local infrastructure such as parks and playgrounds.

\$33 MILLION
invested in our communities in 2025.

Landowner relations

Trusting, cooperative relationships with landowners are critical to securing land rights, maintaining safe and reliable operations and enabling long-term business continuity. We hold ourselves to the following standards in every landowner interaction.

Respectful and trustworthy – We recognize the importance and value of developing and maintaining relationships with landowners that are based on respect and trust. We seek to understand, document and resolve landowner concerns through collaborative and mutually beneficial means.

Honest – We engage landowners early and often. Engaging means listening, providing accurate information and responding to questions in a prompt and consistent manner. We use honest and transparent business practices to build strong relationships.

Fair – Our goal is to develop mutually beneficial relationships that are fair and reasonable, balancing landowner concerns and perspectives with business needs.

Accountable – We fulfill our commitments and take ownership for our actions. We carry out our business activities in compliance with our corporate policies and applicable laws and regulations.

Professional – We conduct ourselves in a professional and courteous manner, remaining open and frank and taking concerns seriously.

Responsible for protection of private information – We recognize that land records are an important asset that must be carefully managed. We use best practices with respect to records management and the protection of private information.

Government relations

We are dedicated to constructive engagement with our rights holders and stakeholders including policymakers and regulatory agencies. We believe that greater collaboration between governments and businesses is essential to spur investment and support timely,

informed policy development that advances North American energy priorities.

We actively monitor public policy developments affecting our business and advocate on key policy issues. When determining our advocacy priorities, we consider whether they: affect multiple lines of business and/or jurisdictions; have significant financial, operational or reputational implications for the company; are of significant relevance; or are politically sensitive within our current business context.

Our Government Relations team works to maintain positive and constructive relationships with government contacts, officials and regulatory bodies, and advances our business objectives by identifying key issues, opportunities and risks. Our Public Policy & Insights team is responsible for the coordination, development and advocacy of our corporate positions on key public policy issues across North America.

We maintain registrations for in-house lobbyists, where required by law. Our lobbying activities are registered in various jurisdictions in Canada and the U.S., many of which provide public disclosure with details of registrations. Links to each of the lobbyist registrations, where available, can be found in our Lobbying Information Sheet. Our consultant lobbyists in all jurisdictions are expected to comply with all applicable laws and filing requirements.

For details on our political contributions in 2025, see [page 53](#). For details on our climate lobbying activities, see [page 21](#).

WANT TO LEARN MORE?

- + [Hire & Buy Local Program Overview](#)
- + [Build Strong](#)
- + [Land program guiding principles](#)
- + [Working with landowners](#)
- + [Oversight and policies on lobbying, political contributions and corporate memberships](#)



Mobilizing emergency response support

In October 2025, we activated emergency response support for communities near our pipelines in Veracruz and Hidalgo after severe floods damaged homes and disrupted access to basic services and medical care. We partnered with the Mexican Red Cross to distribute food parcels and cleaning supplies benefiting 700 families and deployed a Mobile Medical Unit (MMU) to provide free, high-quality medical care. This included over 1,200 medical, dental and nutritional consultations, 322 laboratory tests and the delivery of 1,226 units of medication. Having previously deployed the MMU in Veracruz, Tabasco and Chihuahua, our response reflects our commitment to being a good neighbour, standing with communities in times of crisis and through recovery.

EMPLOYEE AND CONTRACTOR SAFETY

As an operator in an industry with inherent risks, we have a fundamental responsibility to maintain systems that protect our people. Providing a safe workplace is also a key factor in attracting and retaining high-performing employees, maintaining stakeholder trust and delivering on our commitments.

OUR COMMITMENT

Continuous safety improvement

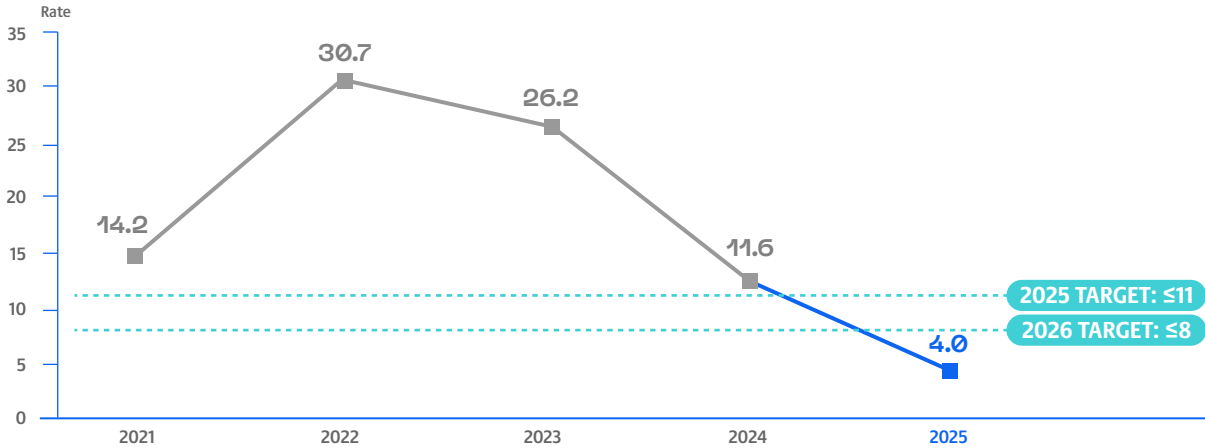
Continuously improve our systems to protect people and consistently demonstrate safety as our number one value.

OUR TARGET

 Combined (employee and contractor) High Energy Serious Injury and Fatality (HSIF) rate: not to exceed **8** per 100 million hours in **2026**.³⁰

2025 PERFORMANCE

Combined employee and contractor HSIF rate³⁰
2021–2025



Achieved five-year low HSIF rate

Through disciplined execution of our three-year safety improvement plan, we achieved a combined employee and contractor HSIF rate of four incidents per million hours worked in 2025, less than half of our target of 11.

In addition to HSIF, we monitor and review personal safety metrics monthly, including Total Recordable Case Rate, Away from Work Case Rate and Vehicle Incident Frequency, reflecting our culture of continuous improvement and commitment to safety.

SafeStart safety reassessment

In 2022, we engaged third-party SafeStart to conduct a comprehensive assessment of safety at TC Energy. Based on their findings, we developed a three-year roadmap to strengthen safety leadership and culture, simplify our management system and improve operational discipline.

SafeStart conducted a reassessment in 2025, confirming that our actions are driving meaningful, enterprise-wide progress, including:

- Psychological safety is now seen as an organizational strength. More employees are speaking up, raising concerns and asking for help.



- We removed complexity and clarified expectations, streamlining our management system from roughly 1,400 requirements down to 14 elements and 94 practical requirements, setting a strong foundation for the future.
- Teams are increasingly using Stop Work Authority, working together to find solutions to resume work when safe.

We are harnessing this momentum to continually improve as a learning organization. Current safety priorities include advancing safety analytics, strengthening safety leadership maturity and deepening contractor safety integration.

³⁰ Target is based on annual rate of high energy serious injuries and fatalities per 100 million hours, as of December 31, as adapted from Construction Safety Research Alliance (CSRA) serious injury and fatality rate calculation methodology. Internally, we use a 12-month rolling rate to identify changes in the pace or direction of trends. "High energy" is defined as an element of work that involves more than 1,500 Joules of physical energy. "Serious injury" is defined as a life-threatening or life-altering incident. The target incorporates an explicit goal of zero fatalities.

OUR APPROACH

TC Energy’s commitment to safety shapes everything we do. Our strategy to embed safety in our processes and behaviours focuses on:

- strong leadership
- a learning culture
- a robust management system
- operational discipline
- effective contractor management

Strong leadership

Leadership practices and our commitment to safety excellence guide our safety culture, behaviours and habits. Safety performance accounts for 20 per cent of short-term incentives for employees, including executives³¹.

We hold monthly Learning from Incidents leader meetings. In 2025, an average of 250 leaders from Canada, the U.S. and Mexico gathered monthly to discuss insights from major safety incidents and share effective control measures and proactive solutions, including those related to injury prevention, worker protection and safety culture.

Learning culture

We recognize that in high-risk industries, problems flow from systemic issues, not individual errors. To promote a strong safety culture, we focus on developing a learning mindset and recognizing safe behaviours.

Psychological safety – To promote a culture where everyone has a learning mindset, we embed Human and Organizational Performance (HOP) principles into our safety training, programming and informal activities. The five HOP principles are: people make mistakes, blame fixes nothing, context drives behaviour, learning is vital and how we respond matters. These principles help reinforce psychological safety and foster an environment where employees and contractors feel safe reporting issues and are motivated to collaborate towards continuous improvement. This approach helps prevent incident recurrence and Serious Injury and Fatality (SIF) incidents.

Recognition program – Our Safety Recognition Program encourages proactive safety by recognizing employees who take action to protect colleagues or prevent future safety issues. Employees and contractors can nominate a colleague online, recognizing them for their safety actions. Quarterly, our corporate Safety team reviews all nominations and selects standout recipients for company-wide recognition. Recipients receive gift cards and other awards to show our appreciation for people who put safety in every step in their day-to-day work, and their stories are shared on our intranet as an example of proactive safety leadership.

Making performance visible – As a learning organization, we prioritize sharing our safety performance through a monthly safety performance scorecard and dashboard. Our safety metrics and updates are consistently communicated during regular reporting cycles, with monthly updates to the Executive Leadership Team (ELT) and quarterly updates to the Board of Directors.

Management system

TOMS consists of 14 elements and standards for our management of employee and contractor health and safety, the environment and the operational integrity of our assets throughout their lifecycle. Each element (e.g. Control of Work, Incident Management) outlines requirements for that activity, guiding employee decisions on safety, efficiency and productivity in their day-to-day activities and operations. We periodically update these standards to reflect best practices and regulatory changes in our areas of operations.

Operational discipline

Operational discipline—maintaining the processes, training and tools to keep people safe—is how we put our management system into practice.

Risk management processes and operating procedures – Our risk management processes and operating procedures outline how employees and contractors are to safely undertake tasks with the most significant hazards or risks, such as driving, energy isolation, lifting and working at heights and working in confined spaces. We regularly review operating procedures, refining or adapting them as needed to align with industry best practices and advances in technology.

Training – We require onboarding and regular refresher training on how to identify and control risks and hazards, with ad hoc sessions offered as needed. For example, in 2025, we continued training frontline leaders and employees on how to use the safety classification and learning model (SCL) to categorize incidents, near misses and hazards. The SCL model helps us focus on the context and circumstances of an incident being reviewed, allowing us to share learnings and foster continuous safety culture improvement across the organization.

Technology and innovation – We continually monitor emerging safety technologies and implement tools where applicable. For example, we recently expanded safety coverage for lone workers and traveling personnel who do not have access to Blackline personal safety devices. The new mobile safety application extends real-time monitoring and emergency response capabilities to all employees, keeping them connected and supported regardless of location.

We are also leveraging advanced data science and AI-based tools to accelerate access to historical safety data for decision-makers and to identify conditions that may predict, and help prevent, future incidents.

Incident management – If a high-severity safety event occurs, or could have occurred under different circumstances, the event is documented, rights holders and stakeholders are informed, and a formal investigation is initiated to identify root causes and assign actions to reduce the likelihood of recurrence. We summarize and share lessons learned from the event with relevant groups and conduct a review of our internal safety standards and processes, refining them where needed to help prevent future safety events.

We use our Safety Event Management system to identify risks, track safety incidents and measure our safety performance.

³¹ Our 2026 corporate scorecard includes a 50% weighting for safety, operational and project execution excellence, with 10% allocated to personal safety (HSIF) and 10% to process safety.

Contractor management

Selecting responsible contractors is essential for safe operations and completion of major projects and reflects our core value of Safety in Every Step. We include contractor performance in our corporate short-term incentive plan as part of our combined (employee and contractor) HSIF metric.

Our Integrated Contractor Safety Management Process (ICMP) guides contractor pre-qualification and qualification, onboarding and safety performance oversight. Key elements include:

- embedding field-based contractor safety teams in each country
- onboarding teams that set expectations, define safety roles and responsibilities and familiarize prime and general contractors and subcontractors with our safety management system
- planning the safety needs and requirements of all levels of projects or programs involving contracted services

To drive consistency, we are broadening our sharing of lessons learned and preventative safety tools with contractors. This includes inviting contractors to attend our annual Contractor Safety Forums where we foster a culture of shared accountability and work to align contractors with our safety standards and expectations. In 2025, we held four forums in Canada and four in the U.S., with more than 165 contractors represented.



SAFETY, OPERATIONAL AND PROJECT EXECUTION EXCELLENCE ACCOUNT FOR 50% OF SHORT-TERM INCENTIVES FOR EXECUTIVE COMPENSATION AND ALL EMPLOYEES³¹.

³¹ Our 2026 corporate scorecard includes a 50% weighting for safety, operational and project execution excellence, with 10% allocated to personal safety (HSIF) and 10% to process safety.

ASSET INTEGRITY AND PROCESS SAFETY

The safety and reliability of our assets is the foundation of operational excellence which drives financial results. Asset integrity and emergency preparedness are core to protecting our workforce, the public and the environment, while supporting regulatory compliance and minimizing operational disruptions. Strong practices reinforce stakeholder confidence in our ability to safely and reliably deliver energy across North America.

OUR COMMITMENT

Committed to safe, reliable, sustainable operations

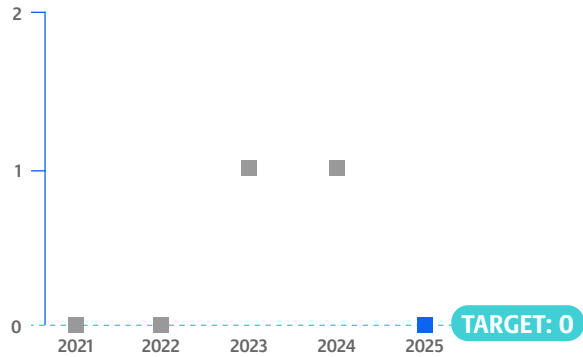
Systematically manage risk to continuously improve the integrity and safety of our assets and operations.

OUR TARGET

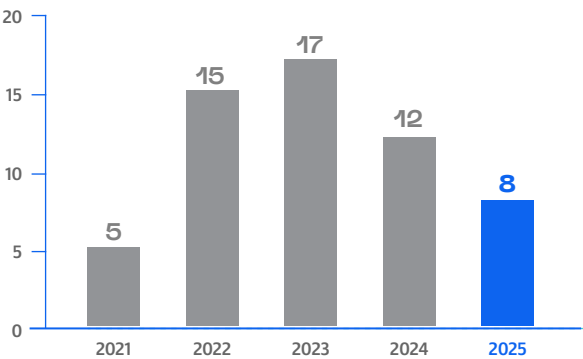
Zero significant process safety incidents annually.³²

2025 PERFORMANCE

Significant process safety incidents³²
2021–2025



Tier 1 process safety incidents³³
2021 – 2025



Strengthening performance

Through proactive risk management and continued focus on strengthening our safety culture, we achieved zero significant process safety events in 2025 and continued a downward trend in our Tier 1 process safety incidents.³⁴ Our focus on management system improvements, culture, and process safety practices has contributed to higher hazard awareness and mitigation.

New facility piping insulation protects against corrosion

We successfully validated a new pipe coating that provides an effective alternative to traditional thermal insulation and aluminum cladding for high-temperature above-ground piping at our facilities. This innovative spray-applied coating offers both insulating properties and corrosion protection, reducing corrosion risk while allowing operational personnel to visually inspect piping and work safely around it, strengthening long-term asset reliability. We are evaluating its application across new and existing facilities, with additional field implementation opportunities to be identified as a next step.

Smarter access to records

Using AI as a data retrieval tool, we are more readily accessing our vast library of records related to construction and maintenance activities across our network. Using AI, our engineers can quickly locate historical records tied to specific equipment or pipeline sections and combine it with more recent data from sensors and instruments located along the pipeline, improving efficiency and enabling highly targeted, fit-for-purpose interventions.

\$2 BILLION

invested in integrity programs in 2025

191

emergency response exercises

1,635

first responders trained

2,560

employees trained to use our Incident Command System

Testing tools without disrupting operations

Before we implement new in-line inspection (ILI) tools, we test them to make sure they are safe, effective and offer improved precision and detection capabilities. Rather than testing on in-service pipelines, we fabricate customized pipe sections, called spools, with known defects. Spools allow us to efficiently complete controlled tests of ILI tools without disrupting operations, providing key data to inform integrity maintenance decisions and help ensure pipeline safety and reliability. In 2025, spool-based testing delivered approximately \$15 million in cost avoidance.

³² Significant process safety incidents are defined by TC Energy as unplanned or uncontrolled releases of hazardous material that result in severe consequences. They are a subset of Tier 1 process safety incidents. In evaluating the significance of the incident, we consider the environmental, reputational, regulatory, and financial impacts to our company. Health and safety impacts are excluded to prevent duplication with the HSIF metric. While significant process safety incidents may have an environmental impact, not all process safety incidents will have an environmental impact. This is merely one factor considered when determining whether an incident is classified as "significant".

³³ Tier 1 process safety incidents are unplanned or uncontrolled releases that result in either greater consequences and/or higher release volumes. These incidents may result in a serious injury to a person, an officially declared community evacuation or shelter in place order, a fire or an explosion. Our reporting of Tier 1 incidents is guided by CSA Z260, an industry-wide standard.

³⁴ The observed reduction in Tier 1 process safety incidents between 2024 and 2025 is primarily due to the refinement of event categorization. Our adoption of the updated CSA Z260 classification criteria in 2025 places greater emphasis on process safety incidents with more catastrophic severity or potential severity. Historical process safety data remains classified based on previous CSA Z260 revisions.

OUR APPROACH

To help ensure the safe and reliable operation of our assets, our operational management system, TOMS, integrates comprehensive risk management and asset integrity practices. Key elements include:

Risk-based framework

We take a risk-based approach to sustaining the long-term performance and reliability of our assets. We prioritize inspection and maintenance of assets that represent the highest risk.

World-class build quality

We design and build our assets with multiple layers of protection to help avoid or mitigate serious incidents. We construct pipeline and facility infrastructure using high-quality steel, industry-leading welding techniques, anti-corrosion coatings and enhanced precautions at crossings and populated areas. Welds are inspected using x-ray or ultrasonic technology and we test every pipeline before it enters service.

Protective and preventative controls

Once pipelines are operational, we apply a very low-voltage electrical current called cathodic protection to the pipe to protect it from corrosion in areas where the coating may have been compromised. We monitor the cathodic protection system for proper operation.

Our damage prevention program protects pipelines and communities through aerial and ground patrols of pipeline routes, leak detection, public awareness campaigns, a One-Call system for pre-dig notification and monitoring and investigating unauthorized activities.

We also implement anti-vandalism measures to help prevent interference or damage by outside sources. Examples include closed-circuit television and radar detection capabilities.

Our process safety team conducts ongoing risk assessments, evaluating proposed changes to equipment and processes for risks (Management of Change) and helping to ensure procedures are up to date and followed correctly.

Monitoring and maintenance

Our Pipeline Integrity Management Program guides how we monitor, inspect and repair our pipeline facilities. Key activities include:

24/7 monitoring – We monitor our pipeline network 24 hours a day, seven days a week from primary control centres in Texas and West Virginia in the U.S.; Alberta, Canada; and Mexico City, Mexico. Along with our Enterprise Security team, experts monitor pipelines for major changes in pressure that could indicate a significant leak, intrusions into locked facilities or equipment performance issues. Intrusion alerts are immediately escalated to local authorities, and equipment that exceeds performance thresholds are automatically shut down.

Air and land surveys – Our pipelines traverse slopes, and cross rivers and streams. We fly over pipeline routes, looking for unauthorized activity and geotechnical hazards such as soil disturbances from wind or water erosion and movement of steep slopes. If we detect interference with our assets, or suspect wind or water erosion may have reduced the depth of ground cover over our pipelines, we investigate further. Some aerial inspections also use sensitive leak detection equipment to identify potential natural gas leaks.

Valve maintenance – Located approximately every 25 kilometres (16 miles) along the pipeline, mainline valves allow us to isolate a section of pipeline for routine maintenance and in the unlikely event of an unintended pipeline release. Routine maintenance for mainline and additional valves varies depending on function and valve condition.

Compressors and meter station maintenance – We perform inspections and maintenance activities in accordance with regulations and standards, to support the safety and reliability of our turbines, compressors, instrumentation, controls systems and associated equipment.

In-line inspection (ILI) – ILI involves sending an internal inspection device through the pipeline to collect data that can help identify potential integrity threats such as small cracks, weld defects or corrosion. Based on data analysis from ILI and other inspection and monitoring reports, sections of pipe are excavated to investigate their condition. Detailed engineering assessments, including non-destructive examinations, may be performed to determine if repair or replacement is required.



IN-LINE INSPECTION DEVICES PLAY A CRITICAL ROLE IN SUPPORTING SAFE AND RELIABLE OPERATIONS. WE INVESTED \$9.4 MILLION IN ILI TECHNOLOGY DEVELOPMENT IN 2025.

Note: image source for the ILI tool is “ROSEN group”

Annually, we conduct³⁵:

> 1,000
aerial inspections

> 1,200
natural hazard inspections

> 350
in-line inspections

> 100,000
valve inspections

We monitor **> 150,000** designated cathodic protection test points. Test points are located at regular intervals along our pipeline.

³⁵ The number and length of inspections varies yearly due to factors like pipeline age, regulatory changes, operational adjustments, technological advancements, incident history and environmental conditions.

Active learning and continuous improvement

We mandate reporting of hazards, near hits and incidents across the organization. The potential or actual severity of an event determines the level of investigation we undertake. For example, we conduct investigations of all Tier 1 process safety events. We continually improve TOMS standards, processes and procedures based on lessons from internal and external incidents, as well as collaborative work with industry peers and regulators.

Emergency preparedness and response

All our operational assets have Emergency Response Plans (ERPs) outlining steps to take in response to an incident. Guided by regulatory and legislative requirements, ERPs prioritize the safety of the public, landowners, first responders and employees, reduce the potential for destruction of property, help minimize environmental impacts and limit interruption of service.

TC Energy uses the Incident Command System (ICS) to co-ordinate an effective and efficient response to emergencies. ICS is a standardized approach that first responders and government emergency organizations use to respond to incidents in an integrated and effective way.

ICS requires those responding to an emergency to be familiar with the process and aware of their role during a crisis. To prepare our employees and contractors for their roles, we develop and practice emergency response plans, conduct regular emergency response exercises and collaborate with local first responders to co-ordinate our response.

In 2025, we conducted 191 emergency exercises across our network to practice the skills and communication required to respond to an incident on or near our assets. Many of these drills included local emergency responders to refine our collaborative response.



WANT TO LEARN MORE?



- + Fact sheet: [Asset integrity \(Canada\)](#)
- + Fact sheet: [Asset integrity \(U.S.\)](#)
- + [Pipeline emergency response information \(Canada\)](#)
- + [Pipeline emergency response information \(U.S.\)](#)

PEOPLE AND CULTURE

Achieving our strategic objectives depends on a knowledgeable, engaged and productive workforce. Employees translate our strategy into execution, applying their expertise and accountability to deliver safe, reliable operations and advance our priorities. A strong focus on people and culture underpins our ability to attract, retain and develop talent in support of long-term value creation.



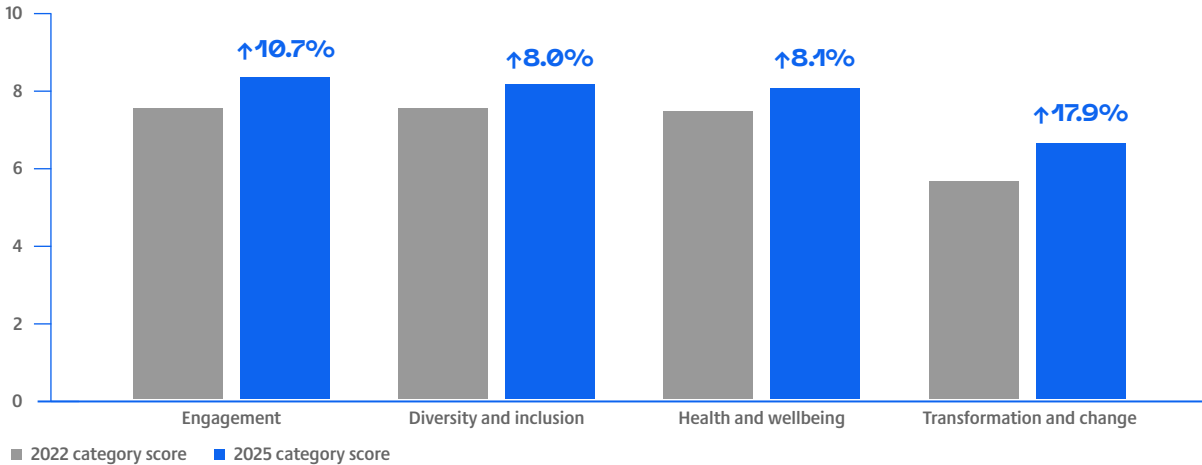
OUR COMMITMENT

Advancing an empowered workplace

Deliver people and culture workplace strategies that reflect our values and emphasize wellbeing, inclusion, belonging and respectful collaboration.

2025 PERFORMANCE

Employee engagement survey results



Employee experience trending upwards

We are seeing a strong upward trend in all four measures of employee experience from our baseline year of 2022, reflecting a more engaged and productive workforce. We measure employee experience using The Pulse, our continuous listening survey where employees share valuable insights, perspectives and feedback that we can turn into meaningful action. Additionally, our most recent wellness survey showed we are "Above" or "Leading" our peers on these wellbeing measures in Canada, U.S. and Mexico.³⁶

Positive response to updated values

Building on the 2024 launch of our refreshed corporate values, we spent 2025 embedding them across the organization through digital assets, office displays, 'values moments' in meetings and communications. After our most recent Employee Forum, 94 per cent of employees surveyed agreed or strongly agreed that our purpose, mission, vision and values connect to the work they do every day.

94%

of employees agree that our purpose, mission, vision and values connect to the work they do every day.

Refreshed employee value proposition

In 2025, we refreshed our employee value proposition (EVP)—the unique combination of benefits, rewards and experiences we offer to employees—to better reflect who we are as a company and what our employees care about. Building on insights from employee focus groups and in-depth interviews, we have begun embedding the EVP into our people and culture strategies, further aligning them with our corporate purpose, mission, vision and values. By the end of 2026, we plan to establish a baseline and key performance indicators to measure the effectiveness of our refreshed employee wellbeing plan and track employee engagement.³⁷

Championing women in energy

For the second consecutive year, we were a major sponsor of the 2025 Women's Global Leadership Conference in Energy (WGLC) in Houston, Texas. The investment reflects our commitment to empowering women leaders, fostering inclusion and contributing to critical conversations on leadership, sustainability and workforce development in the industry. More than 70 women leaders from across our Canadian, U.S. and Mexican operations attended the two-day event, with two managers participating on panels, and one serving on the WGLC Advisory Board.

Our commitment to women in leadership was recognized in 2025 by The Prosperity Project, which presented TC Energy with its DEI Trailblazer Award for women's representation in leadership in the Canadian energy and utilities sector. The Prosperity Project works to identify and eliminate systemic barriers and biases that hinder women's economic advancement, strengthening prosperity for women and Canada alike.

³⁶ WTW 2024 Wellbeing Diagnostic Survey
³⁷ Employee engagement refers to the level of participation in wellbeing programs and utilization of health and wellness offerings available to our employees.

OUR APPROACH

We take a comprehensive approach to people and culture, focusing on the following.

Fostering an inclusive and equal-opportunity workplace

Employees who feel included, valued and supported help drive performance and enhance the innovation and resilience of the organization.

Promoting wellbeing

Employee health and wellbeing are key drivers of sustained workforce productivity.

Providing opportunities for personal and professional development

Access to professional development and advancement opportunities help us retain critical talent in a competitive market.

Through The Pulse, we invite employees to anonymously share their insights, perspectives and feedback on our programs. These contributions help us translate employee input into meaningful action and improvements.

Inclusion and equal opportunity

We are committed to advancing an empowered workplace where everyone is respected, valued and has the opportunity to contribute to their full potential. Led by our Executive Vice-President, Corporate Services & Chief Inclusion Officer, our Inclusion Leadership Council (ILC) provides visible leadership support, spanning functions, business units and involving leaders from all three countries in which we operate. The ILC drives inclusion and belonging by providing leadership, sponsorship and guidance, and by holding the organization accountable for embedding it into our strategy, culture and day-to-day decisions.

Our extensive network of volunteer Inclusion Champions support the ILC, acting as change agents in their business areas.

Our Harassment-Free Workplace Policies for Canada, the U.S. and Mexico outline our expectations for respectful behaviour and processes for reporting and resolving allegations of harassment in the workplace. We provide training on inclusive behaviours and offer regular opportunities for further education and development. All leaders are required to complete psychological safety training.

We consider equal opportunity in our succession planning process, supporting a steady pipeline of talented individuals prepared to assume critical roles.

ACCESSIBILITY

Our Accessibility Plan outlines the steps we have taken and planned activities to identify, prevent and remove barriers for persons with disabilities. We post annual progress updates on our website. Read our [2026 Accessibility Progress Report](#).

Our Equal Employment Opportunity and Non-Discrimination Policy and Reasonable Workplace Accommodation Policy outline how we work to remove physical, technological and communications barriers for current employees and applicants. We are also committed to creating a psychologically safe environment for individuals to self-advocate for reasonable accommodation without fear of retaliation.

PAY EQUITY

As a signatory to the United Nations' (UN) Women's Empowerment Principles, established by the UN Global Compact and UN Women, we are committed to advancing gender equality in our workplace.

Our Human Resources Board Committee has oversight into ongoing pay equity initiatives. Our Pay Equity Plan, which supports equal earning potential for work of equal value, underscores our commitment to fairness and transparency in compensation practices.

In 2024, we completed a comprehensive review of our Canadian compensation programs, policies and structures, in alignment with Canadian Federal Pay Equity legislation. Select salary midpoints were adjusted upward and there are currently no gaps within our pay equity bands. We intend to update our Pay Equity Plan in 2029 in accordance with federal legislation.



Wellbeing

We invest in our employees' physical, financial, mental and social wellbeing through formal programs and informal initiatives. To encourage participation, we hold regular sessions throughout the year covering benefit programs, financial wellbeing including retirement, menopause, nutrition, sleep and mental health. We have developed a three-year road map to further enhance our wellbeing offerings and utilization rates.

OCCUPATIONAL HEALTH

We aim to create work environments and conditions that support physical safety and wellbeing, which promote productive and collaborative work. Examples include medical assessments, updating furniture to improve ergonomics and flexibility, and expanding spaces for meeting and collaboration. Employees at our Calgary and Houston offices have access to a wellness centre; Calgary's location also includes multi-faith areas.

BENEFITS PROGRAM

All employees have access to our Employee and Family Assistance Program, known as the Employee Assistance Program in Mexico. This service was recently upgraded. These programs provide support and resources for a range of topics including managing relationships at home and work, mental health, lifestyle and nutritional changes, addictions, childcare and elder care, and legal and financial advice. We also offer our employees flexible, hybrid work arrangements and parental and maternity leave.

MENTAL HEALTH AWARENESS

Mental health is a critical aspect of wellbeing and essential for an engaged and productive workforce. We prioritize mental health in the following ways.

Psychological safety – The ability to speak up, share ideas and raise concerns without fear of shame or retaliation is fundamental to how we operate. Through our HOP safety principles, leadership training and our Mental Health Champions network, we foster an environment where employees feel empowered to speak up, enabling early issue detection, fewer errors, stronger trust, collaboration and overall performance.

Mental Health Champions – These volunteer employees receive training to help promote mental health and psychological safety across the organization, connecting coworkers with resources and advising leaders on integrating wellness into everyday work. In the past two years, more than 150 Mental Health Champions have received training on grief and loss, mental health first aid, workplace suicide prevention and other topics.

SENSE OF BELONGING

Our core value of One Team guides how we promote a culture of inclusion and belonging across our workplaces and communities.

Employee forum – This annual company-wide forum brings leadership and employees together to share strategic updates, align around common goals and reinforce a sense of shared purpose. For employees at every level and location, it helps build connection, trust and a sense of belonging, driving engagement and strengthening our organizational culture.

Corporate matching and volunteering – We amplify employee giving and volunteer efforts by matching employee donations to eligible non-profit organizations and supporting employees volunteering in their communities. In 2025, employees contributed \$4.0 million through the employee giving program and logged nearly 48,000 volunteer hours across Canada, the U.S. and Mexico.

Employee Inclusion Networks (EINs) – Our EINs are voluntary, employee-led forums that bring together people with shared identities and interests to connect, educate, share experiences and create community. We currently have eight EINs that are supported through executive sponsorship, with members from across Canada, the U.S. and Mexico. More than 1,500 employees, or approximately 21 per cent of our workforce, are members of at least one EIN, putting us above global average for employee participation in these networks.

Inclusion Champions – These volunteer employees contribute to an inclusive and respectful work environment by acting as change agents, helping to grow our culture of inclusion. Located across our footprint, Inclusion Champions help to identify, organize and participate in initiatives and events, promote inclusion training, guide employees to resources and share feedback with the ILC.

Learning and development

As one of our four corporate values, Active Learning shapes how we approach professional development and growth across the organization. We provide hands-on job experience, peer and leadership mentoring, as well as formal training to adapt to technological advancements and changes in the regulatory environment. This equips our people to reliably deliver energy in a safe, high-quality and cost-efficient manner and cultivates a more resilient and flexible work mindset. In 2025, we delivered an average of 31 hours of training and development per full-time-equivalent employee. Training programs cover health, safety, environment, Indigenous awareness, inclusion, leadership, compliance, cybersecurity, mental health and psychological safety.

WANT TO LEARN MORE?

- + [Harassment-free Workplace Policies: Canada, U.S., Mexico](#)
- + [TC Energy Accessibility Plan](#)
- + [2026 Accessibility Progress Report](#)
- + [Equal Employment Opportunity and Non-Discrimination Policy](#)
- + [Reasonable Workplace Accommodation Policy](#)
- + [Women's Empowerment Principles \(WEP\)](#)
- + [WEP Gender Gap Analysis Tool](#)
- + [Build Strong Employee Participation](#)

EMPLOYEE INCLUSION NETWORKS	
 TC Pride 2SLGBTQIA+ employees and allies	 Ujima Black community and allies
 Women@TC Women and allies	 TC Vets Veteran community and allies
 Debwewin Indigenous employees and allies	 Brainwave Neurodiverse community and allies
 UNIDOS Hispanic and Latin American community and allies	 Asian and Pacific Islanders

GOVERNANCE

Operating long-life critical infrastructure in complex regulatory and stakeholder environments requires strong governance to support sound decision-making, regulatory compliance and enterprise risk management. Holding ourselves and our partners to high standards of ethics, human rights and responsible sourcing further protects our people, assets and reputation. Together, these foundations underpin our ability to deliver our business objectives and long-term shareholder value.

OUR TARGETS

- 30 per cent women on our Board of Directors.
- At least one member who identifies as racially and/or ethnically diverse³⁸ on our Board of Directors.

SUSTAINABILITY GOVERNANCE

We have established a clear governance structure to identify, assess, mitigate and manage sustainability-related risks and opportunities, including emerging issues.

Board oversight

The Board of Directors retains ultimate oversight of sustainability matters, which includes:

- business strategy alignment, progress against our most significant sustainability objectives and commitments and our overall sustainability communications strategy
- receiving reports on climate risks and impacts, including expected GHG emission impacts, as part of the approval process for material projects
- Indigenous engagement strategy and risks and opportunities associated with material projects, including Indigenous equity opportunities
- AI strategy, risk management and implementation, including receiving updates on AI risk and governance effectiveness

The Board delegates certain responsibilities to its standing committees and assigns others to management for day-to-day oversight of business activities.



FOR INFORMATION ON OUR CORPORATE GOVERNANCE PRACTICES, INCLUDING COMMITTEE COMPOSITION, DIRECTOR QUALIFICATIONS, AREAS OF EXPERTISE, DIVERSITY AND COMPENSATION, SEE [OUR 2026 MANAGEMENT INFORMATION CIRCULAR](#).

Board committees

HEALTH, SAFETY, SUSTAINABILITY AND ENVIRONMENT COMMITTEE (HSSE)
Receives updates to TC Energy's environmental management program, including biodiversity and land management, climate-related risks and opportunities and GHG emission targets.
Reviews TC Energy's implementation of a safety conscious culture, including emergency preparedness plans, landowner and community relationships, mental health and psychological safety initiatives.
Reviews reports and disclosures related to Indigenous engagement, including the Reconciliation Action Plan.
Reviews the risk management matrix and voluntary ESG reporting and disclosure and corporate security updates.
AUDIT COMMITTEE
Reviews sustainability-related disclosures in financial disclosure documents and monitors regulatory developments affecting the financial disclosure landscape.
Oversees financial risk management, financial reporting, auditor independence and the implementation of internal and external audits.
Reviews cybersecurity related risks and the effectiveness of the corporate compliance program.
GOVERNANCE COMMITTEE
Monitors TC Energy's Board diversity targets, oversees our forced labour in supply chain risks and related disclosures, lobbying practices, shareholder proposals and voting trends.
Monitors updates to securities law and proxy advisor policies, reviews Board skills matrices and Board effectiveness and enterprise risk management program implementation.
HUMAN RESOURCES COMMITTEE
Oversees TC Energy's inclusion and belonging action plan and employee engagement levels.
Reviews executive compensation levels, employee compensation and benefits programs, leadership development and succession planning programs, clawback policies and reviews the overall Corporate Scorecard.

³⁸ Racially and/or ethnically diverse means Aboriginal peoples (persons who are Indigenous, Inuit or Métis) and members of visible minorities (means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour).

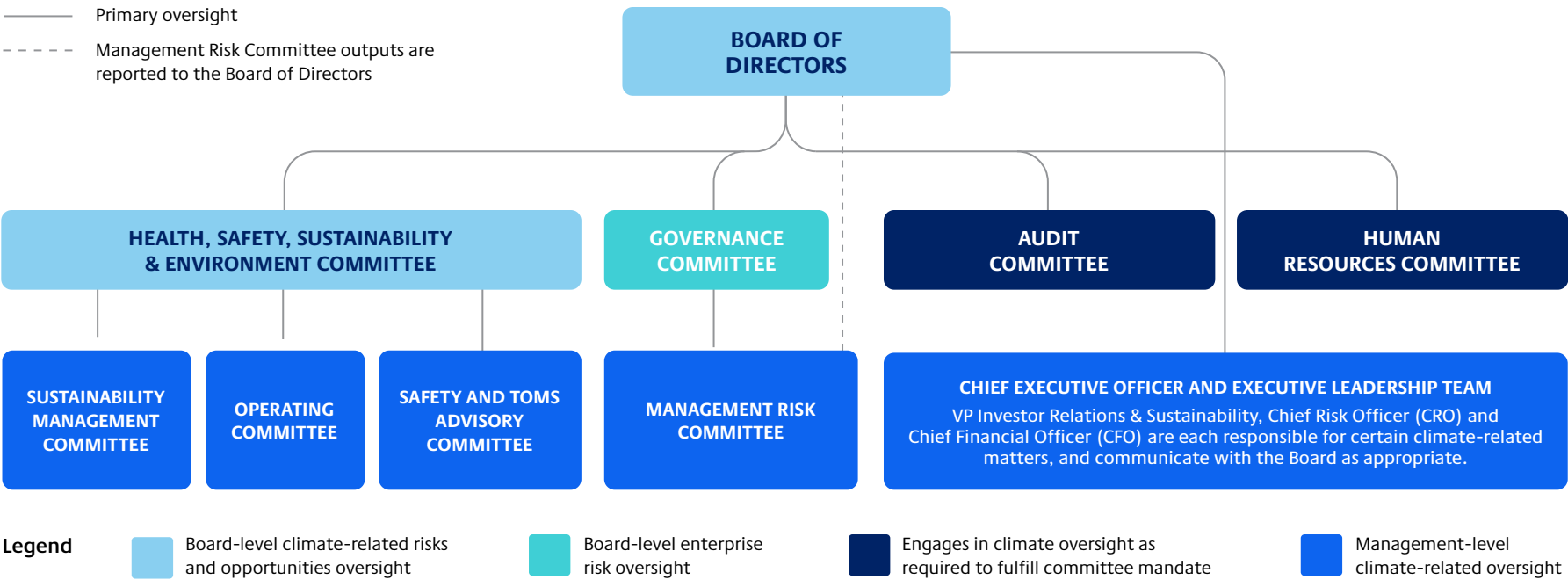
Climate-related Board oversight

The Board provides strategic oversight of climate-related risks and opportunities as part of its broader governance responsibilities. Key climate-related responsibilities include:

Strategic planning – reviews and approves the strategic plan, drawing on strategy discussions that take place throughout the year. The strategic plan incorporates climate-related considerations such as long-term energy market fundamentals, stakeholder expectations and emerging market risks and opportunities relevant to our business strategy.

Risk management – oversees enterprise risk management, including climate-related risks, through annual reviews of the enterprise risk register and quarterly updates on emerging risks.

The Board of Directors has ultimate oversight for climate-related risks and opportunities. Primary accountability resides with the HSSE Committee; however, each Committee maintains oversight of certain climate-related matters relevant to their mandate.



The HSSE Committee shall review, monitor and report to the Board on actions and initiatives undertaken by the Company to prevent, mitigate and manage risks related to HSSE matters, including climate change-related risks, which may have the potential to adversely impact the Company’s assets, operations, activities, plans, strategies or reputation; or prevent loss or injury to the Company’s employees and its assets or operations from malicious acts, natural disasters or other crisis situations."

-HSSE Committee Charter

HSSE COMMITTEE RESPONSIBILITIES

Climate risk mitigation – oversees initiatives undertaken by management to prevent, mitigate and manage climate-related risks and opportunities.

Climate targets – reviews progress towards our methane emissions reduction target and GHG performance

Regulatory – monitors legislative and regulatory developments related to greenhouse gas emissions and climate change mitigation, and assesses their potential impact on the company.

Voluntary disclosures – oversees voluntary climate-related disclosures in the Report on Sustainability.

GOVERNANCE COMMITTEE RESPONSIBILITIES

ERM – oversees the ERM program and the effectiveness of related risk governance policies, programs, and practices, meeting with management at a minimum annually. The Committee reports to the Board on ERM matters and, if an emerging risk—including climate-related risk—escalates to the level of a new enterprise risk, reviews management’s assessment and reports the enterprise risk to the Board.

Strategic planning – supports Board oversight of our strategic planning process by working with management to identify emerging strategic issues, including climate-related considerations relevant to our business and long-term objectives.

Policy engagement – monitors lobbying activities, political contributions and industry and trade association memberships to promote transparency and help ensure appropriate alignment with our climate-related objectives.

AUDIT COMMITTEE RESPONSIBILITIES

- reviews disclosures in financial filings to help ensure material climate-related risks are addressed when they could reasonably affect financial performance.

HUMAN RESOURCES COMMITTEE RESPONSIBILITIES

- oversees alignment of executive compensation programs with climate-related targets and evaluates performance against approved targets. The 2024 and 2025 Performance Share Unit grants include a 10 per cent weighting to reducing methane intensity in alignment with our corporate methane intensity reduction target.

Management accountability

President and Chief Executive Officer (CEO)– Holds the highest executive responsibility for sustainability and climate-related risks and opportunities. The CEO provides overall leadership and strategic direction, overseeing business operations and growth while ensuring that material risks and mitigation plans, including climate-related risks, are communicated to the Board. The President and CEO is supported by the ELT, which includes the Chief Financial Officer, Chief Inclusion Officer and Chief Risk Officer.

ELT³⁹ – Responsible for developing and executing our corporate strategy, taking into account sustainability and climate considerations such as long-term market fundamentals, stakeholder expectations and emerging risks and opportunities relevant to the business. The ELT is also responsible for developing risk management plans and implementing actions under the ERM program, with accountability for each enterprise-level risk assigned to an ELT member.

Chief Financial Officer (CFO)– Responsible for financing decisions and aligning business and financial strategies. They maintain relationships with our investor base, including credit rating agencies, and collaborate with the Vice-President, Investor Relations & Sustainability to enhance investors' understanding of our approach to sustainability and its role in supporting our strategic positioning and value proposition.

Vice-President, Investor Relations & Sustainability (VP IR&S) – Reporting to the CFO, the VP IR&S has direct oversight for the development, execution and integration of our sustainability objectives across the business, including the development of our climate strategy and corporate GHG emissions targets. As chair of the Sustainability Management Committee, the VP IR&S facilitates cross-functional coordination of initiatives related to managing sustainability and climate-related risks and opportunities, and oversees the preparation of our voluntary Report on Sustainability. The VP IR&S also

oversees the company's investor relations engagements, ensuring shareholder input on sustainability and climate issues is considered in the company's sustainability efforts.

Chief Inclusion Officer (CIO) – Responsible for supporting a culture of belonging across the organization by reinforcing openness, transparency and inclusive practices. The CIO engages with community organizations and initiatives to advance diversity efforts and advocate for the consideration of underrepresented groups. The CIO provides leadership and guidance on initiatives intended to strengthen an inclusive workplace.

Chief Risk Officer (CRO) – Accountable for the overall effectiveness of our ERM program. The CRO oversees the ERM governance model, framework, and processes, ensuring they are established, properly documented, and maintained in alignment with our culture and operating model. The ERM team, reporting to the CRO, facilitates the annual enterprise risk assessment, maintains the enterprise risk register, and produces ERM reporting to the Board, including sustainability and climate-related risks, as appropriate.

Sustainability Management Committee (SMC)– Responsible for developing cross-functional alignment on sustainability-related goals and commitments and providing guidance to further integrate sustainability and climate-related considerations across the business. The committee is composed of senior leaders from across the company and operates under the oversight of the Board HSSE Committee.

Safety and TOMS Advisory Committee (STAC) – Oversees governance and decision-making for TOMS and safety initiatives. STAC is composed of Senior Project and Operations leaders and endorses updates to select Corporate Governance Documents, including enterprise policies and standards, and provides decision updates to the Senior Vice-President, Safety & Technical Services and the Chief Operating Officer Leadership team. STAC reviews quarterly reports submitted to the Board's HSSE Committee.

Management Risk Committee (MRC) – The MRC oversees the identification and assessment of emerging and enterprise-level risks, and provides management oversight of risk response and mitigation activities. The MRC supports quarterly enterprise and emerging risk reporting to the Board and engages with the Governance Committee as required, reinforcing accountability at the highest level.

Enterprise risk management

Risk management is embedded in all our activities and is integral to the successful operation of our business. Our strategy is designed to ensure that risks and related exposures are aligned with our business objectives and risk tolerances. We achieve this through a centralized ERM program, which systematically identifies and assesses risks that could materially impact the achievement of our strategic objectives. The ERM program addresses risks related to executing our business strategies and supports practices for identifying and monitoring emerging risks.

Specifically, the ERM framework offers a comprehensive process for risk identification, analysis, evaluation and mitigation, including for sustainability and climate-related risks. It also ensures ongoing monitoring and reporting to the Board of Directors, CEO, Executive Vice-Presidents and CRO. Read about our ERM program on pages 43-47 of our [2026 Management Information Circular](#).

TC Energy Operational Management System (TOMS)

TOMS, our proprietary operational management system that governs health, safety, environment and operational integrity matters, supports day-to-day management of sustainability-related risks. Read about TOMS on page 48 of our [2026 Management Information Circular](#).



WANT TO LEARN MORE?

- + [Charter of the Board of Directors](#)
- + [Audit Committee Charter](#)
- + [Governance Committee Charter](#)
- + [Health, Safety, Sustainability and Environment Committee Charter](#)
- + [Human Resources Committee Charter](#)
- + [Terms of Reference for the President and CEO](#)
- + [Corporate Governance Guidelines](#)
- + [Board Diversity Policy](#)
- + [Terms of Reference for the Chair of the Board of Directors](#)

³⁹ Our ELT members are named on our [website](#).



RESPONSIBLE BUSINESS CONDUCT

We hold ourselves and those we work with to high standards of ethics, human rights and responsible sourcing, engage transparently with governments and political processes across North America and maintain robust cyber and physical security programs to protect our people, assets and operations.

Business ethics and compliance

Our Ethics and Compliance Program promotes compliance with applicable laws and regulations in operating jurisdictions, our [Code of Business Ethics \(COBE\) Policy](#) and all other company policies, the [Canadian Gas Pipelines Code of Conduct](#), and Federal Energy Regulatory Commission Standards of Conduct for Transmission Providers.

The COBE Policy sets out our expectations for ethical business conduct. It applies to all employees, directors, officers and contingent workforce contractors⁴⁰, as well as wholly-owned subsidiaries and operated entities in all countries where we operate. A separate Contractor COBE Policy sets out the same requirements for excluded contractors.

Each year, employees and contingent workforce contractors are required to read, understand and adhere to the principles and requirements outlined in the COBE Policy. Completing mandatory annual COBE Policy training is a condition of employment. Excluded contractors receive reporting guidelines through the Contractor COBE Policy.

ENTERPRISE ETHICS AND COMPLIANCE COMMITTEE

Composed of senior leaders from corporate functions and business units, the Enterprise Ethics and Compliance Committee provides strategic guidance and oversight for the continuous improvement of our Ethics and Compliance Program. Members contribute insights on compliance matters, emerging trends and corporate policies, align objectives, facilitate information sharing and oversee the allocation of resources and execution of the program within their respective areas of responsibility.

RAISING ETHICAL CONCERNS

We require employees and contractors to promptly report any actual or potential non-compliance with the COBE Policy, other company policies or legal obligations. Examples of suspected violations include conflicts of interest, harassment, health, safety or environmental hazards, as well as potential hazards or incidents.

Personnel can report in several ways including through the Ethics Help Line. Through an independent service provider, the Ethics Help Line allows free, confidential and anonymous reporting in English, French or Spanish, 24 hours a day, seven days a week.

Employees and contingent workforce contractors also have access to our Ethical Decision-Making Guide and other resources to help identify when and how to raise a concern. The Contractor COBE Policy offers equivalent guidance to excluded contractors.

All reports are confidential, treated seriously and investigated appropriately, with findings used to improve company policy and practices. We protect those who report in good faith from disciplinary action. Employees and contractors are required to report any known or suspected retaliation against anyone who has raised a concern.

PRIVACY AND PERSONAL INFORMATION SECURITY

Our approach to personal information security is "privacy-by-design", integrating stakeholders' privacy considerations into new systems and processes at the design phase.

Together with our team of privacy advisors, our Chief Privacy Officer (CPO) works to foster a culture of privacy and maintain an honest and ethical approach to collecting, storing and using personal information. This includes setting policies and standards for handling personal data from our customers, employees, landowners and other stakeholders as well as assessing all new solutions, applications, surveys and other similar tools to determine if they implicate personal information and the associated level of privacy risk. A multi-stakeholder Privacy Committee helps support privacy compliance across the company.

ARTIFICIAL INTELLIGENCE

We are committed to harnessing AI's transformative potential and minimizing AI-related risks as we evolve into a "smart" energy infrastructure company. As we recognize that AI can impact many facets of the company, the Board of Directors maintains ultimate oversight of TC Energy's AI strategy, risk management, and implementation. To learn more about our AI Governance Framework—including our internal review process, reporting and oversight, AI Policy and education—, see page 46 of our [2026 Management Information Circular](#).

⁴⁰ References and use of the terms "contingent workforce contractor", "excluded contractor", "contractor" and similar terms throughout this section are defined in our COBE Policy.

Human rights

Our human rights practices are informed by the International Bill of Human Rights, including the Universal Declaration of Human Rights, as well as the core International Labour Organization Conventions.

We act against all forms of discrimination, stand firmly against forced labour and child labour, provide good-quality working conditions and living wages for all employees, and require the same of our contractors.

Our human rights practices include:

Employment policies and standards – We include topics related to diversity, equal opportunities, health and safety, labour conditions, discrimination and harassment.

Training – We reinforce our position in mandatory annual COBE training and certification for personnel that we will not be complicit with, nor engage in, any business activity that supports or facilitates the abuse of human rights.

Contractor standards and audits – We use a risk-based model to manage human rights risks in our supply chain, leveraging various processes to screen and monitor contractors and our global supply chain. Contractors are also issued the Contractor COBE Policy to clarify expectations and raise awareness of human rights topics.

Community engagement – We conduct environmental and socioeconomic impact assessments, when required, as well as support for community programs and initiatives that create positive societal impacts.

Indigenous Relations programs – We aim to build and sustain positive relationships through early, ongoing and honest communication, mitigating impacts and establishing mutually beneficial partnerships.

Collective bargaining and union agreements – We focus on fair and respectful work conditions and recognize and respect our employees' and contractors' rights to join associations for the purpose of collective bargaining in a manner that is consistent with laws, rules, regulations and customs.

Responsible supply chain

We leverage our market presence to [encourage responsible practices](#) across our value chain and monitor supplier compliance with our policies and standards. Key activities include choosing responsible suppliers, promoting local and diverse supplier procurement and addressing modern slavery risks.

CHOOSING RESPONSIBLE SUPPLIERS

We use digital third-party contractor management platforms to assess risk, screen and engage with suppliers that meet our minimum requirements for safety practices, quality management and environmental stewardship. Depending on the scope of work, we also screen suppliers for technical capability, labour practices, anti-corruption practices and local, diverse and Indigenous contracting opportunities.

Contractors agree to abide by the terms of our [Contractor COBE Policy](#) at the time of hire. This policy lays out expectations for contractors' ethical conduct, health and safety practices, employment equity and rights holder and stakeholder relationships.

Issues we identify through internal or external screening or submitted through our Ethics Help Line are reviewed by senior management and subject to our internal escalation procedure. Suppliers, materials and manufacturing sites deemed high risk may be subject to additional internal due diligence screening and risk controls including:

- enhanced contractual terms
- supplier certifications
- third-party inspections in the local jurisdiction and
- termination of the relationship

Multiple business and corporate functions are involved in assessing current suppliers in a variety of ways, including supplier performance against contract, business viability, restricted party screening, risk oversight and forced labour risks.

PROMOTING LOCAL SUPPLIERS

We are transitioning from diverse procurement spend targets towards ensuring that those impacted most benefit most, through our Hire & Buy Local program.

Our [Hire & Buy Local program](#) prioritizes local and proximate communities, with targeted opportunities for Indigenous businesses. To read about our Hire & Buy Local program, see [page 38](#).

ADDRESSING MODERN SLAVERY RISKS

We are an advocate for human rights across our business, including our supply chain. For details on how we investigate and monitor suppliers for these risks, and information on internal training and awareness, see our [2025 Forced Labour and Child Labour Report](#), published in compliance with Section 11 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act in Canada.

Political contributions

Transparent, fair engagement with rights holders and stakeholders helps us gain support for our activities, manage emerging risks and protect and enhance our brand.

See Government Relations on [page 39](#) for details on our approach to lobbying and [page 21](#) for more detail on climate-related lobbying.

Political contributions by corporations are not permitted in Canada, except in Saskatchewan where we contribute to political events.⁴¹

In the U.S., subsidiaries of TC Energy make corporate political contributions as permitted by law. Our U.S. employees can also make contributions to the TransCanada USA Services Inc. Political Action Committee (TC PAC)⁴², a separate segregated fund supported only by contributions from U.S. employees. Participation in TC PAC is voluntary and allows employees to contribute to candidates for public office who support the energy industry and are aligned with our goals for a responsible, secure and affordable energy sector. TC PAC is only available to U.S. citizens and permanent legal residents.



⁴¹ Details about our political contributions can be found in the [Appendix: Performance data](#).
⁴² TC PAC is officially registered as TransCanada USA Services, Inc. Political Action Committee. TransCanada USA Services, Inc. is the employer of all TC Energy Corporation personnel in the U.S. and is a subsidiary of TC Energy.



Enterprise security

We maintain an enterprise security program that encompasses both cyber and physical security. Our program is based on standards, assurance and risk management combining prevention and mitigation activities.

Standards – To sustain safe, secure and resilient assets, we adhere to global best practices outlined in the National Institute of Standards and Technology’s Cybersecurity Framework and the American Society of Industrial Security Protection of Assets Framework. Our strategy is aligned with our regulators which include the U.S. Transportation Safety Administration’s Security Directive for pipelines, Canada Energy Regulator, North American Electric Reliability Corporation and other organizations. We regularly review our strategy to validate the sustained safety, security and resilience of our assets.

Infrastructure – We deploy advanced security technology, defining secure processes and implementing enhanced security measures for high-risk staff or facilities.

Training and testing – All employees and contractors are required to complete mandatory security awareness training annually. This training includes how to identify and report security related incidents and threats, such as suspicious activities. Enterprise Security promotes awareness using safety moments, company-wide communications and periodic presentations across the organization.

We routinely carry out exercises and tabletop simulations to continually improve our response processes. These exercises help ensure our teams are prepared to sustain operations and maintain business continuity when responding to security incidents.

Monitoring – We monitor our environment for threats to the organization and maintain and regularly test incident response plans and processes. We engage third parties to conduct regular external assessments, audits and exercises.

Working with others – We anticipate and address new threats by collaborating with governments, regulatory agencies and industry experts.

Specific oversight, assurance and risk management practices for enterprise security are described on pages 44 to 46 of our [2026 Management Information Circular](#).

WANT TO LEARN MORE?

+ [AI Policy](#)

+ [Code of Business Ethics \(COBE\) webpage](#)

+ [Contractor Code of Business Ethics \(COBE\) Policy](#)

+ [TC Energy’s Ethics Help Line](#)

+ [Privacy Statement](#)

+ [Protection of Personal Information Policy](#)

+ [Hire & Buy Local Program Overview](#)

+ [2025 Forced Labour and Child Labour Report](#)

+ [Political Contributions and Activity Policy](#)

+ [Lobbying, political contributions and corporate memberships](#)

+ [Cybersecurity Framework](#)

+ [Critical Cyber Systems Protection Act](#)

+ [Security Directive](#)

+ [Cybersecurity Policy](#)

+ [Acceptable Use Policy](#)

ABOUT THIS REPORT

Reporting scope and boundaries - This report provides an overview of our sustainability activities and performance from January 1 to December 31, 2025, or status as of December 31, 2025, whichever is applicable, unless otherwise noted. The scope of this report reflects all assets that we operate, unless otherwise noted. We include details of select significant and relevant events that occurred in early 2026. We have noted data exclusions or additions where applicable in the report.

Reporting frameworks, standards and recommendations - The information included in this report reflects guidance from internationally recognized sustainability reporting frameworks, standards and recommendations including the Sustainability Accounting Standards Board (SASB) standards for Oil & Gas - Midstream and Electric Utilities & Power Generators, and the Global Reporting Initiative (GRI). Our climate-related disclosures are aligned with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) framework, and we are partially aligned with the International Financial Reporting Standards Sustainability Disclosure Standards for Climate-related Disclosures (IFRS S2) as we are taking a phased approach to enhancing our disclosures.

We continue to monitor developments for mandatory climate-related disclosures in jurisdictions where we operate and will adjust our disclosure and public statements as required. Where non-standard measures are required, we have disclosed the information in alignment with our internal standards. Please refer to the alignment tables in the [Appendix](#).

We designed this year's report to align with Web Content Accessibility Guidelines (WCAG) 2.0 accessibility standards.

Leadership review - The information in this report has been reviewed by internal subject matter experts and senior leaders, including our Executive Leadership Team, with oversight from our Board of Directors.

Assurance - We have obtained independent limited assurance of operational control boundary Scope 1 GHG emissions, Scope 2 GHG emissions and Corporate GHG emissions intensity (Scope 1 and 2) for the year ended December 31, 2025, identified with the symbol ^ throughout this document. To read more about assurance on our GHG emissions, please refer to the [third-party limited assurance report](#).

Forward-looking information - This report contains forward-looking information or forward-looking statements. For details, please refer to the [forward-looking information statement](#).

RELATED PUBLICATIONS AND LINKS: 

+ [2025 Annual Report](#)

+ [2026 Management Information Circular](#)

+ [Reconciliation Action Plan and 2022 Reconciliation Action Plan Update](#)

+ [ESG webpage](#)

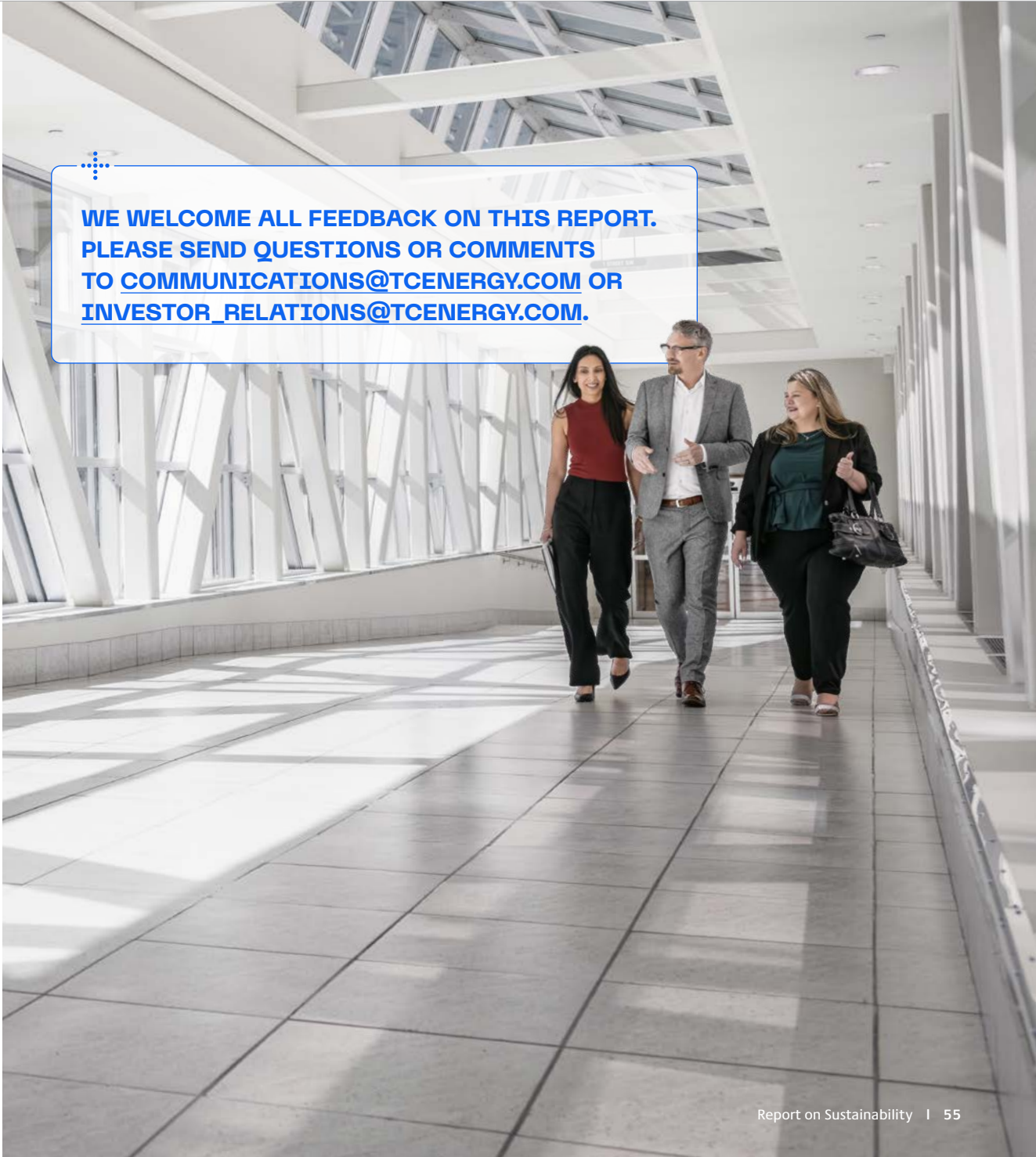
+ [OGMP 2.0 Reassessment Report](#)

+ [Roadmap to Reasonable Assurance Report](#)

+ [2025 Forced Labour and Child Labour Report](#)



WE WELCOME ALL FEEDBACK ON THIS REPORT.
PLEASE SEND QUESTIONS OR COMMENTS
TO COMMUNICATIONS@TCENERGY.COM OR
INVESTOR_RELATIONS@TCENERGY.COM.





PERFORMANCE DATA

- Data in the performance data tables reflect all assets that we operate, unless otherwise noted. We define operational control as the authority to introduce, control and implement operating policies and practices at the facility. The GHG emissions data reflects 100 per cent of the emissions from facilities where we, or one of our subsidiaries, have operational control regardless of percentage of financial ownership. Full listings of the assets we operate are contained in the [2025 Annual Report](#).
- We apply restatements when necessary to maintain data accuracy and consistency across reporting periods. Drivers of restatements are methodology updates reflecting new regulations or industry guidance, improvements in data availability or changes in data sources, shifts in organizational boundaries, such as acquisitions or divestitures, or identification of errors in previously reported data.
- We report Scope 1 and Scope 2 GHG emissions using an equity share and operational control approach and Scope 3 GHG emissions using operational control. The equity share reporting boundary reflects our corporate GHG emission footprint in relation to the percentage of ownership held across our operated and non-operated assets and closely aligns with our financial results. The operational control approach represents the GHG emission footprint from assets that we operate and are therefore influenced by our operational practices.
- We calculate Scope 1 emissions using quantification methodologies consistent with regulatory reporting requirements in the jurisdictions where we operate or standardized corporate quantification methods aligned to acceptable regulatory methods and international GHG reporting frameworks, such as the GHG Protocol. Calculations rely on measured fuel consumption, natural gas quality, operational activity, leak and venting data, or on emission factors and engineering estimates when direct measurements are unavailable.
- We calculate Scope 2 emissions using the location-based method and standardized corporate reporting methodologies that align with international GHG reporting frameworks, such as the GHG Protocol. We quantify indirect emissions from operating assets using invoiced or metered energy consumption data and the emission factors published by regulatory bodies relevant to each region. We have strengthened the accuracy and completeness of our Scope 2 emissions profile through enhancements to AI-assisted data extraction from utility invoices.
- Historical Scope 1 GHG emissions data, associated with U.S. natural gas pipeline operations and natural gas pipeline totals from 2019 to 2024 have been recalculated and restated within the performance data tables, as well as performance charts and statistics in the preceding climate related sections of this Report. The updates and restatement of historical metrics were based on recent methodology changes to the US Environmental Protection Agency 40 CFR Part 98, Subpart W reporting rules and were completed in line with our Corporate GHG Emission Reporting Standard.
- We have normalized reported GHG emissions to CO₂ equivalent based on the [Intergovernmental Panel on Climate Change \(IPCC\) 100-year GWPs in its Fifth Assessment Report](#) (AR5).
- Where historical data is unavailable or not applicable, we indicate as "N/A".
- Financial data is reported in Canadian dollars. Foreign currencies are converted based on the average exchange rates published in our [2025 Annual Report](#).
- Totals may not add up due to rounding.

Activity Metrics

UNIT		2025	2024	2023	2022	2021
OPERATIONAL FOOTPRINT						
Natural gas transmission network	km	94,171	93,687	93,579	93,731	93,294
Power facilities	#	10	10	10	7	7
Power generation capacity	MW	4,652	4,652	4,642	4,339	4,258
Natural gas storage capacity	bcf	650	650	650	650	653
ENERGY CONSUMPTION TOTALS¹						
Fuel (excluding feedstocks) (HHV)	MWh	103,653,939	97,763,738	93,925,173	92,067,913	83,077,116
Purchased or acquired electricity	MWh	1,595,698	1,443,240	1,605,194	1,426,513	1,148,062
Purchased or acquired steam	MWh	368,302	389,193	337,086	383,614	440,423
Purchased or acquired heat	MWh	N/A	N/A	N/A	N/A	N/A
Purchased or acquired cooling	MWh	N/A	N/A	N/A	N/A	N/A
Total energy consumption	MWh	105,617,939	99,596,171	95,867,453	93,878,041	84,665,602

PRODUCTION DATA

UNIT		2025	2024	2023	2022	2021
OPERATIONAL CONTROL APPROACH						
Natural gas pipeline throughput	billion cubic feet	20,528	19,675	18,860	18,980	17,964
Net power generation	megawatt hour	4,925,884	5,016,293	4,951,940	3,790,201	3,823,799
Natural gas volume injected and withdrawn²	billion cubic feet	95	83	110	133	133
EQUITY SHARE APPROACH						
Natural gas pipeline throughput	billion cubic feet	18,028	17,254	16,397	16,601	15,587
Net power generation	megawatt hour	24,051,971	27,224,633	25,407,755	24,259,790	24,241,704
Natural gas volume injected and withdrawn²	billion cubic feet	95	83	110	133	133

GHG emissions: Scope 1 and 2

UNIT		2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
		OPERATIONAL CONTROL APPROACH					EQUITY SHARE APPROACH				
SCOPE 1 GHG EMISSIONS ^{1,2}											
Natural gas pipelines	thousand tonnes CO ₂ e	21,748	20,607	19,610	20,010	18,694	19,186	18,019	16,982	17,459	16,118
Canadian natural gas pipelines	thousand tonnes CO ₂ e	9,862	9,014	8,182	8,682	7,350	9,816	9,001	8,173	8,659	7,336
U.S. natural gas pipelines	thousand tonnes CO ₂ e	11,768	11,439	11,287	11,208	11,259	9,268	8,880	8,687	8,694	8,707
Mexico natural gas pipelines	thousand tonnes CO ₂ e	118	154	141	121	86	102	137	122	106	75
Power and energy solutions	thousand tonnes CO ₂ e	2,077	2,097	2,211	2,059	2,170	2,079	2,100	2,214	2,062	2,174
Power	thousand tonnes CO ₂ e	2,067	2,087	2,200	2,046	2,157	2,070	2,091	2,202	2,050	2,161
Storage	thousand tonnes CO ₂ e	9	9	12	12	13	9	9	12	12	13
Corporate Services ³	thousand tonnes CO ₂ e	41	39	41	37	36	40	37	40	35	34
Total Scope 1 GHG Emissions ^{^, 4}	thousand tonnes CO ₂ e	23,866	22,742	21,863	22,105	20,900	21,306	20,157	19,235	19,557	18,325
SCOPE 2 GHG EMISSIONS ^{1,2}											
Natural gas pipelines	thousand tonnes CO ₂ e	371	308	433	417	351	278	239	354	321	254
Canadian natural gas pipelines	thousand tonnes CO ₂ e	101	103	199	143	79	100	103	199	143	79
U.S. natural gas pipelines ⁵	thousand tonnes CO ₂ e	267	202	232	272	270	174	134	153	177	173
Mexico natural gas pipelines	thousand tonnes CO ₂ e	4	3	2	2	2	3	3	2	2	2
Power and energy solutions	thousand tonnes CO ₂ e	104	112	120	136	142	116	118	126	140	145
Power ⁶	thousand tonnes CO ₂ e	82	86	76	89	101	94	92	82	93	104
Storage	thousand tonnes CO ₂ e	22	26	44	47	41	22	26	44	47	41
Corporate Services ³	thousand tonnes CO ₂ e	6	7	7	7	7	3	4	4	4	4
Total Scope 2 GHG Emissions ^{^, 4}	thousand tonnes CO ₂ e	481	426	561	561	500	397	361	484	466	403
Absolute Scope 1 and 2 GHG Total	thousand tonnes CO ₂ e	24,346	23,169	22,424	22,666	21,400	21,703	20,518	19,719	20,022	18,728
METHANE SCOPE 1 - NATURAL GAS HANDLING ACTIVITIES ²											
Methane emissions	thousand tonnes CO ₂ e	4,685	4,593	4,424	4,476	4,908	4,068	4,043	3,894	3,936	4,294
GHG emissions from methane emissions ⁷	per cent	22	22	23	22	26	21	22	23	23	27

GHG emissions: Scope 1 and 2 continued

UNIT		2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
OPERATIONAL CONTROL APPROACH						EQUITY SHARE APPROACH					
SCOPE 1 GHG EMISSIONS BREAKDOWN BY SOURCE ^{2,8}											
Stationary combustion	thousand tonnes CO ₂ e	19,379	18,342	17,616	17,816	16,203	17,407	16,272	15,485	15,773	14,199
Venting	thousand tonnes CO ₂ e	1,999	1,882	1,527	1,546	1,878	1,594	1,562	1,269	1,275	1,531
Fugitive	thousand tonnes CO ₂ e	2,400	2,448	2,640	2,642	2,764	2,231	2,264	2,414	2,417	2,540
Flaring	thousand tonnes CO ₂ e	55	39	47	71	27	40	27	35	61	27
Transportation	thousand tonnes CO ₂ e	33	31	33	30	29	33	31	33	30	29
Portion of Scope 1 GHG emissions covered by reduction regulations ⁹	per cent	52	50	49	50	47	58	57	56	57	54
BREAKDOWN BY GHG CONSTITUENT (TOTAL CORPORATE SCOPE 1 EMISSIONS) ^{2,10}											
CO ₂	thousand tonnes CO ₂ e	19,095	18,069	17,364	17,553	15,923	17,154	16,035	15,268	15,545	13,964
CH ₄ ¹¹	thousand tonnes CO ₂ e	4,690	4,600	4,431	4,482	4,914	4,074	4,050	3,900	3,942	4,300
N ₂ O	thousand tonnes CO ₂ e	79	72	68	70	62	77	71	67	69	61
HFC	thousand tonnes CO ₂ e	1	1	1	0	0	0	1	0	0	0
SF ₆	thousand tonnes CO ₂ e	0	0	0	0	0	0	0	0	0	0

GHG emissions intensities: Scope 1 and 2

	UNIT	2025	2024	2023	2022	2021
OPERATIONAL CONTROL APPROACH¹						
GHG emissions intensity: total corporate ^{²,³}	Scope 1+2 kg CO ₂ e / GJ	1.08	1.07	1.08	1.09	1.08
Methane emissions intensity ^⁴	Tonnes CH ₄ / throughput Bcf	8.11	8.30	8.33	8.36	9.69
Canada natural gas pipelines	Scope 1+2 tonnes CO ₂ e / throughput Bcf	1,039	997	974	1,002	903
U.S. natural gas pipelines	Scope 1+2 tonnes CO ₂ e / throughput Bcf	1,212	1,215	1,232	1,212	1,270
Mexico natural gas pipelines	Scope 1+2 tonnes CO ₂ e / throughput Bcf	120	165	158	173	134
Power	Scope 1 + 2 tonnes CO ₂ e / net generation MWh	0.4364	0.4333	0.4595	0.5634	0.5904
Storage ^⁵	Scope 1 +2 tonnes CO ₂ e / total volume injected + withdrawn Bcf	324	425	511	448	407

GHG emissions: Scope 3

	UNIT	2025	2024	2023	2022	2021
SCOPE 3 GHG EMISSIONS¹						
Category 3: Fuel and energy-related activities²	thousand tonnes CO ₂ e	4,394	4,142	4,149	4,187	3,096
Category 5: Waste generated in operations³	thousand tonnes CO ₂ e	25	20	20	19	15
Category 6: Business travel⁴	thousand tonnes CO ₂ e	8	8	7	6	4
Category 7: Employee commuting⁵	thousand tonnes CO ₂ e	3	3	N/A	N/A	N/A
Category 8: Upstream leased assets⁶	thousand tonnes CO ₂ e	6	6	7	6	6
Total Scope 3	thousand tonnes CO ₂ e	4,436	4,179	4,183	4,218	3,121

Environmental management

UNIT		2025	2024	2023	2022	2021
AIR QUALITY ^{1,2}						
Nitrogen oxide (NO _x)	metric tonnes	39,085	36,023	35,267	40,973	39,821
Sulfur oxides (SO _x)	metric tonnes	159	175	195	143	165
Volatile organic compounds (VOCs)	metric tonnes	1,363	1,279	1,301	1,324	1,503
Particulate matter 10 micrometers (PM ₁₀)	metric tonnes	679	696	694	693	716
LAND CAPABILITY						
Cumulative total of disturbed land ³	hectares	9,332	11,692	3,838	7,095	3,735
Land restoration completed ⁴	hectares	6,539	9,473	2,790	6,271	2,574
Percentage of disturbed area restored within five years ⁵	per cent	99	98	99	98	99
BIODIVERSITY						
Total land owned, leased and/or operated ⁶	hectares	148,490	147,270	146,726	146,818	146,214
Land (owned, leased and/or operated) within areas of protected conservation status or endangered species habitat ⁷	hectares	20,510	20,370	18,667	18,649	22,609
	per cent	14	14	13	13	15
WATER						
Water withdrawal: fresh surface water	million cubic metres	1.47	1.42	1.94	1.84	2.04
Water withdrawal: fresh groundwater	million cubic metres	–	–	–	–	–
Water withdrawal: municipal/utility	million cubic metres	0.32	0.37	0.37	0.33	0.27
Water discharge ⁸	million cubic metres	0.31	0.33	0.74	0.20	0.16
Water consumption ⁹	million cubic metres	1.49	1.46	1.57	1.97	2.15
WASTE						
Hazardous waste generated ¹⁰	metric tonnes	1,023	1,830	9,405	5,711	12,897
Waste; recycled/reused ¹¹	metric tonnes	927	1,369	89,427	N/A	N/A
SIGNIFICANT ENVIRONMENTAL FINES						
Number of significant environmental fines	number	5	10	4	3	2
Value of significant environmental fines	dollars	1,207,857	590,000	957,137	317,958	916,421

Stakeholder relations

UNIT		2025	2024	2023	2022	2021
COMMUNITY INVESTMENT						
Direct community investment	dollars (millions)	26	27	30	24	23
Indirect community investment ¹	dollars (millions)	3	4	4	3	3
Total community investment	dollars (millions)	30	31	33	27	26
Community investment directed towards the environment	dollars (millions)	3	5	4	3	2
External resources leveraged ²	dollars (millions)	3	3	3	2	2
Total value of investment in the community ³	dollars (millions)	33	33	37	30	28
LOCAL COMMUNITY ENGAGEMENT PLANS						
Percentage of operations with local community engagement, impact assessments and development programs	per cent	100	100	100	100	100
SUPPLIER DIVERSITY						
Tier 1 diverse spend ⁴	dollars (millions)	420	572	1,495	1,312	530
Canadian diverse spend: Tier 1 ⁵	dollars (millions)	184	451	1,347	1,185	409
Canadian Indigenous spend: Tier 1	dollars (millions)	148	424	1,333	1,174	398
U.S. diverse spend: Tier 1 ⁶	dollars (millions)	236	122	147	127	121
U.S. Native American spend: Tier 1	dollars (millions)	4	0	8	6	4
Tier 2 diverse spend ⁷	dollars (millions)	36	68	480	718	907
Canadian diverse spend: Tier 2 ⁵	dollars (millions)	35	63	479	714	840
Canadian Indigenous spend: Tier 2	dollars (millions)	8	59	466	705	701
U.S. diverse spend: Tier 2 ⁶	dollars (millions)	1	5	1	4	66
U.S. Native American spend: Tier 2	dollars (millions)	0	0	0	0	4
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED						
Direct economic value generated	dollars (millions)	15,239	13,771	13,267	12,309	13,387
Economic value distributed: operating costs	dollars (millions)	4,533	4,436	4,151	4,057	4,092
Economic value distributed: employee wages and benefits	dollars (millions)	1,765	1,614	1,471	1,518	1,441
Economic value distributed: payments to providers of capital	dollars (millions)	6,931	7,251	5,820	5,512	5,779
Economic value distributed: payments to government	dollars (millions)	1,601	1,449	1,697	1,263	1,282
Economic value distributed: payments to governments in Canada	dollars (millions)	501	455	452	424	438
Economic value distributed: payments to governments in U.S.	dollars (millions)	1,015	915	1,208	607	758
Economic value distributed: payments to governments in Mexico	dollars (millions)	85	79	37	232	86
Economic value distributed: community investments	dollars (millions)	26	27	30	24	23
Economic value retained	dollars (millions)	2,174	635	1,599	1,477	2,234

Asset integrity and process safety

UNIT		2025	2024	2023	2022	2021
PIPELINE INSPECTION						
Percentage of natural gas pipelines inspected ¹	per cent	30	31	26	32	26
In-line Inspections ¹	number	396	376	362	335	288
	kilometres	28,291	28,796	28,520	31,927	23,019
Completed integrity digs ¹	number	838	923	978	957	841
INVESTMENT IN INTEGRITY PROGRAMS						
Investment in pipeline integrity programs	dollars (billions)	2.0	2.0	2.0	1.6	1.4
PROCESS SAFETY INCIDENTS						
Significant process safety incidents ²	number	0	1	1	0	0
Tier 1 process safety incidents ^{3,4}	number	8	12	17	15	5
Tier 2 process safety incidents ^{4,5}	number	9	12	12	14	11
REPORTABLE GAS RELEASES ⁶						
Reportable gas releases	number	32	42	44	58	59
	cubic metres	13,342,403	13,372,137	5,259,447	10,055,790	4,674,919
THIRD-PARTY INCIDENTS						
One Calls per 1,000 km of right-of-way ⁷	number	4,278	4,340	4,912	4,926	4,865
Unauthorized pipeline encroachments per 1,000 km of right-of-way ⁸	number	4.21	3.81	3.93	3.85	3.32
Unauthorized excavations per 1,000 km of right-of-way ⁹	number	1.89	1.52	1.18	1.36	1.33
TECHNOLOGY AND INNOVATION SPEND						
R&D program spend	dollars (millions)	20 ¹⁰	8	13	11	10
Engineering R&D value creation ¹¹	dollars (millions)	102	26	141	228	N/A

Employee and Contractor Safety

UNIT		2025	2024	2023	2022	2021
EMERGENCY PREPAREDNESS AND RESPONSE EXERCISES						
Total exercises completed	number	191	192	199	196	211
EMERGENCY PREPAREDNESS AND RESPONSE TRAINING						
First responder training ¹	number	1,635	1,809	1,876	2,001	1,999
Incident Command System training ²	number	2,560	2,302	2,412	3,657	4,107
CORE WORKFORCE						
Employee fatalities	number	0	0	4	0	1
Employee recordable case rate ³	recordable cases per 200,000 hours worked	0.34	0.37	0.39	0.73	0.40
Employee away-from-work case rate ⁴	away from work cases per 200,000 hours worked	0.04	0.10	0.17	0.24	0.14
Employee vehicle incident frequency ⁵	vehicle incidents per 1,000,000 km driven	1.73	1.26	1.71	1.41	1.50
CONTRACTOR WORKFORCE						
Contractor fatalities	number	0	0	0	1	0
Contractor recordable case rate ³	recordable cases per 200,000 hours worked	0.93	0.69	0.65	0.90	0.84
Contractor away-from-work case rate ⁴	away from work cases per 200,000 hours worked	0.15	0.11	0.08	0.08	0.10
Contractor vehicle incident frequency ⁵	vehicle incidents per 1,000,000 km driven	0.50	0.55	1.12	1.58	1.14
COMBINED (EMPLOYEE AND CONTRACTOR) WORKFORCE						
Combined (employee and contractor) recordable case rate ³	recordable cases per 200,000 hours worked	0.59	0.57	0.58	0.85	0.71
Combined (employee and contractor) high energy serious injury and fatality rate ⁶	high-energy serious injury and fatality incidents per 100 million hours worked	4.00	11.60	26.20	30.70	14.15
EMPLOYEE ABSENCES						
Casual absence rate ⁷	average number of days absent per employee per year	1.53	1.53	1.66	1.03	0.99
Short-term disability absence rate ⁸	average number of days absent per employee per year	1.99	1.80	1.47	2.23	2.66
Workers compensation absence rate ⁹	average number of days absent per employee per year	0.02	0.05	0.05	0.03	0.03
Total employee absence rate ¹⁰	average number of days absent per employee per year	3.54	3.25	3.19	3.29	3.68

People and culture

UNIT		2025	2024	2023	2022	2021
WORKFORCE DEMOGRAPHICS						
Core workforce						
Total	number	6,588	6,658	6,965	6,745	7,083
Canada	number	3,056	3,039	3,263	3,279	3,587
U.S.	number	3,009	2,982	2,992	2,924	2,993
Mexico	number	523	637	710	542	503
Employees represented by independent trade union or covered by collective bargaining agreements	per cent	5	5	4	5	4
Leadership¹						
Total	number	969	943	1,009	970	944
Executive leadership team	number	6	7	7	6	9
Contractor workforce						
Total	number	2,505	2,669	3,084	3,546	3,466
Canada	number	1,627	1,806	2,220	2,624	2,409
U.S.	number	878	863	864	922	1,057
Mexico	number	0	0	0	0	0
NEW HIRES (CORE WORKFORCE)						
Total	number	512	552	889	892	884
Canada	number	243	213	328	395	336
U.S.	number	226	252	302	378	326
Mexico	number	43	87	259	119	222
Women	per cent	34	32	33	30	32
CORE WORKFORCE TURNOVER						
Overall turnover rate	per cent	8	11	9	9	16
Canada	per cent	6	12	10	8	11
U.S.	per cent	7	8	8	9	22
Mexico	per cent	24	21	12	13	10
Women	per cent	8	13	10	11	14
Men	per cent	8	10	9	8	16
Voluntary turnover rate	per cent	5	5	6	7	11
Involuntary turnover rate	per cent	3	6	3	2	4

People and culture continued

UNIT		2025	2024	2023	2022	2021
TRAINING AND DEVELOPMENT						
Full-time employee (FTE) training and development; average time	hours	31	33	34	39	N/A
Full-time employee (FTE) training and development; average spend	currency	3,720	4,010	4,104	4,671	N/A
EMPLOYEE GIVING AND VOLUNTEERING						
Workforce donations ²	dollars (millions)	2	1	1	1	1
Total corporate donations through the workforce giving program ³	dollars (millions)	4	4	3	3	3
Total volunteer hours logged by employees and contractors	hours	47,849	45,901	38,491	32,037	24,186
Volunteer hours logged during paid time	hours	4,837	7,314	4,868	4,249	1,714
Volunteer hours logged during unpaid time	hours	43,012	38,587	33,623	27,788	22,471
Overall participation in workforce giving program	per cent	54 ⁴	73	60	61	55
INCLUSION AND DIVERSITY ⁵						
Gender						
Women: core workforce	per cent	28	28	29	28	30
Women: leadership	per cent	31	32	31	30	32
PROTECTED GROUPS BY JURISDICTION						
Canadian core workforce						
Women	per cent	37	37	37	37	38
Indigenous ⁶	per cent	4	4	3	3	3
Persons with disabilities	per cent	2	2	2	3	3
Visible minorities	per cent	26	25	25	24	24
U.S. core workforce						
Women	per cent	19	19	19	19	19
Minorities ⁷	per cent	16	16	16	15	14
Individuals with disabilities	per cent	2	1	1	1	2
Veterans	per cent	10	11	11	5	5
Mexican core workforce						
Women	per cent	31	29	30	29	31

Governance & responsible business conduct

UNIT		2025	2024	2023	2022	2021
BOARD OF DIRECTORS						
Size of Board ¹	number	13	15	13	13	14
Independent directors	per cent	92	93	92	92	93
Board diversity policy ^{1,2}	yes/no	yes + a target of 30% women and at least one racially and/or ethnically diverse member ³	yes + a target of 30% women and at least one racially and/or ethnically diverse member	yes + a target of 30% women and at least one racially and/or ethnically diverse member	yes + a target of 30% women	yes + a target of 30% women
Women on Board ¹	per cent	38	40	38	38	33
Racially and/or ethnically diverse Board members ¹	per cent	15	20	N/A	N/A	N/A
Number of Board interlocks ¹	number	0	1	0	0	0
External Board service limits for independent directors	number	4 public company boards in total ⁴	4 public company boards in total	4 public company boards in total	4 public company boards in total	4 public company boards in total
Average Director age ¹	years	64	64	63	62	63
All committees independent ⁵	yes/no	Yes	yes	yes	yes	yes
Annual Director elections	yes/no	Yes	yes	yes	yes	yes
Individual Director elections	yes/no	Yes	yes	yes	yes	yes
Majority voting policy	yes/no	Yes	yes	yes	yes	yes
Independent executive compensation consultant	yes/no	Yes	yes	yes	yes	yes
Clawback policy ⁶	yes/no	Yes	yes	yes	yes	yes
Double-trigger vesting on change of control	yes/no	Yes	yes	yes	yes	yes
Separate Chair and CEO	yes/no	Yes	yes	yes	yes	yes
Director retirement age ⁷	years	75	73	73	73	73
Director share ownership requirements	x retainer	4	4	4	4	4
Executive share ownership requirements ⁸	x base salary	6x CEO 3x EVP 2x SVP 1x VP	6x CEO 3x EVP 2x SVP 1x VP	6x CEO 3x EVP 2x SVP 1x VP	5x CEO 3x EVP 2x SVP 1x VP	5x CEO 3x EVP 2x SVP 1x VP
CEO share ownership post-retirement hold period	years	1	1	1	1	1
In-camera sessions at every Board and committee meeting	yes/no	Yes	yes	yes	yes	yes
Annual say on pay	yes/no	Yes	yes	yes	yes	yes
Code of business ethics	yes/no	Yes	yes	yes	yes	yes

Governance & responsible business conduct continued

UNIT		2025	2024	2023	2022	2021
Board, committee and director evaluations annually	yes/no	Yes	yes	yes	yes	yes
Board orientation and education program	yes/no	Yes	yes	yes	yes	yes
Percentage of Board consisting of immediate family members of majority shareholders, executives, and former executives	per cent	0	0	N/A	N/A	N/A
POLITICAL CONTRIBUTIONS						
Political contributions made by TC Energy Corporation in Canada ⁹	dollars	6,000	11,300	8,495	14,250	—
Political contributions made by TC Energy U.S. subsidiaries ¹⁰	U.S. dollars	362,750 ¹¹	889,975	262,450	433,750	194,544
Political contributions made by TC PAC, a separate segregated fund in the U.S. ¹²	U.S. dollars	233,000 ¹³	294,600	266,275	398,225	240,650
COMPETITIVE BEHAVIOR						
Total monetary losses that relate to violations of regulations governing competitive behaviours ¹⁴	dollars	0	0	0	0	0

CONTENT INDICES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD ALIGNMENT

The concordance table below demonstrates the relationship between TC Energy’s sustainability reporting and the Sustainability Accounting Standards Board (SASB) Oil & Gas - Midstream industry standard (Version 2023-06) and SASB Electric Utilities & Power Generators standard (Version 2023-06). For a limited number of metrics, non-standard measures are required and we have disclosed similar indicators in alignment with internal standards.

TOPIC AND ACCOUNTING METRIC	INDICATOR ID	TC ENERGY REFERENCE MATERIAL
OIL & GAS – MIDSTREAM		
GREENHOUSE GAS EMISSIONS		
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-MD-110a.1	In this report > GHG emissions: Scope 1 (includes both equity share and operational control)
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MD-110a.2	In this report > Climate
AIR QUALITY		
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	EM-MD-120a.1	In this report > Air quality
ECOLOGICAL IMPACTS		
Description of environmental management policies and practices for active operations	EM-MD-160a.1	- In this report > Environmental management, Climate, Asset integrity and process safety Commitment Statement Safeguarding Biodiversity Our approach Environment principles 2025 Annual Report
Percentage of land owned, leased, or operated within areas of protected conservation status or endangered species habitat	EM-MD-160a.2	In this report > Environmental management
Terrestrial land area disturbed, percentage of impacted area restored	EM-MD-160a.3	In this report > Environmental management
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in sites with high biodiversity significance, and volume recovered	EM-MD-160a.4	<i>Not relevant to our business</i>
COMPETITIVE BEHAVIOUR		
Total amount of monetary losses as a result of legal proceedings associated with pipeline and storage regulations	EM-MD-520a.1	- In this report > Governance & Responsible business conduct <i>Note: TC Energy interprets this indicator as representing the total amount of monetary losses incurred during the reporting period as a result of legal proceedings associated with alleged breaches of regulations governing competitive behaviour.</i>

TOPIC AND ACCOUNTING METRIC	INDICATOR ID	TC ENERGY REFERENCE MATERIAL
OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS & RESPONSE		
Number of reportable pipeline incidents, percentage significant	EM-MD-540a.1	- In this report > Process safety incidents <i>Note: this indicator requests information on pipeline incidents only. To transparently communicate integrity incidents related to our diverse asset base, including our power and storage facilities, we have chosen to publicly report on Tier 1 and Tier 2 process safety incidents guided by industry standard CSA Z260. TC Energy believes this approach is congruent with the intent of SASB EM-MD-540a.1 to promote increased, comparable reporting of integrity incidents.</i>
Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	EM-MD-540a.2	In this report > Pipeline inspection
Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	EM-MD-540a.3	<i>Not relevant to our business</i>
Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	EM-MD-540a.4	- In this report > Asset integrity and process safety, Employee and contractor safety, People and culture Commitment Statement
ACTIVITY METRIC		
Total metric tonne-kilometres of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	EM-MD-000.A	- In this report > Activity metrics <i>TC Energy reports natural gas transported in billion cubic feet</i>
ELECTRIC UTILITIES & POWER GENERATORS		
GREENHOUSE GAS EMISSIONS & ENERGY RESOURCE PLANNING		
(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	IF-EU-110a.1	In this report > GHG emissions: Scope 1 (includes both equity share and operational control)
Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2	Under review for applicability and potential future disclosure
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	In this report > Climate
AIR QUALITY		
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	IF-EU-120a.1	In this report > Air quality
WATER MANAGEMENT		
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	In this report > Environmental management
WORKFORCE HEALTH & SAFETY		
(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	IF-EU-320a.1	In this report > Employee and contractor safety

ENDNOTES

2025 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

- Our target addresses Scope 1 methane emissions associated with our natural gas transmission and gas storage assets, expressed in tonnes of CH₄ per Bcf. For planning purposes, target progress is measured under the operational control reporting boundary, relative to the 2019 baseline year intensity of 10.72 tonnes CH₄/Bcf, which we recalculated to align with the structural and methodological changes noted for the 2020 through 2023 reporting periods.
- Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures section in this Report.
- Restoration refers to returning disturbed land to equivalent land capability. Restoration activities are multi-year efforts with end-of-activity targets rather than annual targets. Restoration proceeds when site conditions allow, with ongoing engagement with landowners until activities are successfully completed.
- Includes Tier 1 and Tier 2 Canadian Indigenous spend and U.S. Native American spend.
- TC Energy defines high-energy serious injury and fatality (HSIF) as an incident involving a release of high energy (greater than 1,500 Joules of physical energy) without direct control, resulting in a life-threatening or life-altering injury.
- Significant process safety incidents are defined by TC Energy as unplanned or uncontrolled releases of hazardous material that result in severe consequences. They are a subset of Tier 1 process safety incidents. In evaluating the significance of the incident, we consider the environmental, reputational, regulatory, and financial impacts to our company. Health and safety impacts are excluded to prevent duplication with the HSIF metric. While significant process safety incidents may have an environmental impact, not all process safety incidents will have an environmental impact. This is merely one factor considered when determining whether an incident is classified as 'significant'.
- Target is based on annual rate of high energy serious injuries and fatalities per 100 million hours, as of December 31, as adapted from Construction Safety Research Alliance (CSRA) serious injury and fatality rate calculation methodology. Internally, we use a 12-month rolling rate to identify changes in the pace or direction of trends. "High energy" is defined as an element of work that involves more than 1,500 Joules of physical energy. "Serious injury" is defined as a life-threatening or life-altering incident. The target incorporates an explicit goal of zero fatalities.

ACTIVITY METRICS

- ¹ New indicators based on the operational control reporting boundary. Historically, these indicators were reported within CDP submissions.
- ² Storage volumes only represent Canadian storage facility activities.

GHG EMISSIONS: SCOPE 1 AND 2

- The quantification of GHG emissions follows the methodologies prescribed by various regulations in the different jurisdictions in which we operate. We report our emissions to British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Environment and Climate Change Canada (ECCC), the U.S. Environmental Protection Agency (EPA), California, Oregon, Maryland, Washington and Mexico's Ministry of Environment and Natural Resources. These methods can include, but are not limited to, direct measurement, use of emissions factors in

conjunction with activity data and mass balance. We report greenhouse gases emitted to the atmosphere before accounting for offsets, credits, or other similar attributes that have reduced or compensated for emissions. In alignment with the World Research Institute (WRI) GHG Protocol, Corporate Accounting and Reporting Standard, GHG emissions reported by TC Energy include those emissions from sources considered below regulatory reporting thresholds or from sources not required to be reported under regulatory methodologies.

- All emissions data presented are based on the 100 year Global Warming Potentials (GWPs) from the IPCC (2014) Fifth Assessment Report (AR5).
- Corporate Services includes GHG emissions from fleet vehicles, office buildings and warehouses, aviation and subsidiaries.
- TC Energy has obtained independent limited assurance over Scope 1 and Scope 2 GHG emissions, reported on an operational control basis, for the year ended December 31, 2025.
- 2025 Scope 2 emissions for US Natural Gas Pipelines are based on latest eGrid emission factors released in 2024. The 2023 Scope 2 emissions for US Natural Gas Pipelines under operational control has been restated to reflect corrected input data. No adjustments were made to the indicator under the equity share boundary.
- Steam energy purchased by Bruce Power is included in our 2025 Scope 2 equity share emissions profile.
- The percentage of Scope 1 emissions from methane sources of emissions is based on total methane and Scope 1 emissions from natural gas handling activities.
- In 2024, emission source categories were revised and standardized across all jurisdictions to improve consistency in the categorization of methane-related emissions for corporate reporting. These changes were not applied to reporting periods prior to 2024 and may impact comparability with historical data.
- This indicator represents the portion of total Scope 1 GHG emissions covered by provincial, state, or federal GHG reduction regulations or emission trading schemes (ETS). The methodology includes Scope 1 emissions from natural gas pipeline, power, and storage assets subject to GHG reduction regulations or ETS in Canada and the United States.
- GHG emissions less than 500 tonnes CO₂e may be reported as zero due to negligible values when rounded to the nearest thousand.
- Total direct methane emissions include all methane sources, including immaterial sources not associated with natural gas handling activities (e.g., power and corporate services).

GHG EMISSIONS INTENSITIES: SCOPE 1 AND 2

- Operational control GHG emission intensity is calculated as gross Scope 1 and Scope 2 emissions from assets operated by TC Energy, divided by the corresponding gross production (generation or throughput) of those assets. Assets partially owned but not operated by TC Energy are excluded from the Scope 1, Scope 2 and production/throughput values, under this reporting boundary. All historical indicators have been recalculated to reflect previously referenced changes to Scope 1 and Scope 2 emissions.
- ² TC Energy's corporate emissions intensity is based on an operational control reporting boundary. The production data from operational business segments are converted to a common unit of energy (GJ) to calculate this corporate intensity value. The production metrics from the Power and Energy Solutions co-generation facilities include the generation of heat exported to customers. Business segment emission intensities are not directly comparable to the corporate emissions intensity value without the conversion of production and pipeline throughput metrics to a common unit of measure, gigajoules (GJ).
- ³ TC Energy obtained independent limited assurance of this indicator for the year ended December 31, 2025.

- ⁴ Our methane target addresses Scope 1 methane emissions associated with our natural gas transmission and gas storage assets, expressed in tonnes of CH₄ per Bcf. For planning purposes, target progress will be measured using this indicator under the operational control reporting boundary, relative to the 2019 baseline year.
- ⁵ Storage intensity is representative of the non-regulated Canadian storage facilities.

SCOPE 3 EMISSIONS

- Scope 3 GHG emissions cover 15 categories of which, we currently report on five relevant categories. Scope 3 emission categories reported are based on the operational control reporting boundary, referencing the 100 year Global Warming Potentials from the IPCC (2014) Fifth Assessment Report (AR5).
- Emissions reported in Category 3 fuel- and energy-related activities that are not included in our Scope 1 and Scope 2 emissions. The emissions represent the upstream activities attributed to the fuels supplied for our operational combustion activities and the fuel supplied for the generation of power purchased by TC Energy. This category also includes upstream emissions attributed to the transmission and distribution loss of electricity that is purchased and consumed by TC Energy's operations. Emission factors used in 2024 were referenced for 2025 emission calculations due to limited updates to factors available at the time of quantification.
- Category 5 emissions associated with waste, are estimated using the spend-based method derived from the GHG Protocol, Scope 3 Standard and Guidance documentation and calculated emission factors. Spend data used to calculate waste related emissions, excludes capital projects.
- Category 6 emissions represent the indirect emissions associated with commercial travel from airline, rail or commuter vehicles not accounted for in our Scope 1 emissions.
- Category 7 emissions are based on an internal survey from a focused sample of employees about their routine commuting practices. The emissions in this category exclude emissions attributed to remote working, contract employees and travel-related activities already reported in Scope 1 and other travel related categories. Data prior to 2024 is not available.
- Category 8 emissions are attributed to the utility energy (i.e., fuel and electricity) consumed within TC Energy's leased spaces in which the utilities are administered and controlled by others. In leased building spaces where the utility energy remains under TC Energy's operational control, the associated emissions are allocated to the scope 1 and scope 2 GHG emission profiles.

ENVIRONMENTAL MANAGEMENT

- 1 Air quality emissions data is calculated based on the regulatory requirements in jurisdictions in which we operate. The data reported within includes emissions at, or above, regulatory reporting thresholds.
- 2 Air quality emissions data reflects all operated assets, including our U.S. and Mexico operations.
- 3 The cumulative total of disturbed land currently includes land disturbed by natural gas pipeline and maintenance projects that underwent post-construction monitoring in the reporting year to determine restoration success. The cumulative total of disturbed lands includes land disturbed from projects constructed in preceding years that have not yet achieved restoration and are being monitored annually for restoration status. We do not include operating facilities that are above ground (fenced and graveled sites) in our disturbed lands or restoration reporting until they undergo decommissioning and abandonment. Projects are

typically monitored annually following final clean-up after construction is completed, for five years, until restoration has been achieved.

- Restoration is defined as the process of returning disturbed land to equivalent land capability, which is the ability of the land to support various land uses similar to the ability that existed prior to disturbance. This includes ensuring stable, non-hazardous, non-erodible soil conditions and seeding or enabling the re-establishment of vegetation, as appropriate and in accordance with applicable regulatory requirements and permit conditions.
- 5 While the cumulative total of land disturbed and restored in acres reflects projects monitored in the reporting year, the percentage of land restored has been defined using a five-year timeframe to better reflect the longer-term nature of our restoration activities. Although much of the land is restored by the fifth year following construction, localized issues may arise that do not achieve restoration success within that five-year timeframe. We are committed to monitoring these issues until they are resolved. This means our data may reflect restoration activities beyond the fifth year.
- 6 Our biodiversity indicator currently reflects most of the land TC Energy owns, leases and/or operates that is associated with our pipeline rights-of-way, compressor stations, meter stations, and power plants in Canada, Mexico and the U.S. This footprint also includes abandoned assets. The footprint does not include temporary workspaces or proposed projects. Valve sites are assumed to be contained within the right-of-way footprint.
- 7 TC Energy considers land to be an area of protected conservation status or endangered species habitat if it is identified as such in one or more of the publicly available datasets we use. While not an exact match, in 2025 we selected multiple publicly available datasets that included conservation status and habitat information that most closely aligned to the intent of SASB indicator EM-MD-160a.2. We continue to identify critical habitat for endangered species.
- 8 Starting in 2023, we improved our water discharge reporting to include water discharged or dispersed over land in or near the same watershed from which it was withdrawn in accordance with permitting requirements and applicable water quality standards.
- 9 Water consumption volume reflects management's best estimate. TC Energy considers water consumed unless it is either discharged directly to the same source at equal or higher quality or dispersed over land in or near the same watershed from which it was withdrawn, in accordance with permitting requirements and applicable water quality standards. The volume reported includes water used for power asset operations (excluding once-through cooling water) and water used during hydrostatic testing of pipelines and liquids storage tanks that could not be discharged. Water used during construction or operational activities (e.g. for dust control on access roads, construction of winter access or to assist in hydrovac operations) is excluded.
- 10 Most of TC Energy's hazardous wastes consist of recyclable hydrocarbons from our storage operations, recovered from the natural gas in our gas pipelines or used lube oils and glycols from turbines, pumps and engines. Any hazardous wastes that cannot be recovered or recycled are disposed of at licensed, secure disposal facilities. Requirements for tracking and reporting of waste as well as the waste classifications and types themselves vary by jurisdiction. TC Energy also relies on multiple third-party vendors and/or government databases for tracking of hazardous waste. Internal subject matter experts familiar with our waste streams review and reconcile waste data often using assumptions and/or estimations to consolidate the data into a single, corporate-wide value.
- 11 Reuse and recycling are vital to our waste management. While our practices encompass reuse and recycling of waste, when possible, across all our operations, 2025 data includes hazardous and non-hazardous waste recycled or reused from our Canada Gas and Power & Energy Solutions operations.

STAKEHOLDER RELATIONS

- 1

This includes in-kind giving, the value of volunteer hours during paid work time and program management costs.
- 2

External resources leveraged include community contributions from outside sources that can be directly linked to our involvement such as workforce donations and time volunteered during non-working hours or funds matched from governments or other partners.
- 3

The total value of TC Energy's investments in the community includes cash investments, in-kind giving, volunteering during paid working hours, program management costs and community contributions from outside sources that can be directly linked to our involvement.
- 4

Tier 1 spend represents a classification of expenditure data that TC Energy spends directly with prime suppliers and/or general contractors and is directly linked to contractual agreement(s) or purchases.
- 5

Our diverse spend in Canada includes spend with suppliers who self-identify as Indigenous, visible minorities, women, LGBTQ+ and/or veterans.
- 6

Our diverse spend in the U.S. includes spend with suppliers who self-identify as Native American, Asian-American, Hispanic-American, African-American, women and/or veterans.
- 7

Tier 2 spend represents expenditures that TC Energy's prime suppliers and/or general contractors spend for services and/or products that directly support TC Energy's business needs. Indirect expenditures may consist of labour, subcontractors, materials and/or expense spend.

ASSET INTEGRITY AND PROCESS SAFETY

- 1

The pipeline integrity inspection program may vary year-to-year based on several factors, including performing inspections based on annual system-wide risk assessments of our pipeline system as well as performing prescribed regulatory inspections. The regulatory inspection intervals vary depending on jurisdiction.
- 2

Significant process safety incidents are defined by TC Energy as unplanned or uncontrolled spills or releases that result in major consequences to people or the environment. They are a subset of Tier 1 process safety incidents. In evaluating the severity of the incident, we also consider the potential risk of legal, financial or reputational impacts to our company.
- 3

Tier 1 process safety incidents are unplanned or uncontrolled releases that result in either greater consequences and/or higher release volumes. These incidents may result in a serious injury to a person, an officially declared community evacuation or shelter in place order, a fire or an explosion. Our reporting of Tier 1 incidents is guided by CSA Z260, an industry-wide standard.
- 4

The observed reduction in Tier 1 and Tier 2 process safety incidents between 2024 and 2025 is primarily due to the refinement of event categorization. TC Energy's adoption of the updated CSA Z260 classification criteria in 2025 places greater emphasis on process safety incidents with more catastrophic severity or potential severity. Historical process safety data remains classified based on previous CSA Z260 revisions.
- 5

Tier 2 process safety incidents are unplanned or uncontrolled releases with lesser consequences. These incidents may result in a recordable injury to a person, a fire or explosion that can be contained and extinguished with little to no damage, or localized environmental damage. Our reporting of Tier 2 incidents is guided by CSA Z260, an industry wide standard.
- 6

A reportable gas release is defined as one that is reportable to an external agency or authority, such as a federal, provincial or state regulator. Thresholds for reporting of gas releases vary depending on
- the jurisdiction and therefore releases are not wholly comparable by jurisdiction or year-over-year.

7

Local One Call centres field requests, received via telephone or online, to have all underground utilities located and marked, free of charge, prior to any commercial or residential project involving digging.

8

TC Energy defines unauthorized encroachments as those that include activities carried out without authorization from local One-Call centres. Unauthorized encroachments can vary year over year because they are influenced by external activity levels, detection and reporting effectiveness, and behavioural factors outside the company's direct control. Changes in any of these drivers can increase or decrease the number identified in a given year, even when underlying risk controls remain stable or improve.

9

TC Energy defines unauthorized excavations as those that include more serious activities than other encroachments, with greater potential to cause impact or exposure that would result in a need to repair an underground facility. Unauthorized excavations can vary year over year because they are driven by third-party excavation activity levels. Year-over-year variation in unauthorized excavations reflects changes in third-party excavation activity, One-Call compliance, detection and reporting effectiveness and enforcement focus.

10

2025's R&D program spend included development and validation of strategic inspection technologies to optimize integrity management.

11

"Value creation" includes value realized through engineering R&D initiatives implemented in TC Energy programs. Engineering R&D creates accuracy, precision, and efficiency in decision-making tools and processes which creates smarter and sharper decisions that enable both safety and economy leading to sustainability.
- EMPLOYEE AND CONTRACTOR SAFETY
- 1

Personnel that could be the first on the scene of an emergency event are profiled to complete the First Responder Training course. This is a specialized training course on how to assess, respond and activate the emergency management system in an emergency event as the first company representative on site.

2

The Incident Command System (ICS) is a standardized on-site management system designed to enable effective and efficient emergency response. This system is used across North America and is the standard response system within multiple industries and public safety response organizations.

3

Consistent with industry best practice, TC Energy defines total recordable case rate as the number of recordable cases related to a common exposure base of 200,000 hours (100 full-time employees). Recordable cases are all work-related deaths and illnesses and those work-related injuries that result in a loss of consciousness, restriction of work or motion, transfer to another job or require medical treatment beyond first aid.

4

TC Energy defines away-from-work case rate as an incident resulting in an injury or illness that prevents an employee from returning to work on the next scheduled shift. The number of away-from-work cases, where the employee would have worked but could not because of an occupational injury or illness, is related to a common exposure base of 200,000 hours (100 full-time workers).

5

TC Energy defines vehicle incident frequency rate as the number of recordable vehicle incidents related to a common exposure base of 1,000,000 km driven. A recordable vehicle incident is any incident (regardless of fault) involving a fleet, rental motor vehicle or a personal vehicle being used for TC Energy business which results in an injury to any person or damage to any vehicle or property, unless the vehicle was safely and properly parked at the time of the incident.
- 6

TC Energy defines high-energy serious injury and fatality (HSIF) as an incident involving a release of high energy (greater than 1,500 Joules of physical energy) without direct control, resulting in a life-threatening or life-altering injury.

7

TC Energy defines casual absence as when an employee is unfit for work for up to five consecutive work shifts due to a non-work related illness or injury.

8

TC Energy defines short-term disability as a medical absence lasting longer than five consecutive work shifts away from work due to a non-occupational illness or injury.

9

TC Energy defines Workers' Compensation (WC) absences as a work-related illness or injury requiring medical aid and/or medical absence of more than a day, involving a provincial or state company-sponsored income replacement program operated through the various provincial or state workers' compensation boards or U.S. insurance carriers.

10

TC Energy defines the average number of days absent per employee as the sum of the casual absence rate, short-term disability (STD) absence rate and WC absence rate.
- PEOPLE AND CULTURE
- 1

Our leadership includes core workforce employees classified as leaders and above.

2

Funds donated to causes through the employee participation program depend on personal donations from our employee base and naturally fluctuate year over year based on various internal and external factors.

3

Total corporate donations through our employee giving program includes company matching donations, employee participation campaigns, donation credits from TC Energy and corporate donations from Empower directly to causes.

4

Year over year employee participation declined; however, higher average donations per user offset the impact, resulting in no decrease in total workforce donations. Reduced engagement during our final campaign contributed to lower participation.

5

Diversity data is categorized by protected groups as defined by regional compliance requirements: in Canada under the Employment Equity Act and in the U.S. as a condition of the Office of Federal Contract Compliance Programs. There are no such compliance requirements in Mexico; however, we track and voluntarily report Mexico gender workforce representation.

6

In Canada, Indigenous groups are reported separately from visible minorities.

7

In the U.S., American Indians and Alaska Natives are included in minorities reporting.
- GOVERNANCE & RESPONSIBLE BUSINESS CONDUCT
- 1

As of December 31, 2025. See our [2026 Management Information Circular](#) and [website](#) for subsequent updates.

2

Target achieved with 38 per cent women on the Board (five of 13 members) and 15 per cent racially and/or ethnically diverse members (two of 13 members) as of December 31, 2025. See our [Board Diversity Policy](#) and [2026 Management Information Circular](#) for additional information.

3

Racially and/or ethnically diverse means Aboriginal peoples (persons who are Indigenous, Inuit or Métis) and members of visible minorities (means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour).

4

Board chair positions count as two board seats.
- 5

Audit, Governance and Human Rights committees are entirely independent and the Health, Safety, Sustainability & Environment committee must be a majority independent.

6

We maintain both a clawback policy triggered by financial restatements and a policy triggered by misconduct.

7

The earlier of a director turning 75 or attaining 15 years of service. Notwithstanding age limits, a director is eligible to serve a term of eight years.

8

As of January 1, 2024, outstanding unvested RSUs granted to executives started counting towards share ownership holdings.

9

Political contributions by corporations are not permitted in most Canadian jurisdictions. Corporate political contributions are permissible in Saskatchewan. TC Energy participated in political events in Saskatchewan in 2025.

10

Political contributions in the U.S. were made by U.S. subsidiaries of TC Energy or the TC PAC.

11

The difference in monetary value between the calendar years 2024 and 2025 is heavily due to funds allocated for participation in the major party nominating conventions associated with the 2024 presidential election.

12

The TransCanada USA Services Inc. Political Action Committee (TC PAC) is a separate segregated fund (SSF) established under U.S. federal election law by TransCanada USA Services Inc., a U.S. subsidiary of TC Energy. The TC PAC is funded solely through contributions from U.S. employees. In many cases, amounts such as receipts, disbursements and cash on hand differ from what we report internally to what is found on Federal Election Commission (FEC). This is because the FEC also records disbursements that include bank fees, registration fees and voided checks from the prior year. The PAC is directed entirely out of the United States, by U.S. residents.

13

The year-over-year decrease is attributable to 2024 being an election year and the TC PAC Board's strategic decision to defer a portion of 2025 funding to support the 2026 election cycle.

14

The total amount of monetary losses incurred during the reporting period because of legal proceedings associated with alleged breaches of regulations governing competitive behaviour.
- TC Energy
- Report on Sustainability | 72

FORWARD-LOOKING INFORMATION AND NON-GAAP MEASURES

This document contains certain information that is forward-looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as “anticipate”, “expect”, “believe”, “may”, “will”, “should”, “estimate”, “intend” or other similar words). Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this Report.

Our forward-looking information in this document includes, but is not limited to statements on our financial and operational performance, including the performance of our subsidiaries, expectations regarding the size, structure, timing, conditions and outcome of ongoing and future transactions, expectations about strategies and goals for growth and expansion, including acquisitions, statements regarding the role of natural gas in North America's economic growth, expectations regarding emerging demand from AI and data centres, statements regarding the management of climate-related risks and opportunities, statements regarding TC Energy's projects, including anticipated capacity, timelines and investments, our anticipated capital program, anticipated capital expenditures, our expected emission reduction targets and other benefits from planned projects, expected energy demand levels, expected investment in lower-carbon energy systems, including nuclear power and selective natural gas infrastructure, the installation, adoption and integration of new emission reduction technologies into our business, including technologies relating to methane venting management,

electrification, carbon capture and sequestration and hydrogen, statements related to climate scenario analysis impacts, risks, and mitigation measures, expected costs and schedules for restoration/remediation initiatives, statements relating to biodiversity and land impacts, expectations regarding fostering relationships with Indigenous groups and external stakeholders, statements regarding maintaining mutually beneficial partnerships with our landowners, furthering inclusion across our organization and supply chains, enhancing well-being of our employees, statements regarding our future plans and prospects overall, including those statements relating to energy transition, and statements relating to TC Energy's sustainability commitments, including our emissions reduction goals.

Our forward-looking information is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to: realization of expected impacts from acquisitions and divestitures, our ability to successfully implement our strategic priorities and whether they will yield the expected benefits, our ability to implement a capital allocation strategy aligned with maximizing shareholder value, operating performance of our pipelines, power generation and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, amount of capacity payments and revenues from power generation assets due to plant availability, production levels within supply basins, our ability to develop, access or implement some or all of the technology and infrastructure necessary to efficiently and effectively achieve methane targets and ambitions, the commercial viability and scalability of emission-related

technology and products, the development and execution of implementing strategies to meet our sustainability commitments, construction and completion of capital projects, cost, availability of, and inflationary pressures on, labour, equipment and materials, availability and market prices of commodities, access to capital markets on competitive terms, interest, tax and foreign exchange rates, performance and credit risk of our counterparties, regulatory decisions and outcomes of legal proceedings, including arbitration and insurance claims, our ability to effectively anticipate and assess changes to government policies and regulations, including those related to the environment, our ability to realize the value of tangible assets and contractual recoveries, competition in the businesses in which we operate, unexpected or unusual weather, acts of civil disobedience, cybersecurity and technological developments, sustainability-related risks including climate-related risks and the impact of energy transition on our business, economic and political conditions, and ongoing trade negotiations in North America, as well as globally, global health crises, such as pandemics and epidemics, and the impacts related thereto.

For additional information about the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to the most recent Quarterly Report to Shareholders and Annual Report filed under TC Energy's profile on SEDAR and with the U.S. Securities and Exchange Commission. As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-

oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events, unless we are required to by law.

Comparable EBITDA is a non-GAAP measure used throughout this Report. This measure does not have any standardized meaning under GAAP and therefore is unlikely to be comparable to similar measures presented by other companies. The most directly comparable GAAP measure is segmented earnings (losses). Refer to the Non-GAAP measures section of the 2025 Annual MD&A (incorporated by reference) for more information about the non-GAAP measures we use and for a reconciliation of Comparable EBITDA to segmented earnings (losses). Our 2025 Annual MD&A is available under TC Energy's profile on SEDAR+ at www.sedarplus.ca.

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