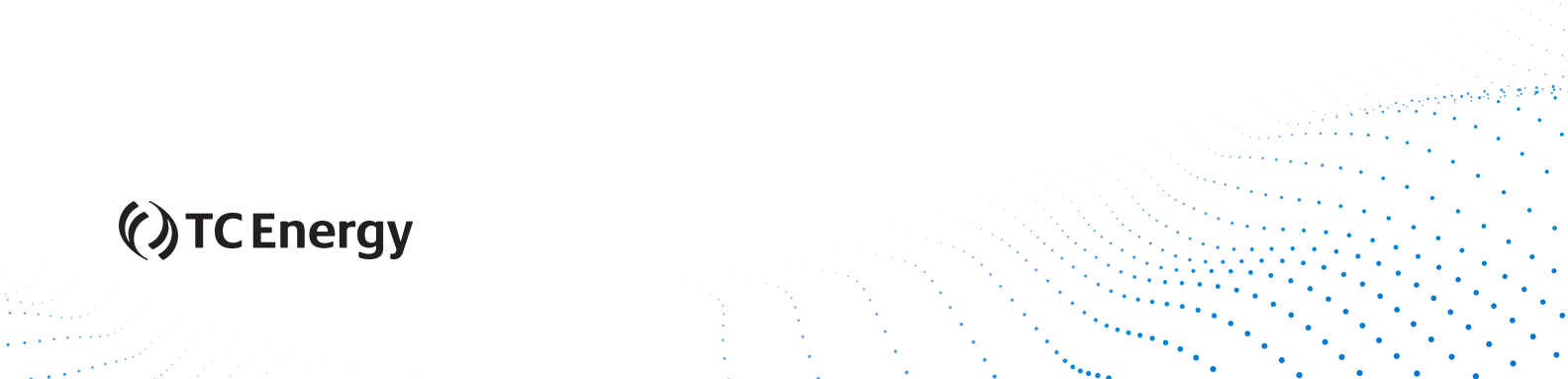




FORCED LABOUR AND CHILD LABOUR REPORT 2023



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 risks of forced labour and child labour (also referred to as modern slavery) exist 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 2023 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, 2024.

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, 2023. 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 licensed to import goods into Canada: TransCanada PipeLines Limited; 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 / Societe en Commandite Gazoduc TQM; TransCanada Keystone Pipelines Limited Partnership; TransCanada Energy Ltd.; TransCanada Energy Sales Ltd.; Coastal GasLink Pipeline Limited Partnership; and Grand Rapids Pipeline Limited Partnership.

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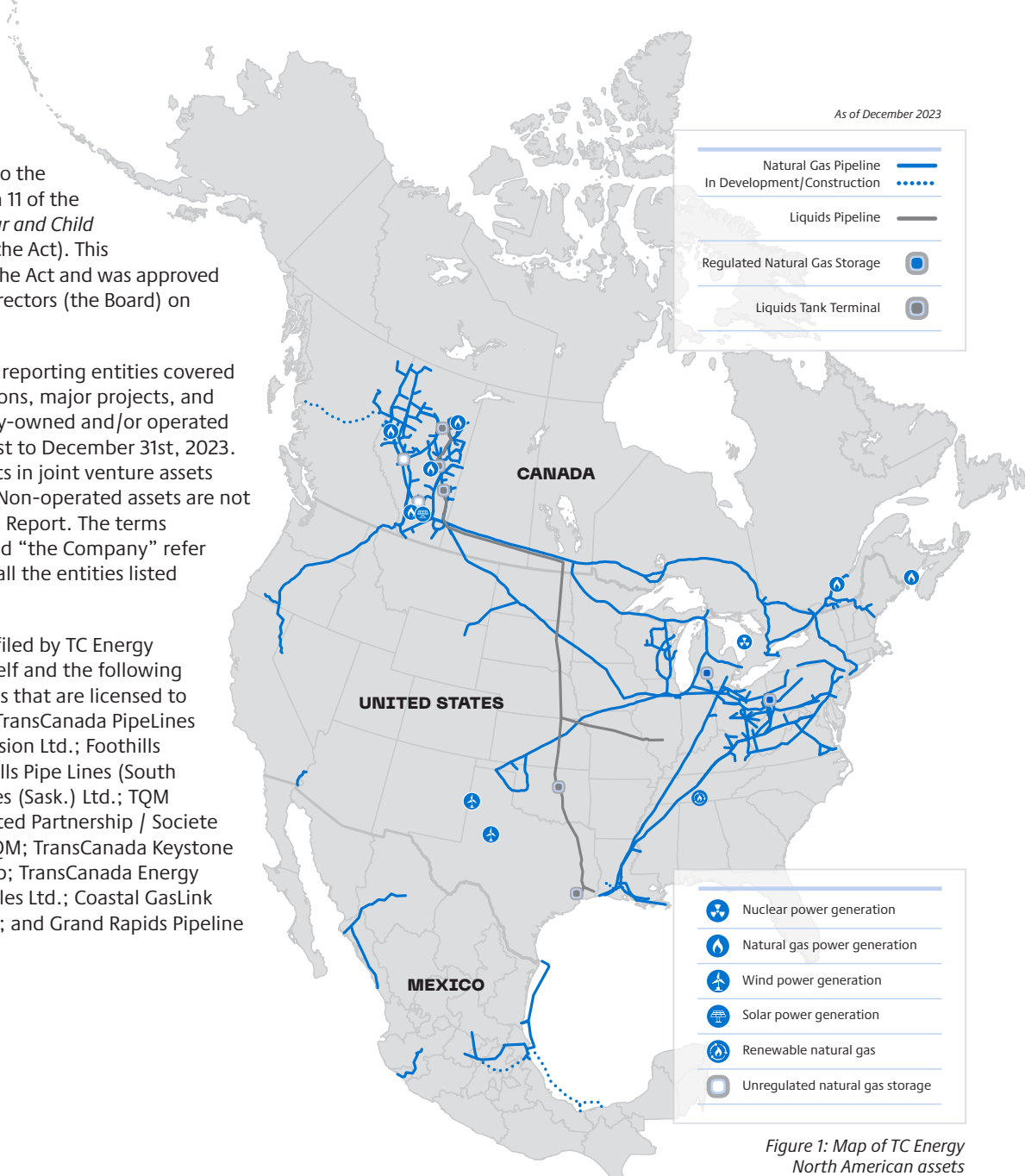


Figure 1: Map of TC Energy North American assets

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 in three core businesses – Natural Gas Pipelines, Liquids Pipelines, and Power and Energy Solutions. We’re a team of more than 7,000 energy problem solvers working to move, generate, and store the energy North America relies on.

Natural Gas Pipelines and Liquids Pipelines are principally comprised of our respective natural gas and liquids pipelines in Canada, the U.S., and Mexico, as well as our regulated natural gas storage operations in the U.S. Power and Energy Solutions includes our power operations, our non-regulated natural gas storage business in Canada, 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.

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 for our projects and operations globally. A key role of supply chain is to ensure spend is tendered with suppliers who meet our qualification standards and corporate requirements. Supply chain also tracks key supplier metrics including spend, performance history, capabilities, discrepancies and non-conformances.

In 2023, the majority of TC Energy’s total spend was directed to support operations and projects in Canada, followed by the U.S., and Mexico. The following categories accounted for the majority of spend:

- **Pipeline Construction:** products and services required to construct new pipelines, pipeline facilities and energy infrastructure;
- **Line Pipe:** costs associated with the manufacturing and delivery of line pipe to TC Energy work sites; and
- **Pipeline Maintenance:** spend involved with servicing and maintaining the quality of our assets.

TC Energy’s Total Import Value for 2023 by origin country:

Country of Origin	Import Value Percentage
Canada	31%
USA	26%
Great Britain	20%
Vietnam	15%
Germany	3%
Italy	2%
Netherlands	2%
Other	1%

Figure 2: Data from the Canada Border Services Agency Facility Information Retrieval Management System report, January - December 2023.





OUR POLICIES AND DUE DILIGENCE PROCESSES

GOVERNANCE AND RESPONSIBILITIES

TC Energy's Board is accountable 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 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 program to systematically aggregate and monitor material risks. The program is designed to identify and assess risks that could significantly affect TC Energy's strategic objectives. The program operates within the guidelines of a framework which includes a comprehensive enterprise risk register, detailed risk assessments, quarterly reports on emerging risks, and in-depth deep dive presentations. When an emerging risk escalates to an enterprise level, the Governance Committee examines its implications and reports the findings, along with responsible parties for governance and execution to the Board.

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, which apply to all TC Energy entities listed in this Report, 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. 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. The COBE Policy applies to all employees, directors, officers, and contingent workforce contractors of TC Energy and its wholly owned subsidiaries and/or operated entities in

all countries where TC Energy conducts business. It is reviewed annually and approved by the Board. These expectations are also reinforced through our [Contractor Code of Business Ethics Policy](#).

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, including those in relation to forced labour and child labour, so they can be addressed appropriately. Personnel are required to report any actual or suspected violation of the law or COBE Policy, including those in the context of forced labour and child labour, 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 report an issue depending on the nature of the incident, 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.

United Nations sustainable development goals

TC Energy became an official participant of the United Nations Global Compact 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 established a cross-functional team involving various internal stakeholders in 2023 to examine our supply chain for high-risk activities and suppliers for forced labour and child labour risks. While we have internal processes to ensure compliance with the Uyghur Forced Labour Prevention Act, this is the first iteration of our analysis and reporting to comply with the new 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 place.¹ Because our supply chain function is centralized, the review applies to all the entities listed in this joint Report.

The following activities were part of the review:

- Established a core team consisting of internal stakeholders within supply chain to align internal activities and further enhance due diligence and risk management activities related to key sustainability issues, such as human rights;
- Ongoing mapping of our supply chain with suppliers who have directly contracted with the Company (Tier 1 level) and the Tier 1 and second level suppliers for our higher-risk suppliers;
- Initiated a review of internal policies for preventing forced labour and child labour in the supply chain, procurement policies, supplier due diligence, onboarding, and compliance processes;
- Reviewed internal educational training, processes for reporting suspicious or actual violations, and supply chain contract templates for language that prohibits forced labour and child labour;

- Analysis of TC Energy and affiliates customs import data from the Canadian Border Services Agency;
- Initiated ongoing improvements to internal supply chain processes, policies, and training; and
- 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.

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

While the information above represents the current known risks of modern slavery for TC Energy, it characterizes the findings from our initial supply chain review at a particular time. More work is underway internally to monitor supplier activities efficiently and effectively with respect to modern slavery, and high-risk categories and countries may change in the future as we learn more.

Footnote 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 that are providing materials and services for our projects and operations must register and onboard through our supplier qualifications and governance team within supply chain, 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 corruption, forced labour and child labour, and anti-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.

In addition to the above, the supplier risk classification process includes reviewing results from various third-party counterparty screening tools. These independent, third-party tools provide a 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; or
- Termination of the relationship.

Following the preliminary risk screening and onboarding to the SMT, the 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 performs forced labour, child labour, and sanctions screening utilizing over 250 various lists, which include:

- **CBP-Forced Labor 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 Labor Prevention Act (Public Law No. 117-78), also known as the UFLPA, directs the Forced Labor 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 that are flagged by TC Energy's internal processes may be subject to additional internal due diligence screening and risk controls.

In 2023, 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 second level 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 2023 fiscal year.

OUR TRAINING AND AWARENESS

Upholding human rights, including both forced labour and child labour, is explicitly addressed in TC Energy's annual online COBE training and certification. Every member of the TC Energy team, including those working for all the entities listed in this joint Report, is expected to read, understand and comply with the principles and requirements set out in the COBE Policy and is required to complete annual internally-developed COBE 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 conduct specialized, in-person training sessions strategically designed to address the unique challenges of high-risk areas. 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

TC Energy is committed to developing a resilient and transparent supply chain where the human rights of every worker involved are respected. During 2023, our focus was further enhancing our foundational capabilities and processes to continue to effectively manage our suppliers on critical forced labour and child labour issues to ensure human rights are not violated within our supply chain.

Currently, the Company performs an annual COBE policy review with input from various stakeholders across the Company, including Environment, Social and Governance (ESG) and Sustainability groups. We investigate and track all internal and external (through 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.

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.

LONGER TERM

Identifying and eliminating forced labour and child labour in the global supply chain is a complex social, economic, and governance issue that can only be resolved through partnership and collaboration across industry, suppliers, governments, and non-profit organizations. Collaboration is one of our core values and our supply chain partners are crucial to developing collective solutions. This requires us to deepen relationships with our supply chain partners, strengthen our contractual language at the Tier 1 supplier level, and to work together to build new levels of transparency throughout all tiers of our supply chain and build joint solutions to deliver value across multiple dimensions. TC Energy is also committed to leveraging our size and spending power to educate and influence our external partners to invest in protecting human rights for every single worker in the supply chain.

As a part of ongoing enhancements, we will strive to continue to identify emerging risks. The Company also intends to continue developing and implementing additional due diligence policies and processes for identifying, addressing and prohibiting the use of 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

Date: February 13th, 2024

