

Fortis Sustainability

Edison Electric Institute

ESG/Sustainability Reporting Template

December 2022



Fortis

One strong company throughout North America

9,100 employees

\$9.4 billion
2021 Revenue

\$64 billion
in total assets
as at September 30, 2022

3.4 million
utility customers

49 consecutive years
of dividend payment increases

TSX/NYSE: FTS



Fortis – An Energy Delivery Company

Fortis is a well-diversified leader in the North American regulated electric and gas utility industry. The Corporation's employees serve utility customers in five Canadian provinces, nine U.S. states and three Caribbean countries. Fortis has three distinct characteristics:

1. *Focused on energy delivery:* 93% of assets are associated with the delivery of electricity and natural gas
2. *Regulatory and geographic diversity:* Fortis is virtually 100% regulated and operates in 17 jurisdictions
3. *Local utility leadership:* Fortis utilities have local leadership teams with the authority and independent to deliver what's most important in their communities



Sustainability Governance

The Fortis Inc. Board of Directors is responsible for the stewardship of Fortis on behalf of shareholders and other stakeholders. The Board ensures effective leadership and provides oversight for strategy, succession

planning, leadership, diversity, risk management, sustainability, and corporate governance.

All 13 Fortis directors are independent except for President and CEO David Hutchens. Fortis has an independent Board Chair and the roles of the Chair and CEO are separate.

All three board committees are independent:



The Governance and Sustainability Committee assists the Board in overseeing governance practices as well as sustainability commitments.

The Fortis Inc. Board of Directors has diversity, equity and inclusion commitments established to ensure the Corporation:

- Maintains a board where at least 40% of independent directors are women; and,
- has at least two board members identify as a visible minority or Indigenous person by 2023.

As of the 2022 Annual Meeting, 54% of board members are women and two board members identify as visible minorities.

Fortis is a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD") and is committed to fully implementing the TCFD recommendations. In 2022, the Corporation released its first [TCFD and Climate Assessment](#), which aligns with the four pillars of the TCFD framework and includes an analysis of four climate-related scenarios to identify risks and opportunities. Climate-related risks are included in the

Fortis enterprise risk management process and integrated into annual strategy planning with oversight of the board.

Fortis is fully aligned with applicable Sustainability Accounting Standards Board (SASB) standards. The Global Reporting Initiative (GRI) Standards also guide reporting and GHG emissions are presented in accordance with GHG Protocol Corporate Accounting and Reporting Standards.

Cybersecurity at Fortis

Our Cybersecurity Risk Management Program ("CRMP") aims to continually improve information and security. Fortis has an enterprise-wide cyber risk management plan that allows for the identification, measurement, monitoring and management of cybersecurity risks. The Governance and Sustainability Committee of the Fortis Board of Directors is responsible for oversight of cybersecurity and receives a report on cybersecurity and technology at each regularly scheduled meeting.

Oversight of cybersecurity is the responsibility of the respective boards and executive committees at each Fortis utility. Implementation of our cybersecurity strategy and CRMP is the responsibility of dedicated executives.

Sustainability Strategy

Fortis has established a 2050 net-zero direct GHG emissions goal, which builds on the following interim targets (2019 base year):

- Reduce GHG emissions 50% by 2030
- Reduce GHG emissions 75% by 2035

There is a clear path in place to achieve both interim targets without the use of carbon offsets. From 2019-2021, a 20% GHG emissions reduction has been achieved.

Fortis utilities are also focused on adding more renewable energy, with renewable electricity generation capacity increasing by approximately 50% in 2021 compared to 2020. The Fortis 2023-2027 five-year \$22.3 billion capital plan includes \$5.9 billion for cleaner energy investments focused on delivering renewables to the grid, adding renewable energy and storage and cleaner natural gas solutions.

By 2035, 99% of Fortis assets are expected to be focused on energy delivery and renewable, carbon-free generation.

Details on additional cleaner energy commitments established at Fortis utilities can be found on page 8 in our [2022 Sustainability Report](#).

For the first time, Fortis disclosed comprehensive diversity data on employees, including executives, across the group of companies in our [2022 Sustainability Report](#). A better understanding of our workforce diversity will inform objective-setting and more expansive disclosure of DEI indicators.

Index of Links

- [Fortis 2022 Sustainability Report](#)
- [Fortis 2022 TCFD and Climate Assessment](#)
- [Fortis 2022 Management Information Circular](#)
- [Fortis Sustainability Web Page](#)
- [Fortis Investor Relations Web Page](#)
- [Fortis Board Mandate and Policies](#)
- Fortis utility EEI Sustainability Reporting Templates: [Central Hudson](#); [UNS Energy](#); [Tucson Electric Power](#)

Fortis Utilities

- [ITC Holdings Corp.](#)
- [UNS Energy](#)
- [Central Hudson](#)
- [FortisBC](#)
- [FortisAlberta](#)
- [FortisOntario](#)
- [Newfoundland Power](#)
- [Maritime Electric](#)
- [Caribbean Utilities](#)
- [FortisTCI](#)

Forward-Looking Information

Fortis includes forward-looking information in this presentation 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 2050 net-zero GHG emissions target; the 2035 GHG emissions reduction target and the projected asset mix, including the expectation of carbon-free generation; the 2030 GHG emissions reduction target; FortisBC's 2030 GHG emissions reduction target with respect to emissions from natural gas and 2030 renewable gas goal; targeted carbon emission reductions and renewable power goals associated with Tucson Electric Power's Integrated Resource Plan; Maritime Electric's 2030 GHG emissions reduction target; the expected support of Caribbean Utilities Company and FortisTCI with local government emissions reduction and renewable energy goals; and forecast capital expenditures for 2023-2027, including cleaner energy investments.

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 volatility in energy prices, the global supply chain or rising inflation; reasonable regulatory decisions and the expectation of regulatory stability; the successful execution of the Corporation's capital plan; no material capital project or financing cost overruns; sufficient human resources to deliver service and execute the Corporation's capital plan; and no significant variability in interest rates. 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 presentation. 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 in Canadian dollars.

Electric Company ESG/Sustainability Quantitative Information

Parent Company:

Fortis Inc.

Operating Company(s):

Caribbean Utilities Company, Central Hudson Gas & Electric, FortisAlberta, FortisBC, FortisBelize, FortisOntario, FortisTCI, ITC Holdings Corp. Maritime Electric, Newfoundland Power, and UNS Energy

Business Type(s):

Electric transmission, distribution, and generation

State(s) of Operation:

Canada, the United States, and Caribbean. Specifically Fortis utilities operate in the following U.S. states: Arizona, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, New York, and Oklahoma

State(s) with RPS Programs:

Arizona and New York

Regulatory Environment:

Both Regulated and Unregulated - 99% of Total Assets are regulated utility assets

Report Date:

July 2022

Ref. No.		Last Year	Current Year	Comments, Links, Additional Information, and Notes
		2020	2021	
Portfolio				
1	Owned Nameplate Generation Capacity at end of year (MW)	4,101	4,352	Owned generation capacity provided as nominal capacity, rather than nameplate capacity for consistency with financial reporting and the sustainability report.
1.1	Coal	1,073	1,073	
1.2	Natural Gas	2,135	2,135	
1.3	Nuclear			
1.4	Petroleum	441	441	
1.5	Total Renewable Energy Resources	452	703	
1.5.1	Biomass/Biogas			
1.5.2	Geothermal			
1.5.3	Hydroelectric	395	395	
1.5.4	Solar	57	58	
1.5.5	Wind		250	
1.6	Other			
2.i	Owned Net Generation for the data year (MWh)	17,694,000	17,520,000	
2.1.i	Coal	5,820,000	5,341,000	
2.2.i	Natural Gas	8,590,000	8,324,000	
2.3.i	Nuclear			
2.4.i	Petroleum	884,000	942,000	
2.5.i	Total Renewable Energy Resources	2,400,000	2,913,000	
2.5.1.i	Biomass/Biogas			
2.5.2.i	Geothermal			
2.5.3.i	Hydroelectric	2,288,000	2,239,000	
2.5.4.i	Solar	112,000	101,000	
2.5.5.i	Wind		573,000	
2.6.i	Other			
2.ii	Purchased Net Generation for the data year (MWh)	18,255,000	18,831,000	
2.1.ii	Coal			
2.2.ii	Natural Gas			
2.3.ii	Nuclear	2,685,000	2,539,000	
2.4.ii	Petroleum			
2.5.ii	Total Renewable Energy Resources	11,512,000	11,940,000	
2.5.1.ii	Biomass/Biogas	200,000	174,000	
2.5.2.ii	Geothermal	32,000	23,000	
2.5.3.ii	Hydroelectric	9,166,000	9,457,000	
2.5.4.ii	Solar	951,000	1,164,000	
2.5.5.ii	Wind	1,163,000	1,122,000	
2.6.ii	Other	4,058,000	4,352,000	
3	Capital Expenditures and Energy Efficiency (EE)			This spending includes total operating and capital expenditure spending on energy efficiency customers programs. Historical data is not available
3.1	Total Annual Capital Expenditures (nominal dollars)	CAD\$4.2B	CAD\$3.6B	
3.2	Incremental Annual Electricity Savings from EE Measures (MWh)	388,000	309,000	
3.3	Incremental Annual Investment in Electric EE Programs (nominal dollars)	Not Available	\$158,578,000	
4a	Retail Electric Customer Count (at end of year)	2,054,000	2,074,000	
4.1	Commercial	244,426	244,732	
4.2	Industrial	12,324	10,370	
4.3	Residential	1,780,818	1,800,232	
4b	Other Customers (wholesale)	16,432	18,666	

Ref. No.		Last Year	Current Year	Comments, Links, Additional Information, and Notes
		2020	2021	
Emissions				
5	GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)			
5.1	Owned Generation			
5.1.1	Carbon Dioxide Equivalent (CO2e)			
5.1.2.1	Total Owned Generation CO2e Emissions (MT)	10,093,000	9,417,000	
5.1.2.2	Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	0.540	0.538	
5.3	Owned Generation + Purchased Power			
5.3.1	Carbon Dioxide (CO2)			
5.3.2	Carbon Dioxide Equivalent (CO2e)			
5.3.2.1	Total Owned + Purchased Generation CO2e Emissions	12,569,000	11,701,000	
5.3.2.2	Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	0.350	0.322	
5.4	Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6)			
5.4.1	Total CO2e emissions of SF6 (MT)	59,000	45,000	
5.4.2	Leak rate of CO2e emissions of SF6 (MT/Net MWh)			
6	Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)			
6.1	Generation basis for calculation	Total		
6.2	Nitrogen Oxide (NOx)			
6.2.1	Total NOx Emissions (MT)	18,000	18,000	
6.2.2	Total NOx Emissions Intensity (MT/Net MWh)	0.001	0.001	
6.3	Sulfur Dioxide (SO2)			
6.3.1	Total SO2 Emissions (MT)	5,000	4,000	
6.3.2	Total SO2 Emissions Intensity (MT/Net MWh)	0.0003	0.0002	
6.4	Mercury (Hg)			
6.4.1	Total Hg Emissions (kg)	9	8	
6.4.2	Total Hg Emissions Intensity (kg/Net MWh)	0.000001	0.0000004	
Resources				
7	Human Resources			
7.1	Total Number of Employees	9,000	9,100	
7.2	Percentage of Women in Total Workforce	31%	31%	
7.3	Percentage of Minorities in Total Workforce	27%	28%	Note: This represents our U.S. utilities only. U.S. employees comprise 42% of total employees
7.4	Total Number on Board of Directors/Trustees	10	12	
7.5	Percentage of Women on Board of Directors/Trustees	40%	50%	Note: Additional information on the composition of the boards of Fortis subsidiaries (rather than the Fortis Inc. Board of Directors shown here) can be found on page 38 of the Fortis 2022 Sustainability Report (https://www.fortisinc.com/docs/default-source/environment-reports/2022-sustainability-report.pdf?sfvrsn=f2b07598_6)
7.6	Percentage of Minorities on Board of Directors/Trustees	10%	8%	
7.7	Employee Safety Metrics			
7.7.1	Recordable Incident Rate	1.31	1.47	
7.7.2	Lost-time Case Rate	0.42	0.55	
7.7.3	Days Away, Restricted, and Transfer (DART) Rate	0.65	0.86	
7.7.4	Work-related Fatalities	0	0	
9	Waste Products			
9.1	Amount of Hazardous Waste Manifested for Disposal (Metric Tons)	440	230	
9.2	Percent of Coal Combustion Products Beneficially Used	3%	2%	

Goal Applicability	Baseline Year	Target Year	Greenhouse Gas Reduction Goal Description (Short)	Source (URL)
Fortis, Inc. (Parent Company)	2019	2050	Achieve net-zero direct greenhouse gas emissions target by 2050.	https://www.fortisinc.com/docs/default-source/default-document-library/q1-2022-pr-mda-and-fs-final.pdf?sfvrsn=d1727598_0
Fortis, Inc. (Parent Company)	2019	2030	Corporate-wide Scope 1 carbon emissions reduction target of 50% by 2030 compared to 2019 levels.	Fortis Inc. 2022 Sustainability Report, page 8
Fortis, Inc. (Parent Company)	2019	2035	Corporate-wide Scope 1 carbon emissions reduction target of 75% by 2035 compared to 2019 levels.	https://www.fortisinc.com/docs/default-source/environment-reports/fts-nr-five-year-plan-final.pdf?sfvrsn=2f587498_2
FortisBC (Operating Company)	2007	2030	Reduce customers' GHG emissions (FortisBC Scope 3) from natural gas by 30% by 2030 compared to 2007 levels.	https://www.fortisbc.com/about-us/climate-leadership/rethinking-bc-low-carbon-future
Tucson Electric Power (Operating Company)	2005	2035	Reduce Scope 1 carbon dioxide emissions from fossil fuel generation by 80% compared to 2005 levels by 2035.	https://www.tep.com/resource-planning/
Maritime Electric (Operating Company)	2019	2030	Reduce GHG emissions 55% by 2030	https://www.maritimeelectric.com/about-us/media-releases/maritime-electric-releases-first-sustainability-report/

Notes

1. Additional information on the emissions goals listed above, including how they will be achieved, can be found in the qualitative section.
2. Information on the type of emissions (e.g., carbon, methane, CO₂e, etc.) and which scope(s) of emissions apply — based on the WRI GHG Reporting Protocol, TCR Reporting Protocol(s), or other acceptable reporting procedures — should be included in the goal description. Emissions reported in the Quantitative section are not based on a Scope 1, 2 or 3 methodology.
3. Goal Applicability refers to the entity to which the goal applies (e.g., parent company, operating company, electric or gas utility, etc.).

Goal Applicability	Baseline Year	Target Year	Clean Energy Goal Description (Short)	Source (URL)
FortisBC (Operating Company)	NA	2030	Target to have 15% renewable gas in its system by 2030.	https://www.fortisbc.com/news-events/media-centre-details/2021/11/08/new-projects-boost-renewable-natural-gas-supply-for-fortisbc
Tucson Electric Power (Operating Company)	NA	2035	Expansion of clean energy resources that will provide 70% renewable power by 2035.	https://roadtorenewables.ky/
Caribbean Utilities Company (Operating Company)	NA	2037	Caribbean Utilities Company is committed to support local government's target of 70% renewable energy by 2037	https://www.cuc-cayman.com/renewables/integrated-resource-plan-irp/
FortisTCl (Operating Company)	NA	2040	The Turks and Caicos Islands has developed a Resilient National Energy Transition Strategy that has a goal of 33% renewable energy of total electricity generation production by 2040, which FortisTCl is committed to support.	https://www.fortistci.com/renewable-energy