



SAFEGUARDING BIODIVERSITY | OUR APPROACH

This document summarizes our approach to safeguarding biodiversity, which we aim to apply across our sites and projects.

Managing the biodiversity risks associated with our operations across North America is a responsibility TC Energy and our +7,000 employees take seriously. We work every day to help protect the environment, including safeguarding habitat and biodiversity and restoring the environment to a condition equal to or better than we found it.

Strong environmental stewardship, protection and performance have a direct impact on the communities where we work and our ability to operate our assets. Our [strategic priorities](#) guide our approach, which includes our ongoing goal to responsibly manage our environmental footprint. We are committed to advancing our approach to safeguarding biodiversity, focusing on several key areas:

Governance

Our [commitment](#) to the highest standards of ethics and corporate governance, as well as our Environment Principles, underline our accountability to landowners, Indigenous communities and governments.

Our approach to managing key environmental risks, specifically those related to impacts on biodiversity, is based on the following framework:

- The Board of Directors, through its Health, Safety, Sustainability and Environment (HSSE) committee, oversees environmental-related performance and risks, including those related to biodiversity, in alignment with our [Corporate Governance Guidelines](#).
- The Chief Risk Officer is responsible to ensure the Enterprise Risk Management (ERM) program governance model is focused on prioritizing risks and improving board and management oversight.
- The Chief Sustainability Officer provides strategic leadership of sustainability-related issues such as climate change, energy and resource conservation, environmental stewardship, stakeholder issues and awareness at the highest level of TC Energy.
- Accountability for the suitability, adequacy and effectiveness of environmental risk management and compliance exists at the senior vice president level.
- Our management system and internal controls, such as processes and procedures, are designed to proactively manage environmental risks and mitigate impacts on biodiversity, from strategic planning through construction and operations, across all of our assets.

Embedded in the lands on which TC Energy operates are the histories, cultures and traditions of Indigenous groups across North America. TC Energy thanks the original stewards of these lands – generations past, present and future – for sharing their homelands with us. We recognize and respect the unique connection Indigenous peoples have to the land and resources and their community governance. Our team is committed to collaboration and early and honest communication with Indigenous peoples.

For more information on our commitment to reconciliation, see our [Reconciliation Action Plan](#).



- Our environment program follows a “Plan-Do-Check-Act” principle and outlines environmental training requirements for applicable roles to raise awareness of environmental protection commitments and requirements and sets environment performance goals that are regularly monitored.
- All our assets abide to rigorous environmental laws and regulations that enable predictable decisions on nature-related risks and reduce cumulative effects on biodiversity.

Strategy

Protecting the environment is one of TC Energy’s priorities. Our ongoing commitment is to safeguard habitat and biodiversity and minimize land requirements and related land use impacts, including restoring the environment to a condition equal to or better than we found it. That means we are always working to reduce our land disturbance and investing in low or emission-free energy sources.

Potential impacts on biodiversity represent a business risk that can lead to project delays or cancellations, business interruption and increased regulatory costs. As part of our strategic planning process, we identify and assess biodiversity risks for all projects over the lifetime of the asset.

Our approach aims to reduce our impact on protected and high biodiversity value areas. This involves comprehensive project-specific environmental impact assessments that consider factors such as:

- Collecting and sharing data on local biodiversity through site assessments, including utilizing environmental DNA (eDNA) detection;
- 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 impacts and support the protection and reclamation of natural ecosystems and biodiversity conservation; and
- Developing metrics and targets to identify interactions with protected and high biodiversity value areas.

Risk Management

TC Energy manages risk through a centralized ERM program that identifies, evaluates and categorizes risks that could materially impact the achievement of TC Energy’s strategic objectives.

Environmental risks associated with impacts on protected and high biodiversity value areas are monitored and escalated as needed to senior management through TC Energy’s ERM program to ensure leadership has visibility on the broader perspective, and that treatments are applied holistically and consistently. The assessment of biodiversity-related risks, for example, those related to cumulative impacts on protected or threatened habitats or valued species, aligns with this process using a hierarchy strategy of mitigating impacts. This risk-based approach focuses on the following sequence of steps:

Avoid. We seek to avoid activities or operations that contribute to habitat loss in protected or high biodiversity value areas.

Minimize. We minimize and mitigate impacts through the implementation of best practices and engagement with multiple knowledge partners including landowners, local and Indigenous communities, conservation organizations, academia and government agencies, as applicable, to inform environmental protection plans and effective mitigation measures.

Restore¹. Based on the lifecycle of our assets, we reclaim and replace the structural diversity of the habitat that existed before the disturbance.

Offset. After prioritizing avoidance, minimization and restoration, offsetting measures are applied to manage residual effects to biodiversity.

¹ In the mitigation hierarchy, ‘restore’ 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.

We develop environmental protection plans, habitat conservation plans, reclamation plans, monitoring plans and surveillance plans to control and monitor the effectiveness of the mitigation measures implemented, such as those used in replanting and vegetation management, soil conservation and wildlife monitoring. These plans are based on:

- A summary of 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

Metrics & Targets

Establishing clear metrics and targets for our commitments to strong environmental stewardship and protection builds on our strategy to promote predictability through performance-based management.

Our biodiversity-related targets, and performance against our targets, is disclosed annually in our [Report on Sustainability](#), including nature-related disclosures on:

- [Biodiversity](#)
- [Water](#)
- [Releases in sensitive areas](#)
- [Land capability](#)
- [Waste](#)

We continue to ensure our approach is aligned with global, market-led standards and frameworks to report on the impacts and management of biodiversity and climate change. Biodiversity-related metrics are reported in alignment with the Sustainability Accounting Standards Board (SASB) Oil & Gas Midstream Standard and the Global Reporting Initiative (GRI) Biodiversity Standard, and we are evaluating evolving frameworks and guidance including the UN Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework (GBF).

We have recently joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum to continue to advance our knowledge and expertise in reporting on nature-related risks, impacts and dependencies.

For more information on our commitments, targets, and progress, see our [Report on Sustainability](#).

TC and Biodiveristy

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