

FORTIS SUSTAINABILITY

2021 UPDATE





"We continued to take climate action in 2020 by establishing our carbon emissions reduction target and delivering a **15% reduction in direct emissions.**

Transitioning to renewables and building the grid we need for a low-carbon future is at the heart of our long-term strategy."

David G. Hutchens

President and CEO, Fortis Inc.





Fortis is an energy delivery company

serving 3.3 million customers in five Canadian provinces,
nine U.S. states and three Caribbean countries.

In this update, you'll find the latest sustainability key
performance indicators for Fortis and our operating utilities.

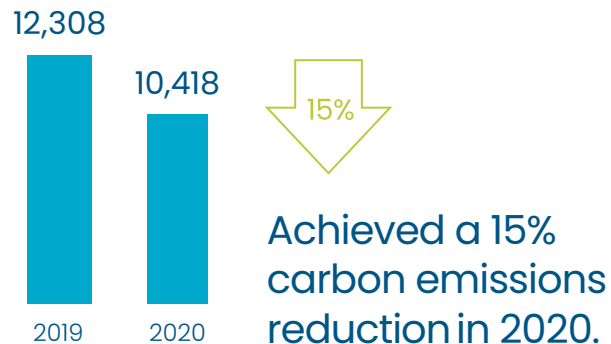
We produce a detailed report biennially with the next
report scheduled for release in 2022.

2020: A Year of Progress



Established a **carbon emissions reduction target of 75% by 2035** compared to 2019 levels.

Scope 1 Emissions (in ktonnes of CO₂e)



¹ Predominantly natural gas generation.

DELIVERING CLEANER ENERGY TO CUSTOMERS

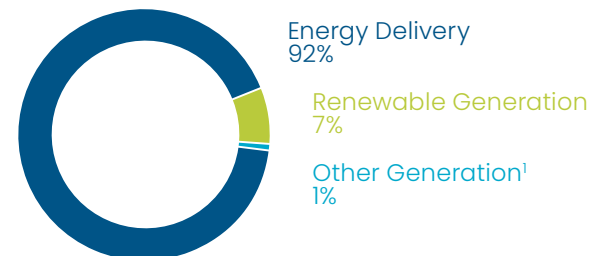
More than \$800 million of our 2020 capital expenditures was **focused on delivering cleaner energy** to customers.

Natural gas customer **energy efficiency savings increased by 23%** over the previous year. FortisBC's commitment to reduce customer emissions 30% by 2030 includes a significant focus on efficiency programs.

Coal generation decreased by 18% over the previous year and, by 2032, Fortis plans to have a coal-free generation mix.

By 2035, **99% of our assets** will be focused on energy delivery and renewable, carbon-free generation.

Projected 2035 Total Assets





Strengthened linkage between sustainability and executive compensation by adding a new measure to address carbon reduction and climate change.



Gender parity on the Fortis Board of Directors.¹



Best safety performance in our history and top quartile reliability performance relative to industry peers.



No reportable cybersecurity breaches since we began reporting this indicator in 2018.



The lowest number of gas leaks for every 1,000 customers since we started reporting this indicator in 2016, representing **top decile performance** relative to industry peers.

¹ Board members elected at 2021 Annual Meeting.

² TCFD supporter was previously referred to as TCFD signatory

Strengthening Our Commitment to the **Task Force on Climate-Related Financial Disclosures (“TCFD”)** Recommendations:

- ✓ Fortis has become a TCFD supporter.²
- ✓ Committed to fully implementing the TCFD recommendations.
- ✓ Climate scenario analysis ongoing to assess the resiliency of our energy delivery businesses with a progress update planned in 2022.

Furthering Our Alignment with **Sustainability Accounting Standards Board (“SASB”)** Standards:

- ✓ Added 50+ new key performance indicators to this sustainability update, including 14 that align with SASB standards.

Our Environment



Carbon emissions reduction target of 75% by 2035

compared to 2019 levels¹:

- Builds on our existing light emissions profile
- Aligns with the goals of the Paris Agreement and exceeds the pace of reduction outlined in the two-degree Celsius pathway.

A 15% reduction in Scope 1 carbon emissions in 2020 compared to 2019. This represents a 1.9 million tonne reduction, equating to removing more than 400,000 vehicles from the road in one year. This decrease is primarily attributable to the closure of the Navajo Coal Generating Facility at Tucson Electric Power ("TEP") in late 2019.

¹ Target is based on Scope 1 emissions.

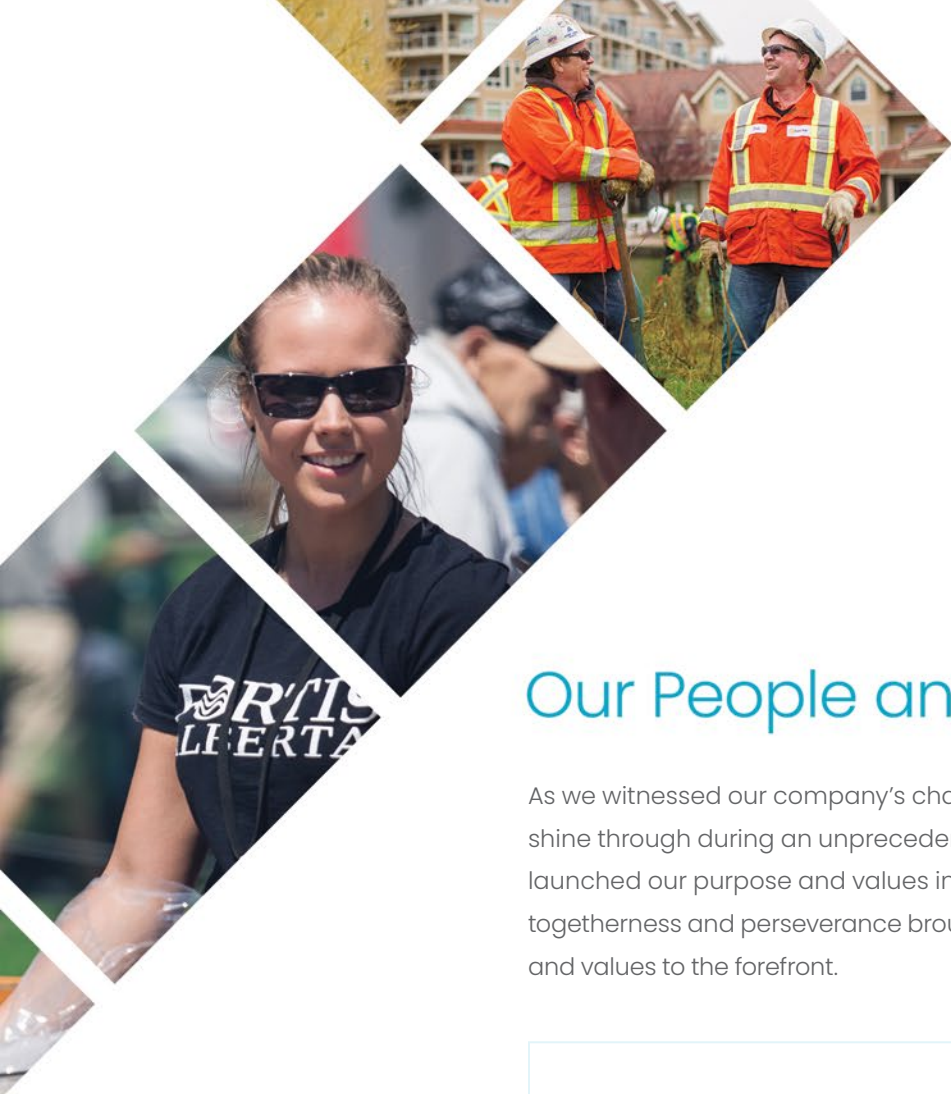
TEP, our most significant contributor to Scope 1 emissions, is making steady advances on its energy transition. Already in 2021, TEP brought its 250-megawatt ("MW") Oso Grande Wind project online in New Mexico. The utility also now receives power from a 100-MW solar power system and a 30-MW battery energy storage system that was commissioned in May 2021. With the addition of these two energy systems, TEP has the ability to produce more than 25% of its energy from renewable resources.



Oso Grande Wind project



The [Wataynikaneyap Power Project](#) is the largest First Nations majority-owned infrastructure project in Canada's history. Fortis brings a 39% equity interest and utility expertise as project manager to the partnership. The construction of an 1,800 kilometre transmission line will link 17 remote First Nations communities in Ontario to the grid for the first time, shifting reliance from diesel generation and reducing emissions by 6.6 million tonnes over a 40-year timeframe. The Wataynikaneyap Power Project is developing local workforce skills and delivering economic benefits to First Nations communities. An important outcome of the project is that it will help alleviate load growth restrictions, which currently hinders economic growth in the region. More than 950 transmission towers have been installed and the project is on track for completion in 2023.



Our People and Culture

As we witnessed our company's character and resilience shine through during an unprecedented year, we officially launched our purpose and values in 2020. This sense of togetherness and perseverance brought our Fortis purpose and values to the forefront.

Our teams worked together to create new ways of operating during the pandemic. Our employees demonstrate an unwavering commitment to work safely and deliver reliable electricity and natural gas to our 3.3 million customers.

COVID-19 Measures Taken At All Fortis Utilities:

- ✓ Employee Safety and Wellness Support
- ✓ Social Distancing and Safe Operating Practices
- ✓ Business Continuity Plans
- ✓ Crisis Communications Plans
- ✓ Increased Customer and Community Support
- ✓ Effective Supply Chain Management
- ✓ Emergency Operations Centres
- ✓ Incident Command Systems
- ✓ Cross-Functional Pandemic Response Teams
- ✓ COVID-19 Best Practice Sharing
- ✓ Robust IT Systems to allow Working-from-Home
- ✓ Continued Provision of Essential Services

PURPOSE

Delivering a cleaner energy future

VALUES



We never
compromise
on **safety**



We value
our **people**



We keep
it **local**



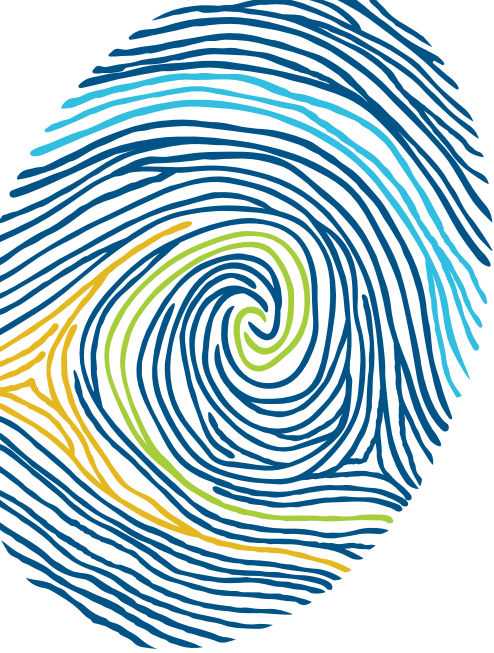
We act with
courage and
integrity



We are
community
champions



We aim for
excellence
every day



A Fortis for everyone

Meaningful Inclusion and Diversity Progress

We are committed to improving inclusion and diversity efforts at Fortis and addressing the pressing social issues in our communities. While we have made great strides, we recognize this is a journey. We are committed to measuring progress and continuing to better reflect the communities we serve.

Key Inclusion and Diversity Accomplishments:



A Fortis-wide council was established to guide our inclusion and diversity strategy and drive its implementation.



We signed the **BlackNorth Initiative** and joined others in efforts to end anti-Black systemic racism.



The Fortis Board of Directors achieved **gender parity**¹ and 60% of Fortis utilities have either a female CEO or Board Chair.

¹ Board members elected at 2021 Annual Meeting

Our Way of Doing Business

Fortis has a governance structure grounded in independence. Our local operating model values local decision-making and keeps Fortis utilities close to their customers and communities.



The Fortis Board of Directors delivers effective leadership and provides oversight of strategy, succession planning, risk management, sustainability and corporate governance.

We expanded our sustainability commitment at the board and executive level by:

- Revising the mandate and name of the Board's Governance and Sustainability Committee to better reflect our commitment to environmental and social issues.
- Adding performance measures to the executive annual incentive plan to address carbon reduction and climate change, resulting in an increase in the sustainability weighting for executive compensation.



Key Performance Indicators



Fortis reports sustainability key performance indicators annually and produces a comprehensive sustainability report every two years.

We are committed to strengthening our sustainability disclosures. The Greenhouse Gas (“GHG”) Protocol Corporate Accounting and Reporting Standards continue to guide GHG emissions reporting.

Fortis and our utilities follow rigorous internal assurance processes for the information contained within this sustainability report. Each subsidiary completes the necessary data checks with designated leaders assigned responsibility for their respective utilities. The data is then consolidated by the Fortis corporate sustainability team and select subject matter experts who complete further review and analysis and undertake internal quality control checks. Once all data is compiled, checked and the report drafted, a final review is conducted with input from our subsidiaries, the internal audit team and other groups engaged in disclosure review.

Additional information on Fortis disclosures can be found in our:

[Annual Report](#)

[Management Information Circular](#)

[Annual Information Form](#)

[Board and Committee Mandates](#)

[Fortis Policies](#)

Additional information is available at fortisinc.com/sustainability

The sustainability indicators listed on the following pages are dated as of December 31, 2020 except as otherwise noted. Please use this document for comparative purposes as historical data has been updated in some instances.

Operations Indicators



93% of total assets are associated with energy delivery and 99% are regulated.

	2020	2019	2018	2017	2016 ¹
Financial Indicators					
Assets					
Total Value of Assets (\$B)	55.5	53.4	53.1	47.8	47.9
Percentage of Total Assets that are regulated utility assets	99%	99%	97%	97%	97%
Percentage of Total Assets associated with Energy Delivery	93%	93%	93%	92%	91%
Percentage of Total Assets associated with Electricity Generation	7%	7%	7%	8%	9%
- Percentage of fossil-fuel generation	5%	5%	5%	*	*
- Percentage of renewable generation	2%	2%	2%	*	*
Capital Expenditures (\$B)					
Resiliency, Hardening and Modernization Capital	2.2	1.9	*	*	*
Cleaner Energy ² Capital	0.8	0.6	*	*	*
Customer Growth Capital	0.6	0.6	*	*	*
IT & Cybersecurity Capital	0.3	0.3	*	*	*
Other Capital	0.3	0.4	*	*	*
Total Annual Capital Expenditures (\$B)	4.2	3.8	3.2	3.0	2.1
Percentage of Capital Expenditures Related to Coal-Fired Electricity Generation	1.2%	1.1%	*	*	*
Percentage of Capital Expenditures Related to Natural Gas-Fired Electricity Generation <i>(New)</i>	2.2%	*	*	*	*
Percentage of Capital Expenditures Related to Renewable Generation <i>(New)</i>	14.7%	*	*	*	*
Percentage of Capital Expenditures Related to the Transmission, Storage and Distribution of Natural Gas	12.5%	11.8%	*	*	*
Other Financial Indicators					
Rate Base					
Percentage of Rate Base Related to Coal-Fired Electricity Generation	3.7%	4.7%	*	*	*
Percentage of Rate Base Related to Natural Gas-Fired Electricity Generation <i>(New)</i>	3.0%	*	*	*	*
Percentage of Rate Base Related to Renewable Generation <i>(New)</i>	1.9%	*	*	*	*
Percentage of Rate Base Related to the Transmission, Storage and Distribution of Natural Gas <i>(New)</i>	18.9%	*	*	*	*
Revenue					
Percentage of Revenue Related to Coal-Fired Electricity Generation	5.1%	5.7%	*	*	*
Percentage of Revenue Related to Natural Gas-Fired Electricity Generation <i>(New)</i>	7.7%	*	*	*	*
Percentage of Revenue Related to Renewable Generation <i>(New)</i>	1.7%	*	*	*	*
Percentage of Revenue Related to the Transmission, Storage and Distribution of Natural Gas <i>(New)</i>	19.6%	*	*	*	*
Percentage of Natural Gas Revenue protected by a Decoupled and/or a Lost Revenue Adjustment Mechanism <i>(New)</i>	90%	*	*	*	*
Percentage of Electricity Revenue protected by a Decoupled and/or a Lost Revenue Adjustment Mechanism ³ <i>(New)</i>	55%	*	*	*	*

Notes:

(New) in the table above identifies new key performance indicators added this year.

The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

(1) Data is provided from the date of acquisition of the following: Aitken Creek Gas Storage Facility (April 2016) and ITC (October 2016).

(2) Cleaner energy capital is defined as investments that reduce air emissions, water usage and/or increase customer energy efficiency.

(3) Includes revenue from short-term wholesale revenue at UNS Energy, which is protected by regulatory deferral mechanisms and therefore does not impact earnings.

	2020	2019	2018	2017	2016 ¹
Customer Information					
Number of electricity customers (in thousands)	2,054	2,036	2,022	2,002	1,986
- Percentage of Residential Customers	86.7%	86.5%	*	*	*
- Percentage of Commercial Customers	11.5%	12.4%	*	*	*
- Percentage of Industrial Customers	1%	1.1%	*	*	*
- Percentage of Other Customers ² (New)	0.8%	*	*	*	*
Electric Customer Satisfaction Score Range ³ (New)	77% - 98%	74% - 98%	*	*	*
Number of natural gas customers (in thousands)	1,291	1,281	1,268	1,244	1,227
- Percentage of Residential Customers	90.5%	90.4%	*	*	*
- Percentage of Commercial Customers	9.3%	9.4%	*	*	*
- Percentage of Industrial Customers	0.1%	0.2%	*	*	*
- Percentage of Other Customers ² (New)	0.1%	*	*	*	*
Natural Gas Customer Satisfaction Score Range ⁴ (New)	87% - 93%	87% - 93%	*	*	*
Total Customers (in thousands)	3,345	3,317	3,290	3,246	3,213
Electricity Transmission and Distribution ("T&D")					
Total Kilometres of Electricity T&D Lines	185,700	184,850	182,700	*	*
- Percentage of Distribution Lines	81%	81%	81%	*	*
- Percentage of Transmission Lines	19%	19%	19%	*	*
Natural Gas T&D					
Total Kilometres of Natural Gas T&D lines	57,000	56,850	56,850	*	*
- Percentage of Distribution Lines	94%	94%	94%	*	*
- Percentage of Transmission Lines	6%	6%	6%	*	*
Electricity Generation					
Electricity Generation Capacity (in MW)					
Coal	1,073	1,242	1,242	1,412	1,412
Oil	61	71	76	76	81
Diesel	380	375	374	375	375
Natural Gas	2,135	2,201	2,107	1,555	1,555
Hydropower	395	566	566	563	563
Solar	57	57	55	55	45
Total Electricity Generation Capacity (in MW)	4,101	4,512	4,420	4,036	4,031

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(1) Data is provided from the date of acquisition of the following: Aitken Creek Gas Storage Facility (April 2016) and ITC (October 2016).

(2) Includes wholesale customers.

(3) Excludes TEP's J.D. Power customer satisfaction score of 751 in 2020 and 731 in 2019.

(4) Excludes UNS Gas' J.D. Power customer satisfaction score of 729 in 2020 and 740 in 2019.



Renewable generation accounted for approximately 15% of capital expenditures

in 2020, driven by Tucson Electric Power's Oso Grande Wind Project, our largest renewable project to date.



Customer energy savings from efficiency and demand reduction programs increased 75% over the last five years.

	2020	2019	2018	2017	2016 ¹
Net Electricity Generated (in gigawatt hours ("GWh"))					
Coal	5,820	7,070	7,241	7,565	8,268
Oil	<1	<1	<1	2	2
Diesel	884	946	900	890	902
Natural Gas	8,590	8,660	7,572	3,897	3,919
Biofuel ²	0	12	25	24	28
Hydropower	2,288	2,186	2,930	2,882	2,617
Solar	112	102	108	109	82
Total (in GWh)	17,694	18,976	18,776	15,369	15,818
Electricity Purchased by Fortis and Resold for Customer Use³ (in GWh)					
Solar	951	921	845	781	722
Wind	1,163	1,180	1,201	1,214	1,136
Hydropower	9,166	9,640	9,578	9,451	8,804
Other renewables	232	258	247	251	166
Total renewables	11,512	11,999	11,871	11,697	10,828
Nuclear (<i>New</i>)	2,685	2,740	2,819	2,759	2,625
Other sources from the grid (<i>New</i>)	4,058	4,505	4,475	5,329	5,028
Total (in GWh)	18,255	19,244	19,165	19,785	18,481
Percentage of renewable electricity sold to customers	38.7%	37.4%	39.4%	41.9%	39.5%
Percentage of clean electricity sold to customers ⁴	46.2%	44.6%	46.8%	49.7%	47.2%
Energy Deliveries					
Total electricity delivered (in GWh)	218,517	226,062	224,902	216,746	90,868
Total electricity delivered (in petajoules ("PJ"))	787	814	810	780	327
Total natural gas delivered (in PJ)	302	315	287	290	263
Total energy delivered (in PJ)	1,089	1,129	1,097	1,070	590
Customer Energy Savings from Fortis Efficiency and Demand Reduction Programs					
Electricity savings in the year (in GWh)	388	380	359	329	344
Natural gas savings in the year (in terajoules)	1,165	951	697	630	541

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(2) UNS Energy had a landfill gas contract that expired in 2019.

(3) Mixed source purchases from the grid allocated based on estimated supplier energy mix and/or regional energy supply.

(4) Clean energy includes nuclear and renewable energy sources.

	2020	2019	2018	2017	2016 ¹
Energy Reliability					
Electricity Reliability Performance					
Electricity System Average Interruption Duration Index ("SAIDI") under normal operations (customer hours of interruption per customer served)	1.90	1.84	2.07	2.15	2.07
SAIDI during major events (customer hours of interruption per customer served)	2.82	2.30	2.03	1.73	0.61
Electricity System Average Interruption Frequency Index ("SAIFI") under normal operations (number of times that a customer experiences an outage) <i>(New)</i>	1.39	1.35	1.47	1.49	1.35
SAIFI during major events (number of times that a customer experiences an outage) <i>(New)</i>	0.38	0.20	0.54	0.42	0.29
Electricity Customer Average Interruption Duration Index ("CAIDI") under normal operations (amount of time in hours, required to restore service once an outage has occurred) <i>(New)</i>	1.37	1.36	1.41	1.44	1.53
CAIDI during major events (amount of time required in hours, to restore service once an outage has occurred) <i>(New)</i>	7.42	11.50	3.76	4.12	2.10
Transmission Service Reliability (number of forced outages per 100 miles of transmission lines)	0.68	0.52	0.55	0.55	0.54
Combined T&D electricity losses	4.4%	4.2%	4.2%	4.3%	4.1%
Natural Gas Reliability Performance					
Reportable Pipeline Incidents ² <i>(New)</i>	20	*	*	*	*
Corrective Action Orders <i>(New)</i>	0	*	*	*	*
Notice of Probable Violation ³ <i>(New)</i>	5	*	*	*	*
Gas Leaks per 1,000 customers (number of gas leaks for every 1,000 customers)	1.75	1.94	2.39	2.66	2.13
Combined T&D natural gas losses	0.65%	0.53%	0.95%	0.81%	0.73%
Percentage of Cast/Wrought Iron Pipeline in Service ⁴ <i>(New)</i>	0.5%	*	*	*	*
Percentage of Unprotected Steel Pipeline in Service ⁵ <i>(New)</i>	0.7%	*	*	*	*
Percentage of Transmission Pipelines Inspected <i>(New)</i>	100%	*	*	*	*
Percentage of Distribution Pipelines Inspected <i>(New)</i>	100%	*	*	*	*
Employee Safety					
All Injury Frequency Rate (number of injuries for every 200,000 hours worked)	1.09	1.45	1.45	1.38	1.67
Lost Work Day Case Rate (number of lost time injuries for every 200,000 hours worked)	0.42	0.66	0.48	0.53	0.64
Days Away, Restricted and Transfer Rate (number of lost time injuries including restricted work duties for every 200,000 hours worked)	0.65	0.85	0.68	0.78	0.72
Total Recordable Incident Rate (number of injuries including job transfers not requiring medical treatment for every 200,000 hours worked)	1.31	1.56	1.58	1.53	1.76
Work-related employee fatalities <i>(New)</i>	0	0	1	0	0
Percentage of Fortis utilities with extensive occupational health and safety management programs aligned with ISO 45001, OHSAS 18001 or equivalent	100%	100%	100%	100%	100%
Cybersecurity					
Number of reportable security breaches	0	0	0	*	*
Number of reportable information security breaches involving customers' personally identifiable information	0	0	0	*	*
Number of customers affected by company's data breaches	0	0	0	*	*
Total amount of fines/penalties paid in relation to information security breaches	0	0	0	*	*

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(1) Data is provided from the date of acquisition of the following: Aitken Creek Gas Storage Facility (April 2016) and ITC (October 2016).

(2) An incident is deemed reportable if it meets the reporting requirements specified by a regulator.

(3) Notification, from a regulator, that a pipeline operator is in probable violation of pipeline safety statutes or regulations.

(4) Includes bare and/or uncoated iron.

(5) Pipeline in service that is bare/uncoated steel.



100% of transmission and distribution pipelines are inspected to ensure reliable performance.

Environmental Indicators



A 15%
reduction
in carbon
emissions
in 2020,
marking progress on
our target to reduce
emissions 75% by 2035
compared to 2019 levels.

	2020	2019	2018	2017	2016 ¹
Greenhouse Gas (GHG) emissions					
Scope 1 emissions (in ktonnes of CO₂ equivalent)²					
From coal-fired electricity generation	5,865	7,224	7,425	7,621	8,323
From oil electricity generation	<1	<1	<1	4	5
From diesel electricity generation	589	626	598	585	597
From natural gas electricity generation	3,639	4,075	2,795	1,800	1,966
Total From Electricity Generation (in ktonnes of CO₂ equivalent)	10,093	11,925	10,818	10,010	10,891
From natural gas operations (combustion, flaring, venting)	134	154	127	142	97
From natural gas fugitive emissions	80	86	86	93	90
From owned vehicle emissions ³	52	51	51	51	42
From SF ₆ fugitive emissions ³	59	92	58	84	34
Total Scope 1 Emissions⁴ (in ktonnes of CO₂ equivalent)	10,418	12,308	11,140	10,380	11,154
Scope 2 emissions (in ktonnes of CO₂ equivalent)					
From electricity purchased from the grid, used in Fortis-owned or controlled equipment ^{5,5}	136	167	150	170	153
Scope 3 emissions (in ktonnes of CO₂ equivalent)					
Related to electricity used by customers that Fortis purchased from the grid	2,244	2,933	2,851	3,564	3,310
Related to electricity transmitted, delivered and consumed by Fortis companies under regulated tariffs ⁶	87,612	101,156	116,000	112,637	36,384
Related to natural gas transmitted and delivered under certain Fortis contracts ⁷ (<i>New</i>)	1,055	*	*	*	*
Related to natural gas used by customers ⁸	16,986	17,681	16,150	16,289	14,788
Other GHG Emissions (in ktonnes of CO₂ equivalent)					
Related to electricity purchased and resold to non-end users ⁹ (<i>New</i>)	243	*	*	*	*

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(1) Data is provided from the date of acquisition of the following: Aitken Creek Gas Storage Facility (April 2016); and ITC (October 2016)

(2) Scope 1 emissions from biofuel are not listed as they are negligible.

(3) 2016 is estimated as 2017 was first year for which data was collected.

(4) 94% of Scope 1 emissions are submitted to a regulatory agency. The remaining 6% is prepared with accordance to regulatory requirements but it is not required to be submitted.

(5) Excludes line losses from ITC and FortisAlberta. These utilities transmit and deliver electricity only and do not purchase or sell electricity.

(6) Reflects ITC and FortisAlberta. These utilities transmit and deliver electricity only and do not purchase or sell electricity.

(7) Reflects Central Hudson and UNS Energy. Emissions reflect customer combustion of the gas transmitted and delivered but not owned by the company.

(8) Assumes that natural gas was used in combustion by customers.

(9) Represents wholesale purchases and previously reported as Scope 3 emissions.



Since 2016, consistent year-over-year increases in **avoided emissions** related to:

- The use of liquified natural gas in marine bunkering; and
- The use of renewable natural gas in natural gas deliveries.

FortisBC has a goal to have **15% of its natural gas supply be renewable** by 2030. Two significant milestones were reached in 2020:

- ✓ 13 new agreements were finalized with renewable natural gas (“RNG”) suppliers
- ✓ Agreements to purchase RNG from suppliers in Alberta and Ontario were established and the first RNG delivery was received from a supplier based in Ontario.

	2020	2019	2018	2017	2016 ¹
Avoided emissions (in ktonnes of CO₂ equivalent)					
Avoided emissions from the use of biofuel in electricity generation recovered from landfill sites ²	0	7	16	12	15
Avoided emissions from the use of natural gas in transportation	36	37	45	48	36
Avoided emissions from the use of liquified natural gas in marine bunkering	39	34	17	9	*
Avoided emissions from the use of renewable natural gas in natural gas deliveries	13	11	9	8	7
Avoided emissions from electric vehicle chargers	0.25	0.19	*	*	*
Avoided emissions from replacement of leak-prone natural gas distribution pipe (New)	15	14	12	11	9
Avoided emissions from streetlight conversion programs (New)	19	*	*	*	*
Avoided emissions from Customer Demand Reduction and Energy Efficiency Programs	232	234	232	205	229
- From electricity related programs	171	185	196	173	201
- From natural gas related programs	61	49	36	32	28
GHG Intensity Factors					
Combined GHG intensity of energy delivered to customers (in ktonnes of CO ₂ equivalent per PJ)	9.69	11.05	10.29	9.86	19.17
Average GHG intensity of electricity generated by Fortis (in tonnes of CO ₂ equivalent per GWh) (New)	0.57	0.63	0.58	0.65	0.69
Other air emissions from electricity generation					
NO _x Emissions (in ktonnes)	18	20	*	*	*
SO ₂ Emissions (in ktonnes)	5	6	*	*	*
Mercury Emissions (in kilograms)	9	17	*	*	*
Particulate Matter Emissions (in ktonnes)	1	1	*	*	*
Water Used During Fossil Fuel Generation					
Groundwater withdrawn (in million cubic metres (m ³))	48	49	47	*	*
Surface water withdrawn (in million m ³)	5	6	6	*	*
Returned to source (in million m ³)	28	27	26	*	*
Water consumed in electricity generation, covering significant use (in million m ³)	25	28	27	21	23
Waste Management					
Total amount of hazardous waste manifested for disposal (in ktonnes)	0.44	0.42	*	*	*
Total amount of recycled hazardous waste (in ktonnes)	0.79	0.17	*	*	*
Environmental Compliance					
Number of spills or releases with an associated fine	0	0	1 ³	1 ⁴	0
Percentage of Fortis utilities with an emergency spill response plan	100%	100%	100%	100%	100%
Percentage of Fortis utilities with extensive environmental management programs aligned with ISO 14001	100%	100%	100%	100%	100%

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(1) Data is provided from the date of acquisition of the following: Aitken Creek Gas Storage Facility (April 2016) and ITC (October 2016).

(2) UNS Energy had a landfill gas contract that expired in 2019.

(3) In 2018, a heavy sheen condition developed while pre-trenching activities were taking place at a Central Hudson remediation site. There were no impacts to the local shoreline or downstream water intakes.

(4) In 2017, a transformer containing trace amounts of PCB developed a leak at FortisAlberta. The site was fully remediated and lessons learned were shared with Fortis utilities.

Governance & Policy Indicators

	2020	2019 ¹	2018	2017	2016
Fortis Inc. Board of Directors					
Percentage of Independent Directors	90%	83%	83%	83%	92%
Percentage of Female Directors	40%	42%	42%	33%	33%
Percentage of Directors with Disabilities <i>(New)</i>	0%	*	*	*	*
Percentage of Directors that are Veterans <i>(New)</i>	0%	*	*	*	*
Percentage of Board Directors with Sustainability Skills and Experience	50%	50%	50%	*	*
Percentage of Governance and Sustainability Committee Directors with Sustainability Skills and Experience	50%	57%	57%	*	*
Country of Residency					
Percentage of Directors that reside in Canada	50%	50%	*	*	*
Percentage of Directors that reside in U.S.	50%	50%	*	*	*
Ethnicity²					
Percentage of Directors with Caucasian Ethnicity	90%	91%	*	*	*
Percentage of Directors with Hispanic Ethnicity	10%	9%	*	*	*
Age					
Percentage of Directors under 60	30%	25%	*	*	*
Percentage of Directors 60-65	60%	50%	*	*	*
Percentage of Directors 66+	10%	25%	*	*	*
Boards of Fortis' Operating Utilities					
Percentage of Independent Directors	55%	57%	*	*	*
Percentage of Female Directors	32%	30%	31%	28%	25%
Percentage of Directors with Disabilities <i>(New)</i>	0%	*	*	*	*
Percentage of Directors that are Veterans <i>(New)</i>	6%	*	*	*	*
Percentage of Board Directors with Sustainability Skills and Experience	68%	57%	*	*	*
Country of Residency					
Percentage of Directors that reside in Canada	50%	51%	*	*	*
Percentage of Directors that reside in U.S.	33%	35%	*	*	*
Percentage of Directors that reside in Turks & Caicos Islands	4%	2%	*	*	*
Percentage of Directors that reside in Cayman Islands	10%	10%	*	*	*
Percentage of Directors that reside in Belize	3%	2%	*	*	*
Ethnicity²					
Percentage of Directors with Caucasian Ethnicity	80%	86%	*	*	*
Percentage of Directors with Black/African Ethnicity	13%	8%	*	*	*
Percentage of Directors with Hispanic Ethnicity	3%	3%	*	*	*
Percentage of Directors with Native American/Indigenous Ethnicity <i>(New)</i>	1%	-	*	*	*
Percentage of Directors with Asian or Pacific Islander Ethnicity <i>(New)</i>	1%	-	*	*	*
Percentage of Directors with two or more ethnicities	2%	3%	*	*	*
Age					
Percentage of Directors under 60	56%	52%	*	*	*
Percentage of Directors 60-65	31%	33%	*	*	*
Percentage of Directors 66+	13%	15%	*	*	*

Notes:

(New) in the table above identifies new key performance indicators added this year.

The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

(1) Metrics include Ida J. Goodreau as she served as a Board member for almost all of 2019 until she passed away in December 2019.

(2) Represents the ethnicity of those who opted to disclose.

	Anti-corruption	Code of Conduct	Inclusion & Diversity	Respectful Workplace	Whistleblower	Insider Trading	Political Engagement	Privacy
Fortis-wide policy frameworks	✓	✓	✓	✓	✓	✓	✓	✓
Policy review included in new employee orientation <i>(New)</i>	✓	✓	✓	✓	✓	TARGETED ¹	TARGETED ¹	TARGETED ¹
Policy review included in continuous employee training <i>(New)</i>	✓	✓	✓	✓	✓	TARGETED ¹	TARGETED ¹	TARGETED ¹

Memberships in and contributions to trade associations are reviewed annually to ensure no material misalignment with our corporate values and policies.

Employee & Social Indicators

	2020	2019	2018
Number and geographical location of employees			
Total number of employees	9,000	9,000	8,800
Percentage employed in Canada	53%	52%	52%
Percentage employed in Caribbean	5%	5%	5%
Percentage employed in U.S.	42%	43%	43%
Diversity			
Employee² diversity			
Percentage of male employees	69%	69%	69%
Percentage of female employees	31%	31%	31%
Percentage of employees that are minorities ³ (U.S. utilities only)	27%	27%	27%
Percentage of employees with disabilities ⁴ (U.S. utilities only)	4%	4%	4%
Percentage of employees that are veterans ⁵ (U.S. utilities only)	9%	10%	9%
Management⁶ diversity			
Percentage of male management	66%	66%	67%
Percentage of female management	34%	34%	33%
Percentage of management that are minorities ³ (U.S. utilities only)	15%	15%	14%
Percentage of management with disabilities ⁴ (U.S. utilities only)	4%	4%	4%
Percentage of management that are veterans ⁵ (U.S. utilities only)	5%	5%	4%

Notes:

(New) in the table above identifies new key performance indicators added this year.

The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

- (1) Policy not relevant to all employees. Policy review is included in orientation and continuous training for applicable/targeted employees.
- (2) An employee includes any individual who has a direct employment relationship with the company as of December 31 of the calendar year.
- (3) An employee is considered a minority if they represent other ethnic/race groups within a country/state/province that differ in ethnicity/race/origin from the dominant ethnic/race group.
- (4) An employee is considered to have a disability if they have long-term physical, mental, intellectual or sensory impairments that may limit or restrict their movements, activities, or participation in the workplace.
- (5) An employee is considered a veteran if they are a former member of the armed forces.
- (6) An employee is considered management if they hold the position of Manager or Director.



Approximately 60%
of job vacancies are
filled by existing
employees.

	2020	2019	2018
Executive¹ diversity			
Percentage of male executives	67%	69%	68%
Percentage of female executives	33%	31%	32%
Percentage of executive that are minorities ² (U.S. utilities only)	11%	5%	6%
Percentage of executive with disabilities ³ (U.S. utilities only)	0%	0%	0%
Percentage of executive that are veterans ⁴ (U.S. utilities only)	5%	5%	6%
Demographics			
Employees⁵			
Percentage of employees under 30	10%	11%	11%
Percentage of employees 30 – 50	56%	54%	53%
Percentage of employees over 50	34%	35%	36%
Average age of employees	44	44	*
Management⁶			
Percentage of employees under 30	5%	6%	6%
Percentage of employees 30 – 50	60%	57%	57%
Percentage of employees over 50	35%	37%	37%
Executives¹			
Percentage of executives 30 – 50	41%	45%	47%
Percentage of executives over 50	59%	55%	53%
Turnover, retention and retirement			
Annual voluntary full-time employee turnover ⁷ (as % of total full-time workforce)	2%	3%	3%
Annual involuntary full-time employee turnover ⁸ (as % of total full-time workforce)	1%	1%	1%
Annual retirement rate (as % of total full-time workforce)	2%	2%	3%
Average years of employment for full-time employees	12.0 years	12.0 years	12.3 years
Percentage of full-time employees eligible to retire as of end of year (<i>New</i>)	3.0%	3.1%	3.4%
Percentage of full-time employees eligible to retire in 5 years	9.4%	9.3%	9.9%
Percentage of full-time employees eligible to retire in 10 years	19.6%	19.8%	20.9%

Notes:

(New) in the table above identifies new key performance indicators added this year.

The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

(1) An employee is considered executive if they hold the position of Vice President, Executive Vice President or President/CEO

(2) An employee is considered a minority if they represent other ethnic/race groups within a country/state/province that differ in ethnicity/race/origin from the dominant ethnic/race group.

(3) An employee is considered to have a disability if they have long-term physical, mental, intellectual or sensory impairments that may limit or restrict their movements, activities, or participation in the workplace.

(4) An employee is considered a veteran if they are a former member of the armed forces.

(5) An employee includes any individual who has a direct employment relationship with the company as of end of the calendar year.

(6) An employee is considered management if they hold the position of Manager or Director.

(7) Voluntary turnover includes an employee who leaves the company voluntarily (e.g., willingly chooses to resign their position), but excludes seasonal temporary employment.

(8) Involuntary turnover includes an employee who leaves the company involuntarily (e.g., a position is terminated, an employee is dismissed or an employee dies).

	2020	2019	2018
Hiring			
Percentage of job vacancies filled by existing employees	59%	55%	57%
Percentage of job vacancies filled by new employees	41%	45%	43%
Percentage of job vacancies filled by males	67%	64%	69%
Percentage of job vacancies filled by females	33%	36%	31%
Percentage of job vacancies filled by minorities ² (U.S. utilities only)	27%	27%	22%
Percentage of job vacancies filled by persons with disabilities ³ (U.S. utilities only)	3%	2%	3%
Percentage of job vacancies filled by veterans ⁴ (U.S. utilities only)	8%	8%	8%
Employee Training			
Total employee training spend (\$M) <i>(New)</i>	\$15.3	\$18.3	*
Total spend per employee <i>(New)</i>	\$1,704	\$2,039	*
Total employee training hours <i>(New)</i>	157,715	185,163	*
Total hours per employee <i>(New)</i>	19 hours	22 hours	*
Annual Performance Appraisals			
Percentage of full-time employees ¹ that received an annual performance appraisal <i>(New)</i>	71%	74%	*
Benefits⁵			
Percentage of full-time employees that are eligible to receive Disability Coverage ⁶	98.1%	98.1%	98.0%
Percentage of full-time employees that are eligible to receive Employee and Family Assistance	100%	100%	100%
Percentage of full-time employees that are eligible to participate in an Employee Stock Purchase Plan	99.6%	99.6%	99.6%
Percentage of full-time employees that are eligible to receive Health Care Benefits ⁵	100%	100%	100%
Percentage of full-time employees that are eligible to receive Life Insurance ⁶	100%	100%	100%
Percentage of full-time employees that are eligible to participate in a Retirement Savings Plan	97.9%	97.8%	97.7%
Percentage of full-time employees that are eligible to receive Wellness-related Perquisites ⁷	100%	100%	100%
Percentage of full-time employees that are eligible to receive paid sick leave <i>(New)</i>	100%	100%	100%
Labour Management Relations			
Total number of work stoppages	0	0	0
Annual grievance resolution rate without the use of arbitration <i>(New)</i>	95.5%	88.8%	87.5%
Freedom of Association			
Percentage of total workforce - unionized	52%	52%	53%
Remuneration			
Percentage of employees whose basic salary is above the local minimum wage	100%	100%	100%
Median employee total annual compensation <i>(New)</i>	\$136,349	*	*
CEO-to-median pay ratio <i>(New)</i>	74.5	*	*



100% of employees are eligible to receive paid sick leave.

Notes:

(New) in the table above identifies new key performance indicators added this year.

The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

(1) Unless otherwise noted, an employee includes any individual who has a direct employment relationship with the company as of end of the calendar year.

(2) An employee is considered a minority if they represent other ethnic/race groups within a country/state/province that differ in ethnicity/race/origin from the dominant ethnic/race group.

(3) An employee is considered to have a disability if they have long-term physical, mental, intellectual or sensory impairments that may limit or restrict their movements, activities, or participation in the workplace.

(4) An employee is considered a veteran if they are a former member of the armed forces.

(5) The eligibility to receive these benefits may be dependant on completing a probation period, as applicable.

(6) Employee eligibility may be impacted by insurance coverage terms (e.g., age or health of an employee).

(7) Wellness-related perquisites include family leave, personal days-off, flexible working hours and location, and/or fitness/gym financial support.



Community investment
of more than
**\$15 million in
2020.**

	2020	2019	2018
Economic Value Distributed (\$M)			
Costs paid for Energy Supply	2,562	2,520	2,495
Costs paid for Fleet, Materials and Services to top 10 suppliers at each utility	1,240	1,233	*
Costs paid for Finance Charges	1,042	1,035	974
Total amount paid to Shareholders in Dividends	900	793	731
Total amount paid in Employee Compensation	1,454	1,352	*
Total amount paid in Employee Payroll Taxes	388	368	*
Total amount paid in Property Taxes	417	376	*
Total amount paid in Carbon Taxes	305	267	*
Total amount paid in Excise/Sales Taxes	315	323	*
Other taxes paid	29	18	*
Community Donations (\$M)			
Arts & Culture	0.6	1.2	*
Biodiversity	0.7	0.7	*
Education	2.1	3.0	*
Environment & Safety	0.9	2.9	*
Health & Wellness	1.1	1.6	*
Small Businesses	0.7	0.4	*
Social Development	3.4	2.1	*
COVID-19 Support <i>(New)</i>	5.0	0.0	*
Other	0.5	0.4	*
	15.0	12.3	13.0⁽¹⁾

Notes:

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The asterisks (***) in the table above indicate metrics added in recent years and historical data is not available.

(1) 2019 was the first year to breakdown community donations by category.



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Forward-Looking Information

Fortis includes forward-looking information in this sustainability report within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as “forward-looking information”). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: the 2035 carbon emissions reduction target and projected asset mix; FortisBC’s 2030 GHG emission target; and the nature, timing and benefits of the Wataynikaneyap Transmission Power Project.

Forward looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation: no material impact from the COVID-19 pandemic; reasonable outcomes for regulatory proceedings

and the expectation of regulatory stability; no material capital project or financing cost overruns; sufficient human resources to deliver service and execute the capital expenditure plan; no significant variability in interest rates; and no significant changes in government energy plans, environmental laws and regulations that could have a material negative impact. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this report. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information is referenced in Canadian dollars.



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