

INTEGRITY & RESPONSIBILITY



Corporate Social Responsibility (CSR) Report **Data Sheet**

2015

Summary from TransCanada CSR Reports, Annual Reports,
and Management Information Circulars

We recognize that your understanding of our corporate social responsibility practices and performance influences your level of trust in our company and in our industry. TransCanada believes that being transparent and providing accurate information on our business is critical to a balanced energy discussion.

We continue to align our CSR Report with our Top 10 Material Issues, which represent the interests and concerns of our stakeholders. In 2015, TransCanada made significant progress toward our goal of reporting to the GRI G4 standard at the Core level. We are working towards greater transparency and improved disclosure, which is evidenced by the inclusion of new or redefined data points as compared to prior years.

Please visit www.csrreport.transcanada.com to learn more about our corporate social responsibility practices or visit www.transcanada.com for more details about our business.

SAFETY**2011****2012****2013****2014****2015****Investment in integrity and preventative maintenance programs**

Investment (CAD\$ B)	1.2	1.2	1.2	1.3	1.5
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Third-party damage¹

Unauthorized excavations per 1,000 km of ROW	1.76	1.81	1.28	1.34	1.5
One Calls per km of ROW	2.47	2.77	2.88	2.91	2.76
Unauthorized Pipeline Encroachments (normalized by 1,000 km of ROW and One Calls)	5.31	5.15	4.33	3.3	3.9

Emergency preparedness and response exercises

Total exercises completed (#)	82	96	104	113	125
Annual Field Exercises	18	18	23	22	22
Field Tabletop Exercises ²	46	62	66	61	67
Equipment Deployment Exercises	10	10	10	10	10
Calgary and Houston Support Department Tabletop Exercises ²	8	6	5	19	26

Emergency preparedness and response training completions

Regulatory Training (HAZWOPER) ³	260	439	547	532	446
Best Practice Training (Incident Command System) ⁴	908	1,144	1,559	2,576	2,364

Occupational Health and Safety

Employees					
Fatalities	0	0	0	0	0
Total recordable case rate ⁵	1.15	0.62	0.57	0.59	0.61
Away from work case rate ⁶	0.27	0.18	0.14	0.16	0.25
Vehicle incident frequency rate ⁷	2.42	2.46	2.02	1.63	2.01
High potential incidents rate ⁸	0.4	0.44	0.24	0.18	0.11
Contractors					
Fatalities ⁹					0
Total recordable case rate ⁵	1.94	2.34	1.75	1.32	1.17
Away from work case rate ⁶	0.31	0.29	0.29	0.19	0.15
Vehicle incident frequency rate ⁷	3.14	2.77	2.7	2.51	3.01
High potential incidents rate ⁸	1.02	1.05	0.76	0.47	0.63

¹ Third-party damage is defined as impact or exposure resulting in the need to repair an underground facility. We mitigate this threat through our robust Public Awareness program, aerial patrols to monitor for unauthorized activities and our support of One-Call programs that allow anyone conducting excavations to request a free locate of the utilities on their property. ROW stands for Right of Way.

² A tabletop exercise involves key personnel discussing simulated scenarios in an informal setting.

³ Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) regulates the safety and health of the employees involved in management and clean-up operations at uncontrolled hazardous waste sites, employees engaged in certain hazardous waste sites, and employees engaged in certain hazardous waste.

- ⁴ Incident Command System (ICS) is a standardized on-site management system designed to enable effective, efficient incident management by integrating a combination of facilities, equipment, personnel, procedures, and communications operating within a common organizational structure.
- ⁵ Total Recordable Case Rate (TRCR) refers to the number of recordable cases related to a common exposure base of 100 full-time employees. Recordable Cases are all work-related deaths and illnesses, and those work-related injuries which result in: loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid. (Bureau of Labor Statistics, Record Keeping Guidelines for Occupational Injuries and Illnesses).
- ⁶ Away From Work Case Rate (AWCR) refers to an incident, which results in an injury or illness that prevents an employee from returning to work on the next scheduled shift. The number of away from work cases, where the employee would have worked but could not because of occupational injury or illness, is related to a common exposure base of 100 full-time workers. This performance indicator is often referred to as the lost time case rate. (Bureau of Labor Statistics, Record Keeping Guidelines for Occupational Injuries and Illnesses).
- ⁷ Vehicle Incident Frequency Rate (VIFR) refers to the number of recordable vehicle incidents related to a common exposure base of 1,000,000 kilometres (621,400 miles) driven. A recordable vehicle incident is any incident (regardless of fault) involving a fleet or rental motor vehicle which results in an injury to any person or damage to any vehicle or property, unless the vehicle was safely and legally parked at the time of the incident. (ANSI standard D. 16.1 - 1989 "Manual on Classification of Motor Vehicle Traffic Accidents" - 5th Edition).
- ⁸ High Potential Incidents (HIPO) refers to incidents with a high potential to result in a serious, debilitating injury to the worker related to a common exposure base of 100 full-time employees. Examples of high potential incidents include, but are not limited to, high speed vehicle incidents, vehicle rollovers, high voltage or high pressure incidents, injuries to the head, fall from heights, etc.
- ⁹ Beginning in 2015, TransCanada will be disclosing contractor fatalities based on incidents that occurred under TransCanada's care and control.

SOCIETY**2011****2012****2013****2014****2015****Workplace Practices**

Number of full-time employees (#)	4,314	4,823	5,437	6,059	5,512
Canada	2,658	2,994	3,487	4,010	3,603
U.S.	1,648	1,771	1,859	1,914	1,757
Mexico	8	58	91	135	152
Number of contract professionals (#)			2,525	2,796	2,442
Employees represented by independent trade union or covered by collective bargaining agreements (%)	5.5	4.9	4.5	4.3	4.7
New hire employees (#)	408	748	919	927	385
Canada	280	475	686	726	226
U.S.	128	215	195	154	125
Mexico	—	58	38	47	34
Employee total turnover rate (%) ¹⁰	6.7	4.9	5.5	7.5	17.4
Employee voluntary turnover rate ¹¹	5.2	3.8	4.1	4.1	5.1
Employee involuntary turnover rate ¹²	1.5	1.1	1.4	3.4	12.3

Diversity

Women in workforce (%)	28.3	29.3	29.5	31.5	30.5
Women in executive management (%)	12.5	12.5	22	22	22.2
Women in top management (%)	9.2	9.1	9	14.7	15.4
Women in junior management (%)	17.2	22	23	24.8	24.4
Canadian Diversity Analysis (%)					
Women	33.7	35	35.3	37.3	36.6
Aboriginal	2.2	2.2	2	1.8	2.5
Persons with disabilities	1.8	1.7	1.6	2	3.4
Visible minorities (excl. Aboriginals)	14.6	16	15.8	18.7	20.6
American Diversity Analysis (%)					
Women	19.5	19.5	18.6	19.3	18.3
Minorities (incl. American Indians/Alaska Natives)	18.9	18.8	19.7	19	19.6
Persons with disabilities	0.7	0.7	0.8	1.2	3.1
Veterans	9.5	9.4	9.4	9.7	10.5

Community Investment

Community Investments – direct only (CAD\$ M)	10.9	11.8	12.7	14.6	14.7
Investments by Motivation (percentage of total portfolio) ¹³					
Social Investments					39
Commercial Investments					50
Philanthropic Investments					11
In-Kind Giving (CAD\$ M) ¹⁴					0.34
Community Investment including funds leveraged through outside sources (CAD\$ M) ¹⁵		13.4	14.7	20.6	20.4
Investments as a percentage of total revenue			0.14	0.14	0.15
Employee and contractor donations (CAD\$ M)					0.76
Company donations matching employee and contractor donations (CAD\$ M)					1.81
Volunteer hours logged by employees and contractors (# of hours)			6,801	11,553	9,151
During paid work time					1,620
During non-paid time					7,531
Value of volunteer hours during paid work time (CAD\$)					76,228

Indigenous Peoples

Value generated in work for Indigenous businesses or their joint-venture partners (CAD\$ M) ¹⁶	>50	66.5	104	167.8
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¹⁰ Beginning in 2015, employee turnover rates include Mexico.

¹¹ Voluntary turnover includes employees who retired or resigned from employment at TransCanada. See the About Our People section of the 2015 CSR Report for more information.

¹² Involuntary includes severances, discharges and layoffs.

¹³ See the Community Investment section of the 2015 CSR Report for the standard definitions of each “Motivation”.

¹⁴ In-Kind Giving are donations of equipment or resources to support community programs.

¹⁵ This figure takes into consideration contributions to community projects that can be directly linked to TransCanada’s involvement (but are not included in the investment cost) including additional investment generated from other companies, governments and TransCanada employees.

¹⁶ Value generated in work for Indigenous businesses or their joint-venture partners in Canada and the U.S. for goods, contract services and employment on TransCanada projects and operations.

ENVIRONMENT**2011****2012****2013****2014****2015****Greenhouse Gas Emissions¹⁷**

Direct GHG emissions (tCO ₂ e)	11,300,000	12,300,000	12,200,000	12,700,000	13,100,000
Natural Gas Pipelines	5,900,000	6,000,000	7,100,000	7,400,000	7,300,000
Liquids Pipelines	0	0	0	0	0
Power	5,400,000	6,300,000	5,100,000	5,300,000	5,700,000
Indirect GHG emissions (tCO ₂ e)	180,000	220,000	190,000	190,000	
Natural Gas Pipelines	180,000	210,000	190,000	190,000	
Power		1,800	700	2,900	
Total direct and indirect GHG emissions (tCO ₂ e)	11,500,000	12,500,000	12,300,000	12,900,000	
Natural Gas Pipelines	6,100,000	6,200,000	7,300,000	7,600,000	
Power	5,400,000	6,300,000	5,100,000	5,300,000	
Natural gas pipelines emissions intensity (tCO ₂ e/Bcf) ¹⁸		542	500	520	
Power generation emissions intensity (tCO ₂ e/MWh) ¹⁹		0.23	0.17	0.17	

Water Consumption

Total Water Consumption (million cubic metres) ²⁰				3.8	4.2
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Reportable Crude Oil Spills and Releases²¹

Number (#)	50	44	22	10	1
Canada	42	44	21	9	1
U.S.	8	0	1	1	0
Total volume (litres)	66,191	214	3,130	299	2,300
Canada	438	214	3,054	61	2,300
U.S.	65,753	0	76	238	0

Regulatory Performance (\$s in currency indicated)

Energy Operations			7,500 USD	1,000 USD	0
Gas and Gas Storage Operations			1,000 USD	0	15,500 USD
Oil Operations			0	0	0
Project Development			2,690 CAD	0	5,000 CAD

¹⁷tCO₂e = tonnes of carbon dioxide equivalent

Numbers may not add up due to rounding. TransCanada's direct GHG emissions reporting boundary is based on an asset equity share. Our oil storage assets and liquids pipelines are below direct GHG reporting thresholds. The TransGas Natural Gas Pipeline System (in Colombia) is excluded. Coal combustion is the main source of GHG emissions at the coal-fired power plants for which we have arrangements to purchase power from the facilities, and represents an indirect GHG emissions source for TransCanada. These arrangements are excluded from our reporting boundary and were terminated in 2016. Indirect GHG emissions from our liquids pipelines operations are excluded from our reporting boundary.

Please note that our 2012 CDP report, which disclosed 2011 data, used an operational control boundary. For 2012 data onward we have used an equity share boundary. The 2011 direct GHG data provided above has been updated to an equity share boundary. Indirect GHG emissions for 2011 remain on an operational control boundary and are not comparable to future years.

2015 Indirect GHG emissions and emissions intensities will be disclosed in our 2016 CDP report, to be submitted to the CDP in June 2016.

Values reported in previous TransCanada reports may differ from the above as inputs may be updated after the date of publication of annual reports such as the CSR and we regularly review reporting scopes and methodologies.

¹⁸ Bcf = billion cubic feet of natural gas.

¹⁹ MWh = Megawatt-hours.

²⁰ Total Water Consumption: water withdrawn, net of water discharged to the source with higher or equal quality. The data includes our power assets and Canadian pipeline assets.

²¹ A reportable spill is defined as one that is reportable to a regulatory body, such as a federal or provincial or state regulator. Prior to July 1, 2014 in Canada, all Keystone crude oil spills, regardless of volume, were reportable to the Canadian Transportation Safety Board (TSB). The higher number of reportable spills prior to 2014 reflects this previous requirement. Data reported in previous TransCanada CSR reports may differ from the above as data have been updated to reflect finalized incident information.

ECONOMY

2011

2012

2013

2014

2015

Economic Performance (CAD\$ millions unless otherwise indicated)

Revenues	7,839	8,007	8,797	10,185	11,300
Comparable EBITDA	4,544	4,245	4,859	5,521	5,908
Net income attributable to common shares	1,526	1,299	1,712	1,743	(1,240)
Net income attributable to common shares (\$/share)	2.17	1.84	2.42	2.46	(1.75)
Comparable earnings	1,559	1,330	1,584	1,715	1,755
Comparable earnings per share (\$/share)	2.22	1.89	2.24	2.42	2.48
Funds generated from operations	3,451	3,284	4,000	4,268	4,513
Proceeds from sale of assets, net of transaction costs			—	196	—
Cash dividends paid on common and preferred shares	1,016	1,281	1,356	1,439	1,538
Dividends declared per share (\$/share)	1.68	1.76	1.84	1.92	2.08
Capital spending, equity investments, and acquisitions (CAD\$ B)	3,162	3,464	5,131	4,834	5,158
Interest expense	882	891	951	1,107	1,370
Income tax expense	575	466	611	831	34
Property taxes	410	434	445	473	517
Cash taxes paid	84	190	202	109	162
Total payroll costs ²²					1,064.40
Employee benefits ²³					272.5
Investment in Research & Development	18.5	13.7	22.7	39.6	46.6

Operations

Power assets by fuel source (%)					
Natural gas	29	34	34	34	36
Natural gas/oil	23	21	21	21	19
Nuclear	23	21	21	21	23
Coal	15	14	14	14	13
Hydro	5	5	5	5	4
Wind	5	4	4	4	4
Solar	0	1	1	1	1
Power produced from emission-less sources (%)	29	31	31	31	32
Natural gas transmission network (km)	68,000	68,000	68,000	68,000	67,300
Natural gas storage capacity (Bcf)	380	380	407	368	368
Power facilities (#) ²⁴	19	21	21	19	20
Power generation capacity (MW) ²⁴	10,800	11,800	11,800	10,900	13,100
Liquids pipelines (km)	3,467	3,467	4,247	4,247	4,247

Governance

Governance information is from the relevant circular for the year represented. The 2015 data is of March 14, 2016.

Size of Board of Directors (#)	12	11	11	11	12
Executive directors (#)	1	1	1	1	1
Independent directors (%)	92	91	91	91	92
Women on TransCanada Board (%)	17	27	27	27	25
Average director age	63	62	62	63	63
Director retirement age	70	70	70	70	70
Separate chair and CEO	Yes	Yes	Yes	Yes	Yes
All committees independent	Yes	Yes	Yes	Yes	Yes
Annual director elections	Yes	Yes	Yes	Yes	Yes
Individual director elections	Yes	Yes	Yes	Yes	Yes
Average Board meeting attendance	99	93	100	98	96
Majority voting policy	Yes	Yes	Yes	Yes	Yes
Say on pay approval vote	90.25	96.63	92.67	94.28	97.34
Number of board interlocks	2	1	0	0	0
Clawback policy	No	No	No	Yes	Yes
Double-trigger vesting on change of control	No	No	No	Yes	Yes
Director share ownership requirements	6x cash retainer	6x cash retainer	4x cash + equity retainer	4x cash + equity retainer	4x cash + equity retainer
Executive share ownership requirements	4x (CEO), 2x other executives	4x (CEO), 2x other executives	4x (CEO), 2x other executives	5x (CEO), 2x (other named executives)	5x (CEO), 2x (other named executives)
In-camera sessions at every Board and committee meeting	Yes	Yes	Yes	Yes	Yes
Code of business ethics	Yes	Yes	Yes	Yes	Yes
Board, committee and director evaluations annually	Yes	Yes	Yes	Yes	Yes
Board orientation and education program	Yes	Yes	Yes	Yes	Yes
CEO total direct compensation (CAD\$ M)	6.05	7.10	8.45	7.86	8.46

Ethics

All ethical issues received are investigated. To make a report by telephone, call 1.888.920.2042 in Canada and the U.S., or call 001.800.840.7907 in Mexico, or visit TransCanada Ethics.

Number of ethical issues received (#)	52	57	49	55	65
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²² Total payroll costs are based on T4, W2 and Constancia de Percepciones earnings for Canadian, U.S. and Mexican core employees.

²³ Employee Benefit Costs include the overall costs for the following programs, where applicable: pension plans, benefits (including medical, dental and vision), stock and savings plans, life and accident insurance, long term disability, employee assistance programs and other benefits not included in Total Payroll Costs.

²⁴ Own or have interests in.

FORWARD-LOOKING INFORMATION

We disclose forward-looking information to help current and potential stakeholders understand management's assessment of our future plans and financial outlook, and our future prospects overall.

Statements that are forward-looking are based on certain assumptions and on what we know and expect today, and generally include words like anticipate, expect, believe, may, will, should, estimate or other similar words.

Forward-looking statements in this report may include information about the following, among other things:

- anticipated business prospects, including the expected closing and financing of the Columbia Pipeline Group, Inc. (Columbia) acquisition
- planned changes in our business including the divestiture of certain assets
- our financial and operational performance, including the performance of our subsidiaries
- expectations or projections about strategies and goals for growth and expansion
- expected cash flows and future financing options available to us
- expected costs for planned projects, including projects under construction and in development
- expected schedules for planned projects (including anticipated construction and completion dates)
- expected regulatory processes and outcomes
- expected impact of regulatory outcomes
- expected outcomes with respect to legal proceedings, including arbitration and insurance claims
- expected capital expenditures and contractual obligations
- expected operating and financial results
- the expected impact of future accounting changes, commitments and contingent liabilities
- expected industry, market and economic conditions.

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 report.

Our forward-looking information is based on key assumptions, and subject to the following risks and uncertainties:

Assumptions

- timing and completion of the Columbia acquisition including receipt of regulatory and Columbia stockholder approval
- planned monetization of our U.S. Northeast power assets and a minority interest in our Mexican natural gas pipeline business
- inflation rates, commodity prices and capacity prices
- timing of financing and hedging
- regulatory decisions and outcomes
- termination of the Alberta PPAs
- foreign exchange rates
- interest rates
- tax rates
- planned and unplanned outages and the use of our pipeline and energy assets
- integrity and reliability of our assets
- access to capital markets
- anticipated construction costs, schedules and completion dates
- acquisitions and divestitures.

Risks And Uncertainties

- length of time to complete the acquisition of Columbia
- our ability to realize the anticipated benefits of the acquisition of Columbia
- timing and execution of our planned asset sales
- our ability to successfully implement our strategic initiatives
- whether our strategic initiatives will yield the expected benefits
- the operating performance of our pipeline and energy assets
- amount of capacity sold and rates achieved in our pipelines businesses
- the availability and price of energy commodities
- the amount of capacity payments and revenues we receive from our energy business
- regulatory decisions and outcomes
- outcomes of legal proceedings, including arbitration and insurance claims
- performance and credit risk of our counterparties
- changes in the political environment
- changes in environmental and other laws and regulations
- competitive factors in the pipeline and energy sectors
- construction and completion of capital projects
- costs for labour, equipment and material
- access to capital markets
- interest, tax and foreign exchange rates
- weather
- cybersecurity
- technological developments
- economic conditions in North America as well as globally.

You can read more about these factors and others in reports we have filed with Canadian securities regulators and the U.S. Securities and Exchange Commission (SEC).

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.

Non-GAAP Measures

We use the following non-GAAP measures:

- funds generated from operations
- comparable earnings before interest, taxes, depreciation and amortization

These measures do not have any standardized meaning as prescribed by U.S. generally accepted accounting principles (GAAP) and, therefore, may not be similar to measures presented by other entities. For more information on reconciliations of non-GAAP measures to the most closely related GAAP measures, refer to TransCanada's 2015 Annual Report filed with Canadian securities regulators and the SEC and available at www.transcanada.com.