

2020 REPORT ON SUSTAINABILITY



Progress that matters

to people and our planet





About TC Energy

A message from Russ Girling and Siim Vanaselja

Q&A with our Chief Sustainability Officer

Our approach to sustainability

Promoting prosperity

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Empowering people

In this report, we highlight TC Energy’s sustainability approach and recent accomplishments. It is intended for general audiences and contains links to the TC Energy website for additional information and stories.

Unless otherwise noted, all amounts are in Canadian dollars and all data reflect 2019 numbers. Where relevant, 2020 developments are addressed in the discussion and analysis.

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Environmental, social and governance reporting

This publication is one element of our environmental, social and governance (ESG) reporting. More data and information of interest to investors, including content that is aligned with global reporting standards, can be found in these documents:

[ESG Data Sheet](#)

[Materiality Assessment](#)

[TCFD Alignment Table](#)

[SASB Alignment Table](#)

[CDP Climate Change Report](#)

[Report on Sustainability and Climate Change](#)

Please refer to the forward-looking information on [page 23](#). You can also find more information about TC Energy in our [Annual Report](#), [Management Information Circular](#) and [Annual Information Form](#) available on our website and SEDAR. Our website also hosts our oversight and policies on lobbying, political contributions and corporate memberships [information sheet](#), select corporate policies and other documents.



We’d like to hear what you think about our Report on Sustainability. Please send questions or comments to communications@tcenergy.com.

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We are a vital part of everyday life – delivering the energy that millions of people rely on to power their lives thanks to a safe, reliable network of natural gas and crude oil pipelines, along with power generation and storage facilities. Guided by our core values of safety, responsibility, collaboration and integrity, our more than 7,500 people make a positive difference in the communities where we operate across Canada, the U.S. and Mexico.

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](https://www.tcenenergy.com).

Three complementary energy infrastructure businesses



Natural gas pipelines

25%

of North America’s demand

Our 93,300-kilometre (57,900-mile) network of natural gas pipelines supplies more than 25 per cent of the daily clean-burning natural gas demand across North America. This pipeline network strategically connects growing supply in the most prolific basins on the continent to key markets across Canada, the U.S. and Mexico. We also operate one of the continent’s largest natural gas storage businesses, with 653 billion cubic feet of regulated and non-regulated storage capacity.



Liquids pipelines

2 billion+

barrels delivered safely

Our 4,900-kilometre (3,000-mile) liquids pipeline system connects growing continental oil supplies to key markets and refineries. The Keystone Pipeline System delivers approximately 20 per cent of western Canadian exports to the U.S. Midwest and Gulf Coast, where it is converted into fuel and other useful petroleum products.



Power and storage

4 million+

homes powered

We own or have interests in seven power generation facilities with combined capacity of approximately 4,200 megawatts (MW) – enough to power more than four million homes. Approximately 75 per cent of our power capacity is emission-less, and we are leaders in the development and operation of high-efficiency, natural gas-fired generating stations.

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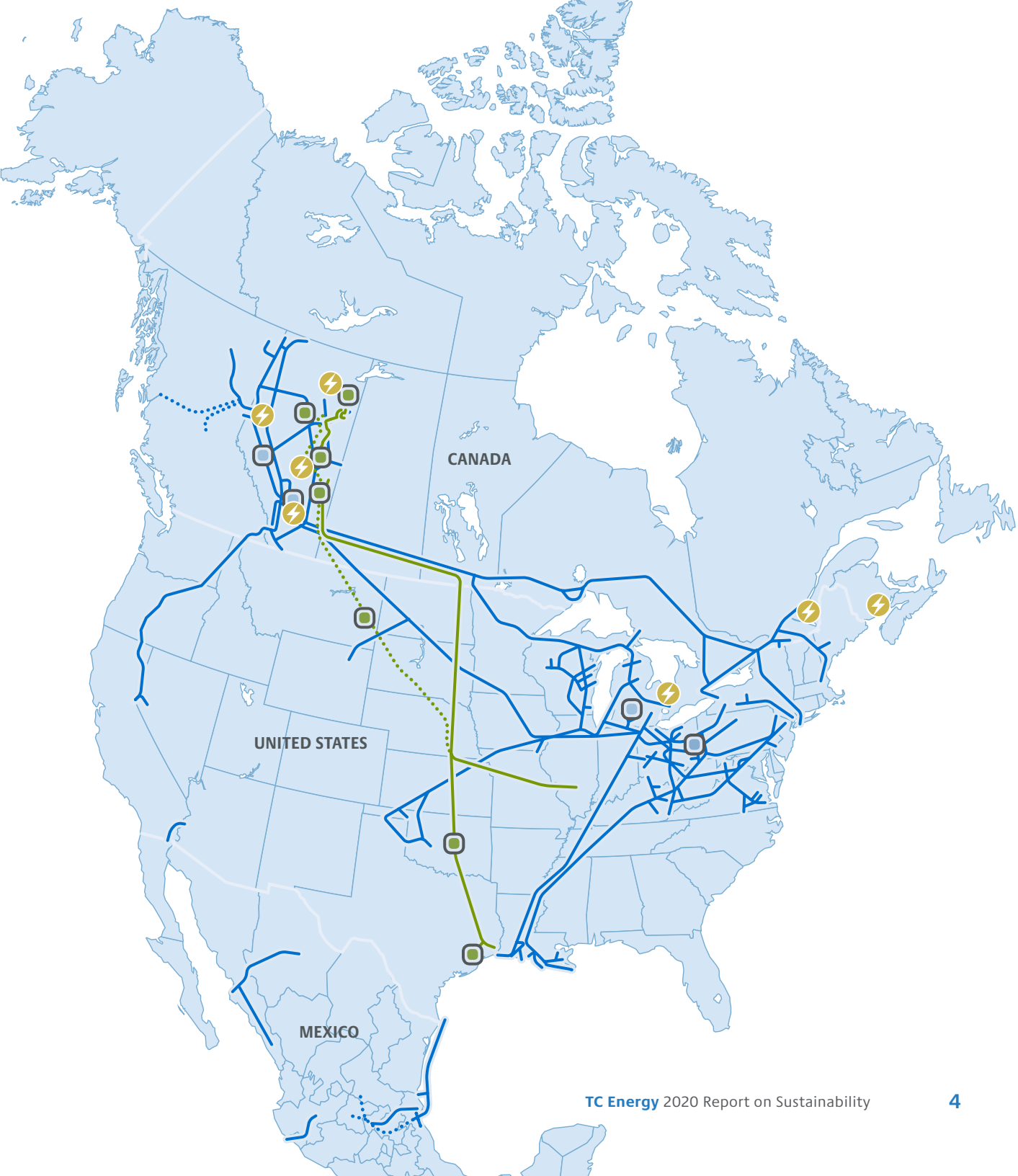
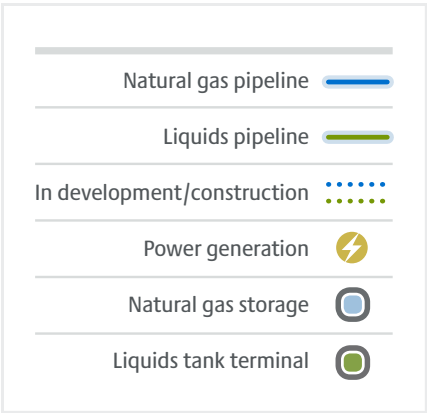
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TC Energy North American assets





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This year marks one of the most unprecedented global challenges in recent history. The COVID-19 pandemic affects individuals, communities and businesses across all geographies in many distinct and different ways. At TC Energy, it reinforces the critical role we play in society, from delivering the energy we all depend on every day to contributing to the health and prosperity of the communities in which we work and live.

We are incredibly proud of the many contributions our employees have made in 2020. In the wake of tremendous economic and social change, we're focused on our contribution to a sustainable future while ensuring the health and safety of our employees and communities.

We are pleased to share with you our 2020 Report on Sustainability so you can see our continued progress toward meeting today's energy needs while safely, reliably and economically finding responsible solutions for our energy future. The Report expands on the [2019 Report on Sustainability and Climate Change](#) to introduce 10 new sustainability commitments and an updated [ESG Data Sheet](#) that focuses on concise, transparent and meaningful disclosure on how we are managing our business' ESG goals.

Promoting prosperity

We all have a responsibility to support and enhance society's wellbeing. Despite the challenges of the pandemic, we remain focused on what we do and how we do it. The energy we provide is critical and has been recognized as essential by governments in every jurisdiction in which we operate across North America – it is a responsibility we take very seriously.

We are grateful for our more than 7,500 employees who, despite personal trials, continue their diligent work to deliver hospitals, homes and businesses with the energy they need to live and work safely every day. Backed by decades of experience, discipline and continuous improvement, we've built a financially resilient business that will be sustainable for decades to come. Our financial strength enables us to continue advancing our current \$37 billion infrastructure project program, buying goods and services locally and employing local talent to help build stronger and more sustainable communities. Our approach ensures shared prosperity across our large North American footprint and allows us to responsibly meet society's growing energy demands.

Affordable, reliable North American energy should be the source of choice, fueling global economic, environmental and social development, including increasing living standards. Responsibly produced energy is a cornerstone of building a prosperous society, and the vital services that we provide contribute to a cleaner and more prosperous world for our employees, their families, and local and international communities.

Protecting our planet

Protecting the planet is something we have focused on for decades in all aspects of our business. From environmental stewardship to protecting species at risk to transparent greenhouse gas (GHG) emissions reporting, it is at the core of our activities. Today we face the challenge of meeting the world's growing energy requirements through practical, economic and achievable solutions without compromising the ability of future generations to meet their needs. Within that context, we are doing our due diligence to identify potential paths to net zero GHG emissions by 2050 for our operations. As with all our commitments, we want to make sure that we have a clearly defined, achievable and measurable path to the goal. You can expect to see further information about our roadmap in 2021.

As an organization with diverse businesses in natural gas and liquids transportation and storage and power generation, we are evolving to support the world's future energy demands. We continue to advance investments in projects displacing coal-fired electricity generation, reducing methane and GHG emissions, expanding renewables and supporting critical research.

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This includes our U.S. natural gas [modernization program](#), our two new developing [solar](#) and [pumped hydro storage](#) projects, and [Bruce Power](#)’s partnership in creating the Centre for Next Generation Nuclear Technologies.

Lowering the world’s GHG emissions is essential to addressing climate change and reaching the Paris Agreement goals. It will take a collective effort from all of us – along with strong, broad-based, economy-wide climate change policies – to achieve meaningful GHG emission reductions. We continue to work with policy-makers and industry peers to provide the framework for innovation and technology development to meet this challenge. There is more work to do to reduce global emissions, and we believe the energy industry will play a critical role in achieving those goals.

Empowering people

When people thrive, they can build vibrant, healthy communities and businesses. The events of this year are strong reminders of the work that still needs to be done to combat intolerance and racial injustice across our society, deepening TC Energy’s long-standing commitments to our inclusion and diversity programs and supporting a respectful workplace.

Our safety and the safety of those around us must come first, always. This includes our mental and emotional wellbeing as well as our physical safety. We have created a plan to address psychological health and safety in

the workplace and rolled out a series of initiatives aimed at increasing mental health awareness and reducing stigma. Building a more diverse and inclusive environment that reflects the communities we live and work in creates an atmosphere where employees feel they belong, resulting in better ideas, outcomes and thoughtfulness in the way we do business.

Across the continent, we continue to search for ways to strengthen individuals, Indigenous groups and communities local to our operations to help maintain the standard of living that North Americans have come to depend on. This includes providing grants to community organizations, scholarships and local sponsorships through our Build Strong program.

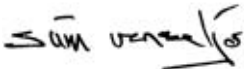
We are steadfast in our approach to maintaining a financially strong business so we can continue to meet growing energy demand while reducing our emissions, adding to the prosperity of our communities, caring for our employees and addressing the needs of our many stakeholders. While our philosophy on sustainability practices is not new, we continue to listen, learn and build on our proud 65-year journey, grounded in our values – safety, responsibility, collaboration and integrity – and doing what is right.

Going forward, we will continue to be transparent in how we communicate our progress on sustainability matters. We encourage you to let us know how we are doing and how we can continue to improve.

Sincerely,
Russ and Siim



Russ Girling
President and Chief Executive Officer



Siim A. Vanaselja
Chair of the Board

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Patrick Keys is the Executive Vice President, Stakeholder Relations and General Counsel and is TC Energy's Chief Sustainability Officer. With a fresh perspective on sustainability at TC Energy, Patrick discusses the challenges and opportunities we face in advancing our sustainability direction, and what the future holds for the organization.



Q: You're a little over one year into your CSO role. How's it going?

Patrick: It's been a non-stop year since our inaugural [Report on Sustainability and Climate Change](#). We centralized and expanded our sustainability team to better integrate these efforts with our overarching business strategy. We also refreshed our material topics (issues that are important to stakeholders as they make decisions about our organization) and set long-term sustainability commitments.

Our commitments are grounded in the United Nations Sustainable Development Goals (SDGs) and our priority to provide meaningful ESG information, consistent with Sustainability Accounting Standards Board (SASB) recommendations. You can learn more about our performance and targets here in our Report on Sustainability as well as in our [ESG Data Sheet](#) and [CDP Climate Change Report](#).

We've also developed common approaches for tracking and evaluating GHG emissions across our operations and ensured that our reporting reflects the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We live by a simple philosophy of "what gets measured, gets done". This work allows us to better understand our achievements, gaps and how we'll bridge them.

Q: COVID has been one of the most unprecedented events in recent history. How did this affect TC Energy and its commitments to sustainability this year?

Patrick: If anything, the first half of 2020 highlighted the importance and true meaning of sustainability. We continued to supply the trusted, reliable and affordable energy that is heating and cooling our homes; lighting hospitals, restaurants and local businesses; transporting supplies and goods across Canada, the U.S. and Mexico; and powering other health and educational services that

we all rely on. I am grateful to our teams, who continued to provide an essential service safely through this unparalleled time while also moving our sustainability mandate forward.

Our dedicated workforce, the financial health and stability of the company and our robust business continuity planning meant that we could respond almost immediately. Our infrastructure was available and operations continued virtually seamlessly. That's also, in part, due to approximately 95 per cent of our income being from regulated assets and long-term contracts. This commercial structure and approach insulate us from the unpredictability associated with market instability. We recognize, however, that these are challenging times for many – in our industry and beyond.

The pandemic provides a strong reminder that a healthy core business is what enables us to empower our people, ensure prosperity for North Americans, and make the investments needed to transition to a lower-GHG emission future.

Q: With the climate change discussion growing globally and the energy transition fully underway, are you concerned about TC Energy's ability to remain relevant?

Patrick: Not for a moment. I've been with this organization for more than 20 years, and I continue to be impressed with our ability to adapt and innovate in ways that position us for success. Climate change is a serious issue, and we have an important role to play in managing GHG emissions while balancing the need for safe, reliable and economic energy. That's why we're developing our net zero roadmap, so we can demonstrate that we can achieve this outcome in a pragmatic and credible way.

As the world strives to meet the Paris Agreement targets, the low-carbon future requires accessible and reliable energy. Natural gas is a crucial piece of that puzzle as a practical and affordable solution. To that end, we safely transport and store more than 25 per cent of North America's daily natural gas supply and help connect this clean-burning fuel to global partners. We increase the world's access to cleaner energy and build a bridge to renewable sources, while reducing global GHG emissions and enhancing energy security and economic stability.

However, we know that sustainability is about more than climate change. We are a company that believes in doing the right thing, in the right way, the first time around. It's the cornerstone in how we live our values and our [zero is real safety culture](#). We have other sustainability-related targets outlined in this report and will develop and share additional targets based on our commitments in the coming months and into 2021.

Q: Engaging with Indigenous communities is a big part of your business. What is TC Energy doing to continue building these relationships?

Patrick: It is always important to seize opportunities to bring communities and industry together – especially as we make our way through these challenging times. We have active relationships with more than 200 Indigenous groups across Canada, the U.S. and Mexico, with different needs, concerns and questions about the work that we do.

We know we don't have all the answers, but mutual success is anchored in relationships based on trust and respect. To achieve this, we must create a collaborative environment with open communication and ways to provide equitable opportunities to participate in the conversation and benefits around our business efforts – both now and in the future. Success will require shaping mutually beneficial solutions together.

Q: Inclusion and diversity are an important part of TC Energy's priorities. How is TC Energy progressing that?

Patrick: A strong and embedded [culture of inclusion and diversity](#) for our employees, our leaders and through the work we do in our communities is important. When we foster a sense of belonging through an open and equitable environment, we create a space where people feel valued, safe, and respected to express themselves and their ideas.

Our Executive Leadership Inclusion and Diversity Council and Chief Diversity Officer demonstrate how important these issues are. We also walk the talk with company-wide inclusion and unconscious bias training, talent strategies that focus on attracting a broad and diverse talent pool for career opportunities, and investments and partnerships that promote equality and inclusion in the workplace. We know that goals drive behaviour – we already exceeded a 28 per cent women-in-leadership target for our corporate office locations. By 2025, we target 40 per cent women and 17 per cent visible minorities in these leadership positions.¹

Inclusion matters outside our offices, too. TC Energy strongly condemns racism and discrimination in all forms, including anti-Black racism and anti-Indigenous racism.

¹ Women-in-leadership metric and target applies to leadership positions in Calgary, Houston, Charleston and Mexico City. Visible minorities leadership target applies to leadership positions in Calgary, Houston and Charleston.

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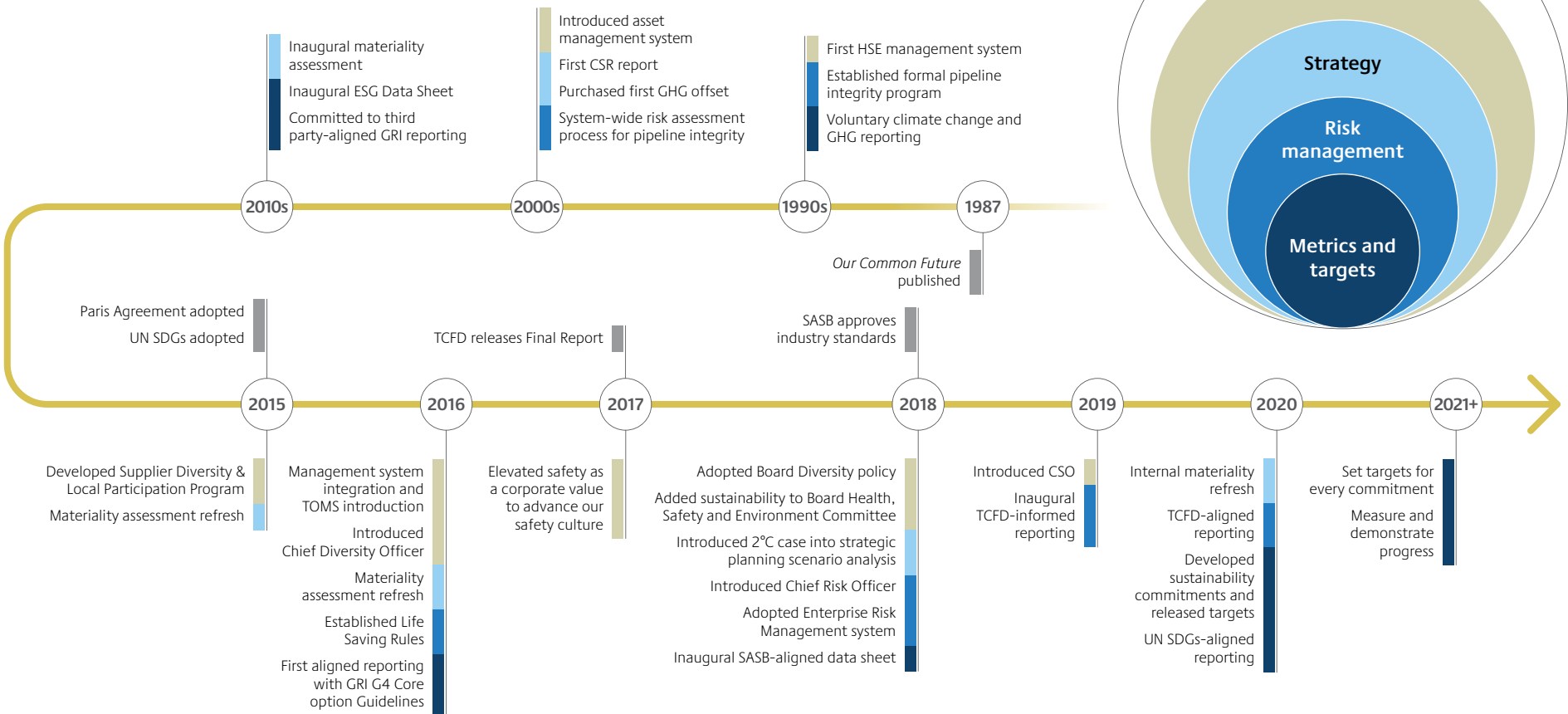
Protecting our planet

Empowering people

Sustainability at TC Energy means meeting today’s energy needs while safely, reliably and economically finding responsible solutions for our energy future.

This is not something new to us; rather, it’s a continuous evolution of our principled approach to creating enduring economic and societal value while protecting the planet.

Long-standing history of responsible performance: key milestones



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Our sustainability commitments



To further integrate sustainability into our strategy, management decision-making and performance tracking and assessment
[Page 12](#)



To enhance energy sector sustainability through research and development (R&D) and innovation investments
[Page 14](#)



To strengthen local community, Indigenous group and employee resilience, including in recovery and moving forward from the COVID-19 pandemic
[Page 15](#)



To contribute to global efforts to reduce climate change, including setting GHG emission reduction targets
[Page 17](#)



To leave the environment where we work in a condition equal to, or better than, we found it; including biodiversity and land capability
[Page 18](#)



To achieve our *zero is real* safety commitment
[Page 20](#)



To demonstrate in words and actions the dual importance of physical and psychological safety
[Page 20](#)



To embed a culture of inclusion across our organization and ensure the diversity of employees reflects the communities in which we live and work
[Page 21](#)



To maintain mutually beneficial partnerships with our landowners
[Page 21](#)



To become a partner of choice for Indigenous groups
[Page 22](#)

UN Sustainable Development Goals

TC Energy supports the SDGs, which are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. By living up to our 10 commitments, we contribute directly or indirectly to the 17 SDGs. Throughout this report, we've identified where we make our greatest contributions.



Promoting prosperity

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At its core, TC Energy provides an important part of the foundation that allows North Americans to live comfortable lives and enable their businesses to thrive. We transport the energy required to heat, cool and light buildings, to get people where they need to go, and to maintain high standards of medical care, education, telecommunications, science and technology.

Throughout the COVID-19 pandemic, we've continued to safely and reliably provide an essential service. Like others, we are acutely aware of the inequalities and vulnerabilities that exist in our society. We want to help steer the world toward a sustainable future.

\$3.0 billion

of infrastructure placed into service
during the first half of 2020

\$28.3 million

donated to more than 1,000 communities
in North America in 2019, *plus* \$2.57 million
contributed by our workforce

\$3.69 million+

donated to COVID-19 relief and recovery



Listen to the Podcast:
[Corporate Strategy and
Sustainability: Samantha Stuart
and Cheryl Johnson](#)

Our progress



SDGs: 7 12 13

Managing for the energy transition

TC Energy’s work in innovation and technology, emissions reductions, community engagement and business resiliency spans more than six decades – and showcases our commitment to sustainability. However, we recognize the need to further embed sustainability into our management decision-making, systems and processes.

To this end, we continue to refine and expand our [enterprise risk management](#) framework, which enhances our ability to manage energy system changes and climate change risks and opportunities. We have also included climate-related risks in our governance, strategy and risk management planning activities. Refer to our [ESG Data Sheet](#), [TCFD Alignment Table](#) and [SASB Alignment Table](#) for more details.

As part of our [strategic planning process](#), we analyze long-term energy market scenarios to assess the resilience of our business – in other words, how well TC Energy tolerates and adapts to external changes that may affect our ability to meet long-term goals. We continuously develop mitigation strategies to enhance our resiliency and monitor signposts, such as technology shifts and policy changes, to gauge the direction of the energy sector to help inform our capital allocation decisions.

Scenarios consider the uncertainty and complexity of the energy system to identify a range of energy futures. By examining outcomes within this broad hypothetical context, we gain perspective on the impact of energy system changes on our current portfolio and uncover potential growth opportunities.

In 2019, we used four scenarios² and identified measures to retain or create additional value:

Rivalry	TC Energy continues to see growth in its core businesses as North American oil and gas supply play a key role in serving rising global energy demand.
Discord	In a more volatile political and economic future, TC Energy’s portfolio remains resilient, largely due to proactive risk management in gas pipelines (e.g., adjusting timing and scale of capital spending), sustained energy demand and continued fossil fuel dominance of the energy mix (particularly natural gas).
Autonomy	TC Energy’s portfolio largely withstands most threats posed by this accelerated transition to less carbon-intensive energy sources, even with faster declines in North American crude oil supply and diminished reliance on gas as a transition fuel. Being positioned in the lowest cost basins reduces the impact of gas-on-gas competition and efficiency gains from building improvements that reduce fossil fuel demand.
2°C case	Pre-2030, our assets are largely insulated from fossil fuel demand destruction with only modest exposure for our liquids and natural gas pipelines. Risk emerges post-2030 as policy aspirations are realized and materially reduce fossil fuel demand. Uncertainty remains around the long-term resilience of traditional energy markets and the subsequent implications for energy infrastructure companies.

Amidst the uncertainty of 2020, we continue to use scenario analysis as a foundational component in strategic planning. While our efforts are focused on developing a deeper understanding of a low-carbon energy transition scenario, we recognize that the impacts of the COVID-19 pandemic have yet to unfold relative to long-term energy dynamics and we must remain flexible.

² The scenarios were developed by IHS Markit. More information can be found at <https://ihsmarkit.com/products/energy-climate-scenarios.html>.

TC Energy is agile – adapting to policy, societal and market shifts.

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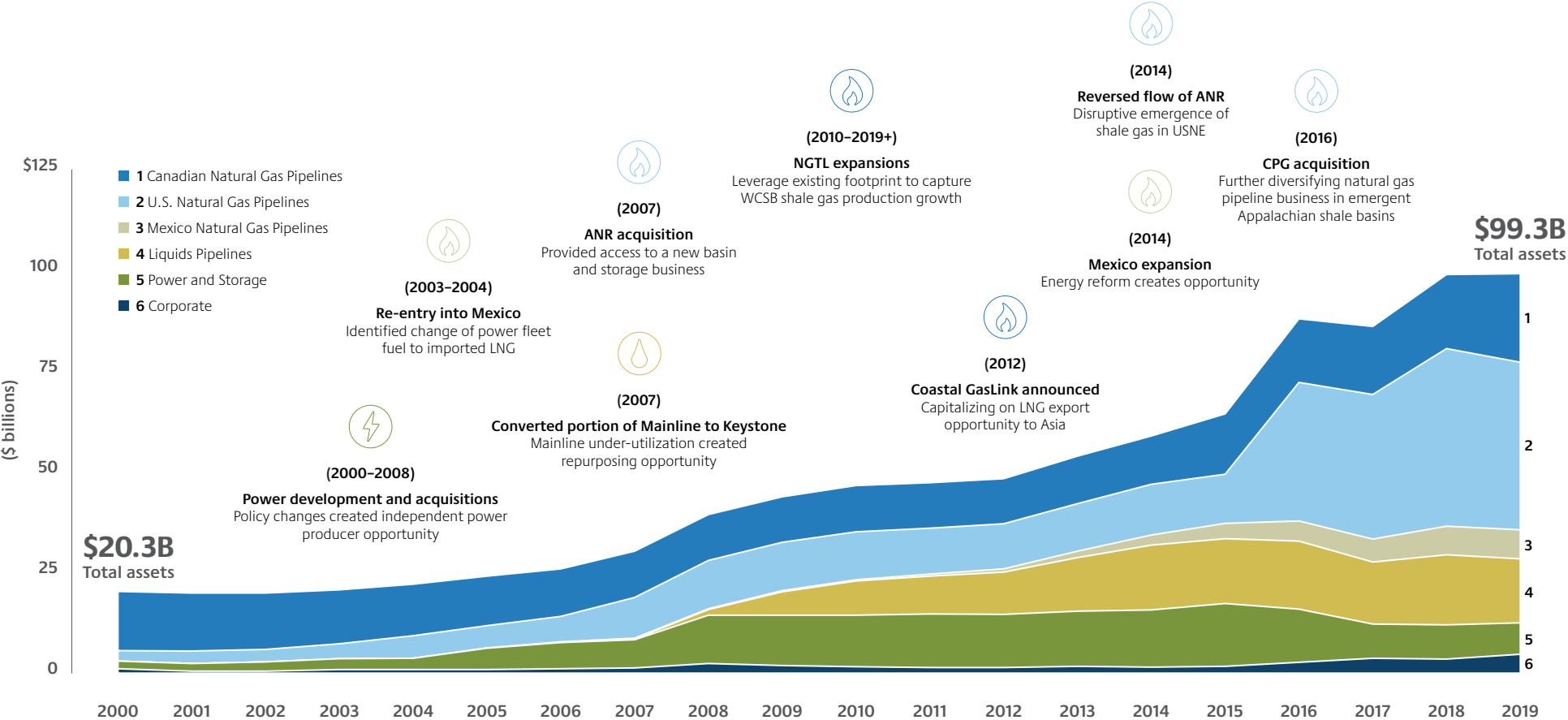
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Long-standing history of responsible performance: Select milestones

TC Energy’s record of adapting to change in a constantly evolving energy system demonstrates our ability to reduce risks, create opportunities and leverage our skills and abilities.





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Enhancing energy sector sustainability
with technology

TC Energy is focused on investing in emerging technologies and innovative solutions that drive our safe, reliable and sustainable operations forward.

We encourage creative thinking within our teams, celebrate bold and progressive ideas through our *Ideation* program, and strategically invest in collaborative R&D opportunities to improve our own performance – and that of our sector.

Since 2019, we’ve made investments in next-generation technology and clean fuel research, including:

- Investing in a novel, [utility-scale solar-plus-storage electricity generation facility](#) that contemplates the use of state-of-the-art bifacial solar panels that take advantage of local climate conditions.
- Partnering on a teaming agreement with Lockheed Martin to identify and develop large-scale, long-duration energy storage projects using innovative flow battery technology.
- [Advancing new technology](#) in Mexico to further enhance how we protect pipelines in the ground.

In 2020, we took steps to advance artificial intelligence (AI) solutions through our [Amazon Web Services cloud-based technology](#), helping to reduce our environmental footprint while finding solutions that meet future energy needs.

We also continue to look closely at lower-carbon fuel development to economically support the global energy transition. This includes examining the potential of blending hydrogen into our existing natural gas pipelines or adding dedicated hydrogen assets along our footprint. For all opportunities, we must understand the implications for our assets and stakeholders. This builds on what we’ve learned since first transporting renewable natural gas (RNG) in our gas transmission system in 2014.

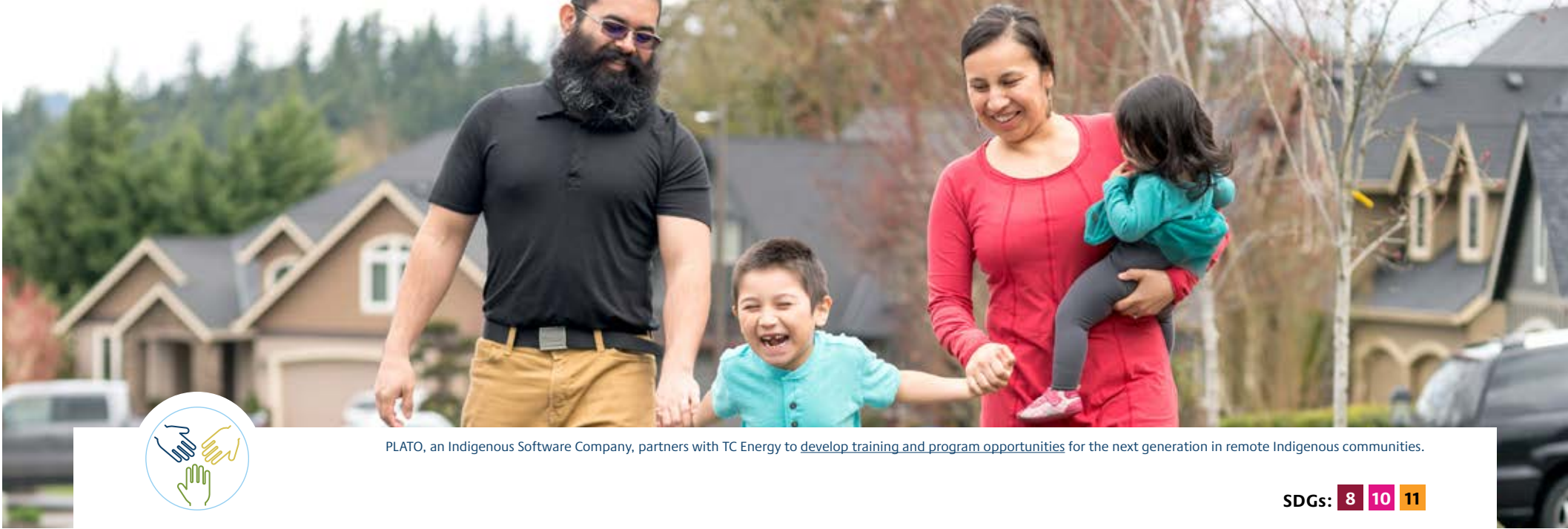
We were nominated for a Global Energy Award in the Collaborative Trendsetter category for our work on a model that enables operators to more accurately assess the condition of a pipe without having to disturb the environment. The model has been extensively reviewed and endorsed by global industry experts as a significant improvement in pipeline integrity assessment.

SDGs: 7 9 13



[Watch the video](#)

TC Energy’s \$2.5 billion investment in U.S. natural gas system enhancements between 2012 and 2016 has avoided approximately 258,000 metric tons of total CO₂e emissions since 2013.



PLATO, an Indigenous Software Company, partners with TC Energy to [develop training and program opportunities](#) for the next generation in remote Indigenous communities.

SDGs: **8** **10** **11**

Strengthening community resilience

When people thrive, so do communities and businesses. Across North America, we support people and the communities we call home – providing quality jobs, purchasing from local businesses and suppliers, and partnering with communities to help them be vibrant, prosperous and resilient places.

TC Energy provides grants to community organizations, awards scholarships and bursaries to students and sponsors local events through [Build Strong](#), our community giving program. Included in the \$28.3 million we donated in 2019 was a \$6 million contribution to support the community-led priorities and capacity-building of more than 260 Indigenous partners. On top of this, through Empower, our workplace giving program, TC Energy employees volunteered over 36,500 hours in their communities and, together with the company, donated \$3.19 million to various organizations.

Throughout the COVID-19 crisis, we’ve supported local communities and Indigenous groups in meaningful ways:

- As of June 30, Build Strong has donated more than \$700,000 to local charities focused on food security to aid the most vulnerable through the crisis. Our program relies on a network of more than 200 employees across North America to direct our giving at the community level.
- Reached out proactively to more than 200 Indigenous communities across North America, with our Indigenous Relations team providing financial support to help with access to basic necessities.
- Through the Empower program, our employees and contingent workforce contractors received donation credits to donate to a charity of their choice. All personal employee donations were matched at 200 per cent from March 20 to April 24 to amplify the impact of dollars given to relief efforts. We also opened our TC Energy

giving portal and matched the general public’s donations one-to-one, and later two-to-one, to further support communities during these difficult times.

Our community targets

- Strategically invest to maintain our community giving at 0.5 per cent to 1 per cent of pre-tax profits.
- Increase annual participation in our workforce giving program to 50 per cent at headquarter office locations and 35 per cent among our regional/field workforce.

See our website for the latest on our COVID-19 relief and recovery efforts.

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The need for affordable energy is essential to our daily lives, as is the need to address how today's global energy supply and demand system influences climate change. To effectively tackle the challenge, the world must find new and innovative ways to reduce GHG emissions while still ensuring reliable access to the energy necessary to meet societal requirements.

TC Energy supports the goals of the Paris Agreement, and we believe there are substantial opportunities for our company in the shift to a low-carbon future. As we undertake the challenge before us, we remain committed to our long-standing principles of environmental stewardship, protection and performance.



Listen to the Podcast:

[Environment Week Podcast with Sheldon Good and Jerry Castillo](#)

35%–55% GHG reduction

Use of liquefied natural gas exported to China through our LNG/Coastal GasLink partnership will emit between 35% and 55% fewer GHG emissions than the country's prevailing energy source, domestic coal³

9,000 people

have greater access to drinking water through our [rainwater harvesting program](#) in Mexico

\$2.9 million+

donated to environmental organizations across North America

3 LNG Canada. Susannah Pierce. Living Up to Climate Promises. Mar. 23, 2020.
<https://www.lngcanada.ca/news/living-up-to-climate-promises/>



Our progress



SDGs: 7 9 12 13

Toward net zero

We recognize that many companies inside and outside our industry are setting GHG reduction targets, including net zero GHG emission pledges. While we haven’t set such a target yet, this doesn’t mean that we don’t appreciate the importance of climate change. We are not a company that takes making commitments lightly and are working internally to understand what our path to net zero could look like. We want to make sure any pledge we make is credible and realistic, with measures to ensure accountability to our stakeholders. More information to come in 2021.

This initiative is a natural step in our efforts to support solutions that reduce global emissions. By delivering affordable and reliable natural gas, we increase the world’s access to cleaner energy and facilitate renewable and alternative energy sources, while also decreasing global GHG emissions.

We continue to play a significant role in the transition away from coal-fired power generation in Canada and the U.S. In Mexico, we are supporting a decade-long transition to natural gas as the primary electricity generation source, away from higher-emission fuel oil and diesel. This will greatly reduce GHG emissions and improve air quality and public health in the Mexico City area.

We’ve been managing, tracking and optimizing the emissions generated by our own facilities and assets for decades. Natural gas consists primarily of methane, a potent GHG, so managing these releases is a top priority, particularly fugitive emissions that occur during routine operations and maintenance. To this end, TC Energy is collaborating with compression equipment suppliers to capture methane emissions from normal operations and recycle them back into our transmission system, lowering our emissions footprint. We are also a signatory to the UN’s [Methane Guiding Principles](#) and we have committed to hosting a best-in-class methane emission reduction workshop with industry peers in 2021.

Tackling climate change

Billions of dollars of new investment will be required in the world’s shift to lower GHG emission energy. As part of our contribution, TC Energy is investing in several renewable energy and GHG reduction projects:

- In 2020, we signed an eight-year [power purchase agreement](#) with Perimeter Solar Inc. for 74 MW of zero-emission capacity in Alberta, providing enough electricity to power 39,000 homes annually.
- In addition to transporting RNG from five landfill and livestock farming facilities, we’re now helping bring RNG produced from cow manure to consumers in California through our investment in [Threemile Canyon Farms](#) in Oregon.
- As a partner in the [Canyon Creek Hydro Pump Project](#) in Alberta, we’re planning a pumped hydro energy storage facility with initial generation capacity of 75 MW that will use existing infrastructure from a decommissioned open pit coal mine.
- We’re partnering with Siemens Energy Canada Ltd. on a [first-of-a-kind waste heat power generation facility](#) in Alberta.

TC Energy has enabled Alberta to begin the process of moving off coal-fired electricity by providing the necessary natural gas pipeline infrastructure to support conversion of coal-fired power plants to clean-burning natural gas.

TC Energy monitors and assesses every kilometre (mile) of land disturbed by new pipeline construction. In 2019, TC Energy assessed more than 1,100 kilometres (680 miles) of pipeline right-of-way constructed between 2014 and 2018 to ensure the land was re-established and maintained after construction.



SDGs: 6 12 15

Leaving the environment as we found it

How we interact with the environment is as important to our communities as it is to us. Guided by our [Environment Principles](#), we see it as our responsibility to [conserve and protect the land and ecosystems](#) throughout the life of our projects and beyond. We do so in partnership with 75 conservation organizations across North America.

We have successfully reclaimed thousands of acres of land in many different ecological regions throughout North America. We have also played a key role in advancements related to reducing environmental impacts not only of our own activities, but across the industry.

In 2019, we completed a five-year review of the Multi-Species Habitat Conservation Plan (MSHCP) on our Columbia Gas System in collaboration with the U.S. Fish and Wildlife Service and various federal agencies. The MSHCP sets out a programmatic approach to avoiding and minimizing impacts to threatened and endangered species near our 25,045-kilometre (15,562-mile)

Columbia Gas System. It covers 14 states and 43 species and provides protection guidance, including time-of-year restrictions and construction techniques.

We use flora and fauna relocation and reforestation programs to address biodiversity impacts from our projects in Mexico. Between 2015 and 2019, as part of the permit conditions for the Sur de Texas Tuxpan and El Encino Topolobampo pipelines, more than 63,000 individual flora specimens were transplanted, more than 300 hectares were reforested beyond our right-of-way as part of compensation measures, and approximately 4,500 wildlife were relocated.

In Canada, since 2014 we’ve restored more than 490 hectares of boreal woodland caribou habitat, including planting over one million trees to date. Where construction through caribou habitat is necessary, we restore the habitat along our rights-of-way and in areas outside our footprint to offset the remaining disturbance required for operation of our assets to ensure no net habitat loss.



In 2020, TC Energy was nominated for an Energy Excellence Award for developing a new low-cost technology to support groundwater remediation efforts using solar power and readily available equipment. Developed in collaboration with Mount Royal University, the original design has since been adapted and applied to treat and purify non-potable water through humanitarian efforts in Haiti, with talks happening in other parts of the world and with the World Health Organization to advance the technology for clean water opportunities. [Watch the video.](#)

Empowering people

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No one is left behind in a truly sustainable society. By living our values everywhere we operate, we help the people most significantly affected by our activities – our employees, neighbours, Indigenous groups and landowners – thrive, which in turn strengthens our long-term prosperity and the prosperity of local communities.

We believe our mutual success is anchored in relationships based on trust and respect, and we work hard to nurture them. It's only through collaboration and open communication that we can effectively navigate the challenges we each face and advance the positive social change we desire.



Listen to the Podcast:

Women Lead Here:
Podcast with Wendy West, VP of
Safety, Quality and Compliance

Almost 30%

of our workforce are women

\$380 million+

spent with Indigenous businesses
in 2019

1 million+

hours of employment by Indigenous
people in 2019

\$9 million+

spent with U.S. minority-owned
businesses in 2019



Our progress



SDGs: 3 8 9

Zero is real

Safety is our number one value, and all incidents are preventable: *zero is real*. Nothing is more important than the safety of our employees, contractor partners and the public. As part of our *see something, say something* approach, everyone at TC Energy is expected to address concerns or stop potentially unsafe work situations, and to look out for one another at all times.

We relentlessly pursue *zero is real*, with our leaders consistently demonstrating their commitment to our goal, and a variety of training and initiatives aimed at enhancing our [safety culture and performance](#). We believe our partners and contractors should be held to the same safety standards as our employees, and contractor performance is both a priority and an area for opportunity. In 2020, we are taking several proactive steps to improve contractor safety; for example, we are putting increased emphasis on communicating lessons learned from incidents and implementing collaborative solutions for improvement.

TC Energy employs approximately 500 professionals dedicated to pipeline integrity across North America. We invested approximately \$1.3 billion and conducted over 300 inline inspections in 2019 to ensure our pipelines are safe, reliable and operating in compliance with regulatory requirements. Our assets are designed, constructed and maintained to the highest technical and quality certifications, built on a decades-long R&D legacy. Read the latest about our [pipeline integrity R&D advancements](#) in Mexico.



We take a multi-faceted approach to our proactive maintenance and monitoring programs, including aerial and ground-based patrol programs to monitor pipelines for indications of leaks. These programs, coupled with our comprehensive public awareness program, help prevent environmental impacts.

We're also well prepared to handle emergencies, as evidenced by the 186 emergency preparedness exercises run across our entire network in 2019. These exercises enable our people to work with local first-responders to hone skills and develop communications protocols in the unlikely event of a serious incident.

Our safety targets⁴

- Our 2020 total recordable case rate targets are 0.25 for employees and 0.78 for contractors, recognizing that while we know *zero is real*, we are still on that journey. We drive for top quartile continuous improvement targets that do not increase from one year to the next.
- Zero pipeline safety incidents.

⁴ Pipeline incidents inclusive of ruptures or leaks; facility leaks/spills or energy releases having an impact on employees/contractors, the public or the environment. Total recordable case rate is the number of recordable cases related to a common exposure base of 100 full-time employees.



SDGs: 3 8 9

Focus on mental wellbeing

We recently made an intentional shift to emphasize the importance of both physical safety and mental wellbeing in our workplace and have rolled out a series of initiatives aimed at increasing mental wellbeing awareness and reducing stigma. For example, during the pandemic we recognized the toll the situation was taking on our people and introduced #WellnessWednesday tips for addressing and managing mental health challenges and gave all employees a day off to focus on themselves and their families. We also rolled out training to leaders in our three countries on how to be aware and promote mental health and psychological safety, and created a front-line mental health champions network to help with making discussions around mental health more common practice.

Our inaugural [Mental Health Week](#) was a resounding success with 1,300 employees and contractors participating in information sessions, and our anti-stigma Green Ribbon campaign reached all of our people. Mental wellbeing was the topic of several leadership meetings, Safety & Health Week presentations, podcasts, and Joint Health, Safety and Environment Committee communications during the year.

Our mental wellbeing targets

- Increase mental wellbeing awareness through employee training sessions and a Mental Health Week.
- Commence implementation of a Psychological Health and Safety in the Workplace plan.

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Supporting inclusion and diversity

Inclusion and diversity are ingrained in our core values. As individuals and as an organization, we all have the responsibility to create a safer and more equitable future, recognizing and calling out our own biases and working to combat the injustices that continue to exist in our society.

We believe supporting and promoting a diverse and inclusive workplace reduces turnover, increases innovation and solution development, and is a competitive advantage. We want our workforce to reflect the many dimensions of diversity in the communities in which we live and work. We also endeavour to build an inclusive workplace such that employees can flourish and realize their potential.

We know that meaningful, enduring change requires action. We've established specific leadership representation goals based on the diversity of our broader workforce. Because of our [efforts so far](#), TC Energy has seen women in senior leadership rise from 15 per cent in 2014 to 30 per cent in 2020, and women in all leadership positions increase from 22.5 per cent to 29 per cent over the same time period. Members of visible minorities currently hold 13 per cent of leadership positions within our Canadian and U.S. workforce.



We'll continue to encourage open dialogue with our teams, share more content that reflects our commitment to inclusion and diversity, and remain focused on investing in the communities where we work and live. We also encourage economic inclusion in our supply chain through our Supplier Diversity & Local Participation Program, seeing \$75.9 million spent with women-owned businesses and \$57.2 million spent with veteran-owned businesses in 2019.

Our inclusion and diversity targets

- Women to hold 40 per cent of leadership positions in our corporate locations by 2025 (Calgary, Houston, Charleston and Mexico City).
- Members of visible minorities to hold 17 per cent of leadership positions in our corporate locations by 2025 (Calgary, Houston and Charleston).
- 100 per cent of our leaders and employees to be trained on how to recognize and mitigate unconscious bias and how to create and sustain an inclusive workplace by 2022.

SDGs: 5 8 11



SDGs: 8 12 15

Focus on landowner relationships

Building and maintaining relationships with landowners is critical to our success. As good neighbours, we've developed a set of [Guiding Principles](#) to ensure our [interactions with landowners](#) are conducted in a positive and consistent manner.

In 2020, we have developed our Land Advantage Initiative to further enhance landowner relationships, focusing on collaboration, consistency in our compensation approach with an emphasis on reaching mutual agreements, minimizing and mitigating impacts to the land, and enhancing communication.

Here's just one example of how we live our values and principles: TC Energy was at the ready when the Pennsylvania State Game Commission, which operates State Game Lands 100, and the Pennsylvania Department of Conservation and Natural Resources, which manages the Sproul State Forest, asked if we would be willing to turn part of our Columbia Gas Transmission pipeline's right-of-way into a food plot for elk, other wildlife and pollinators. The initiative would keep one of the largest growing subpopulations of elk safer, by providing an alternative to crossing busy Interstate 80. We worked collaboratively with these agencies, accommodating their request and donating to the Keystone Elk Country Alliance so they could install a specific seed mixture, fertilizer and lime.

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SDGs: **8** **10** **12**

Partnering with Indigenous groups

TC Energy recognizes Indigenous groups as rightsholders with a distinct relationship to the land. We also appreciate the unique position of Indigenous groups in Canada and the U.S. as self-governing entities of the people who were the original inhabitants of these lands. In Mexico, we are respectful of the customs and traditions that stand as the customary law for the Indigenous people.

The footprint of our assets is multi-generational and touches more than 200 Indigenous groups across Canada, the U.S. and Mexico. We are uniquely positioned to be a leader in reconciliation efforts and help progress positive economic and social change among these groups.

We have created an initial reconciliation framework that includes a practical plan of action with tangible, measurable goals on how we will contribute to reconciliation with Indigenous

groups, both internally and in the communities where we operate. We plan to release our Reconciliation Action Plan in the coming months, providing accountability and transparency on our reconciliation commitments.

Building Indigenous cultural awareness among our employees and contractors is equally important to us. In 2019, we offered three modules focused on historical perspectives contributing to contemporary Indigenous relations, the business case for Indigenous relations and implications for TC Energy, and the cultural beliefs, practices and protocols of Indigenous people. In 2020, we enhanced our program by developing training for all employees and contractors, which provides education on the history and culture of Indigenous groups within Canada, the U.S. and Mexico.

We also partner with Indigenous groups by supporting [educational opportunities and workforce readiness programs](#) aimed at building skills and capacity required to access employment and further education. In total, we invested more than \$7 million with over 500 Indigenous partners and students in North America through the TC Energy Scholarships and Build Strong community investment programs in 2019. Learn more on our [website](#).

Forward-looking information

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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 statements related to future dividend and earnings growth and the future growth of our core businesses, among other things. Our forward-looking information is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to: 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, the operating performance of our pipeline and power and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues from our power generation assets due to plant availability, production levels within supply basins, construction and completion of capital projects, cost and availability of labour, equipment and materials, the 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 and COVID-19, competition in the businesses in which we operate, unexpected or unusual weather, acts of civil disobedience, cyber security and technological

developments, economic conditions in North America as well as globally, and global health crises, such as pandemics and epidemics, including the recent outbreak of COVID-19 and the unexpected 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 SEC. 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.



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