



Fortis Sustainability

2023 UPDATE REPORT

About Fortis

OUR COMPANY

Fortis is a North American leader in energy delivery with regulated utilities in Canada, the U.S., and the Caribbean.

Our business model values local utility leadership, keeping Fortis utilities close to the customers and communities they serve.

Our utilities share best practices to power innovation and create value for their customers, our shareholders and the planet.

Fortis' commitment to sustainable growth has resulted in 49 consecutive years of dividend increases.

TSX/NYSE: FTS

"The cornerstone of our sustainability strategy is to make the energy we deliver to customers cleaner and more efficient, while maintaining safety, reliability, and affordability."



David G. Hutchens
President & CEO
Fortis Inc.

OUR PURPOSE

Delivering a cleaner energy future

OUR 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** everyday

OUR OPERATIONS

9,200 employees

3.4 million electricity and natural gas customers

Operations in **18 jurisdictions** in Canada, the U.S. and the Caribbean

93% transmission and distribution assets

243,710 kms of transmission and distribution lines

\$22.3 billion 2023–2027 Capital Plan

including **\$5.9 billion** in cleaner energy investments

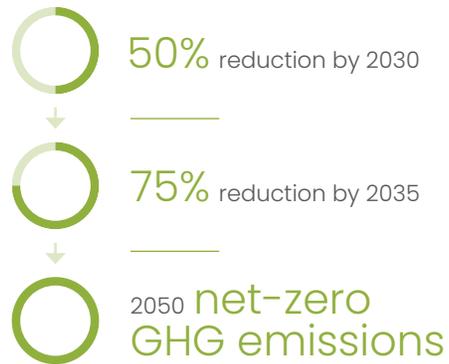
\$64 billion in total assets as at June 30, 2023

Delivering Value, Sustainably

Our Achievements

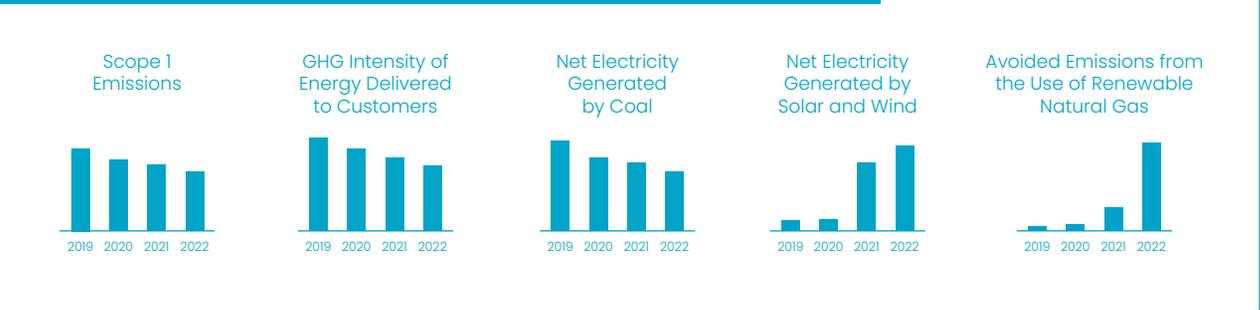
29% GHG emissions reduction since 2019

marking significant progress towards our direct GHG emission targets:



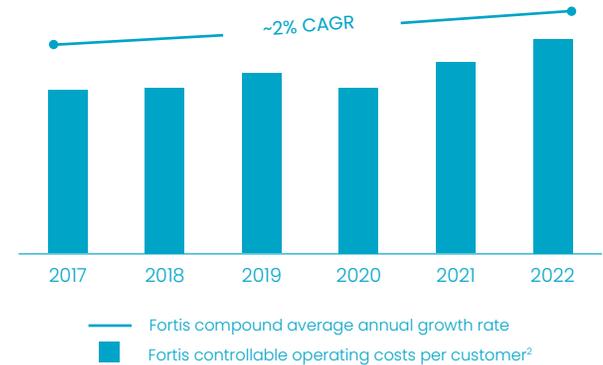
We are more than halfway toward our 50% by 2030 target.

Executing our strategy to reduce direct GHG emissions and increase renewables¹



Managing controllable operating costs below inflation

Customer affordability remains a top priority, particularly in light of commodity price pressures. Fortis utilities are focusing on controlling costs, looking for efficiencies and using new and innovative ways to keep operating expenses stable.



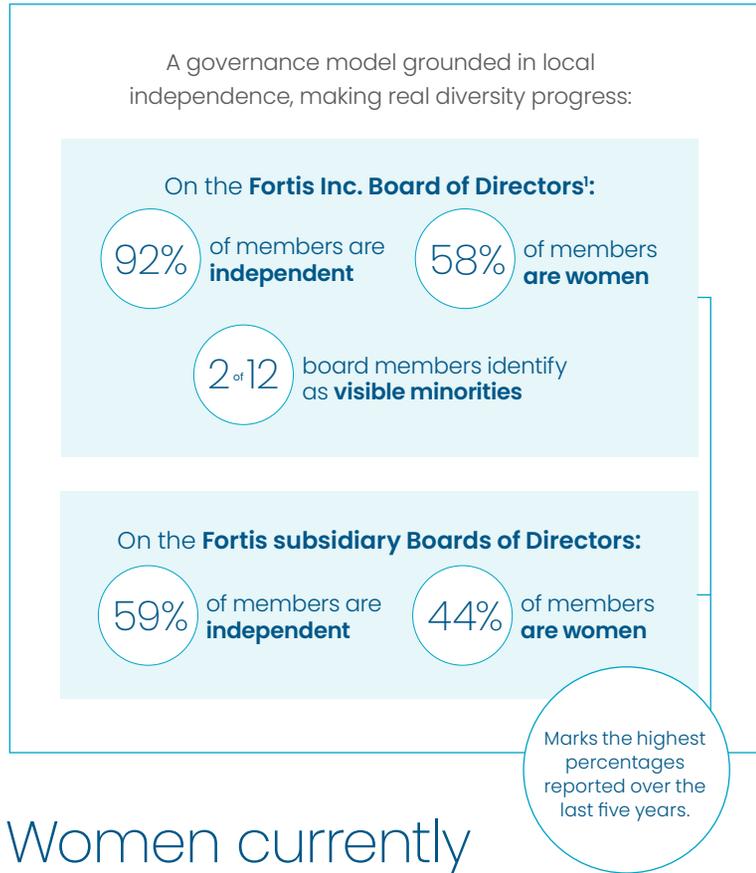
(1) These graphs use different scales. Data reflected in charts is included in the KPIs.

(2) Controllable operating cost per customer is a financial measure used by management to evaluate operating efficiency. May not be comparable with measures used by other entities and excludes costs that are considered largely outside of management's control (e.g., purchased power, generation fuel expense).



Delivering Value, Sustainably

Our Achievements



Women currently represent 50% of the Fortis Inc. executive leadership team

(1) As of the Fortis Annual meeting held on May 4, 2023

(2) Scope 3 emissions is incorporated by measuring the amount of annual GHG emissions reduced through renewable and low carbon gas displacing conventional natural gas volumes.

RECENT PROGRESS:

Tucson Electric Power **retired another 170 MW of coal-fired generation** in 2022.

In 2022, our utilities reported the **lowest recordable injury rate ever** and we had top quartile electricity reliability performance under normal operations when compared to similar utility companies.

Solar electricity generation capacity **increased 21%** year-over-year.

Total electricity delivered to customers hit an **all-time high of 229,319 GWh** in 2022.

Sustainability performance linked to executive compensation:

ESG leadership and safety performance weightings **increased to 15%** each and a new DEI measure was added to our long-term incentive plan.

ESG materiality assessment was completed.

Internal processes were enhanced to strengthen our review of KPIs, including **further integration between sustainability and financial reporting.**

Scope 1 and 2 emissions and select Fortis Inc. board diversity metrics received **third-party limited assurance.**

Fortis amended its existing \$1.3 billion credit facility to include a **sustainability-linked loan (SLL)** structure based on achieving targets related to Scope 1 emissions reductions and select board diversity metrics.

FortisBC established a SLL credit facility, making it the first Canadian natural gas utility to incorporate Scope 3 emissions into a SLL credit facility⁽²⁾ and also marking the first time in Canada that a target was set based on Indigenous involvement in projects.

Work is underway to:

- Build on the [2022 Fortis TCFD and Climate Assessment](#) to provide more information on TCFD recommended disclosures.
- Better assess and expand our inventory of Scope 3 emissions, focusing on material Scope 3 categories.

ESG Materiality Assessment

What environmental, social and governance areas are most relevant to our business and our stakeholders?

The answer to this question informs our sustainability strategy and ensures we focus on the right areas now and in the future.

Fortis completed a materiality assessment to better understand the ESG areas that matter most to our stakeholders and where we can have the most significant positive social and environmental impact.

The materiality assessment was conducted in alignment with the GRI and SASB reporting frameworks.

The Process:

A double materiality approach was used, whereby ESG areas were assessed in terms of having the most significant:

- Impact on the value of Fortis
- Impact of our activities on society and the environment

We selected 19 material ESG areas to evaluate based on peer benchmarking, industry standards and ratings. To evaluate material ESG areas, input was collected through interviews with Fortis Inc. board members and executives, Fortis utility leaders and shareholders.

Individuals provided their perspective on which topics are most important, how they may evolve and how we are currently managing them.

The ESG materiality assessment validated our priorities and moving forward, the findings will help guide our decisions and strategy.

Key Findings (listed in alphabetical order):

Areas that can have the most financial impact on Fortis	Areas Fortis is managing well	Areas where Fortis can have the highest positive impact	Areas increasing in importance
<ul style="list-style-type: none"> ◦ Cybersecurity ◦ Emissions and net-zero ◦ Energy access and affordability ◦ Energy reliability and resilience ◦ Energy transition ◦ Health, safety and wellbeing 	<ul style="list-style-type: none"> ◦ DEI ◦ Emissions and net-zero ◦ Energy system reliability and resilience ◦ ESG governance and oversight ◦ Health, safety and wellbeing ◦ Indigenous relations ◦ Transparency 	<ul style="list-style-type: none"> ◦ Community engagement and development ◦ Emissions and net-zero ◦ Energy transition ◦ Energy access and affordability ◦ Indigenous relations 	<ul style="list-style-type: none"> ◦ Biodiversity and land use ◦ Cybersecurity ◦ Energy access and affordability ◦ Energy system reliability and resilience ◦ Responsible supply chain ◦ Water and resources use

Looking Ahead

Our Sustainability Strategy

Our environmental strategy will continue to focus on:

- Delivering on our GHG emissions reduction targets.
- Ensuring our infrastructure is strong and resilient to withstand the impacts of a changing climate.
- Finding more opportunities to increase operational efficiency, create energy efficiency partnerships with customers and create new and innovative solutions for our industry.

Our social priorities:

- We consistently emphasize a strong safety performance and encourage overall employee well-being and health.
- We continue to learn to be good partners and build relationships with Indigenous Peoples.
- We focus on attracting and retaining the best talent.
- We prioritize hiring, developing and retaining a diverse workforce.

Governance, accountability, and transparency:

The Fortis governance model will remain grounded in local leadership teams and decision-making. Sustainability strategy and progress will continue to be overseen by the Governance and Sustainability Committee of the Fortis board of directors and utility boards of directors.

SPOTLIGHT FortisBC

At FortisBC, more than 2,600 employees deliver safe and affordable natural gas and electricity to 1.2 million customers. The majority of FortisBC's customer base are natural gas customers.

Transitioning to a lower carbon future at FortisBC includes:

- Making significant investments in low and zero carbon vehicles and infrastructure.
- Lowering GHG emissions by positioning B.C. as a substantial domestic and international LNG provider to displace more carbon intensive fuels.
- Investing to help customers reduce GHG emissions and lower their bills. Energy efficiency investments tripled between 2019 and 2022.
- Displacing conventional natural gas with renewable and low-carbon gas¹ to lower customers' GHG emissions.

FortisBC has a short-term objective to reduce customers' GHG emissions by at least 30% by 2030² and the utility plans to increase RNG supply so that at least 15% of natural gas consumption comes from renewable and low-carbon gas by 2030.

The utility is progressive and innovative as it delivers more low-carbon energy through its system while making a positive contribution to BC's climate action goals.

FortisBC 2022 accomplishments:

- Avoided 31,100 tCO₂e GHG emissions by using natural gas for transportation.
- Avoided 43,400 tCO₂e GHG emissions by using LNG in marine bunkering.
- Avoided 213,500 tCO₂e GHG emissions by using RNG.
- Signed an agreement with the Musqueam Indian Band to share the benefits associated with the Tilbury LNG expansion projects.
- Entered into a pilot project to produce low-carbon hydrogen. FortisBC continues to partner with local universities to study how to blend hydrogen, safely and reliably, with natural gas.
- At maximum contracted volume, FortisBC RNG suppliers could deliver just over 5% of the total natural gas in the utility's system.
- Helped customers avoid approximately 776,000 tCO₂e, the equivalent to removing almost 238,000 gasoline-powered cars³ from the road for a year.

(1) FortisBC uses the term renewable and low-carbon gas to refer collectively to the low-carbon gases or fuels that the utility can acquire under the Greenhouse Gas Reduction (Clean Energy) Regulation, which are: RNG or biomethane, hydrogen, synthesis gas (from wood waste) and lignin.

(2) Compared to 2007 levels.

(3) Based on Natural Resources Canada estimate of 3.26 Metric Tons of CO₂e per vehicle per year.

Reporting Framework

We report in accordance with industry-specific SASB standards and the GRI.

We present GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standards. Fortis reports sustainability KPIs annually and produces a comprehensive sustainability report every two years.

[2023 SASB Cross Reference](#)

[2022 GRI Cross Reference](#)

[2023 EEI ESG / Sustainability Reporting Template](#)

[2022 TCFD and Climate Assessment Report](#)

Additional resources are available on [our website](#).

New This Year: Continued Implementation of TCFD Recommendations

Fortis supports the Task Force for Climate-Related Financial Disclosures (TCFD) and issued a [TCFD and Climate Assessment Report](#) that includes analysis of four climate-related scenarios that identify relevant risks and opportunities.

Work is underway to provide more information on TCFD recommended disclosures and we plan to issue a new TCFD Report in 2024. This new report will build upon existing work and will include climate adaptation efforts taking place at Fortis utilities.

The report will also further align with the four TCFD pillars: governance, strategy, risk management and metrics and targets.

By following SASB Standards, implementing TCFD Recommendations and strengthening the integration between financial and sustainability reporting, Fortis is taking steps to prepare for additional climate-related reporting standards and requirements, including those recently released by ISSB and those under consideration by Canadian and U.S. securities regulators.

Data Assurance and Report Review

We continually improve how we track, measure, govern, control and report our sustainability KPIs.

New This Year: Third-Party Limited Assurance of Scope 1 and 2 emissions and board diversity metrics

2022 Scope 1 and 2 reported emissions data and select Fortis Inc. board diversity metrics were assured at a limited level by a third party, EY.

The Independent Practitioner's Assurance Reports can be found on our [website](#).

KPIs marked by  on the following pages have been assured to a limited level.

New This Year: Further enhancement of internal controls over sustainability KPI reporting

This past year, Fortis took steps to further strengthen the connection between sustainability and financial reporting and expanded our internal controls and review processes to be further aligned with financial reporting practices.

Advocacy and Political Engagement

We believe it is important to participate in the public policy process. We advocate for our customers, employees, investors and the communities we serve. This engagement helps ensure informed and balanced public policy discussions. We also support the democratic process and we contribute to political parties, candidates and other political entities, as permitted by law. Our [Political Engagement Policy](#) governs our political activities, which is overseen by our Board of Directors' Governance and Sustainability Committee.

More information is available on our [website](#), including the latest information on political contributions and trade association involvement.

Key Performance Indicators

The sustainability KPIs included in this document are dated as of December 31, 2022, except as otherwise noted. Please use this document for comparative purposes as historical data has been updated in some instances.

Unless otherwise specified, all financial information is referenced in Canadian dollars and based on the average U.S. dollar-to-Canadian dollar foreign exchange rates each year. Variances in financial indicators year-over-year may be impacted by changes in foreign exchange rates.

This update report was published on August 2, 2023.

Operations Indicators

	2022	2021	2020	2019	2018
Financial Indicators					
Assets¹					
Total Value of Assets (\$B)	64.3	57.7	55.5	53.4	53.1
Percentage of Total Assets that are regulated utility assets	99%	99%	99%	99%	97%
Percentage of Total Assets dedicated to Energy Delivery	93%	93%	93%	93%	93%
Percentage of Total Assets dedicated to Electricity Generation	7%	7%	7%	7%	7%
-Percentage of fossil-fuel generation	5%	5%	5%	5%	5%
-Percentage of renewable generation	2%	2%	2%	2%	2%
Revenue					
Percentage of Revenue Related to Coal-Fired Electricity Generation ²	4.1%	5.1%	5.7%	6.6%	*
Percentage of Revenue Related to Natural Gas-Fired Electricity Generation	4.4%	4.1%	3.7%	*	*
Percentage of Revenue Related to Diesel/Oil Generation	2.1%	1.9%	1.9%	*	*
Percentage of Revenue Related to Renewable Generation	2.7%	2.5%	2.3%	*	*
Percentage of Revenue Related to Transmission, Storage and Distribution of Natural Gas	23.7%	22.1%	19.4%	*	*
Percentage of Revenue Related to Transmission, Storage and Distribution of Electricity	59.4%	59.5%	62.5%	*	*
Percentage of Revenue Related to Other	3.6%	4.8%	4.5%	*	*
Percentage of Natural Gas Revenue protected by regulatory mechanisms ³	95.8%	95.3%	92.7%	*	*
Percentage of Electricity Revenue protected by regulatory mechanisms ³	62.7%	61.7%	61.1%	*	*
Rate Base					
Percentage of Midyear Rate Base Related to Coal-Fired Electricity Generation	3.3%	3.6%	3.9%	4.5%	*
Percentage of Midyear Rate Base Related to Natural Gas-Fired Electricity Generation	2.7%	2.8%	2.8%	*	*
Percentage of Midyear Rate Base Related to Diesel/Oil Generation	2.0%	2.1%	2.3%	*	*
Percentage of Midyear Rate Base Related to Renewable Generation	3.0%	2.5%	1.9%	*	*
Percentage of Midyear Rate Base Related to Transmission, Storage and Distribution of Natural Gas	17.8%	18.9%	18.9%	*	*
Percentage of Midyear Rate Base Related to Transmission, Storage and Distribution of Electricity	66.7%	66.8%	67.0%	*	*
Percentage of Midyear Rate Base Related to Other	4.5%	3.3%	3.2%	*	*

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

(1) Based on the U.S. dollar-to-Canadian dollar exchange rate as of December 31st each year.

(2) Revenue allocated based on current year rate base and operating costs in the year.

(3) Includes revenue that is protected by regulatory mechanisms or a regulatory construct, whereby annual revenue requirements are fixed and are not materially impacted by variations in sales, as well as flow-through impacts that do not impact earnings.

	2022	2021	2020	2019	2018
Capital Expenditures (\$B)					
Resiliency & Modernization	2.1	1.8	2.2	1.9	*
Cleaner Energy ²	0.6	0.6	0.8	0.6	*
Customer Growth	0.7	0.6	0.6	0.6	*
IT & Cybersecurity	0.3	0.3	0.3	0.3	*
Other ³	0.3	0.3	0.3	0.4	*
Total Annual Capital Expenditures (\$B)	4.0	3.6	4.2	3.8	3.2
Percentage of Capital Expenditures Related to Coal-Fired Electricity Generation	1.0%	1.4%	1.2%	1.1%	*
Percentage of Capital Expenditures Related to Natural Gas-Fired Electricity Generation	1.3%	2.0%	2.2%	*	*
Percentage of Capital Expenditures Related to Diesel/Oil Generation	2.0% ⁴	1.2%	0.8%	*	*
Percentage of Capital Expenditures Related to Renewable Generation	1.4%	2.7%	12.8%	*	*
Percentage of Capital Expenditures Related to Transmission, Storage and Distribution of Natural Gas	15.8%	14.3%	12.5%	11.8%	*
Percentage of Capital Expenditures Related to Transmission, Storage and Distribution of Electricity	63.9%	61.6%	54.8%	*	*
Percentage of Capital Expenditures Related to Other ³	14.6%	16.8%	15.7%	*	*
Electricity Transmission and Distribution ("T&D")					
Total Kilometres of Electricity T&D Lines	185,010	185,200	185,700	184,850	182,700
- Percentage of Distribution Lines	82%	81%	81%	81%	81%
- Percentage of Transmission Lines	18%	19%	19%	19%	19%
Natural Gas T&D					
Total Kilometres of Natural Gas T&D Lines	58,700	58,000	57,000	56,850	56,850
- Percentage of Distribution Lines	99%	99%	99%	99%	99%
- Percentage of Transmission Lines	1%	1%	1%	1%	1%
Electricity Generation					
Electricity Generation Capacity (in MW)					
Coal ⁵	903	1,073	1,073	1,242	1,242
Diesel/Oil	408	441	441	446	450
Natural Gas	2,133	2,135	2,135	2,201	2,107
Hydropower	395	395	395	566	566
Solar	70	58	57	57	55
Wind	250	250	0	0	0
Total Electricity Generation Capacity (in MW)	4,159	4,352	4,101	4,512	4,420
Net Electricity Generated (in GWh)					
Coal	4,665	5,341	5,820	7,070	7,241
Diesel/Oil	979	942	884	946	900
Natural Gas	7,191	8,324	8,590	8,660	7,572
Biofuel ⁶	0	0	0	12	25
Hydropower	2,292	2,239	2,288	2,186	2,930
Solar	115	101	112	102	108
Wind	727	573	0	0	0
Total (in GWh)	15,969	17,520	17,694	18,976	18,776

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

(1) Capital expenditures represent a non-US GAAP financial measure. Refer to the "Non-US GAAP Financial Measures" section of the Corporation's 2022 Management Discussion and Analysis for the Non-US GAAP reconciliation for 2022 and 2021.

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

(3) Includes facilities, equipment, vehicles, and information technology assets

(4) Year-over-year change driven by increased capital expenditures at our Caribbean utilities.

(5) San Juan Generating Station Unit 1 ("San Juan") was retired in June 2022. TEP held a 50% ownership interest in San Juan Unit 1 with a total nominal capacity of 170 MW.

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

	2022	2021	2020	2019	2018
Electricity Purchased by Fortis and Resold for Customer Use¹ (in GWh)					
Solar	1,349	1,164	951	921	845
Wind	1,382	1,122	1,163	1,180	1,201
Hydropower	9,699	9,457	9,166	9,640	9,578
Other renewables	215	197	232	258	247
Total renewables (in GWh)	12,645	11,940	11,512	11,999	11,871
Nuclear	2,710	2,539	2,685	2,740	2,819
Other sources from the grid	5,491	4,352	4,058	4,505	4,475
Total (in GWh)	20,846	18,831	18,255	19,244	19,165
Percentage of electricity sold to customers from renewable sources	42.9%	40.9%	38.7%	37.4%	39.4%
Percentage of electricity sold to customers from clean sources ²	50.2%	47.8%	46.2%	44.6%	46.8%
Energy Deliveries					
Total electricity delivered (in GWh)	229,319	221,139	218,517	226,062	224,902
Total electricity delivered (in petajoules ("PJ"))	826	796	787	814	810
Total natural gas delivered (in PJ)	331	338	306	319	292
Total energy delivered (in PJ)	1,157	1,134	1,093	1,133	1,102
Percentage of net electricity generated relative to total electricity deliveries	6.89%	7.86%	8.04%	8.32%	8.27%
Customer Information					
Number of electricity customers (in thousands)	2,097	2,074	2,054	2,036	2,022
- Percentage of Residential Customers	86.7%	86.8%	86.7%	86.5%	*
- Percentage of Commercial Customers	11.9%	11.8%	11.9%	12.9%	*
- Percentage of Industrial Customers	0.5%	0.5%	0.6%	0.6%	*
- Percentage of Other Customers ³	0.9%	0.9%	0.8%	*	*
Typical average monthly electricity bill for residential customers for 500 kWh of electricity delivered per month ⁴					
- U.S. (US\$)	97.21	82.00	*	*	*
- Canada (CAD\$)	119.04	104.90	*	*	*
- Caribbean (US\$)	217.12	152.33	*	*	*
Electric Customer Satisfaction Score					
- U.S.-Central Hudson ⁵	67%	85%	*	*	*
- U.S.-TEP ⁶	735	749	751	731	*
- Canada	79%-95%	80%-96%	*	*	*
- Caribbean	74%-83%	74%-83%	*	*	*

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

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

(2) Clean electricity includes nuclear and renewable energy sources.

(3) Includes wholesale customers.

(4) Reflects the all-in customer rate, including the cost of commodities which accounted for a significant portion of the increase in 2022 as compared to 2021. Fortis utilities are focused on controlling costs to keep operating costs stable, to minimize the impact of inflation on customer rates. See page 2 of this report for further detail on managing controllable operating costs.

(5) Central Hudson customer satisfaction scores in 2022 were negatively impacted by customer billing issues.

(6) Reflects J.D. Power customer satisfaction score, which are not provided as percentages.

	2022	2021	2020	2019	2018
Number of natural gas customers (in thousands)	1,323	1,310	1,297	1,281	1,268
- Percentage of Residential Customers	90.6%	90.6%	90.5%	90.4%	*
- Percentage of Commercial Customers	9.2%	9.2%	9.2%	9.4%	*
- Percentage of Industrial Customers	0.1%	0.1%	0.1%	0.2%	*
- Percentage of Other Customers ¹	0.1%	0.1%	0.2%	*	*
Natural Gas Customer Satisfaction Score					
- U.S.-Central Hudson ²	67%	85%	*	*	*
- U.S.-TEP ³	760	757	729	740	*
- Canada	86%	87%	*	*	*
Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year ⁴ :					
- U.S. (US\$)	58.22	51.29	*	*	*
- Canada (CAD\$)	59.11	48.63	*	*	*
Customer Energy Savings from Fortis Efficiency and Demand Reduction Programs					
Total spending on energy efficiency customers programs ⁵ (\$thousands)	164,784	158,578	*	*	*
New annual electricity program savings (in GWh)	343	310	390	382	359
New annual natural gas program savings (in terajoules)	1,288	1,261	1,165	951	697
Electricity Consumed in Operations⁶					
Solar (New)	145	*	*	*	*
Wind (New)	1,140	*	*	*	*
Hydropower (New)	713	*	*	*	*
Other renewables (New)	137	*	*	*	*
		Total renewables (in GWh)	2,135	*	*
Nuclear (New)	1,666	*	*	*	*
Other sources from the grid (New)	6,205	*	*	*	*
		Total electricity consumed in operations (in GWh)⁷	10,006	8,821	*
Energy Reliability					
Electricity Reliability Performance					
Electricity System Average Interruption Duration Index ("SAIDI") under normal operations (customer hours of interruption per customer served)	2.02	2.28	1.90	1.84	2.07
SAIDI during major events (customer hours of interruption per customer served) ⁸	8.77	1.70	2.82	2.30	2.03
Electricity System Average Interruption Frequency Index ("SAIFI") under normal operations (number of times that a customer experiences an outage)	1.32	1.37	1.39	1.35	1.47
SAIFI during major events (number of times that a customer experiences an outage)	0.41	0.35	0.38	0.20	0.54
Electricity Customer Average Interruption Duration Index ("CAIDI") under normal operations (amount of time required, in hours, to restore service once an outage has occurred)	1.53	1.66	1.37	1.36	1.41
CAIDI during major events (amount of time required, in hours, to restore service once an outage has occurred) ⁸	21.39	4.86	7.42	11.50	3.76
Transmission Service Reliability (number of forced outages per 100 miles of transmission lines)	0.52	0.47	0.68	0.52	0.55
Combined T&D electricity losses	4.2%	4.2%	4.4%	4.2%	4.2%

(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 or historical data is not available.

(1) Includes wholesale customers.

(2) Central Hudson customer satisfaction scores in 2022 were negatively impacted by customer billing issues.

(3) Reflects J.D. Power customer satisfaction score, which are not provided as percentages.

(4) Reflects the all-in customer rate, including the cost of commodities which accounted for a significant portion of the increase in 2022 as compared to 2021. Fortis utilities are focused on controlling costs to keep operating costs stable, to minimize the

impact of inflation on customer rates. See page 2 of this report for further detail on managing controllable operating costs.

(5) Includes operating and capital expenditures

(6) Mixed source electricity consumption from the grid estimated on supplier energy mix and/or regional energy supply

(7) Includes line losses at ITC Holdings Corp.

(8) A major event is an event that exceeds the reasonable design and/or operational limits of the electric power system.

SAIDI and CAIDI performance during major events in 2022 was negatively impacted by Hurricane Fiona at Maritime Electric.

	2022	2021	2020	2019	2018
Natural Gas Reliability Performance					
Reportable Pipeline Incidents ¹	12	17	20	*	*
Corrective Action Orders	1	0	0	*	*
Notice of Probable Violation ²	12	4	5	*	*
Gas Leaks per 1,000 customers (number of gas leaks for every 1,000 customers)	1.60	1.50	1.75	1.94	2.39
Combined T&D natural gas losses	0.74%	0.92%	0.65%	0.53%	0.95%
Percentage of Cast/Wrought Iron Pipeline in Service ³	0.1%	0.5%	0.5%	*	*
Percentage of Unprotected Steel Pipeline in Service ⁴	0.2%	0.7%	0.7%	*	*
Percentage of Transmission Pipelines Inspected ⁵	100%	100%	100%	*	*
Percentage of Distribution Lines Inspected ⁵	100%	100%	100%	*	*
Employee Safety					
All Injury Frequency Rate (number of injuries for every 200,000 hours worked)	1.02	1.40	1.09	1.45	1.45
Near Miss Frequency Rate (number of reported near misses for every 200,000 hours worked) ⁶	5.9	5.8	*	*	*
Lost Work Day Case Rate (number of lost time injuries for every 200,000 hours worked)	0.50	0.55	0.42	0.66	0.48
Days Away, Restricted and Transfer Rate (number of lost time injuries including restricted work duties for every 200,000 hours worked)	0.70	0.86	0.65	0.85	0.68
Recordable Incident Rate (number of injuries including job transfers not requiring medical treatment for every 200,000 hours worked)	1.05	1.47	1.31	1.56	1.58
Work-related Fatalities ⁷	1	0	0	0	1
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%
Contractor Safety					
Core Contractor Lost Time Injury and Fatalities Rate (number of reported injuries and fatalities for every 200,000 hours worked) ⁸	0.64	0.15	*	*	*
Cybersecurity					
Number of reportable security breaches	0	0	0	0	0
Number of reportable information security breaches involving customers' personally identifiable information	0	0	0	0	0
Number of customers affected by company's data breaches	0	0	0	0	0
Total amount of fines/penalties paid in relation to information security breaches	0	0	0	0	0

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

- (1) An incident is deemed reportable if it meets the reporting requirements specified by a regulator. The severity of an incident is established based on the Pipeline and Hazardous Materials Safety Administrations (PHMSA) definition 191.3. Based on the PHMSA definition all incidents reported in 2020, 2021 and 2022 are considered "minor" in nature.
- (2) Notices of probable violation include notable incidents such as those that affected a significant number of customers, created extended disruptions to service, or resulted in serious injury or death. None of the 12 notices of probable violation in 2022 were found to affect a significant number of customers, created extended disruptions to service or resulted in serious injury or death.
- (3) Includes bare and/or uncoated iron

- (4) Pipeline in service that is bare/uncoated steel
- (5) Percentage inspected in accordance with regulatory and inspection program requirements
- (6) A near miss is defined as an unplanned incident in which no property or environmental damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift.
- (7) An employee fatality was experienced in 2022 due to a tragic accident at a hydroelectric facility at Fortis Belize.
- (8) Excludes Fortis Belize and Central Hudson. Core contractors are contractors utilized in providing services associated with Fortis' core business functions such as capital construction, equipment maintenance and vegetation management.

Environmental Indicators

The following GHG inventory is presented in accordance with the World Resources Institute Greenhouse Gas Protocol Corporate Accounting and Reporting Standards. The GHG inventory is consolidated using the financial control approach across all utility operations. Where applicable, Fortis utilities reference GHG data that is used to satisfy regulatory reporting requirements for this inventory. When regulatorily submitted data is not available, Fortis utilities employ the best available activity and emission factor data to calculate relevant emissions,

including regional emissions data, direct third-party emissions data, and governmental reports. The GHG inventory data preparation and validation takes place at the subsidiary level by subject matter experts. In addition, the data is also reviewed by Fortis subject matter experts and internal audit teams. Fortis utilities are: Caribbean Utilities Co., Central Hudson, FortisAlberta, FortisBC, Fortis Belize, FortisOntario, FortisTCI, ITC Holdings Corp., Maritime Electric, Newfoundland Power and UNS Energy.

	2022	2021	2020	2019	2018
Greenhouse Gas (GHG) emissions¹					
Scope 1 emissions (in ktonnes of CO₂ equivalent)²					
From coal electricity generation	4,658	5,406	5,865	7,224	7,425
From diesel/oil electricity generation	651	639	589	626	598
From natural gas electricity generation	3,027	3,372	3,639	4,075	2,795
Total From Electricity Generation	8,336	9,417	10,093	11,925	10,818
From natural gas operations (combustion, flaring, venting)	156	141	134	154	127
From natural gas fugitive emissions	175	86	80	86	86
From owned vehicle emissions	50	53	52	51	51
From SF ₆ fugitive emissions	31	45	59	92	58
Total Scope 1 Emissions	8,748 ✓	9,742	10,418	12,308³ ✓	11,140
Scope 2 emissions (in ktonnes of CO₂ equivalent)					
From electricity purchased from the grid, used in Fortis-owned or controlled equipment ^{4,5}	179 ✓	158	173	173	182
Scope 3 emissions (in ktonnes of CO₂ equivalent)					
Related to electricity used by customers that Fortis purchased from the grid	2,133	1,984	2,233	2,929	2,836
Related to electricity transmitted and delivered under certain regulated tariffs ⁶	88,355	78,284	85,395	97,470	98,527
Related to natural gas transmitted and delivered under certain Fortis contracts ⁷	5,573	6,184	5,462	*	*
Related to natural gas used by customers ⁸	11,709	11,634	10,583	17,955	16,441
Other GHG Emissions (in ktonnes of CO₂ equivalent)					
Related to electricity purchased and resold to non-end users ⁹	320	300	243	*	*
Avoided emissions (in ktonnes of CO₂ equivalent)					
Avoided emissions from the use of natural gas in transportation	31	43	36	37	45
Avoided emissions from the use of liquified natural gas in marine bunkering	43	39	39	34	17
Avoided emissions from the use of renewable natural gas in natural gas deliveries	214	57	19	11	9
Avoided emissions from replacement of leak-prone natural gas distribution piping	5	2	3	0.2	3
Avoided emissions from streetlight conversion programs	19	19	19	*	*
Avoided emissions from Customer Demand Reduction and Energy Efficiency Programs	192	178	226	231	229
-From electricity related programs in the year	127	113	165	182	193
-From natural gas related programs in the year	65	65	61	49	36

The ✓ identifies facts and figures for which EY provided a limited level of assurance.

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

- (1) GHG Emissions stated as CO₂-equivalent using 100-year time horizon global warming potentials (GWPs) per the IPCC Fourth Assessment Report (AR4). In certain instances, Fortis is required to obtain emissions information from third parties which may utilize GWPs from IPCCs Fifth Assessment Report (AR5). The impact of utilizing AR5 GWPs is considered immaterial to this inventory.
- (2) Excludes immaterial emissions sources (<1% of Total Scope 1 inventory).
- (3) For Fortis Scope 1 targets (see page 2 for more information), 2019 was selected as the baseline year. This year was selected as the baseline for Fortis Scope 1 targets because 2019 represented the most current and complete inventory available, and therefore was the strongest set of data to benchmark Fortis progress. Fortis has not restated the 2019 baseline year since its original publication in the 2020 Fortis Sustainability Report.

(4) Fortis utilities currently utilize a market-based methodology per the GHG Protocol for Scope 2 inventory accounting.

Fortis is evaluating expanding the Scope 2 inventory accounting to include the location-based methodology for inclusion in future sustainability reporting.

- (5) Excludes line losses from ITC Holdings Corp. and FortisAlberta. These utilities transmit and deliver electricity only and do not purchase or sell electricity.
- (6) Reflects ITC Holdings Corp. and FortisAlberta. These utilities transmit and deliver energy only and do not purchase or sell the energy.
- (7) Reflects customer combustion of the gas that is transmitted and delivered. This natural gas is not owned by Fortis utilities.
- (8) Emissions reflect customer combustion of the gas transmitted and delivered by Fortis utilities.
- (9) Represents emissions associated with purchases for wholesale resale. Prior to 2020, these emissions were reported as Scope 3 emissions.

	2022	2021	2020	2019	2018
GHG Intensity Factors					
Combined GHG intensity of energy delivered to customers (in ktonnes of CO ₂ equivalent per PJ)	7.72	8.73	9.69	11.02	10.27
Average GHG intensity of electricity generated by Fortis (in ktonnes of CO ₂ equivalent per GWh)	0.52	0.54	0.57	0.63	0.58
Other air emissions from electricity generation					
NO _x Emissions (in ktonnes)	17	18	18	20	*
SO ₂ Emissions (in ktonnes)	4	4	5	6	*
Mercury Emissions (in kilograms)	6	8	9	17	*
Particulate Matter Emissions (in ktonnes)	1	1	1	1	*
Water Used During Fossil Fuel Generation					
Groundwater withdrawn (in million cubic metres ("m ³ "))	44	45	48	49	47
Surface water withdrawn (in million m ³)	2	4	5	6	6
Returned to source (in million m ³)	28	28	28	27	26
Water consumed in electricity generation, covering significant use (in million m ³)	18	20	25	28	27
Percent returned to source (<i>New</i>)	61%	57%	53%	49%	49%
Waste Management					
Total Amount of Hazardous Waste Manifested for Disposal (in ktonnes) ⁽¹⁾	0.39	0.23	0.44	0.42	*
Total Amount of Recycled Hazardous Waste (in ktonnes) ⁽¹⁾	0.61	0.53	0.79	0.17	*
Environmental Compliance					
Number of spills or releases with an associated fine	0	0	0	0	1 ²
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%

(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 or historical data is not available.

(1) Includes ~0.04 ktonnes of PCB waste that is required to be submitted to a regulatory agency by federal, state/provincial, or local regulations.

(2) 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 local shoreline or downstream drinking water intakes.

Governance & Policy Indicators

	2022	2021	2020	2019	2018
Fortis Inc. Board of Directors¹					
Percentage of Independent Directors	92%	92%	90%	83%	83%
Percentage of Women Directors	54% ✓	50%	40% ✓	42%	42%
Percentage of Directors with Disabilities	0%	0%	0%	*	*
Percentage of Directors that are Veterans	8%	8%	0%	*	*
Percentage of Board Directors with Sustainability Skills and Experience	46%	42%	50%	50%	50%
Percentage of Governance and Sustainability Committee Directors with Sustainability Skills and Experience	43%	29%	50%	57%	57%
Country of Residency					
Percentage of Directors that reside in Canada	38%	42%	50%	50%	*
Percentage of Directors that reside in U.S.	62%	58%	50%	50%	*
Ethnicity²					
Percentage of Directors with Caucasian Ethnicity	84% ✓	92%	90% ✓	91%	*
Percentage of Directors with Black/African Ethnicity	8% ✓	0%	0%	0%	*
Percentage of Directors with Hispanic/Latino Ethnicity	8% ✓	8%	10% ✓	9%	*
Age					
Percentage of Directors under 60	38%	33%	30%	25%	*
Percentage of Directors 60-65	54%	59%	60%	50%	*
Percentage of Directors 66+	8%	8%	10%	25%	*
Subsidiary Boards of Fortis' operating utilities¹					
Percentage of Independent Directors	59%	56%	55%	57%	*
Percentage of Women Directors	44%	41%	32%	30%	31%
Percentage of Directors with Disabilities	0%	0%	0%	*	*
Percentage of Directors that are Veterans	5%	5%	6%	*	*
Percentage of Board Directors with Sustainability Skills and Experience	67%	69%	68%	57%	*
Country of Residency					
Percentage of Directors that reside in Canada	53%	53%	50%	51%	*
Percentage of Directors that reside in U.S.	35%	34%	33%	35%	*
Percentage of Directors that reside in Turks & Caicos Islands	3%	3%	4%	2%	*
Percentage of Directors that reside in Cayman Islands	8%	9%	10%	10%	*
Percentage of Directors that reside in Belize	1%	1%	3%	2%	*
Ethnicity²					
Percentage of Directors with Caucasian Ethnicity	85%	84%	80%	86%	*
Percentage of Directors with Black/African Ethnicity	6%	8%	13%	8%	*
Percentage of Directors with Hispanic/Latino Ethnicity	3%	3%	3%	3%	*
Percentage of Directors with Native American/Indigenous Ethnicity	1%	1%	1%	*	*
Percentage of Directors with Asian or Pacific Islander Ethnicity	1%	1%	1%	*	*
Percentage of Directors with two or more races	4%	3%	2%	3%	*
Age					
Percentage of Directors under 60	57%	54%	56%	52%	*
Percentage of Directors 60-65	26%	29%	31%	33%	*
Percentage of Directors 66+	17%	17%	13%	15%	*

The ✓ identifies facts and figures for which EY provided a limited level of assurance.

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

(1) Results based on self-identification data collected from board members.

(2) Represents the ethnicity of those who opted to disclose. In 2022, one board member identified as Black/African and one board member identified as Hispanic/Latino.

	Anti-corruption	Code of Conduct	Diversity, Equity & Inclusion	Respectful Workplace	Speak Up	Insider Trading	Political Engagement	Privacy
Fortis-wide policy frameworks	✓	✓	✓	✓	✓	✓	✓	✓
Policy review included in new employee orientation	✓	✓	✓	✓	✓	Targeted	Targeted	Targeted
Policy review included in continuous employee training	✓	✓	✓	✓	✓	Targeted	Targeted	Targeted

Employee & Social Indicators

	2022	2021	2020	2019	2018
Number and geographical location of employees					
Total number of employees ¹	9,200	9,100	9,000	9,000	8,800
Percentage employed in Canada	54%	53%	53%	52%	52%
Percentage employed in Caribbean	5%	5%	5%	5%	5%
Percentage employed in U.S.	41%	42%	42%	43%	43%
Diversity²					
Enterprise-wide employee gender diversity					
Percentage of male employees	68%	69%	69%	69%	69%
Percentage of female employees	32%	31%	31%	31%	31%
Canadian employee diversity³					
Percentage of employees that are racialized persons ⁴	21%	21%	*	*	*
Percentage of employees of Indigenous/Aboriginal ancestry ⁵	4%	4%	*	*	*
Percentage of employees with disabilities ⁶	14%	14%	*	*	*
Caribbean employee diversity³					
Percentage of employees that are racialized persons ⁴	73%	73%	*	*	*
Percentage of employees with Indigenous/Aboriginal ancestry ⁵	10%	10%	*	*	*
Percentage of employees with disabilities ⁶	8%	8%	*	*	*
U.S. employee diversity					
Percentage of employees that are minorities ⁷	29%	28%	27%	27%	27%
Percentage of employees with disabilities ⁸	6%	5%	4%	4%	4%
Percentage of employees that are veterans ⁹	8%	9%	9%	10%	9%

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

The reference to "Targeted" means the policy is not considered directly relevant to all employees, therefore orientation and continuous training may target specific employee groups.

- (1) An employee includes any individual who has a direct employment relationship with the company as of December 31 of the calendar year.
- (2) We may use different terminology to describe demographic groups due to variances in the interpretation and significance of race/ethnicity identifiers in our geographical jurisdictions. 2021 represented our first year of broader diversity data disclosure for our executives and employees. A process of alignment is expected over time with respect to the terminologies used.
- (3) Results based on self-identification employee data collected in 2022 through a diversity representation survey facilitated by the Canadian Centre for Diversity and Inclusion (CCDI Consulting). The results are based on a response rate of approximately 60%. CCDI Consulting uses an industry standard of 80% response rate to gauge demographic data results as indicative of trends throughout the workforce. An 80% response rate mitigates response bias and is required to make confident, accurate generalizations about the demographics of an organization. This Fortis survey response rate of 60% is comparable to CCDI Consulting's benchmark average response rate for an organization of similar size. Please note; however, that this response rate may not accurately reflect the representation of the entire workforce. Fortis' annual voluntary and involuntary full-time employee turnover rate is low and therefore this survey will be conducted on a 2-year rotation.

- (4) Racialized persons represents an aggregate of respondents who self-identified as Asian, Black, Latin / Hispanic, Middle Eastern and Mixed Race. In Canada, racialized persons are a designated group under Canada's Employment Equity Act. Racialized persons, within a Caribbean context, denotes persons who identify their ethnicity as having African, Asian, Latin / Hispanic, or Middle Eastern ancestry, as well as those who are of mixed non-European and European ancestry.
- (5) Indigenous is a term used in Canada to describe the original inhabitants (or Aboriginal people) of Canada and their descendants. Indigenous people in Canada include First Nations, Inuit and Métis people. In Caribbean context, the term Indigenous persons usually describes the descendants of the original inhabitants of the lands (pre-European arrival and colonization).
- (6) An employee is considered to have a disability if they have self-identified with a long-term or recurring physical, mental, sensory, psychiatric, or learning impairment.
- (7) 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.
- (8) 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.
- (9) An employee is considered a veteran if they are a former member of the armed forces.

	2022	2021	2020	2019	2018
Enterprise-wide management¹ gender diversity					
Percentage of male management	66%	68%	66%	66%	67%
Percentage of female management	34%	32%	34%	34%	33%
Canadian management diversity²					
Percentage of management that are racialized persons ³	19%	19%	*	*	*
Percentage of management of Indigenous/Aboriginal ancestry ⁴	3%	3%	*	*	*
Percentage of management with disabilities ⁵	12%	12%	*	*	*
Caribbean management diversity²					
Percentage of management that are racialized persons ³	71%	71%	*	*	*
U.S. management diversity					
Percentage of management that are minorities ⁶	18%	16%	15%	15%	14%
Percentage of management with disabilities ⁷	7%	7%	4%	4%	4%
Percentage of management that are veterans ⁸	5%	5%	5%	5%	4%
Enterprise-wide executive⁹ diversity¹⁰					
Percentage of executives who identify as men	64%	64%	67%	69%	68%
Percentage of executives who identify as women	36%	36%	33%	31%	32%
Percentage of executives with Caucasian Ethnicity	77%	77%	*	*	*
Percentage of executives with Black/African Ethnicity	8%	8%	*	*	*
Percentage of executives with Asian/Pacific Islander Ethnicity	4%	4%	*	*	*
Percentage of executives with Hispanic/Latino Ethnicity	4%	4%	*	*	*
Percentage of executives with Native American/Indigenous Ethnicity	1%	1%	*	*	*
Percentage of executives with two or more ethnicities	5%	5%	*	*	*
Percentage of executives that did not disclose their ethnicity	1%	1%	*	*	*
Percentage of executives with disabilities ⁷	2%	2%	*	*	*
Percentage of executives that are veterans ⁸	2%	2%	*	*	*

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

- (1) An employee is considered management if they hold the position of Manager or Director.
- (2) Results based on self-identification employee data collected in 2022 through a diversity representation survey facilitated by the Canadian Centre for Diversity and Inclusion (CCDI Consulting). The results are based on a response rate of approximately 60%. CCDI Consulting uses an industry standard of 80% response rate to gauge demographic data results as indicative of trends throughout the workforce. An 80% response rate mitigates response bias and is required to make confident, accurate generalizations about the demographics of an organization. This Fortis survey response rate of 60% is comparable to CCDI Consulting's benchmark average response rate for an organization of similar size. Please note; however, that this response rate may not accurately reflect the representation of the entire workforce. Fortis' annual voluntary and involuntary full-time employee turnover rate is low and therefore this survey will be conducted on a 2-year rotation.
- (3) Racialized persons represents an aggregate of respondents who self-identified as Asian, Black, Latin / Hispanic, Middle Eastern and Mixed Race. In Canada, racialized persons are a designated group under Canada's Employment Equity Act. Racialized persons, within a Caribbean context, denotes persons who identify their ethnicity as having African, Asian, Latin / Hispanic, or Middle Eastern ancestry, as well as those who are of mixed non-European and European ancestry.

- (4) Indigenous is a term used in Canada to describe the original inhabitants (or Aboriginal people) of Canada and their descendants. Indigenous people in Canada include First Nations, Inuit and Métis people. In Caribbean context, the term Indigenous persons usually describes the descendants of the original inhabitants of the lands (pre-European arrival and colonization).
- (5) An employee is considered to have a disability if they have self-identified with a long-term or recurring physical, mental, sensory, psychiatric, or learning impairment.
- (6) 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.
- (7) 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.
- (8) An employee is considered a veteran if they are a former member of the armed forces.
- (9) An employee is considered executive if they hold the position of Vice President, Senior Vice President, Executive Vice President or President/CEO.
- (10) Results based on self-identification executive data collected in 2022 through an enterprise-wide diversity survey facilitated by MQO Research. Representation of ethnic groups other than White/Caucasian is more predominant for executives in the Caribbean. Fortis' annual voluntary and involuntary full-time employee turnover rate is low and therefore this survey will be conducted on a 2-year rotation.

	2022	2021	2020	2019	2018
Demographics					
Employees¹					
Percentage of employees under 30	11%	11%	10%	11%	11%
Percentage of employees 30 - 50	59%	58%	56%	54%	53%
Percentage of employees over 50	30%	31%	34%	35%	36%
Average age of employees	44	44	44	44	*
Management²					
Percentage of management under 30	6%	5%	5%	6%	6%
Percentage of management 30 - 50	58%	57%	60%	57%	57%
Percentage of management over 50	36%	38%	35%	37%	37%
Executives³					
Percentage of executives 30 - 50	44%	42%	41%	45%	47%
Percentage of executives over 50	56%	58%	59%	55%	53%
Turnover and retention					
Annual voluntary full-time employee turnover ⁴ (as % of total workforce)	4.6%	3.4 %	1.5%	3.0%	3.1%
Annual involuntary full-time employee turnover ⁵ (as % of total workforce)	0.9%	0.8 %	0.9%	1.1%	1.3%
Average years of employment for full-time employees	11.0 years	11.4 years	12.0 years	12.0 years	12.3 years
Annual retirement rate (as % of total workforce)	3.0%	3.0%	2.0%	2.0%	3.0%
Percentage of full-time employees eligible to retire as of end of calendar year	3.5%	3.3%	3.0%	3.1%	3.4%
Percentage of full-time employees eligible to retire in 5 years	8.2%	8.2%	9.4%	9.3%	9.9%
Percentage of full-time employees eligible to retire in 10 years	16.6%	16.0 %	19.6%	19.8%	20.9%
Hiring					
Percentage of job vacancies filled by existing employees	60%	58%	59%	55%	57%
Percentage of job vacancies filled by new employees	40%	42%	41%	45%	43%
Percentage of job vacancies filled by men	64%	65%	67%	64%	69%
Percentage of job vacancies filled by women	36%	35%	33%	36%	31%
Percentage of job vacancies filled by minorities ⁶ (U.S. utilities only)	30%	25%	27%	27%	22%
Percentage of job vacancies filled by persons with disabilities ⁷ (U.S. utilities only)	6%	4%	3%	2%	3%
Percentage of job vacancies filled by veterans ⁸ (U.S. utilities only)	7%	8%	8%	8%	8%
Employee¹ Training and Development					
Total employee training spend (\$M)	26.1	21.6	19.5	23.7	*
Total training spend per employee (\$)	2,803	2,373	2,178	2,642	*
Total employee training hours ⁹	439,689	370,095	321,344	349,590	*
Total training hours per employee ⁹	51	44	39	39	*
Percentage of full-time employees that received annual performance appraisals	81%	80%	71%	74%	*

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

- (1) An employee includes any individual who has a direct employment relationship with the company as of December 31 of the calendar year.
- (2) An employee is considered management if they hold the position of Manager or Director.
- (3) An employee is considered executive if they hold the position of Vice President, Senior Vice President, Executive Vice President or President/CEO.
- (4) Voluntary turnover includes an employee who leaves the company voluntarily (e.g., willingly chooses to resign their position), but excludes seasonal temporary employment.

- (5) Involuntary turnover includes an employee who leaves the company involuntarily (e.g., a position is terminated, an employee is dismissed or an employee dies)
- (6) 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.
- (7) 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.
- (8) An employee is considered a veteran if they are a former member of the armed forces.
- (9) Excludes Fortis Inc. and Newfoundland Power employees.

	2022	2021	2020	2019	2018
Benefits¹					
Percentage of full-time employees that are eligible to receive Disability Coverage ²	98.2%	98.1%	98.1%	98.1%	98.0%
Percentage of full-time employees that are eligible to receive Employee and Family Assistance	100%	100%	100%	100%	100%
Percentage of full-time employees that are eligible to participate in an Employee Stock Purchase Plan	99.5%	99.6%	99.6%	99.6%	99.6%
Percentage of full-time employees that are eligible to receive Health Care Benefits ²	100%	100%	100%	100%	100%
Percentage of full-time employees that are eligible to receive Life Insurance ²	100%	100%	100%	100%	100%
Percentage of full-time employees that are eligible to participate in a Retirement Savings Plan	98.3%	98.3%	97.9%	97.8%	97.7%
Percentage of full-time employees that are eligible to receive Wellness-related Perquisites ³	100%	100%	100%	100%	100%
Percentage of full-time employees that are eligible to receive paid sick leave	100%	100%	100%	100%	100%
Labour Management Relations					
Total number of work stoppages	0	0	0	0	0
Grievance resolution rate without the use of arbitration	95.0%	93.1%	95.5%	88.8%	87.5%
Freedom of Association					
Percentage of total workforce – unionized	50%	51%	52%	52%	53%
Remuneration					
Percentage of full time employees whose basic salary is above the local minimum wage	100%	100%	100%	100%	100%
Median employee total annual compensation	\$132,023	\$128,791	\$136,349	*	*
CEO-to-median employee pay ratio	87.6	71.0	74.5	*	*
Economic Value Distributed (\$M)⁴					
Costs paid for Energy Supply	3,952	2,951	2,562	2,520	2,495
Costs paid for Fleet, Materials and Services to top 10 Suppliers at each utility	1,759	1,367	1,240	1,233	*
Costs paid for Finance Charges	1,057	986	1,027	1,007	969
Total amount paid to Shareholders in Dividends	1,037	964	900	793	731
Total amount paid in annual Employee Compensation	1,528	1,437	1,444	1,352	*
Total amount paid in Employee Payroll Taxes	442	405	388	368	*
Total amount paid in Property Taxes	441	414	417	376	*
Total amount paid in Carbon Taxes	395	324	305	267	*
Total amount paid in Excise/Sales Taxes	348	328	315	323	*
Other taxes paid	59	41	29	18	*
Community Donations (\$M)⁴					
Arts & Culture	0.6	0.4	0.6	1.2	*
Biodiversity	0.6	1.0	0.7	0.7	*
Education	2.7	2.5	2.1	3.0	*
Environment & Safety	0.9	0.8	0.9	2.9	*
Health & Wellness	0.7	0.7	1.1	1.6	*
Small Businesses	0.2	0.5	0.7	0.4	*
Social Development	2.8	2.9	3.4	2.1	*
Other ⁵	1.2	1.3	5.5	0.4	*
	9.7	10.1	15.0	12.3	13.0
	Community Donations Total (in \$M)				

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

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

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

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

(4) Reflects the use of average annual foreign exchange rates. Variances year-over-year are impacted by average annual foreign exchange rates.

(5) Includes COVID-19 community support.

Forward Looking Information

Fortis includes forward-looking information in this sustainability update 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: forecast capital expenditures for 2023–2027, including cleaner energy investments; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target; the 2050 net-zero GHG emissions target; the forecast focuses, priorities and oversight of our sustainability strategy; FortisBC’s 2030 GHG emissions reduction target and renewable gas targets; planned energy efficiency investments at FortisBC, including clean energy research and pilot projects; the nature, timing, benefits and costs of certain capital projects including, without limitation, the Tilbury LNG expansion project; and the expectation of releasing a new TCFD report in 2024.

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.

These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time to time in the forward-looking information. Such assumptions include, but are not limited to: no material impact from volatility in energy prices, the global supply chain or persistent inflation; reasonable outcomes for regulatory proceedings and the expectation of regulatory stability; the successful execution of the five-year capital expenditure plan; 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 sustainability update. 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.

Glossary

CO ₂ e	CO ₂ equivalent	GWh	Gigawatt hours	SAIDI	Electricity System Average Interruption Duration Index (customer hours of interruption per customer served)
DEI	Diversity, Equity and Inclusion	ISSB	International Sustainability Standards Board	SAIFI	Electricity System Average Interruption Frequency Index (number of times that a customer experiences an outage)
ESG	Environment, Social, Governance	KPI	Key Performance Indicators	SASB	Sustainability Accounting Standards Board
EV	Electric vehicle	LNG	Liquefied natural gas	SLL	Sustainability-Linked Loan
EY	Ernst & Young LLP	m ³	Cubic metres	TCFD	Task Force on Climate-Related Financial Disclosures
GHG	Greenhouse gas	MW	Megawatts	tCO ₂ e	Tonnes of carbon dioxide equivalent
GRI	Global Reporting Initiative	PJ	Petajoules	TEP	Tucson Electric Power
		RNG	Renewable natural gas		

Contact Us



Fortis Place | Suite 1100, 5 Springdale Street | PO Box 8837 | St. John's, NL, Canada A1B 3T2

T: 709.737.2800 | www.fortisinc.com | TSX/NYSE: FTS

[@Fortis_NA](https://twitter.com/Fortis_NA) | [in](https://www.linkedin.com/company/fortisinc) Fortis Inc.

Analyst and Investor Enquiries

Tel: 709.737.2900

Email: investorrelations@fortisinc.com