

FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

REPORT 2024



INTRODUCTION

As a leading North American energy infrastructure company with operations across Canada, the U.S., and Mexico, TC Energy Corporation (TC Energy) plays a role in promoting human rights and responsible business practices. We recognize that potential risks of forced labour and child labour (also referred to as modern slavery) exist throughout our supply chain and acknowledge that understanding and managing these risks requires a collaborative approach with our suppliers, our workforce and other external stakeholders.

This report (the Report) outlines TC Energy’s governance processes, existing measures, and progress made in the 2024 fiscal year to prevent and mitigate the risks of modern slavery across the supply chain we utilize.

REPORTING CONTEXT

TC Energy is a federally incorporated entity subject to the legal requirements in section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). This Report is made pursuant to the Act and was approved by the TC Energy Board of Directors (the Board) on February 13th, 2025.

For purposes of the Act, the reporting entities covered in this Report include functions, major projects, and assets that have been wholly-owned and/or operated by TC Energy from January 1st to December 31st, 2024. TC Energy also holds interests in joint venture assets not operated by TC Energy. Non-operated assets are not included in the scope of this Report. The terms “TC Energy”, “we”, “our”, and “the Company” refer to TC Energy and extend to all the entities listed in this Report.

This Report is a joint report filed by TC Energy Corporation on behalf of itself and the following eleven TC Energy subsidiaries that are registered to import goods into Canada: TransCanada Pipelines Limited; NGTL Limited Partnership, by its general partner NGTL GP Ltd.; NOVA Gas Transmission Ltd. Foothills Pipe Lines (Alta) Ltd.; Foothills Pipe Lines (South B.C.) Ltd.; Foothills Pipe Lines (Sask.) Ltd.; TQM Pipeline and Company, Limited Partnership / Société en Commandite Gazoduc TQM; TransCanada Energy Ltd.; TransCanada Energy Sales Ltd.; and Coastal GasLink Pipeline Limited Partnership.

TABLE OF CONTENTS

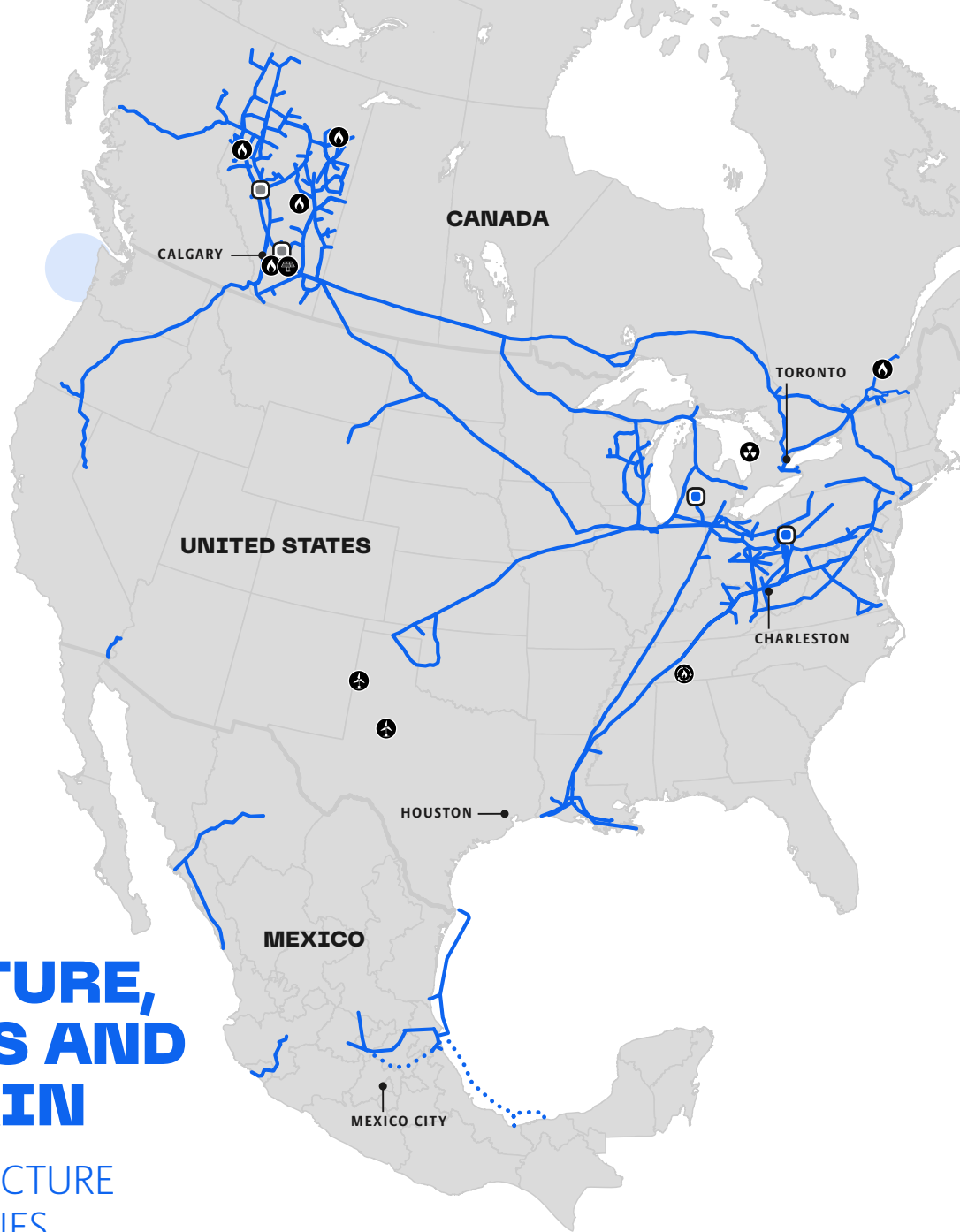
OUR STRUCTURE, BUSINESSES AND SUPPLY CHAIN	3
OUR POLICIES AND DUE DILIGENCE PROCESSES.	5
MODERN SLAVERY RISKS	6
OUR ACTIONS TO ADDRESS MODERN SLAVERY RISKS.	7
OUR REMEDIATION MEASURES	8
OUR TRAINING AND AWARENESS.	8
ASSESSING OUR EFFECTIVENESS.	8
REPORT APPROVAL AND ATTESTATION	8

OUR STRUCTURE, BUSINESSES AND SUPPLY CHAIN

OUR CORPORATE STRUCTURE AND BUSINESS ACTIVITIES

TC Energy is the sole parent company of the entities covered in this Report and is headquartered in Calgary, Alberta. TC Energy operates two core businesses: (i) Natural Gas Pipelines; and, (ii) Power and Energy Solutions. On October 1, 2024, we successfully completed the spinoff of our Liquids Pipelines business.

TC Energy's Natural Gas Pipelines are comprised of natural gas pipelines in Canada, the U.S., and Mexico, as well as regulated natural gas storage operations in the U.S. Our Power and Energy Solutions business consists of power generation, non-regulated natural gas storage assets, as well as emerging technologies that can provide low-carbon solutions for our customers and industry. TC Energy has centralized corporate and administrative functions that provide governance, financing, procurement and other support to all TC Energy's core businesses, as well as to the affiliates and subsidiaries covered by this Report.



As of December, 2024

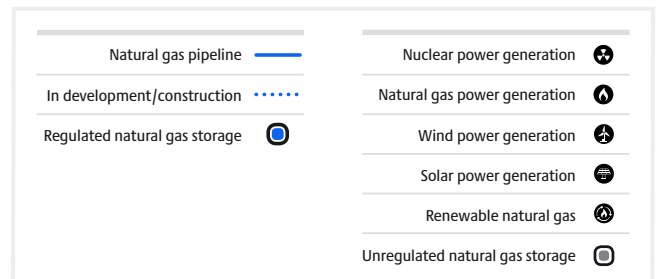


Figure 1: Map of TC Energy North American assets



Our supply chain

The supply chain team at TC Energy is a centralized function that supports our operations across Canada, the U.S. and Mexico and sources products and services from around the globe. A key role of supply chain is to ensure spend is with suppliers who meet our qualification standards, adhere to our corporate policies and procedures and share our commitments to the highest standards of business conduct. Supply chain also tracks supplier metrics including spend, performance history, capabilities, discrepancies and non-conformances. Supply chain's focus remains on the suppliers who we directly work with however we are continuing to implement measures to understand our extended supply chain. The activities listed in the Report reflect our efforts on both suppliers who we directly work with and our extended supply chain.

In 2024, the majority of TC Energy's total procurement spend was directed to supporting operations and projects in Canada, followed by the U.S., and then Mexico. The following categories accounted for the majority of our spend:

- **Pipeline and Facility Construction:** products and services required to construct new pipelines, pipeline facilities and energy infrastructure; and
- **Pipeline Maintenance:** spend involved with servicing and maintaining the quality of our assets.

TC Energy's Total Import Value for January – June 2024 by origin country:

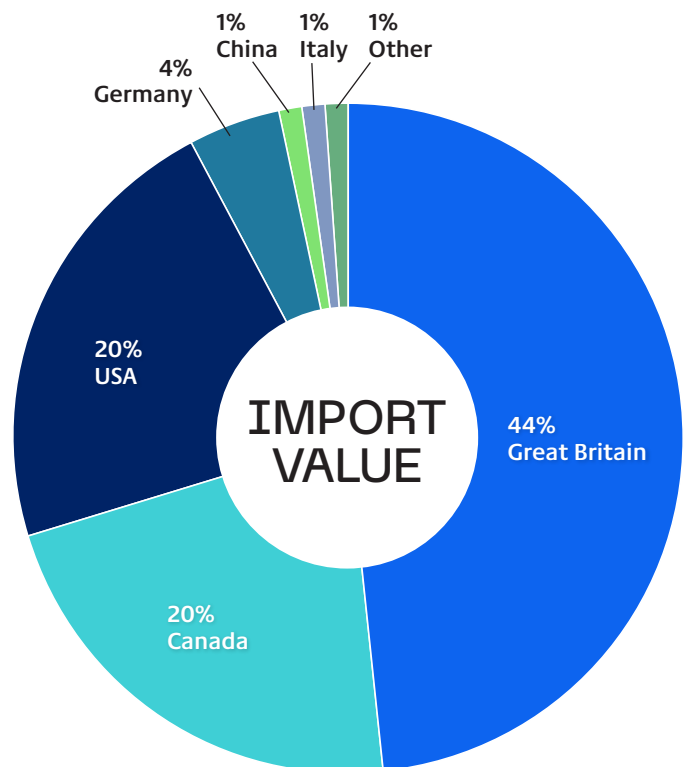


Figure 2: Data from the Canada Border Services Agency Facility Information Retrieval Management System report, January 2024 – June 2024.

OUR POLICIES AND DUE DILIGENCE PROCESSES

GOVERNANCE AND RESPONSIBILITIES

TC Energy's Board of Directors provides oversight and direction for TC Energy's strategic objectives, including sustainability matters, as well as overseeing the effectiveness of TC Energy's risk management systems and internal controls. Our process ensures that the Board of Directors is informed of the interrelationship between the business environment and its associated risks and is intended to facilitate and stimulate discussion of our key business risks.

The Company implements a centralized enterprise risk management (ERM) program that systematically identifies and assesses risks that could materially impact our strategic objectives. The ERM program addresses risks related to executing our business strategies and supports practices for identifying and monitoring emerging risks. Specifically, the ERM framework offers a comprehensive process for risk identification, analysis, evaluation, and mitigation. It also ensures ongoing monitoring and reporting to the Board of Directors, CEO, Executive Vice-Presidents, and the Chief Risk Officer.

POLICIES AND STANDARDS

Code of business ethics (policy and commitment on human rights)

[TC Energy's Code of Business Ethics \(COBE\) Policy](#) and mandatory annual online COBE training, apply to all employees, directors, officers and contingent workforce contractors (CWCs) of TC Energy entities listed in this Report. In addition, TC Energy has a [Contractor COBE Policy](#) that communicates the same requirements in the COBE Policy, as applicable. The COBE Policy reinforces the Company's requirements and expectations for conducting business and expected behaviours and includes a statement on TC Energy's commitment to human rights. It is reviewed annually and approved by the Board of Directors.

TC Energy's COBE Policy reiterates our position against the use of forced labour and child labour and contributes to ensuring that no forced or child labour is used in our supply chain. TC Energy considers the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights, and the core International Labour Organization Conventions when adopting human rights best practices. As part of our commitment to human rights, we stand firmly against the use of forced labour and child labour in our operations and across our supply chain.

Expectations on reporting violations

COBE also provides a framework for asking questions and highlights resources in place to report concerns. At TC Energy, we report (and encourage the reporting of) actual or potential non-compliances with our policies or our legal requirements so they can be addressed appropriately. Personnel are required to report any actual or suspected violation of the law or COBE Policy and all health, safety and environment related hazards, potential hazards or incidents, of which they become aware.

We take every report seriously and provide immunity from disciplinary action for good faith reporting of incidents and issues. Personnel have several avenues to make a report, including the use of TC Energy's Ethics Help Line - a safe, secure, and confidential 24-7 helpline system. The [Ethics Help Line](#) is operated by an external, independent provider and submissions can be made by all TC Energy stakeholders online or via phone.

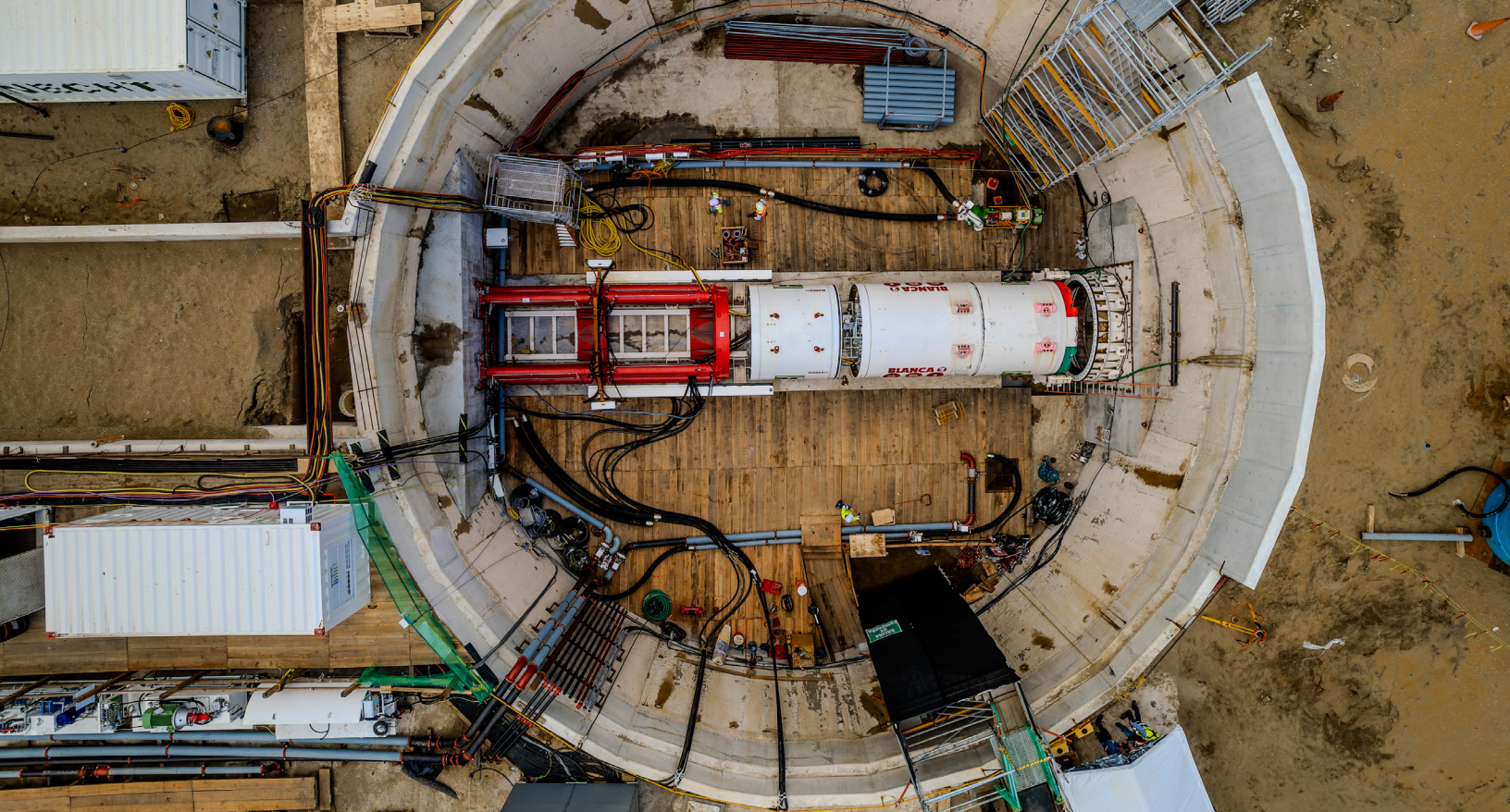
Procurement Policy

TC Energy implemented a Procurement Policy in 2023 that provides clear expectations for all aspects of supply chain activities, business unit engagement and interactions with external market. Ensuring adherence to this Policy enables alignment with the other measures listed in this report.

United Nations sustainable development goals

TC Energy became an official participant of the [United Nations Global Compact \(UNGC\)](#) in 2022. As part of this commitment, we support the United Nations Sustainable Development Goals (UN SDGs) and have identified the SDGs that are most relevant to our business and where we can make our greatest contributions. TC Energy's annual [Report on Sustainability](#) outlines our efforts and alignment to the UN SDGs, including UN SDG Goal 8, to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Additional information related to TC Energy's due diligence processes is provided below in the discussion of our actions to address modern slavery risks.



MODERN SLAVERY RISKS

UNDERSTANDING OUR RISK EXPOSURE

TC Energy's greatest risk exposure to forced labour and child labour is through suppliers, and the primary sources of these risks come from procuring goods in higher-risk geographies and sectors. We recognize the potential risks of forced labour and child labour in our extended supply chain and the complexity and challenges in operationalizing modern slavery compliance.

TC Energy has established an internal cross-functional team, which continues to examine our supply chain for high-risk activities and suppliers for forced labour and child labour risks. This is the second iteration of our analysis and reporting to comply with the annual reporting requirements imposed by the Act.

As part of this analysis, a risk review of our supply chain activities was conducted to identify the geographical regions, industries, and suppliers with high-risk exposures to forced labour and child labour and assess the effectiveness of any controls in place¹. Because our supply chain function is centralized, the review applies to all the entities listed in this joint Report. In 2024, TC Energy conducted the following activities:

- Continued mapping of our supply chain with suppliers who have directly contracted with the Company (Tier 1 level) including identifying the risk level of suppliers based on their country and industry risk level.
- Implemented forced labour and child labour screening questions during supplier qualification process.
- Continued improvements and reviews of internal policies for preventing forced labour and child labour in the supply chain, including procurement policies, supplier due diligence, onboarding, compliance processes.
- Updated supply chain contract templates to include language that prohibits forced labour and child labour.
- Analyzed TC Energy and its affiliates' customs import data from the Canadian Border Services Agency to determine import volumes and country of origin.
- Leveraged third-party sustainability management and market intelligence tools to continuously scan and monitor supply chain activities with the highest human rights and sustainability risks.

Our review of supply chain activities identified solar panels (and related components) and line pipe as presenting the highest risk of forced and child labour exposure to TC Energy.

¹ High-risk countries are based on data from the Global Slavery Index at walkfree.org. High-risk goods are based on the 2022 List of Goods Produced by Child Labor or Forced Labor, U.S. Department of Labour, Bureau of International Affairs.



OUR ACTIONS TO ADDRESS MODERN SLAVERY RISKS

SUPPLIER REGISTRATION AND RISK CLASSIFICATION

TC Energy utilizes a risk-based model to manage modern slavery risks in our supply chain. We leverage various processes to screen and monitor suppliers and our global supply chain for human rights risks, including forced labour and child labour. These processes and actions apply to all the entities listed in this joint Report.

In accordance with our process, suppliers providing materials and services for our projects and operations must register and onboard through our supplier qualification process, which conducts risk screening and monitoring in conjunction with the Corporate Compliance department.

TC Energy uses an internal supplier management tool (SMT) to qualify and monitor the Company's supplier base. Upon entry into SMT, a questionnaire is sent to suppliers to help determine each supplier's risk profile and understand their forced labour and child labour, and bribery and corruption (ABC) risk exposure. Additionally, the questionnaire requests information from suppliers as to whether they have policies and processes that deal specifically with forced labour and child labour.

Additionally, the supplier risk classification process involves reviewing results from various third-party counterparty screening tools. These independent tools offer comprehensive due diligence screening based on global news and information sources and risk categories, including ABC risk exposure, beneficial ownership, sanctions and adverse media.

For suppliers that meet a residual risk exposure level for activities connected to child and forced labour based on their questionnaire answers and third-party screening searches,

TC Energy follows up with further requests for information and escalation to senior management, where appropriate. Other additional requirements or actions could include:

- Enhanced contractual terms;
- Supplier certifications;
- Third-party inspections in the local jurisdiction; and/or
- Termination of the relationship.

Following the preliminary risk screening and onboarding to the SMT, classified suppliers are loaded into the Company's enterprise resource management (SAP) system. Upon initial entry and following a quarterly frequency, all suppliers within the Company's SAP system undergo a screening using the Company's Global Trade Management System (GTMS). The GTMS conducts forced labour, child labour, and sanctions screening utilizing over 250 various lists, which include:

- **Customs and Border Protection Forced Labour List** - Section 307 of the Tariff Act of 1930 (19 U.S.C. § 1307) prohibits the importation of merchandise mined, produced, or manufactured, wholly or in part, in any foreign country by forced labour including forced child labour.
- **UFLPA Entity List** - The Uyghur Forced Labour Prevention Act (Public Law No. 117-78), also known as the UFLPA, directs the Forced Labour Enforcement Task Force to develop a strategy for supporting enforcement of the prohibition on the importation of goods into the United States manufactured wholly or in part with forced labour in the People's Republic of China, especially from the Xinjiang Uyghur Autonomous Region.
- **Brazil** - List of companies involved in slavery published by the Division of Surveillance for Eradication of Slave Labour of the Ministry of Labour. The database includes employers, companies, and individuals responsible for keeping workers in a situation analogous to slavery.

If issues are found, they are escalated to senior management for review and action in accordance with TC Energy's internal escalation procedure. High-risk suppliers, materials, and manufacturing sites flagged by TC Energy's internal processes may be subject to additional internal due diligence screening and risk controls.

In 2024, no suppliers screened in TC Energy's GTMS were found to have forced labour or child labour issues.

OUR REMEDIATION MEASURES

When identifying the risks of forced labour or child labour in the Company's activities and supply chain, TC Energy primarily focuses on understanding the operations and supply chain of our Tier 1 suppliers and the Tier 1 and Tier 2 suppliers for our higher-risk suppliers.

Since TC Energy's processes and tools did not yield any evidence of forced labour or child labour, we did not implement any remediation measures in the 2024 fiscal year.

OUR TRAINING AND AWARENESS

Upholding human rights, including prohibition of both forced labour and child labour, is explicitly addressed in TC Energy's annual online COBE Policy training and certification. All TC Energy personnel, including those working for all the entities listed in this joint Report, are expected to read, understand and comply with the principles and requirements set out in the COBE Policy, and are required to complete annual internally-developed COBE Policy training. The training is approximately 45 minutes in length and contains a knowledge check test and certification. Contractors are also provided the [Contractor Code of Business Ethics Policy](#) to reinforce expectations and awareness of human rights topics.

Additionally, we conducted specialized, in-person training sessions strategically designed to address the unique challenges of high-risk areas. This included two, one hour internally-developed training session on forced labour and child labour in 2024. This dual-layered training framework underscores our dedication to fostering a culture that not only understands but actively champions human rights across all facets of our operations and supply chain.

ASSESSING OUR EFFECTIVENESS

While TC Energy believes in the efficacy of our measures to prevent and mitigate forced labour and child labour within our operations and supply chain at the Tier 1 level, we will strive to maintain and continually improve our sustainable and transparent supply chain and work to maintain a robust understanding of our complex global supply chain networks. These activities include assessing contractual terms and working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including tracking relevant performance indicators.

The Company conducts an annual COBE Policy review with input from various stakeholders. We investigate and track all reports, both internal and external (via the Ethics Helpline) reports. We also perform risk-based assurance activities on a regular basis, which can range from external independent audits to internal supply chain-focused assurances.

TC Energy is committed to developing a resilient and transparent supply chain that respects the human rights of all workers. In 2024, we focused on enhancing our foundational capabilities and processes to effectively manage suppliers on critical forced and child labor issues, ensuring human rights are upheld throughout our supply chain.

LONGER TERM

Identifying and eliminating forced labour and child labour in the global supply chain is a complex issue that requires partnership and collaboration across industries, suppliers, governments, and non-profit organizations. Our supply chain partners are essential in developing collective solutions. This involves deepening relationships with our supply chain partners, strengthening contractual language at the Tier 1 supplier level, and working together to enhance transparency throughout all supply chain tiers of our supply chain. TC Energy is committed to leveraging our size and spending power to educate and influence our external partners to invest in protecting human rights for every worker in the supply chain.

As a part of ongoing enhancements, we will continue to identify and proactively mitigate emerging risks. We also plan to further develop and implement additional due diligence policies and processes to identify, address and prohibit forced labour and child labour in our activities and supply chain.

REPORT APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind TC Energy Corporation,



François Poirier
President and CEO

February 12, 2025