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Independent Practitioners' Limited Assurance Report

To the Board of Directors of TC Energy Corporation ('TC Energy' or 'the Corporation'),

We have undertaken a limited assurance engagement with respect to the selected ESG Indicator presented in the table below, that, based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that they have not been properly prepared and presented, in all material respects, based on the applicable criteria (as defined below).

Topic	ESG Indicator
Greenhouse Gases (GHG) – Operational Control Approach	Scope 1 Corporate GHG Emissions (tCO _{2e})
	Scope 2 Corporate GHG Emissions (tCO _{2e})
GHG Intensity – Operational Control Approach	Corporate GHG Emissions Intensity (kgCO _{2e} /GJ)
Diversity & Inclusion	Women in leadership – Corporate (%)

Collectively, the ESG Indicators form the “subject matter information” and are denoted by the symbol ^ in the accompanying Report on select environmental and workforce diversity indicators (the “Indicator Report”), 2022 Report on Sustainability (the “Report”), and 2022 ESG Data Sheet (the “ESG Data Sheet”) issued by TC Energy as at and for the year-ended, December 31, 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Indicator Report, the Report and the ESG Data Sheet, and accordingly, we do not express a conclusion on this information.

Management's responsibilities

There are no mandatory requirements for the preparation, publication, or review of the subject matter information. As such, TC Energy applies:

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the GHG Protocol) of the World Resource Institute and the World Business Council for Sustainable Development for GHG subject matter information; and



- TC Energy’s internally developed criteria, in line with applicable regulatory standards, definitions and guidance for Diversity & Inclusion and GHG Intensity subject matter information.

Collectively, these frameworks form the “applicable criteria” and are defined in Appendix 1 to Appendix 3 of the Indicator Report, referenced on pages 16-17 and 36-37 of the Report, and page 26-30, 34 and 54 of the ESG Data Sheet.

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is responsible for developing and determining the appropriateness of the use of the applicable criteria and also for ensuring that the Corporation complies with applicable laws and regulations.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Practitioners’ responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on procedures performed and evidence obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* and CSAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we plan and perform our engagement to conclude whether a matter(s) has come to our attention that causes us to believe that the subject matter information is materially misstated.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included, amongst other procedures, the following:

- Assessing the appropriateness of the applicable criteria;
- Making inquiries of TC Energy’s management, relevant staff at the corporate and business unit level, including those with responsibility for ESG reporting governance, management, and reporting;
- Gaining an understanding of the design of key structures, systems, processes and controls for managing, recording and reporting the subject matter information;
- Comparing the reported data for the subject matter information to underlying data sources on a sample basis;
- Reperforming calculations of selected ESG indicators on a sample basis; and
- Reviewing subject matter information presented in the Indicator Report, the Report, and ESG Data Sheet to determine whether they are consistent with



other information included and our overall knowledge of, and experience with, the sustainability performance of TC Energy.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our conclusion.

Practitioners' Independence, Quality Control, and Competence

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter including environmental, social, and governance aspects.

Inherent Limitations

Non-financial information, such as that included in the Indicator Report, the Report, and the ESG Data Sheet, is subject to more inherent limitations than financial information, given the characteristics of significant elements of the underlying subject matter and the availability and relative precision of methods used for determining quantitative information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques, which can result in materially different measurements and can impact comparability.

Emphasis of Matter

We draw attention to Appendix 2: Corporate GHG Emissions Intensity to the Indicator Report which describes the various methodologies employed by TC Energy to measure throughput used to calculate Corporate GHG Emissions Intensity. Variations in methodology exist between Business Units as a result of the difference in operations and nature of the products transported.

Our conclusion is not modified in respect of this matter.



Conclusion

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the subject matter information of TC Energy is not properly prepared and presented based on the applicable criteria, in all material respects, as at and for the year-ended, December 31, 2021.

Specific purpose of subject matter information

The subject matter information has been prepared and presented based on the applicable criteria. As a result, the subject matter information may not be suitable for another purpose.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
November 9, 2022

Report on select environmental and workforce diversity indicators

YEAR ENDED DECEMBER 31, 2021

Context

TC Energy (TCE or the Company) engaged KPMG to conduct limited assurance on the following select 2021 ESG indicators:

1. Scope 1 and 2 Corporate greenhouse gas (GHG) emissions inventory (tCO₂e)
2. Corporate GHG emissions intensity (kgCO₂e/GJ)
3. Women; leadership positions in TCE corporate locations (%)

ESG Indicator #1: Corporate GHG emissions inventory for 2021

Table 1: 2021 Scope 1 and Scope 2 Corporate GHG emissions

	Emissions (tCO ₂ e)
Scope 1 Corporate GHG Emissions	19,888,048
Scope 2 Corporate GHG Emissions	2,104,210

The corporate GHG emissions inventory is calculated using the internally developed criteria as described in Appendix 1. The corporate GHG emissions provided in Table 1 has been subject to external assurance.

ESG Indicator #2: Corporate GHG emissions intensity for 2021

Table 2: 2021 Corporate GHG emissions intensity

	Intensity (kgCO ₂ e/GJ)
TCE Emissions Intensity	1.0

The corporate GHG emissions intensity is calculated using the internally developed criteria as described in Appendix 2. The GHG emissions intensity provided in Table 2 has been subject to external assurance.

ESG Indicator #3: Women; leadership positions in TCE corporate locations for 2021

Table 3: Women; leadership positions in TCE corporate locations for 2021

	Metric
Women; leadership positions in TCE corporate locations	36%

The percentage of women in leadership positions in TCE corporate locations has been calculated using the internally developed criteria as included in Appendix 3. The data for this metric as provided in Table 3 has been subject to external assurance.

Appendix 1:

Scope 1 and Scope 2 corporate GHG emissions inventory

The purpose of this appendix is to outline the reporting criteria for TCE's Scope 1 and Scope 2 corporate GHG emissions inventory related to the assured ESG indicator.

Corporate GHG Emissions Reporting Criteria

TC Energy has established an annual process for quantifying and reporting greenhouse gas (GHG) emissions. The Company's 2021 GHG emissions inventory has been developed with the guidance of the Revised Edition of *The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard* published by the World Resources Institute and World Business Council for Sustainable Development.

TCE's corporate GHG emissions inventory is developed by consolidating TCE's three core businesses, which consists of Natural Gas Pipelines (comprising three business units: Canadian Natural Gas Pipelines, United States (US) Natural Gas Pipelines and Mexico Natural Gas Pipelines), Liquids Pipelines and Power and Storage.

Organizational Boundary – TCE uses an operational control approach, reflecting assets and operations where the Company has the authority to influence operating practices, leveraging corporate standard operating practices and procedures, and therefore has influence over the resulting throughput or production and emissions profile. TCE's inventory boundary includes all assets with operational control at the end of the reporting year (i.e., December 31). For acquisitions completed during the reporting year, TCE reports both emissions and production for the full calendar year. TCE does not report either emissions or production for assets divested during the reporting year.

GHG Emissions¹ – TCE reports on Scope 1 (i.e., direct emissions from operations which includes sources such as stationary fuel combustion, mobile fuel combustion, venting emissions, flaring and incineration, and fugitives) and Scope 2 emissions (i.e., indirect emissions from purchased electricity, steam and heating/cooling energy)². All material sources of emissions have been included.

- **Scope 1 emissions** are calculated using quantification methodologies defined by regulatory reporting requirements using measured fuel consumption and gas quality data, operational activity data, measured emissions, default emission factors and engineering estimates. In instances where emissions are not subject to regulatory reporting, emissions are calculated using business unit quantification methodologies consistent with regulatory quantification methods. Where applicable, operationally derived emission factors from measured data were used to quantify emissions. Non-material Scope 1 emissions related to SF6 and refrigerants are excluded from reporting.
- **Scope 2 emissions** are determined using the location-based methodology. The 2021 indirect emissions are calculated using invoiced or metered energy consumption data and the most current power and heat generation emission factors published for the region in which the assets are located. TCE applies reasonable estimates in the event Scope 2 data is not available. The Company has not calculated Scope 2 emissions using market-based emissions factors and no environmental instruments such as carbon offsets or renewable energy certificates were used in the 2021 corporate GHG inventory. Non-material Scope 2 emissions for the US Natural Gas business unit are excluded from reporting.

Rebaseline Approach – TCE's 2030 emissions intensity reduction target is measured relative to a 2019 baseline year used for corporate target setting. TCE's baseline recalculation approach is to re-evaluate for any methodological or structural changes which meet a significance threshold.

¹ TCE inventory of GHG Emissions includes, where applicable, total emissions data for six GHGs (CO₂, CH₄, N₂O, PFCs, HFCs, SF₆) in metric tonnes and in tonnes of CO₂-equivalent.

² TCE's Scope 3 emissions were excluded from the limited assurance scope of work.

Emission Factors

- **Scope 1** emissions calculations and emission factors are applied as required by jurisdictional regulatory reporting requirements, resulting in methodological differences between jurisdictions throughout the reported data.

In cases where emissions are not subject to regulatory reporting, TCE applies a hierarchy for assigning emission factors in the following order: specific regulatory definitions (e.g., U.S. Environmental Protection Agency, Environment and Climate Change Canada, or Mexico Government emission factors), site specific emission factors (e.g., operational specific factors from TCE measured, calculated, or sampled activity data), references using publicly available data (e.g., American Petroleum Institute, equipment manufacturer emission factors) along with references using Industry Association data (e.g., CEPEI, AGA) and finally academic sources. All emission factors are assigned with consideration to jurisdictional applicability.

- **Scope 2** emissions are quantified using regional or subregional emission factors from the following jurisdictions in which TCE assets operate:
 - Canadian facilities: Environment and Climate Change Canada (ECCC) 2022 *National Inventory Report* for electricity use, and Alberta Environment and Parks *Technology Innovation and Emission Reduction (TIER) 2020* regulations for heat energy use.
 - US facilities: US Environmental Protection Agency's (EPA) 2020 Emissions & Generation Resource Integrated Database (eGRID).
 - Mexico facilities: 2022 Government of México Ministry of Environment and Natural Resources (Secretaria de Medio Ambiente y Recursos Naturales).
- **Global Warming Potentials (GWP)** – The conversion of emissions data into carbon dioxide equivalent GHG emissions is completed across all operational jurisdictions using the 100-year global warming potential factors from the United Nations Climate Change (UNCC) *IPCC Fourth Assessment Report (AR4)*.

Emission Quantification Methods – GHG inventory reporting is based on measured or calculated GHG emissions from all applicable sources of emissions. The basic methodology for quantifying GHG emissions is outlined by the following equation:

$$\text{Activity} \times \text{Emission Factor} \times \text{GWP} = \text{CO}_2\text{e}$$

Where:

- **Activity** is a measure of a level of activity that results in GHG emissions.
- **Emission factor** reflects the average GHG emissions intensity per unit of available activity data and absolute emissions for a given source.
- **Global Warming Potential, GWP**, convert emissions of individual GHG compounds to carbon dioxide equivalent, CO₂e.

Missing data and Uncertainty – Different regulatory and/or business unit specific quantification methodologies can result in uncertainty in the calculated emissions results. Additional uncertainty may arise from missing data due to different regulatory requirements across the operational footprint or due to partial activity datasets. In these cases, TCE uses best available information including operational activity data if available and/or engineered estimates to calculate emissions for missing data and applies reasonable estimates and best available information, per regulatory reporting requirements or internal processes, to complete activity datasets.

Inventory Verification – Where relevant, reported emissions data includes the same information that was used for regulatory verification purposes.

Appendix 2: Corporate GHG Emissions Intensity

The purpose of this appendix is to outline the reporting criteria for TCE's corporate GHG emissions intensity.

GHG Emissions Intensity Reporting

Emissions intensity is calculated and reported in aggregate for the Company, as tonnes of CO₂-equivalent (including both Scope 1 and Scope 2 GHG emissions) per unit of energy that we transport or produce for our customers annually.

The emissions intensity denominator (either throughput or production, as appropriate) is quantified for each business unit and is converted to a common energy metric (gigajoules [GJ]) in the following manner:

- Canadian Natural Gas Pipelines, US Natural Gas Pipelines and Mexico Natural Gas Pipelines: TCE's gas pipelines business units report throughput volumes from delivery points (natural gas pipeline systems) using measured and/or allocated volumes. The volumes are converted to an energy equivalent (GJ) using measured or predetermined higher heating values.
- Liquids Pipelines report throughput from volumes-based receipt points using measured net standard volume. These volumes are converted to an energy equivalent (GJ) using measured or predetermined higher heating values.
- The Power business unit production (i.e., MWh of electricity and GJs of steam) is derived from metering devices that measure the net electricity and net heat energy that are produced. The electricity produced is converted to GJ equivalents using predetermined conversion factors. The throughput for the Storage assets is based on measured volumes of natural gas injected and removed from storage, which is then converted to a GJ equivalent using predetermined conversion factors.

Uncertainty - Each business unit follows regulatory or internal reporting requirements for the quantification of emissions and the determination of throughput or production metrics. Uncertainty may arise from different methodologies employed by each business unit when reporting throughput and production metrics used to calculate Corporate GHG emissions intensity due to unique measurement or commercial data systems across the operational footprint. These quantification methodologies may result in different measurement outcomes.

Corporate Emissions Intensity Metric - The reporting boundary for the corporate emissions intensity indicator is based on the operational control methodology for emissions and throughput or production metrics. TCE's company-wide intensity is reported at an aggregated level which is defined as kgCO₂e/GJ, and has been developed on the following basis:

- The numerator uses the Scope 1 and 2 Corporate GHG emissions inventory as detailed in Appendix 1.
- The denominator for the corporate intensity metric is developed as a consolidated energy metric from the individual business units as described above.

Appendix 3:

Women; leadership positions in TCE corporate locations

The purpose of this appendix is to outline the reporting criteria for Women in leadership positions in TCE corporate locations.

Women; leadership positions in TCE corporate locations

- The percentage of women in leadership positions in TCE corporate locations is calculated as follows:

Number of women leaders in our corporate offices

—————
Total number of leaders in our corporate offices

- Employee information is housed in SAP and woman status is identified as part of the hiring onboarding process.
- TCE's corporate office locations are: Calgary, Houston, Charleston and Mexico City.
- The leadership positions include core workforce employees classified as leaders and above.
- Core workforce employees are legally employed by one of TC's employing entities. Core employee headcount includes all active employees including workers on short-term disability, but excludes those on short-term leaves and on long-term disability.