# ROADMAP TO REASONABLE ASSURANCE ON GHG EMISSIONS

JULY 2025

TC Energy


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# EXECUTIVE SUMMARY

At TC Energy, we are dedicated to enhancing our greenhouse gas (GHG) emissions reporting and assurance practices as a cornerstone of our climate strategy.

In recent years, we have made considerable progress maturing our GHG emissions data management. Accurate and verifiable emissions data enables informed internal decision making and helps deliver transparent, decision-useful climate metrics that our investors and other stakeholders increasingly seek.

In 2025, we engaged an independent third party to conduct a comprehensive, corporate-wide assessment of our readiness to undergo reasonable assurance for key corporate GHG emissions metrics: absolute Scope 1, absolute Scope 2 and GHG intensity[1] (collectively, "corporate GHG emissions").

The assessment had two key findings.

First, having voluntarily obtained a third-party limited assurance opinion since 2022, TC Energy is well-positioned to undergo reasonable assurance on key corporate GHG emissions metrics[2], contingent on specific process and supporting data enhancements. With more than 50 per cent of our total Scope 1 and Scope 2 GHG emissions already undergoing regulatory verifications equivalent to a reasonable level of assurance, we have established a strong foundation on which to build.

Second, we have varying levels of assurance maturity across our operations:

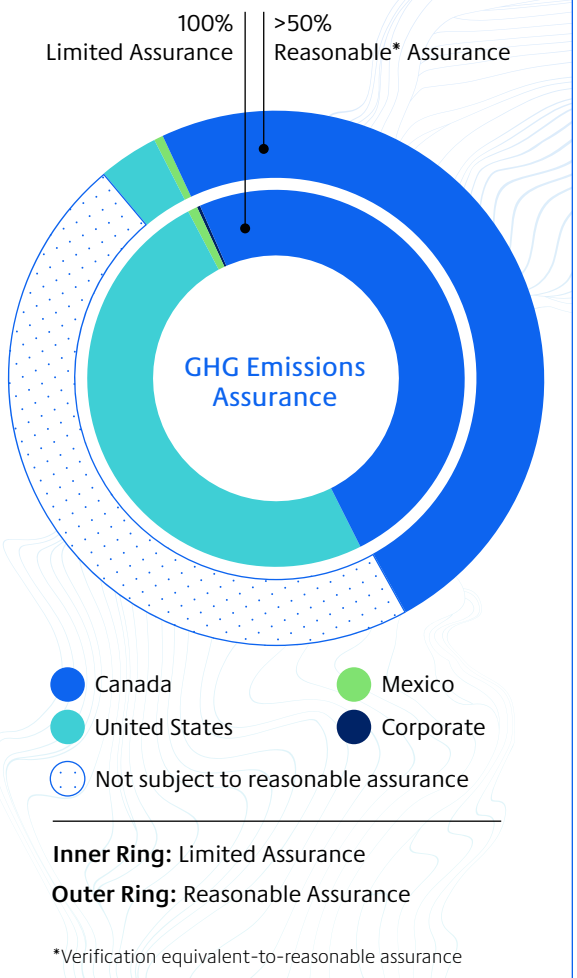
**Canada**: Most of our operational emissions (95 per cent) undergo mandatory regulatory verifications, equivalent to a reasonable level of assurance, under the International Organization for Standardization (ISO)-based standards. These verifications provide a strong foundation for reasonable assurance under International Auditing and Assurance Board (IAASB) standards. Enhancement opportunities include formalizing certain procedures and enhancing the documentation of internal controls.

**U.S. and Mexico**: While we have established robust processes across these regions, these operations require tailored enhancements prior to obtaining a reasonable assurance opinion. Improvement opportunities include strengthening documentation protocols, formalizing control mechanisms and supporting data enhancements.

We are committed to enhancing our corporate GHG emissions data management through a phased reasonable assurance roadmap. Roadmap activities include addressing identified opportunities to strengthen our reporting capabilities and enhancing existing data infrastructure to meet or exceed evolving regulatory assurance requirements. Due to the dynamic nature of the current regulatory environment, we are not able to commit to a specific timeline for roadmap activities, or to the final phase of the roadmap, until requirements are more clearly defined.

## GHG emissions assurance coverage by jurisdiction

*Scope 1 & 2 | operational control boundary*




[1] The GHG intensity calculations are based on assets operated by TC Energy, divided by gross production (power generation or natural gas throughput) of those operated assets. The production data from operational business segments are converted to a common unit of energy (GJ) to calculate this corporate intensity value. Assets partially owned but not operated by TC Energy are excluded from the Scope 1, Scope 2 and generation/throughput values that determine the emissions intensity.

[2] Corporate GHG emissions are based on an operational control boundary. Scope 3 emissions have not been considered as part of our current roadmap to reasonable assurance. Details on our Scope 3 profile can be found in our Report on Sustainability.

# INTRODUCTION

We believe that every tonne of carbon dioxide equivalent ($CO_2e$) that is avoided, reduced or removed from the atmosphere matters. By delivering natural gas to liquified natural gas (LNG) export terminals, the North American natural gas sector plays an important role in increasing global access to reliable and affordable energy while supporting global emission reduction efforts, particularly in regions where high-emitting coal remains a dominant energy source. TC Energy has an important role to play in helping to meet growing global energy demand, balancing reducing GHG emissions along with the pursuit of energy security, reliability and economic growth.

We are committed to strengthening our corporate GHG emissions reporting and reasonable assurance readiness in support of our mission to safely and efficiently move, generate and store the critical energy that North America and the world rely on. In addressing the complex challenges of climate change, accurate and reliable emissions data are essential for prioritizing abatement activities and setting and tracking progress toward climate targets. Independent assurance plays a key role in this process by validating that the data is credible and in alignment with recognized reporting standards and frameworks.

TC Energy has already established a strong foundation for emissions reporting. Our corporate GHG emissions inventory quantifies, documents and aggregates Scope 1, Scope 2 and select Scope 3[3] GHG emissions along with operational data from our operated and non-operated assets. Reflecting our dedication to continuously improving the quality and transparency of our corporate GHG emissions data and disclosures, we engaged an independent third party in 2025 to assess our readiness for reasonable assurance under an operational control approach.

This document outlines TC Energy's progress in maturing our GHG data management systems, shares details on the process and findings from the independent readiness assessment, and identifies the enhancements needed and steps required to support reasonable assurance readiness.

**WE ARE COMMITTED TO STRENGTHENING OUR CORPORATE GHG EMISSIONS REPORTING AND REASONABLE ASSURANCE READINESS.**

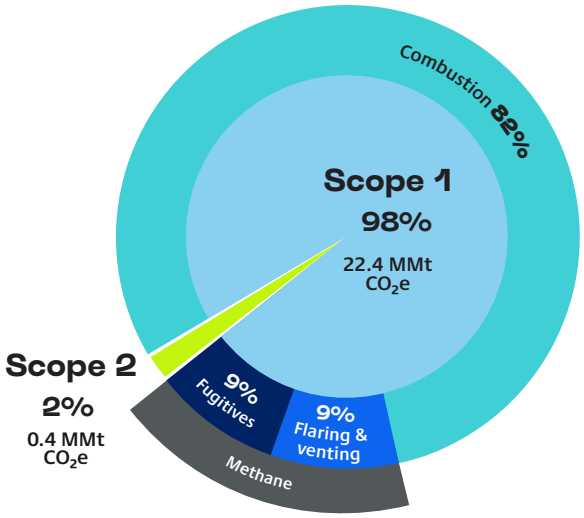
[3] Unlike Scope 1 and 2 emissions — which benefit from a well-established foundation of regulatory verification and internal oversight — Scope 3 lacks the same level of structure and assurance readiness. The relatively nascent nature of Scope 3 reporting necessitates the development of more sophisticated, standardized processes across the entire value chain to support data accuracy, consistency and verification.

# OUR SCOPE 1 AND SCOPE 2 GHG EMISSIONS PROFILE

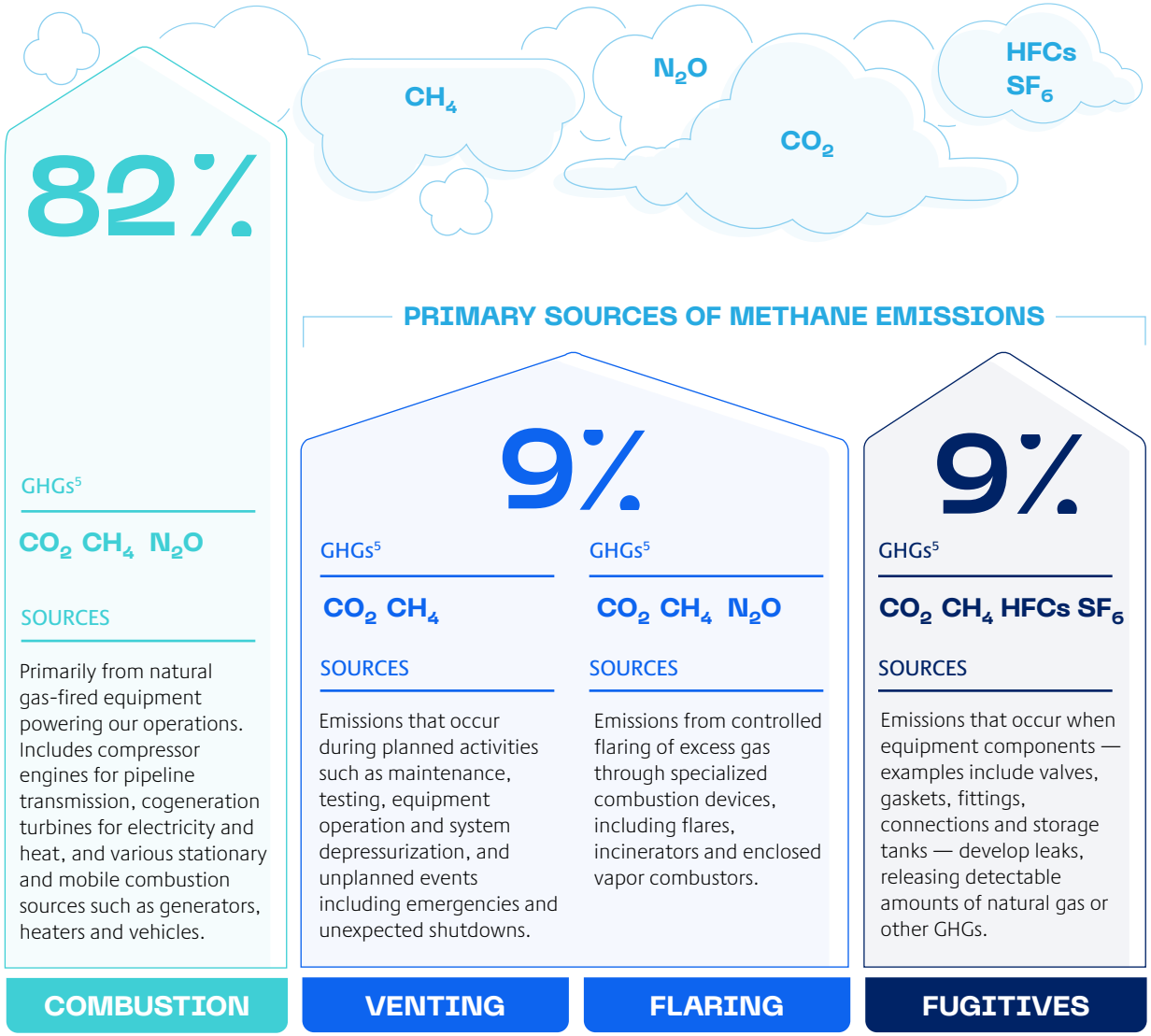
Scope 1 GHG emissions represent approximately 98 per cent of our total emissions profile[4], with combustion-related activities constituting the predominant source at approximately 82 per cent. These combustion emissions primarily originate from natural gas-fired equipment powering our operations, including compressor engines, cogeneration turbines, and various stationary and mobile combustion sources. The remaining 18 per cent of our total Scope 1 GHG emissions come from venting, flaring and fugitive emissions sources distributed across our approximately 93,700-kilometre (58,200-mile) strategic network of gas pipelines and storage facilities in Canada, the U.S. and Mexico.

TC Energy's indirect Scope 2 emissions, representing approximately two per cent of our corporate GHG emissions profile, come from purchased or imported energy — including electricity, steam and heat — and are primarily related to generating electricity and heat for our operations.

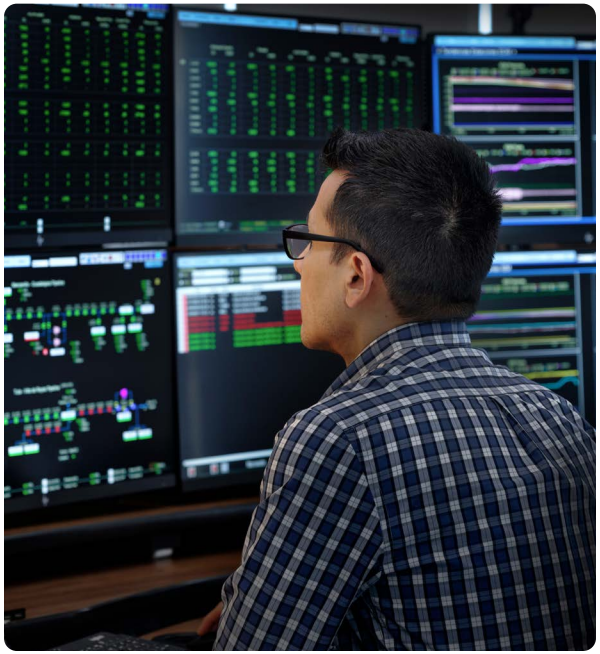
## Scope 1 and Scope 2 2024 GHG emissions breakdown (operational control)




## Scope 1 2024 GHG emissions sources by category (operational control)




[4] Scope 1 and Scope 2 GHG emissions only. Scope 3 GHG emissions are not included in this total.
[5] Carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs) and sulphur hexafluoride ($SF_6$)



## Centralized data management

In early 2024, we established the Consolidated Emissions Reporting and Governance (CERG) group to centralize the management of our enterprise-wide GHG emissions inventory.

Collaborating with source data providers, including measurement services teams that track fuel consumption, the CERG group evaluates existing controls, identifies improvement opportunities and implements modernized GHG data management capabilities. This helps to streamline the collection of operational source data and improve corporate GHG emissions inventory quality and reliability.

## Accounting methodologies

Our GHG emissions accounting methodologies comply with regulations across our North American operations and use a combination of measurement-informed data and emissions factors.

**Measurement-informed data** - For combustion sources, which account for approximately 82 per cent of our Scope 1 inventory, we combine industry-standard emissions factors with data from metering devices, calibrated sensors and analyzers maintained by specialized measurement technicians.[7]

**Emission factors** - For assets where obtaining measurement-informed data is not operationally feasible or cost-effective, we estimate emissions, in part, by applying emission factors endorsed by jurisdictional regulatory bodies or recognized sources (e.g. the American Petroleum Institute). This is an accepted practice under the GHG Protocol and ISO 14064 standards and guidelines.

Reasonable assurance methodologies accept various emissions quantification techniques, as long as they comply with recognized standards and frameworks. This methodological flexibility allows organizations like TC Energy to obtain reasonable assurance by applying representative industry-approved emission factors, using measurement-informed data, or a combination of both.

REASONABLE ASSURANCE METHODOLOGIES ACCEPT VARIOUS EMISSIONS QUANTIFICATION TECHNIQUES, AS LONG AS THEY COMPLY WITH RECOGNIZED STANDARDS AND FRAMEWORKS.

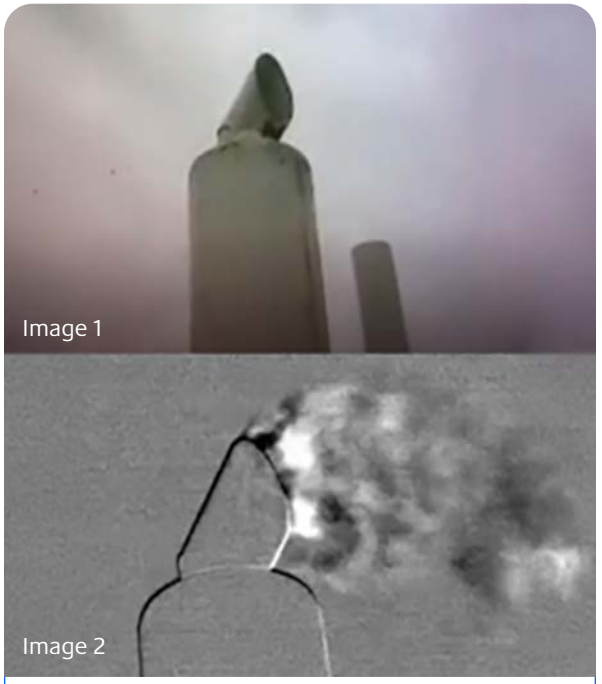



Image 1 is a vent stack photo from our Canada Gas Operations taken using a typical camera. Image 2 shows vented emissions from the same stack using an optical gas imaging infrared camera to detect and quantify emissions.

**WANT TO LEARN MORE?**

+ Report on Sustainability
+ OGMP 2.0 Reassessment Report

[7] For information on our initiatives to enhance methane data reliability through innovative technologies and improved operational data collection systems, please see the methane feature in our Report on Sustainability and our Oil and Gas Methane Partnership (OGMP) 2.0 Reassessment Report.

# GHG EMISSIONS ASSURANCE

GHG emissions assurance refers to the independent verification of an organization's reported GHG emissions to validate that the data is credible and in alignment with recognized reporting standards and frameworks. Obtaining assurance on key GHG emissions metrics helps us build trust with stakeholders including investors, regulators, customers and the public, and strengthens internal decision making.

## Limited assurance at TC Energy

TC Energy voluntarily obtains limited assurance on 100 per cent of its corporate GHG emissions inventory, which includes emissions from our Canadian, U.S., Mexico and corporate operating segments. Since 2022, we have voluntarily obtained an annual, unqualified third-party limited assurance opinion on the following key corporate GHG emissions indicators:

- Absolute Scope 1 GHG emissions (operational control approach)[8]
- Absolute Scope 2 GHG emissions (location-based)
- GHG emissions intensity (calculated as total Scope 1 and Scope 2 $CO_2e$ per unit of energy generated or transported to market)

These engagements are conducted in accordance with the Canadian Standards on Assurance Engagements (CSAE) 3000 and CSAE 3410 for the assurance on GHG emission data. The scope of these engagements is limited to an operational control reporting boundary which includes emissions from operated assets only.

**TC ENERGY VOLUNTARILY OBTAINS LIMITED ASSURANCE ON 100 PER CENT OF ITS CORPORATE GHG EMISSIONS INVENTORY.**

**WANT TO LEARN MORE?**

+ 2024 Third-party limited assurance report

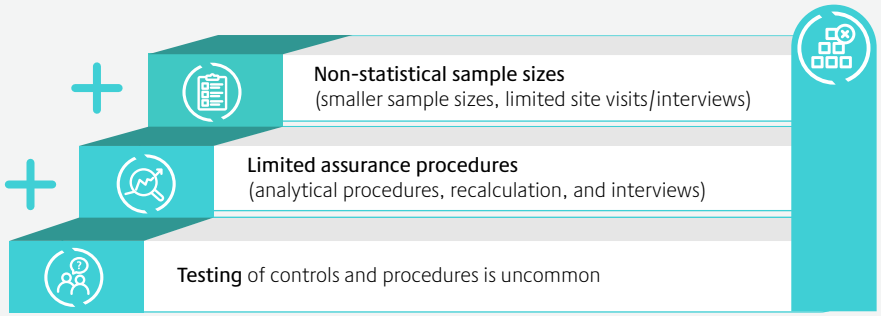
## Understanding assurance levels

Both limited and reasonable assurance engagements examine management documentation through inquiry, observation, inspection, and analysis, but reasonable assurance requires significantly more extensive procedures and testing.

### Differences between assurance levels under the IAASB framework

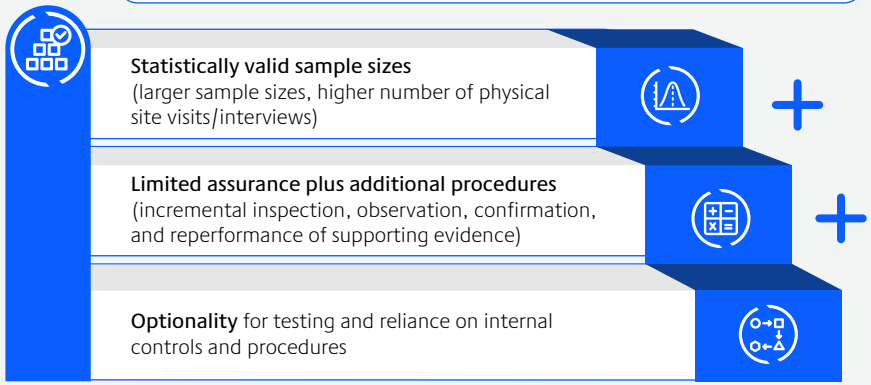
**LIMITED ASSURANCE** Negative assurance opinion

"nothing has come to our attention that causes us to believe that the subject matter is not prepared, in all material respects, in accordance with the criteria."




**REASONABLE ASSURANCE** Positive assurance opinion

"the reported metrics are prepared, in all material respects, in accordance with the criteria."




[8] The scope of corporate GHG emissions applicable to TC Energy operations that are inherently included in the limited assurance assessment include: $CO_2$, $CH_4$, $N_2O$, various HFCs and $SF_6$ as well as the underlying power generation and pipeline throughput data that are used to calculate the corporate emission intensity indicator.

# Verification (equivalent-to -reasonable assurance) at TC Energy

The majority of our Canadian assets undergo mandatory verification processes in accordance with ISO standards that are equivalent to reasonable assurance. In total, more than 50 per cent of TC Energy's total Scope 1 and Scope 2 emissions are subject to regulatory verification. Additionally, various jurisdictional regulations require third-party verifications for facility and pipeline operations [9], resulting in multiple verifications in some regions.

**Canada**: Approximately 95 per cent[10] of Scope 1 and Scope 2 emissions from Canada Gas Operations (CGO) and Power and Energy Solutions (PES), undergo a reasonable level of assurance through provincial or federal regulatory verification requirements.

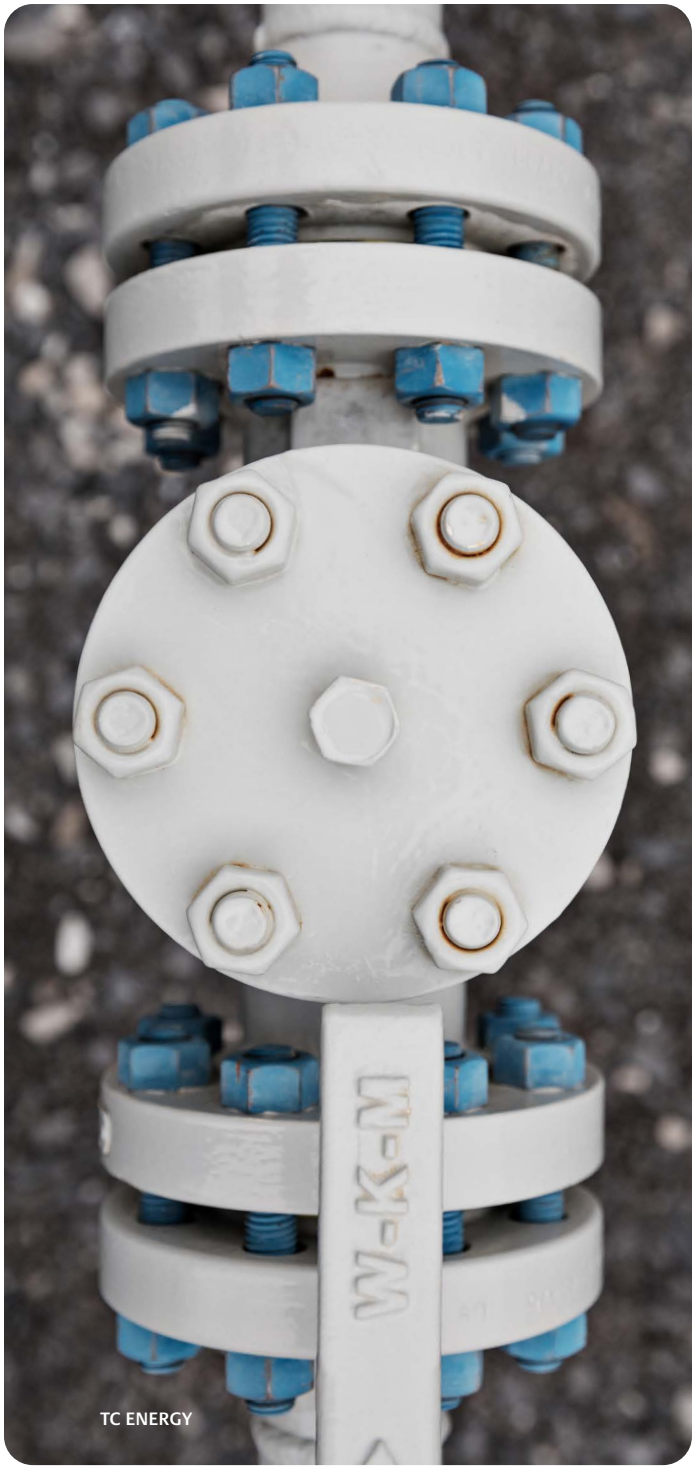
**United States**: Approximately seven per cent of Scope 1 and Scope 2 emissions from U.S. gas operations undergo a reasonable level of assurance through Washington and Oregon regulatory verification requirements.

**Mexico**: Two of our eight pipeline systems in Mexico Gas Operations (MGO), representing approximately 60 to 70 per cent of our Scope 1 and Scope 2 emissions in this region, undergo reasonable levels of assurance through federal regulatory verification requirements.


Picture of a field employee at the Wilde Lake compressor station on our Coastal GasLink (CGL) pipeline. The CGL pipeline and all GHG emissions originating from pipeline operations, including this compressor station, are subject to regulatory verification. Starting in spring 2025, these emissions will be verified on an annual basis as required under the BC Output-Based Pricing System (OBPS) and Greenhouse Gas Industrial Reporting and Control Act (GGIRCA).

[9] We report our operational GHG emissions to provincial and state regulators in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, California, Oregon, Maryland, and Washington and federal regulators including Environment and Climate Change Canada (ECCC), U.S. Environmental Protection Agency (EPA), and Mexico's Ministry of Environment and Natural Resources.

[10] Emissions in Canada not covered by regulatory verification requirements (~five per cent) include corporate buildings, fleet vehicles and Scope 2 emissions in certain jurisdictions.



TC ENERGY

## Evolving assurance requirements

The regulatory landscape for sustainability reporting is dynamic, with both assurance requirements and the underlying standards on which assurance is based still evolving through various rule-making processes. While limited assurance remains the industry norm for voluntary corporate emissions reporting, we proactively monitor regulatory developments that may elevate assurance requirements for both our operations and our customers. This includes proposed mandatory climate-related disclosures in jurisdictions where we operate. Notable updates include:

- **Canadian Securities Administrators (CSA) climate-related disclosure rule**: In April 2025, the CSA announced a pause on the development of their climate-related disclosure rule due to current economic and geopolitical uncertainty. While they intend to finalize regulations in future years, the CSA has provided no details on potential assurance requirements or the expected timeframe for implementation.[11]
- **California Senate Bill 253 (SB 253) Climate Corporate Data Accountability Act**: SB 253 requires certain entities to publicly disclose their GHG emissions annually, beginning in 2026. SB 253 requires limited assurance for 2025 data with a transition to reasonable assurance for 2029 data. The specific standards and frameworks under which reasonable assurance will be conducted remain under development. The California Air Resources Board (CARB) is still developing final requirements, including the definition of "doing business" in California, which will determine whether TC Energy's operations are subject to this legislation.

We also monitor significant regulatory developments in other jurisdictions that may influence market expectations and industry standards, including:

- **The International Sustainability Standards Board (ISSB) sustainability disclosure standards**: The IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, were issued by the ISSB in June 2023 to serve as the global baseline for sustainability reporting.[12] While these standards establish comprehensive guidance for sustainability reporting, they do not mandate assurance. The decision to require assurance lies with the relevant jurisdictional authority, such as the CSA in Canada.
- **The European Union's (EU) Corporate Sustainability Reporting Directive (CSRD)**: Proposed amendments to the CSRD under the European Commission's Omnibus Simplification Package maintain limited assurance requirements rather than implementing the previously planned phased transition to reasonable assurance.
- **LNG export market regulations**: The EU Methane Regulation (EUMR) requires reasonable assurance for LNG imports by 2027, with potential equivalence pathways for nations implementing mandatory federal monitoring, reporting and verification protocols. The Asian-Pacific Coalition for LNG Emission Abatement toward Net-zero (CLEAN) does not currently require independent assurance on methane emissions from LNG producers.
- **The U.S. Securities and Exchange Commission (SEC) climate disclosure rules**: In the first quarter of 2025, the SEC voted to discontinue defense of their climate disclosure requirements. The SEC rules had required publicly traded companies to provide limited assurance on GHG emissions data by 2030, progressing to reasonable assurance by 2034.

[11] April 23, 2025 CSA News Release

[12] On December 18, 2024, the Canadian Sustainability Standards Board (CSSB) issued its inaugural sustainability disclosure standards — CSDS 1 and CSDS 2. These standards are based on and closely aligned with IFRS S1 and IFRS S2, to promote consistency with the global baseline while incorporating Canadian-specific considerations. Although currently voluntary, they are intended to serve as a foundation for future regulatory adoption by authorities such as the CSA.

## Summary of key GHG emissions assurance timing requirements

| JURISDICTION | APPLICABLE TO TC ENERGY? | FY 2024 RY 2025 | FY 2025 RY 2026 | FY 2026 RY 2027 | FY 2027 RY 2028 | FY 2028 RY 2029 | FY 2029 RY 2030 | FY 2030 RY 2031 | FY 2031 RY 2032 | FY 2032 RY 2033 | FY 2033 RY 2034 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Canada (CSA Rule) | Yes | Rule-making paused | | | | | | | | | |
| California (SB 253) | To be determined | Assurance on Scope 1 & Scope 2 (assurance for Scope 3 is TBD) | | | | | | | | | |
| Global (IFRS S2) | Indirectly - CSDS 2 based on IFRS S2 | Assurance requirements fall under the authority of the relevant jurisdictional body, such as the CSA in Canada | | | | | | | | | |
| Europe (CSRD) | No | | | | | | | | | | |
| Europe (EUMR) | Indirectly – applies to LNG shippers | Applicable to LNG import contracts signed/ renewed after August 4, 2024 | | | | | | | | | |
| US (SEC Rule) | No | Rule-enforcement paused | | | | | | | | | |

**Legend**: LA = Limited Assurance RA = Reasonable Assurance FY = Fiscal Year RY = Reporting Year

# Reasonable assurance standards for GHG emissions reporting

As we monitor evolving regulatory requirements, we are also mapping the alignment and gaps between verification frameworks and commonly used assurance standards. Anticipating that future regulations may formalize these or similar standards, we are proactively integrating their principles into our internal processes and controls.

Two commonly referenced standards govern reasonable assurance and equivalent verifications of GHG emissions data reporting:

**ISO 14064-3**: The standard commonly referenced for Emission Trading Scheme (ETS) verification and regulatory compliance reporting such as Cap and Trade or OBPS. Alberta's GHG emissions regulatory framework, the Technology Innovation and Emissions Reduction Regulation (TIER) is based on the ISO 14064-3 standard with more prescriptive guidance regarding controls reliance and site visits.

**IAASB Standards**: Sustainability assurance standards commonly used by professional accounting assurance practitioners for GHG emissions assurance at the corporate level. Relevant IAASB standards include the International Standard on Assurance Engagements (ISAE) for *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) and *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410). Looking ahead, the International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, will supersede ISAE 3410. In Canada, the corresponding standards are CSAE 3000 and CSAE 3410, with CSSA 5000 set to replace CSAE 3410 in due course. Throughout this document, these international and Canadian assurance standards are collectively referred to as the "IAASB Standards".

While both standards provide equivalent levels of reasonable assurance, they have certain differences in governance structures, procedural requirements and administrative elements. One key procedural difference is that IAASB standards offer comprehensive guidance for evaluating sustainability processes, information systems and controls, potentially creating efficiencies in both data management and verification processes. IAASB standards are also more broadly applicable to the assurance of sustainability information beyond GHG metrics and are anticipated to meet future assurance requirements for non-financial metrics. Other significant governance and administrative differences are outlined in the following table.

## ISO verification standard and IAASB assurance standards - key differences

| | ISO VERIFICATION | IAASB ASSURANCE |
|---|---|---|
| **Standard(s)** | ISO 14064-3 | ISAE / CSAE 3000 and 3410, ISSA / CSSA 5000 |
| **Scope** | Historical GHG emissions data | Many types of sustainability information, including GHG emissions data, qualitative statements, estimates and forward-looking information |
| **Requirement** | Mandatory for ETS regulatory compliance such as OBPS | Currently voluntary for TC Energy |

# REASONABLE ASSURANCE READINESS ASSESSMENT

In 2025, TC Energy engaged an independent third party to conduct a comprehensive, corporate-wide assessment of our readiness to undergo reasonable assurance for key corporate GHG emissions metrics.

## Assessment process

The third-party assessment evaluated our data governance framework and data administration through comprehensive documentation review, select physical and virtual site visits, and stakeholder interviews. They then benchmarked our practices against current assurance standards, identifying specific opportunities to strengthen data quality, controls and systems to meet reasonable assurance requirements.

A summary of the key workstreams undertaken as part of this process are outlined below:

### DESKTOP REVIEW

Reviewed absolute Scope 1, absolute Scope 2 and corporate GHG intensity quantification practices, controls, and systems against sustainability reporting standards, assurance requirements and industry best practices.

### SITE VISITS

Assessed operational data sources, control processes, records and key systems through in-person and virtual site visits.

### WORKSHOPS

Analyzed end-to-end data flows and review processes through interviews with operational teams, data managers, air emissions specialists and accounting personnel.

## Assessment findings

The third-party assessment confirmed that TC Energy is well-positioned to undergo reasonable assurance on key GHG emissions data, contingent on specific process and supporting data enhancements. It also identified that we have varying levels of assurance maturity across our operations:

**Canada is leading in assurance readiness** - Our Canadian assets demonstrate an advanced level of reasonable assurance readiness, built on extensive experience meeting regulatory verification requirements. Annual verification under ISO standards across all Canadian gas pipeline assets provides a robust foundation for expanded assurance activities under the IAASB standards. While this foundation is strong, there are opportunities to further strengthen our approach by formalizing procedures and enhancing documentation of internal controls.

**U.S. and Mexico are building on solid foundations** - While currently at limited assurance levels, our U.S. and Mexico operations have established the fundamental data collection and reporting systems essential for accurate and complete GHG reporting. Achieving reasonable assurance readiness will require tailored enhancements to records management and supporting data, formalizing control mechanisms and advancing systems integration.

Our CERG group provides a critical, centralized function to oversee the implementation of these enhancements, ensuring consistency, accountability and efficiency across our diverse operations, while also streamlining the corporate reporting processes to provide high-quality and timely data. For more information on the evolution of TC Energy's corporate GHG emissions reporting and assurance capabilities, please see the Appendix of this report.

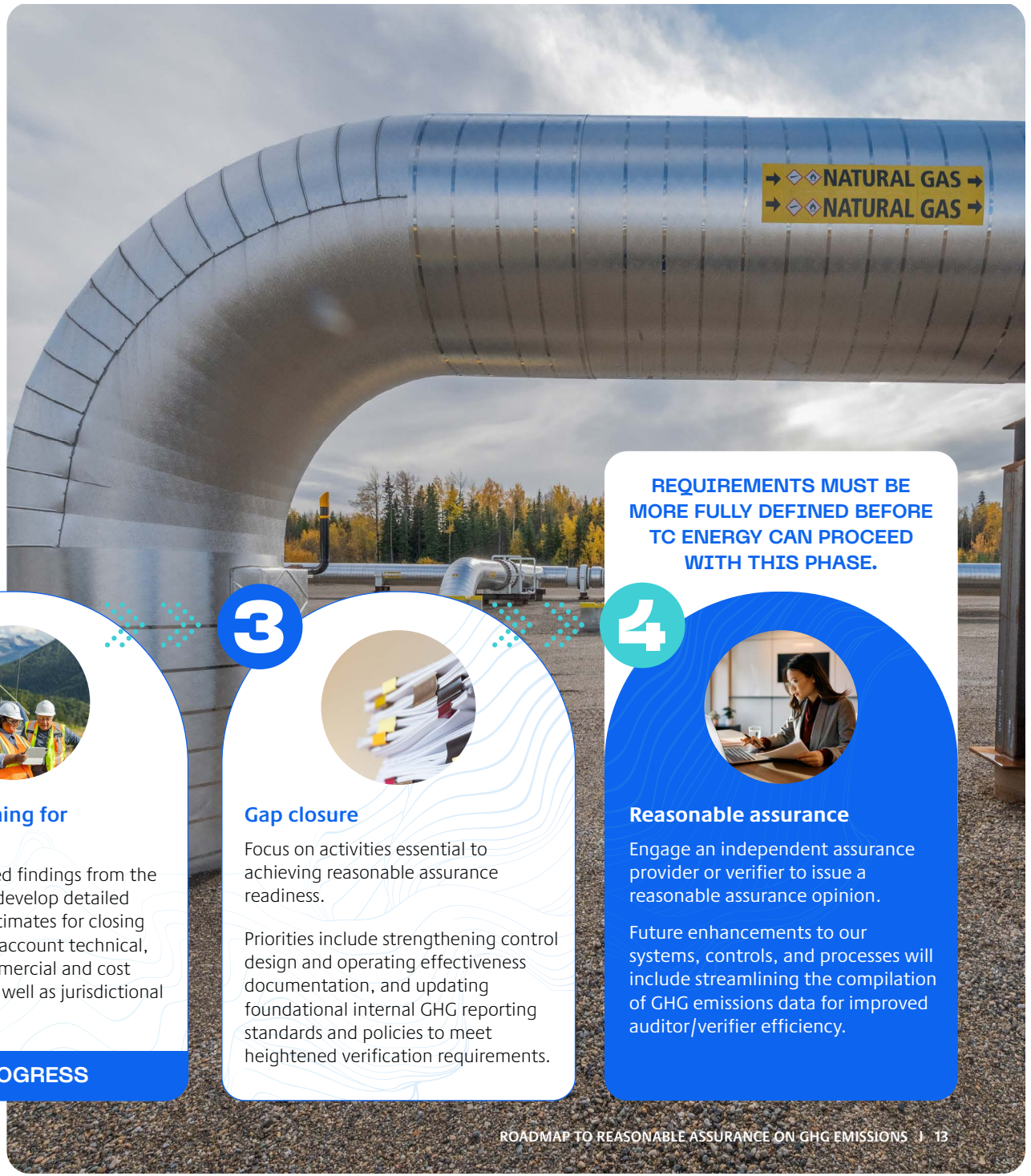
BASED ON RESULTS OF THE CORPORATE-WIDE ASSESSMENT, TC ENERGY IS WELL-POSITIONED TO UNDERGO REASONABLE ASSURANCE ON CORPORATE GHG EMISSIONS, CONTINGENT ON SPECIFIC PROCESS AND DATA ENHANCEMENTS.

# ADVANCING OUR READINESS

TC Energy is committed to advancing our readiness to obtain reasonable assurance for our corporate GHG emissions. To support this effort, we have incorporated assessment findings into our phased reasonable assurance readiness roadmap below. Structured in four phases, we have completed Phase 1 and are now progressing to Phase 2, which focuses on detailed planning for the proactive closure of gaps identified as part of the assurance maturity process.

We will determine implementation timelines and methodologies once regulatory standards and verification requirements become clearer. While we remain committed to advancing readiness for reasonable assurance, we do not plan to proceed with the final phase until assurance requirements are more fully defined.

## TC Energy's roadmap to reasonable assurance




**1**

### Assess reasonable assurance readiness

Engage a third-party assurance provider to assess our readiness for reasonable assurance on our Scope 1 and Scope 2 GHG emissions and emissions intensity indicator.

**COMPLETE**

**2**

### Detailed planning for gap closure

Prioritize identified findings from the gap register and develop detailed plans and cost estimates for closing gaps, taking into account technical, operational, commercial and cost considerations as well as jurisdictional priorities.

**IN PROGRESS**

**3**



### Gap closure

Focus on activities essential to achieving reasonable assurance readiness.

Priorities include strengthening control design and operating effectiveness documentation, and updating foundational internal GHG reporting standards and policies to meet heightened verification requirements.

**REQUIREMENTS MUST BE MORE FULLY DEFINED BEFORE TC ENERGY CAN PROCEED WITH THIS PHASE.**

**4**



### Reasonable assurance

Engage an independent assurance provider or verifier to issue a reasonable assurance opinion.

Future enhancements to our systems, controls, and processes will include streamlining the compilation of GHG emissions data for improved auditor/verifier efficiency.


# CONCLUSION

Our independent assessment confirms that TC Energy is well-positioned to undergo reasonable assurance on our corporate GHG emissions, contingent on specific processes and data enhancements. With over 50 per cent of our total Scope 1 and Scope 2 emissions already subject to regulatory verifications at a reasonable level of assurance, we have a strong foundation to build on. Our Canadian operations demonstrate an advanced level of reasonable assurance readiness, while our U.S. and Mexico operations have solid frameworks that require targeted improvements to meet more rigorous verification standards. In all jurisdictions, enhancement opportunities include formalizing certain procedures and enhancing the documentation of internal controls.

As the regulatory landscape for sustainability reporting continues to evolve, TC Energy remains committed to GHG emissions data management improvements. The creation of our CERG group and development of a phased implementation roadmap to reasonable assurance readiness are central to this effort. We are committed to closing gaps and building infrastructure to support future reasonable assurance and meet evolving regulations. Due to the dynamic nature of the current regulatory environment, we do not have a timeline for the completion of this work.

TC Energy remains focused on delivering transparent, decision-useful climate data that meets stakeholder expectations and supports informed internal decision making. Our continued commitment to data integrity, accountability and continuous improvement in GHG emissions reporting reflects our broader climate strategy and underscores our goal to be a responsible energy infrastructure leader in the global transition to a lower-carbon future.

**WANT TO LEARN MORE?**

+ Climate-related disclosures in our Report on Sustainability
+ OGMP 2.0 Reassessment Report

# APPENDIX

Beginning in 2021, TC Energy launched several initiatives to enhance our corporate-wide GHG emissions reporting. While our previous approach — based primarily on jurisdictional regulatory requirements — adequately served historical voluntary reporting needs, we recognized the need for enhanced processes in anticipation of mandatory climate-related disclosures.

Our targeted initiatives have significantly elevated the quality, reliability and accessibility of our corporate emissions data. By aligning with international GHG reporting standards and best practices, we have established a robust foundation that not only supports informed internal decision making and prepares us for evolving regulatory requirements, but also delivers the transparent, decision-useful climate metrics that our investors and other stakeholders increasingly seek.

## Evolution of our corporate GHG emissions reporting and assurance capabilities

### FOUNDATION

**2021**

- Developed roadmap for mandatory climate-related disclosures
- Limited assurance readiness gap assessment
- Identified gaps and corrective actions to harmonize reporting practices
- Published inaugural corporate GHG emissions targets

### DEVELOPMENT

**2022**

- First limited assurance on 2021 Scope 1 and 2 GHG data and emissions intensity
- Developed draft Corporate GHG Reporting Standard
- Documented GHG calculation methodologies across all jurisdictions
- Improved data completeness by addressing jurisdictional gaps
- Reported emissions based on both operational control and equity share boundaries

### ENHANCEMENT

**2023**

- Limited assurance on 2022 Scope 1 and 2 GHG data and emissions intensity
- Evolved Corporate GHG Reporting Standard to further delineate reporting boundaries
- Developed Management of Change process, governance and policy
- Continued to enhance data quality and completeness including using artificial intelligence to extract electrical data from > 34,000 U.S. invoices to enhance Scope 2 reporting
- Developed IFRS S2 alignment strategy
- Created a dedicated team to manage mandatory corporate sustainability reporting requirements

### MATURATION

**2024+**

- Limited assurance on 2023 and 2024 Scope 1 and 2 GHG data and emissions intensity
- Established the CERG group that centralizes GHG data management
- Reasonable assurance readiness gap assessment
- Corporate GHG Reporting Standard integrated into TC Energy's operational management system (TOMS)
- Ongoing enhancement and modernization of GHG data governance and systems driven by a dedicated Emissions Systems and Data Insights team
- Standardized vented emissions quantification methodologies in Canada and implemented measurement-based fugitive emissions tracking in Mexico
- Centralized sustainability reporting and climate strategy within CFO organization
- Included assessment of project level GHG emissions in capital allocation decision review
- Published inaugural methane intensity target

**LEGEND**

- Governance
- Data integrity
- Strategy

# FORWARD-LOOKING INFORMATION

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 document. Our forward-looking information in this document includes, but is not limited to statements related to our GHG emissions tracking, reporting, and assurance practices and potential enhancements thereto, the value of GHG data in our business strategy and operations, and in our GHG target setting and activities, sustainability reporting regulations, and the development and implementation thereof, our readiness and positioning for reasonable assurance of GHG emissions data and the enhancements required to achieve reasonable assurance, the installation, adoption and integration of new technologies into our business and their expected impact, expected energy demand levels, the role of natural gas and liquefied natural gas in global energy systems, 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 those related to GHG emissions data tracking and potential data tracking enhancements, our role in energy transition, and statements related to our role in GHG emissions reduction, 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 develop, access or implement some or all of the technology and infrastructure necessary to efficiently and effectively achieve and implement GHG emissions data tracking, targets, ambitions, reporting and assurance practices and any enhancements thereto, the commercial viability and scalability of GHG emissions reduction strategies and related technology and products, the development and execution of implementing strategies to meet our sustainability commitments and GHG emissions tracking, targets, ambitions, reporting and assurance practices, our ability to implement a capital allocation strategy, portfolio management and divestiture programs aligned with maximizing shareholder value, the operating performance of our pipeline and power generation 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, and inflationary pressure on, 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 environmental, social and governance (ESG) matters, competition in the businesses in which we operate, unexpected or unusual weather, acts of civil disobedience, cybersecurity and technological developments, ESG-related risks, the impact of energy transition on our business, economic conditions in North America as well as globally, and global health crises, such as pandemics and epidemics and the unexpected impacts related thereto. In addition, there are risks that the effect of actions taken by us in implementing targets, commitments and ambitions for sustainability may have a negative impact on our existing business, growth plans and future results from operations.

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.

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