

PRESS RELEASE

TC Energy publishes first climate risk report

Montreal, May 7th, 2019 - Æquo commends TC Energy (formerly TransCanada) for publishing its first comprehensive report on climate related risks and opportunities. The *Report on Sustainability and Climate Change*, which was released on May 3rd during the annual shareholder meeting, is a follow-up to a shareholder proposal¹ filed by two of Æquo's investor clients² last year (and supported by the company's board of directors).

"With this report, TC Energy is joining a growing number of companies that are contributing useful disclosures on how their businesses are impacted by climate change and how they are planning to navigate the transition to a low carbon economy" states Francois Meloche, who heads shareholder engagement at Æquo.

TC Energy explores different scenarios of how the future could unfold, including one which describes a pathway to meet the Paris Agreement goal of limiting global temperature increases to 2 degree Celsius. The report states that in such a 2-degree scenario, the company would be largely insulated from a decrease in fossil fuel demand until 2030, while recognizing that it could subsequently adapt to the continuous decrease in demand induced by political aspirations. Æquo welcomes TC Energy's commitment to enhance its reporting processes and look forward to continue engaging on this important topic.

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¹ Resolved that: TransCanada will report on how the company is assessing long-term risks and opportunities in relation to climate change and the current transition to a low-carbon economy. Such reporting should provide an analysis of the resilience of TransCanada's business model in various scenarios and could include a 2C scenario analysis. This reporting should be done at reasonable cost, omit proprietary information and be issued before the company's annual meeting in 2019. (TransCanada Management information circular 2018).

² Sisters of Notre-Dame Congregation and Capuchins.



About Aequo

Aequo Shareholder Engagement Services (“Aequo”) is a Montreal-based service provider for institutional investors seeking to integrate environmental, social, and governance (ESG) considerations into their investment strategies. We lead dialogues with listed companies in North America on behalf of our clients in a pooled engagement model that amplifies the reach and impact of their responsible investment and active ownership policies. Visit www.aequo.ca to learn more.