# Climate Resiliency Report

2026


FORTIS

# About This Report

**Fortis utilities are advancing operational resiliency by deepening their understanding of climate risks, assessing vulnerabilities, and strengthening systems to withstand the changing climate for decades to come.**

Understanding the potential impacts of climate change on assets and operations is complex. For decades, our utilities have enhanced the resiliency of our grids to mitigate the impact of severe weather events. As more data becomes available, we will continue to improve our efforts while balancing costs for customers. This report presents a thorough analysis using available climate science, datasets and methodologies.

Unless otherwise specified, all information is as of December 31, 2025, and financial information is referenced in Canadian dollars.

This report considers guidance provided by the Task Force on Climate-Related Financial Disclosures (TCFD) and the Canadian Sustainability Disclosure Standards (CSDS).

A glossary and links to additional financial and climate-related disclosures are located on page 18. Information on forward-looking information (FLI) is also on page 18.

This report was published on February 12, 2026.

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# About Fortis

## A premium North American utility delivering a cleaner energy future.

**95%**
transmission and distribution assets

**9,900**
dedicated employees

**$28.8 billion**
2026-2030 Capital Plan – largest in Fortis history

**100%**
regulated utility assets

**3.5 million**
electric and gas customers

**$5.6 billion**
2026F capital expenditures

**9**
regulated utilities in Canada, the U.S. and the Cayman Islands

**$75 billion**
in assets

**52**
consecutive years of increases in dividends paid

# Message from David Hutchens

## President and CEO

### A North American energy delivery network built for the future.

It's a dynamic and promising time for utility companies across North America, marked by a growing need for reliable energy, unprecedented innovation and the opportunity to shape a more resilient and sustainable energy future.

> **The Fortis group of companies designs, builds, and operates the energy delivery systems that power communities today and strengthen them for tomorrow.**

We are preparing for a changing climate, ensuring our utilities are designed to operate safely and reliably today and to withstand potential future climate conditions. Climate scenario analysis and system review informs investments across our company and reinforces our commitment to reliable and affordable energy that our customers expect.

Fortis is built on strong fundamentals and a disciplined, regulated growth strategy. By embracing forward thinking and responsible business practices, we are ensuring we meet the energy needs of tomorrow with the actions we take today.

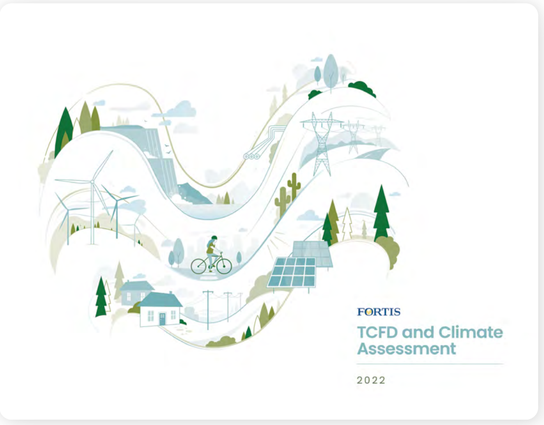
**David G. Hutchens**
President and CEO
Fortis Inc.

## Background

Asset management, inspection and capital planning has long been central to grid hardening at Fortis utilities. By conducting regular maintenance, replacing aging infrastructure and investing capital in targeted areas, our utilities strengthen system performance and reduce climate risk.

Climate scenario analysis is a proactive, data-driven exercise that informs operational decisions and ensures investments improve reliability and lower long-term costs.

Fortis and its utilities previously completed two science-based climate scenario analysis exercises, the findings of which are outlined in the 2022 TCFD and Climate Assessment and the 2024 Climate Report.




# Report Highlights and Next Steps

Each utility has completed local climate risk and vulnerability assessments to better understand climate hazards within their geographic location. These assessments provide more data-driven climate information to assist the utilities as they make decisions related to repair, replacement and investments in critical infrastructure.

Each utility assessment was completed using location specific climate hazard projections and with support from external consultants. All utilities used a "high emissions" climate scenario analyzed over two time horizons, while several utilities also studied a "moderate emissions" climate scenario.

This report includes consolidated findings of the climate risk and vulnerability assessments completed by each Fortis utility. It also includes examples of mitigation practices in place for the top climate hazards.

**The most significant climate hazards identified across the Fortis group were strong winds, extreme heat, wildfire risk, and flooding.[1]**

### While the degree of climate exposure varies, it has been observed that of all climate hazards assessed:

- Electricity transmission and distribution assets have the higher level of risk associated with strong winds. Electricity transmission assets also have a higher level of risk associated with extreme heat. Electricity distribution assets, particularly those located in western Canada, have a higher level of wildfire risk.
- Electricity generation assets have a moderate level of risk associated with strong winds, extreme heat, and flooding.
- Natural gas transmission and distribution assets have a higher level of risk associated with flooding and, in particular, landslides.

## What's new?

Utilities completed enhanced, location-specific climate risk and vulnerability assessments grounded in climate scenario analysis and external expertise.

Climate hazards are now mapped by geography and asset category, identifying areas of higher and lower exposure and risk level across Fortis utilities.

The analysis includes more assets, providing deeper insights to support capital planning and resiliency investments.

Expanded information on climate resiliency and mitigation actions.

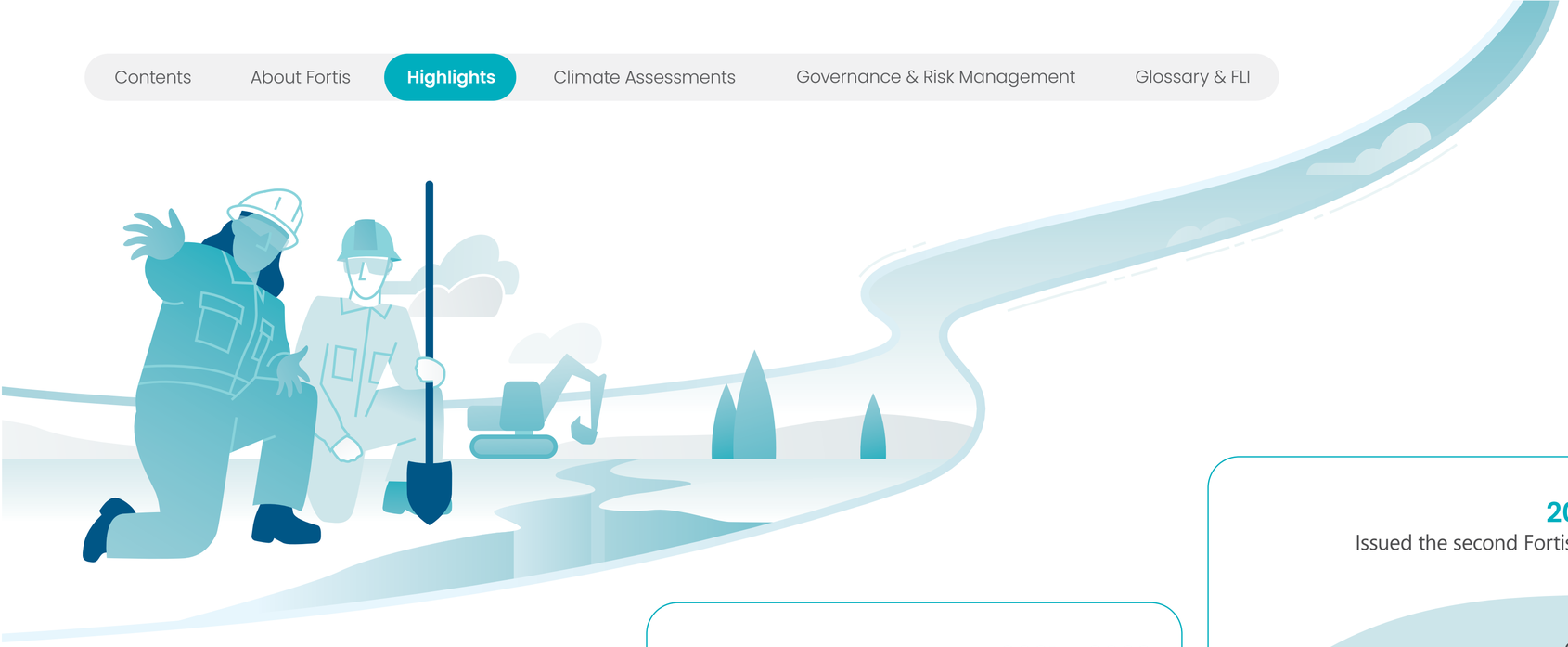
## What's next?

**The next step for Fortis utilities is to build on existing climate mitigation activities and to develop adaptation and resiliency plans.**

### Utility adaptation and resiliency plans will:

- Enhance existing practices to improve asset management
- Refine standards and procedures for integrating future potential climate conditions into planning, operations and maintenance
- Further harden systems in targeted areas for improved resiliency against storms and other extreme events
- Mitigate the impacts of climate change on critical infrastructure and operations
- Continue to reduce costs and restoration times following extreme events

[1] Also includes inland flooding, landslides, debris flow, extreme precipitation, flash flooding within burn scarred areas, storm surge and sea level rise.



## Strengthening Climate Resiliency

Over the last five years, utilities in the Fortis group have consistently increased the level of detail included in climate assessments and used the most current climate scenario analysis tools and techniques.

**How we completed the work**

**Report findings**

### 2021 – 2022

Issued the first Fortis climate report and became a TCFD supporter

Fortis Inc. led a climate scenario analysis. Five of our largest utilities assessed and ranked risks and opportunities across four climate scenarios over different time horizons.

Fortis is well positioned to mitigate risks and take advantage of opportunities under both the lower and higher carbon scenarios.

Policy and regulatory progress, combined with technological innovation, is essential to drive a cleaner energy transition.

### 2023 – 2024

Issued the second Fortis climate report

Corporate-wide climate scenario analysis was led by senior operations executives.

Exposure and vulnerability of priority assets were assessed across nine climate hazards under two climate scenarios and over three time horizons.

Under both climate scenarios and over all time horizons, no high or very high potential business impacts were identified.

Identified most significant climate hazards as strong winds, warmer temperatures and wildfire risk.

### 2025 – 2026

Issued the third Fortis climate report

Climate vulnerability assessments were completed at each utility, using specific information for each geographic location.

The assessments included climate scenario analysis and focused on the vulnerability of individual assets to climate hazards.

More assets were evaluated, in addition to priority assets, to provide a more granular level of detail for Fortis utilities to support capital investment planning and climate resiliency and mitigation strategies.

Identified most significant climate hazards as strong winds, extreme heat, wildfire risk and flooding.

Potential business impacts vary, based on exposure and type of asset. This report provides the top climate hazards by geographic region and the assets that may be most impacted by the top climate hazards.

Fortis will continue to strengthen systems and invest in resiliency. The utility vulnerability assessments will inform ongoing adaptation and resiliency planning.

**Three rounds of climate scenario analysis completed by all Fortis utilities using external expertise.**

# Climate Risk and Vulnerability Assessments

## Climate Assessment Methodology

The following details the methodology used by each Fortis utility to conduct its climate risk and vulnerability assessment. This includes the climate scenarios and time horizons used, as well as the climate hazards and utility assets assessed.

Each Fortis utility worked with an external consultant to develop methodologies informed by the Intergovernmental Panel on Climate Change (IPCC) and leading industry practices. Utilities assessed asset vulnerability and climate hazard exposure to understand the potential impacts on assets.

*Vulnerability* measures the extent to which assets and infrastructure are susceptible to, or unable to manage, the impacts of climate hazards.

*Exposure* represents the degree to which assets, operations or systems could experience climate hazards based on physical location and projected climate change.

*Potential impact* describes outcomes related to an asset being impacted by a climate hazard.

Seven of the nine Fortis utilities completed a risk and vulnerability assessment in either 2024 or 2025. The two remaining utilities, Maritime Electric and Central Hudson, completed vulnerability assessments in 2022 and 2023, respectively, which were filed with their local regulators.

### Assumptions and Limitations

Each Fortis utility completed its climate risk and vulnerability assessment using specific assumptions relevant to their respective service territory and the climate hazards assessed. The work focused on physical climate risks and their potential impact on direct operations at Fortis utilities.

The following assumptions and limitations relate to the findings included in this report.

- Uncertainty exists in all future climate projections, given the unknown future trajectory of global GHG emissions as well as the international progress towards meeting GHG emissions targets.
- Climate models do not predict specific weather events, but rather long-term statistical trends. Climate model projections provide meteorological variables (ex: wind gust, freezing rain), but not direct impact metrics (ex: wind and ice load on infrastructure).
- Uncertainty in climate projections also comes from societal decisions, with the largest component of uncertainty driven by human decisions and actions now and in the future.
- Limitations exist in the ability to assess exposure to multiple climate hazards occurring at the same time due to limited available data.
- Looking out to longer timeframes (ex: 2050, 2080), it is assumed that design standards for electricity and natural gas infrastructure will advance to ensure assets remain resilient. Consideration of design standard improvements was not included in this assessment.
- The inclusion of examples of risks and opportunities in this report does not characterize probability or potential impact.

**Assessing climate change is an iterative process as risks evolve.**

**The findings included in this report are a snapshot at a given time**, based on historical and projected changes in climate and extreme weather.

**As climate projections continue to improve and climate hazard analysis matures**, additional hazard variables may become available that could be incorporated.

## Climate Scenarios

Fortis utilities worked with external consultants to develop climate projections that show different ways the climate might change in the future.

All utilities used a "high emissions" climate scenario to assess climate risks. This pathway assumes existing policies fall short of limiting warming to 2.0˚C by the end of the century and assumes GHG emissions continue to rise through 2100. The majority of utilities also used a "moderate emissions" climate scenario. This scenario assumes carbon dioxide emissions peak around mid-century, then decline, but do not reach net-zero by 2100. Additional detail on both the "high" and "moderate" climate scenarios used is below.

**This report includes findings associated with the "high emissions" scenario. Using a high emissions climate scenario captures the potential risks associated with a high-emissions or near worst-case climate future.** This climate scenario analysis is an input into capital planning and is meant to help identify future potential risk areas so utilities can prepare in advance. The findings are one of a number of elements that Fortis utilities consider for capital planning and operation decisions.

## Detail on Climate Scenarios

Shared socioeconomic pathways (SSPs) are a set of possible climate futures developed by the United Nation's IPCC. The SSPs are based on plausible socioeconomic policies and GHG emissions trajectories.

### Moderate Emissions Climate Scenario
SSP2-4.5

Emissions remain near current levels until mid-century, then decline modestly, but do not reach net-zero by 2100.

Slow progress in achieving GHG emissions reduction targets.

Average temperature rise: 2.7°C (relative to pre-industrial levels).

Future characterized by moderate mitigation activity, much of which is concentrated in the latter half of the 21st century, leading to relatively moderate physical risks.

### High Emissions Climate Scenario
SSP5-8.5

Emissions grow through 2100, with minimal climate mitigation efforts.

Reflects a business-as-usual, fossil fuel intensive economy resulting in continued, unabated climate change throughout the century.

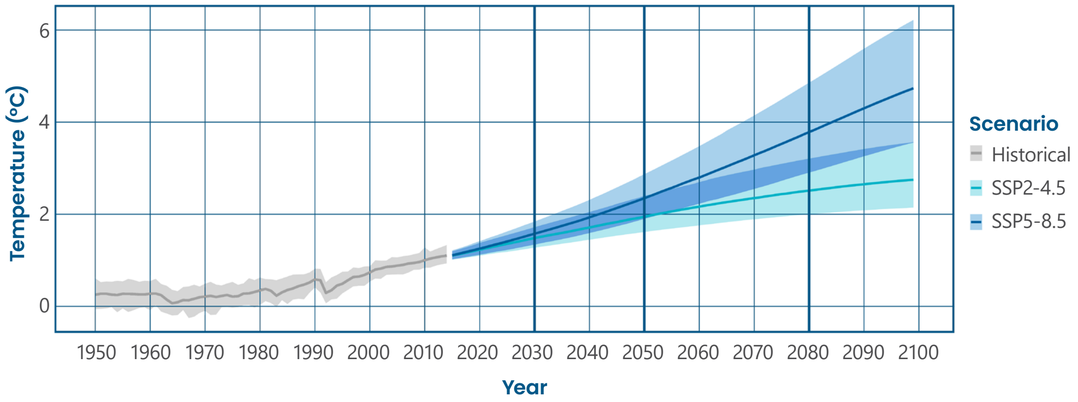
Average temperature rise: 4.4°C (relative to pre-industrial levels).

Future characterized by low climate ambition, a fossil-fuel intensive economy, and extreme climate change impacts leading to relatively higher physical climate risks.

**Fortis has historically used SSP2-4.5 and SSP5-8.5 as inputs for climate scenario analysis.**
In this report, findings are reported from the "high emissions" SSP5-8.5 future climate scenario.

### Global Temperature Projections

The figure below illustrates global temperature projections under the moderate (SSP2-4.5) and high (SSP5-8.5) climate scenarios through 2100. The illustration was created using global temperature data from the IPCC Sixth Assessment Report (2021).



## Time Horizons

All Fortis utilities studied climate hazards over the baseline, mid-century (2050s) and longer-term (2070s/2080s) time horizons.

- **Climate projections for the baseline** help inform existing and developing climate risks and short-term adaptation planning.
- **Climate projections for the 2050s** help inform an understanding of climate trends, emerging risks, and longer-term adaptation and risk mitigation measures to increase system resiliency. This timeframe aligns with certain asset lifecycles.
- **Longer-term climate projections for the 2070s/2080s** allow for future planning to address climate risks and impacts.

**This report includes the results using the 2050s timeframe.**

## Climate Hazards

Climate hazards studied by each utility were chosen through consultation with subject matter experts, an analysis of historic climate impacts and an understanding of potential future climate impacts.

To align with Fortis' consolidated material climate risks, each utility assessed:

- Extreme heat
- Flooding[1]
- Strong winds / Windstorms
- Wildfire risk

In addition to this list, each utility studied other climate hazards that were relevant to its assets, systems, and geographic location. Utilities used regional data and specialized studies to assess complex climate hazards such as freezing rain, tornadoes and wildfire risk. For example, UNS Energy partnered with a local university's center for applied hydroclimate sciences to integrate localized climate information into its analysis.

## Assets Assessed:

Fortis utilities assessed potential impacts of climate hazards on transmission and distribution electricity and natural gas assets (~95% of Fortis total assets) and generation assets (~5% of Fortis total assets).

**Electrical Transmission**
- Overhead lines
- Substations and transformers
- Switches
- Steel and wood poles and structures

**Electrical Distribution**
- Overhead and underground lines
- Substations and transformers
- Wood poles and structures
- Composite poles and structures
- Steel and concrete poles and structures

**Natural Gas Transmission and Distribution**
- Transmission pressure pipelines
- Distribution pressure pipelines
- Compressor, pressure control and odorant stations
- Plants (LNG, RNG, propane)

**Electricity Generation[2]**
- Natural gas facilities
- Onshore wind facilities
- Utility-scale solar
- Hydro plants and dams
- Diesel-fired facilities
- Battery storage systems

[1] Also includes inland flooding, landslides, debris flow, extreme precipitation, flash flooding within burn scarred areas, storm surge and sea level rise.

[2] UNS Energy is the only Fortis utility that currently uses coal for electricity generation. Coal generation is not included in the 2050 vulnerability assessment findings in this report as the utility plans to retire all coal-fired generation by 2032.

## Findings by Geography

The findings below detail the top climate hazards in three geographic regions, along with adaptation and resiliency activities taking place at Fortis utilities in these areas. The top climate hazards identified for each geographic region do not apply to all assets in the geographic region. For example, while flooding is a top climate risk for FortisBC, it is not considered a high risk climate hazard across its entire service territory.

Fortis utilities operate in 16 jurisdictions across Canada, the U.S., and the Cayman Islands that are 100% regulated. This geographic diversity contributes to our low-risk profile and, more specifically, aids in reducing the risk associated with potential climate hazards.

| | Top Climate Hazards | Adaptation and Resiliency Activities | |
|---|---|---|---|
| **Western Canada and U.S.**<br>*FortisBC, FortisAlberta and UNS Energy*<br>**Represents 50% of our utility infrastructure** | → **Flooding**<br>→ **Strong winds**<br>→ **Wildfire risk** | UNS Energy established updated engineering design criteria to address risk associated with strong winds on transmission lines and substation equipment. Additionally, certain transmission structures installed within a flood hazard zone are designed for a 500-year flood event.<br><br>FortisBC, FortisAlberta and UNS Energy have public safety power shutoff (PSPS) programs in place. Each utility is assessing and, where appropriate, integrating situational awareness technology to improve decision making and response times, particularly in high-risk wildfire areas. Additional information on wildfire mitigation and adaptation activities is located on pages 13-14. | While not identified as a top climate hazard, heat is an ongoing concern for western Canadian and U.S. utilities. Exposure to heat is expected to continue and intensify in the future. Strong mitigation activities are currently in place for heat, particularly in Arizona where high temperatures are experienced today.<br><br>Since much of the natural gas network is underground, these assets are generally less vulnerable to climate hazards, including wildfire risk. FortisBC's natural gas assets have the highest risk exposure to flooding, and in particular, landslides. FortisBC has completed flood mitigation measures at its most critical control station to further protect the control building, electrical components and enhance site access in the event of a flood. |
| **U.S. Midwest and Central Canada**<br>*ITC Holdings Corp. and FortisOntario*<br>**Represents 35% of our utility infrastructure** | → **Flooding**<br>→ **Winter weather and storms**<br>→ **Heat** | ITC mitigates flood-related risks by assessing substation locations and relocating high risk substations outside of flood-prone areas. These actions reduce the risk associated with flooding, enhances system reliability and prevents service interruptions due to flooding.<br><br>To help protect high-voltage circuit breakers in extreme cold conditions, ITC is installing tank heaters at priority locations. This reduces the risk of equipment failure and enhances grid reliability.<br><br>Aging wood poles lose strength over time. ITC has a wood pole replacement program, which replaces identified wood poles with steel | poles in select regions, resulting in fewer outages and improves the resiliency of the transmission infrastructure against extreme weather events. More than 5,000 wood poles have been replaced with steel poles across ITC's service area.<br><br>FortisOntario has enhanced its Geographic Information System (GIS) to test automatic alerts of forecasted severe weather conditions using more granular weather models year-round. Weather stations have also been installed to obtain more granular and localized weather data. Composite and higher class wood poles are being considered in wind-prone areas. |

## Findings by Geography (Continued)

### Eastern Canada and U.S. and the Cayman Islands

*Newfoundland Power, Maritime Electric, Central Hudson, and Caribbean Utilities (CUC)*

**Represents 15% of our utility infrastructure**

**Top Climate Hazards**

- → Flooding
- → Strong winds
- → Heat

**Adaptation and Resiliency Activities**

Newfoundland Power has optimized transmission and distribution structure design criteria to withstand severe loading conditions from weather events. Resiliency and mitigation efforts related to wildfire risk prioritize vegetation clearance and the use of fire-resistant materials in high-risk areas. GIS technology has been deployed to track flood risk, identify areas of vulnerability, and inform rebuild priorities to reinforce assets exposed to future flooding and extreme precipitation.

Maritime Electric has added flood hazard data provided by the provincial government to its GIS mapping tool. This data assists Maritime Electric in evaluating infrastructure flood risks for existing and new infrastructure. Maritime Electric has updated overhead line design criteria and incorporated the use of composite or steel pole components to increase reliability and mitigate the potential impact of severe weather on assets.

Central Hudson has added floodplain considerations for new construction to ensure new assets are equipped with measures to eliminate flood impacts or to ensure they are not exposed to flooding. Substations vulnerable to flooding potential that contain switchgear-style circuit breakers at ground level are being raised and distribution poles identified for replacement that remain within the 100-year flood plain have pole wraps installed to create a watertight seal around the pole to prevent premature decay. Central Hudson is also leveraging high-temperature, low-sag conductors on an upcoming transmission line rebuild to address extreme heat. All new transmission pole installations are steel, eliminating aging wood poles and increasing the resiliency of Central Hudson's transmission assets.

CUC is elevating critical structures to a minimum elevation of 12 feet above mean sea level to protect against extreme flooding/storm surge events. The utility has invested in hardening its transmission system, intalling structures that will withstand 150 mph winds, in addition to undergrounding its main transmission lines. CUC also encloses substation equipment that is sensitive to extreme heat to provide greater protection.

**Fortis utilities are keeping employee and public safety at the forefront as they improve reliability and resiliency.** Activities include: maintaining adequate inventories of personal protective equipment for extreme weather, using drones for line patrols in difficult terrain, and providing wildfire and storm response kits for workers.

**Winter weather and storms are more significant climate hazards for Fortis utilities located in eastern/northern Canada and the U.S. Midwest.** Over the longer-term (2070s/2080s), the frequency of winter weather and related storms is projected to decrease.

**Wildfire risk is most significant for FortisAlberta, FortisBC and UNS Energy.** Each of these utilities have established PSPS programs and conducted comprehensive risk assessments to inform appropriate mitigation practices.

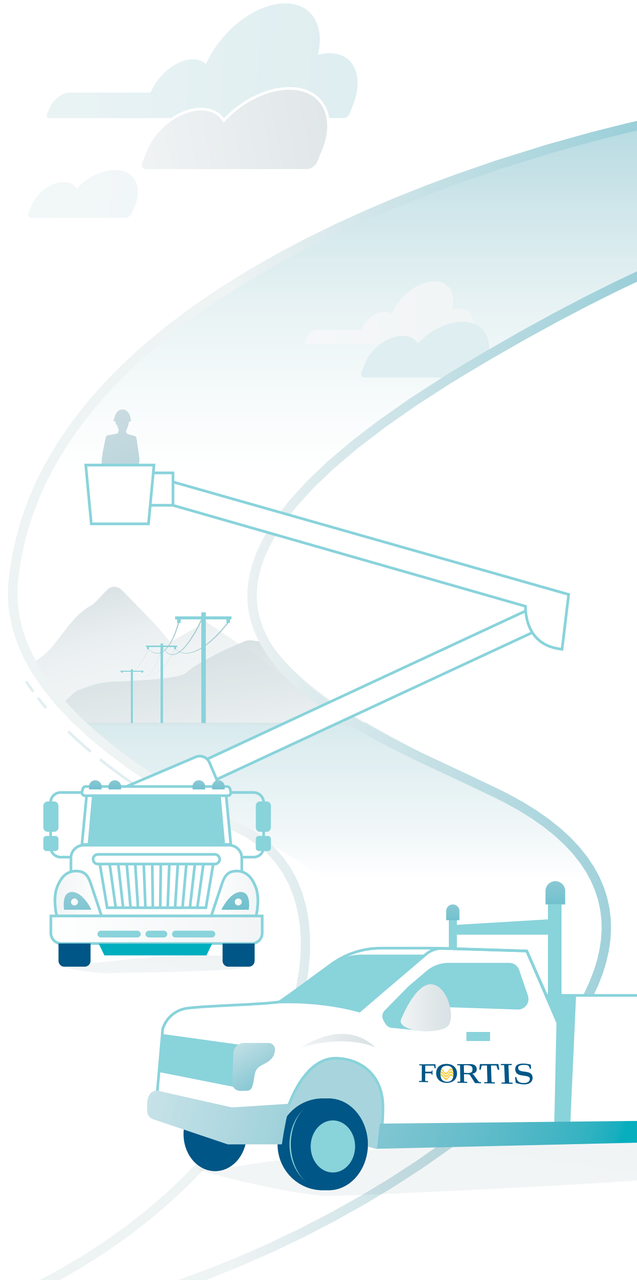
## Findings by Asset Category

The following table describes the overall risk level of the four top climate hazards for each asset category based on the 2050s timeframe analysis. This is a general assessment that does not reflect the risk level of all assets within the category. For example, although strong winds have a higher level of risk for electricity distribution, it is not considered higher for all distribution assets.

| Asset Category | Strong winds | Extreme heat | Wildfire risk | Flooding |
|---|---|---|---|---|
| **Electrical Transmission**<br>43% of our total utility infrastructure<br>→ 80% at ITC | Higher | Higher | Low | Moderate |
| **Electrical Distribution**<br>30% of our total utility infrastructure<br>→ 35% at FortisAlberta; 32% at UNS Energy | Higher | Low | Higher | Low |
| **Natural Gas Transmission and Distribution**<br>18% of our total utility infrastructure<br>→ 80% at FortisBC | Low | Low | Moderate | Higher |
| **Electricity Generation**<br>9% of our total utility infrastructure<br>→ 74% at UNS Energy | Moderate | Moderate | Low | Moderate |

Risk category legend:

- **Low level of risk**
- **Moderate level of risk**
  Identify opportunities to increase resiliency as part of ongoing operations, maintenance and planning
- **Higher level of risk**
  Prioritize opportunities to increase resiliency as part of operations, maintenance and planning



## Potential Climate Impacts on Assets

| Climate Hazard | Potential Impacts |
|---|---|
| Strong winds | Strong winds pose a significant physical risk to assets, particularly overhead transmission and distribution electricity lines. Fallen trees and wind-blown debris can damage lines and poles. Wind can also damage substation support structures, resulting in equipment damage and outages. Increased wind frequency can also add to the wear and tear on overhead lines. |
| Extreme heat | Heat (both acute and chronic) can limit the capacity of the grid to deliver electricity to customers and cause premature aging or sudden failure of certain asset types. Increased power demand may challenge a utility's ability to consistently supply power. Chronic heat may result in increased sagging and damage to overhead lines, and can also reduce generation output. |
| Wildfire risk | All asset categories located in the path of wildfires are vulnerable to damage. Wildfires also increase the risk of future landslides that can potentially damage natural gas assets. Additionally, debris remaining after a fire, such as charred trees, can fall on assets causing additional damage. As expected, transmission and distribution wood poles are particularly vulnerable to wildfire risk. Steel transmission towers are less vulnerable to wildfire risk. |
| Flooding | The impact of flooding can vary significantly based on local topography and other factors affecting water drainage. Inland flooding can impact substations and lead to corrosion of assets. Water damage to facilities and equipment, including from debris flow, may lead to increased repair and replacement costs and service delays. For electricity assets, if floodwater exceeds the height of switches, damage can occur. More frequent and intense flooding may result in water damage to substations, resulting in failure of substation components. For natural gas assets, flooding may affect above-ground asset operations. Landslides, debris flows, and flood-induced soil can expose and damage buried infrastructure. |

## Spotlight on Progress: Wildfire Mitigation and Adaptation Activities

Adaptation and resiliency strategies are intended to mitigate the risk associated with climate hazards. Fortis utilities evaluate potential resiliency strategies against established criteria including cost-effectiveness, alignment with existing programs, resource availability, implementation feasibility and timelines.

Our utilities are making progress mitigating risk associated with our top climate hazards. To demonstrate the progress made, the following details existing activities taking place to mitigate wildfire risk.

With the evolution of wildfire risk, there are times when conditions are such that public safety outweighs reliability, and shutting off electricity is the right thing to do to minimize the risk and harm of wildfire. It's a relatively new way of thinking, and one that is sometimes necessary for the safety of our communities.

Wildfire risk is most significant for FortisAlberta, FortisBC and UNS Energy.

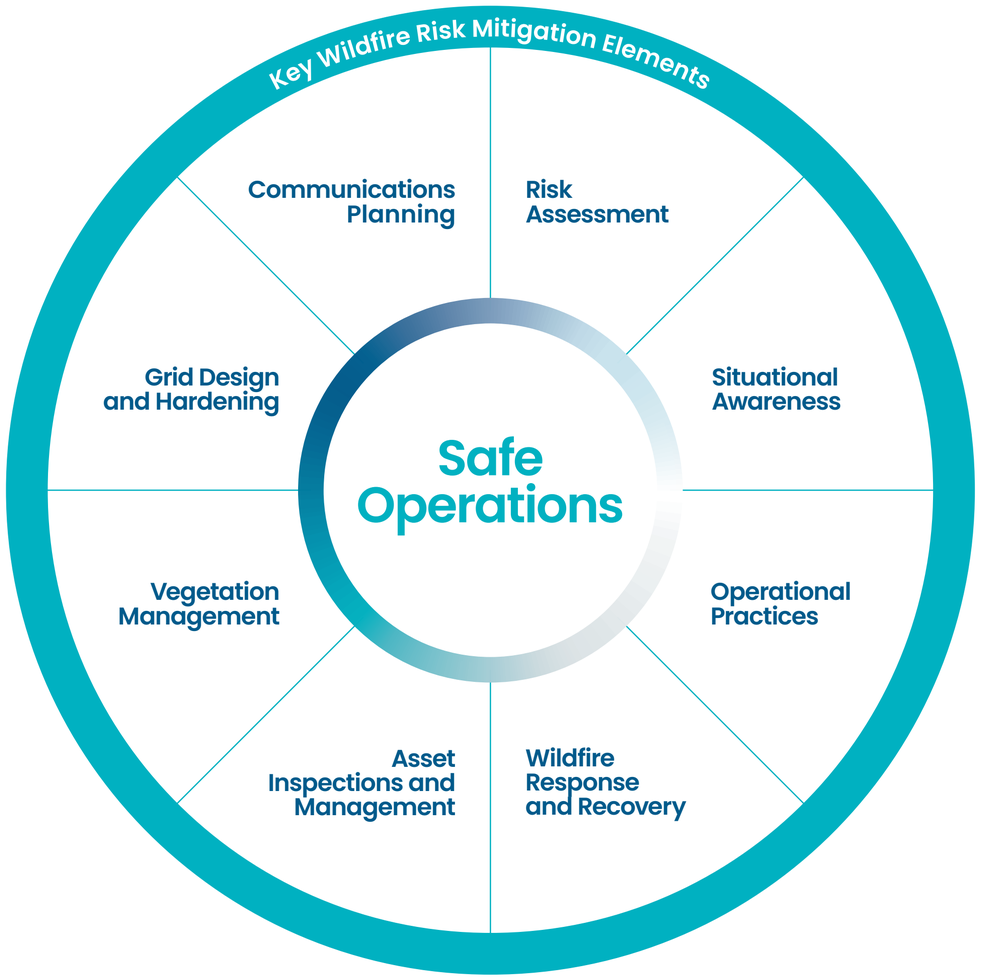
Each of these utilities established PSPS programs in 2025 and conducted comprehensive risk assessments to inform strong mitigation practices. No PSPS events were triggered in 2025.

History shows us that even if a region has relatively low wildfire risk, it's still important to have appropriate processes in place should a wildfire occur.

**All Fortis utilities have developed a wildfire mitigation plan**, which includes activities related to key operational elements to mitigate wildfire risk. These plans are based on the wildfire risk associated with each service territory.

**Regardless of wildfire risk level, all our utilities are incorporating grid design and system hardening practices to mitigate risk.** This includes implementing situational awareness tools to adapt operations in response to changing weather conditions, enhancing asset and vegetation management programs, and utilizing engineering standards and technologies to improve risk mitigation and build a more resilient system.

Fortis utilities have developed wildfire mitigation plans, incorporating the following key wildfire risk mitigation elements:



## Wildfire Mitigation Activities At Fortis Utilities

### Deploying New Technologies

FortisAlberta and UNS Energy have fully deployed advanced predictive modelling and weather forecast tools to improve situational awareness, wildfire response and recovery, and vegetation management.

These new technologies help with wildfire risk mitigation, and also assist with other climate hazards, such as wind.

As an example, FortisAlberta was able to accurately predict a windstorm early, providing more lead time to prepare. The detection of the storm enabled activation of the crisis response plan, including proactive redeployment of power line technicians ahead of the windstorm.

The result was quicker restoration times and more proactive customer communications.

### Enhancing Vegetation Management Programs

All our utilities are reviewing and updating vegetation management programs to further mitigate wildfire risk.

Central Hudson has implemented machine learning and artificial intelligence (AI), and will be using light detection and ranging (LIDAR) data to track trees along the rights of way to help prioritize vegetation management activities. In addition, FortisBC is assessing the use of satellite technology to enhance its vegetation management program.

Maritime Electric is using satellite and AI-based technology to better identify and classify vegetation and prioritize the execution of vegetation management in high-risk areas.

CUC is incorporating new processes in its vegetation management inspections to identify, locate and remove certain tree species that pose increased wildfire risk. Recently, CUC also completed an island-wide zoning map to identify wildfire risk located near CUC's assets.

While wildfire risk is not viewed as significant at ITC, the utility takes a number of steps to reduce potential risk. ITC expanded vegetation management activities and widened corridors in select regions. These actions help prevent outages and increase system reliability by providing a protective barrier around critical transmission lines, reducing the risk of trees falling on transmission lines during strong winds or winter weather. They also help prevent wildfires from spreading to transmission lines, ensuring continued service if a fire were to occur.

### Partnering with Customers and Communities

ITC is engaging with distribution partners and regional utilities on wildfire risk, mitigation and response. The company hosted a public safety outreach summit to further coordinate with first responders and community partners on safety, security and wildfire response.

FortisAlberta is working with other utility companies and the provincial government to produce a high-resolution up-to-date fuel layer for the province. A fuel layer is a map that represents the type, amount and distribution of combustible vegetation and biomass across the landscape.

# Climate-Related Governance and Risk Management

The Fortis Inc. board and management team understand that successfully executing our climate strategy reduces risk and enables our utilities to consistently deliver safe and reliable energy to customers for the long term.

**Fortis Board of Directors**

**11 of 12**
board members are independent

**100% independent**
board committees

**Separate**
Chair and CEO positions

## Governance

The Fortis governance model prioritizes local leadership. Each Fortis utility is governed by its own board of directors. By ensuring utility leadership's primary focus is on the communities served, it enables a better understanding of customer priorities, regulatory frameworks, assets and geographic considerations.

The following summarizes our governance model as it relates to climate matters. The approach to climate-related governance is well established, and there have been no modifications since the 2024 Climate Report.

More information on our corporate governance framework is available in our Management Information Circular.

**In 2025, Fortis was recognized for its governance excellence, placing first out of 206 companies in the S&P/TSX Composite Index in The Globe and Mail's annual Board Games ranking.** This recognition reflects our disciplined approach to governance and transparency.

### Board Oversight of Climate Matters at Fortis Inc.

The Fortis Inc. board of directors is responsible for strategy planning and execution. The board considers, among other things, climate-related business risks and opportunities, with a view to enhancing long-term shareholder value.

***Governance and Sustainability Committee***
Oversees climate-related strategy, and reports and makes recommendations to the board with respect to strategy execution.

Reviews sustainability reporting (including this climate resiliency report) prior to release and recommends approval of reports by the Fortis board.

***Human Resources Committee***
Sets and assesses performance goals for senior executives, including climate-related measures.

***Audit Committee***
Oversees the Enterprise Risk Management (ERM) program, which includes climate-related risks.

### Board Oversight of Climate Matters at Fortis Utilities

Each of Fortis' significant operating subsidiaries is governed by its own board of directors made up of a majority of independent directors and an independent chair.

Subsidiary boards incorporate oversight of climate-related risks and opportunities as part of their governance structure in a similar manner as Fortis Inc. This governance approach creates consistency across Fortis utilities and helps to ensure the appropriate level of focus and importance is placed on climate matters.

## Management Oversight of Climate Matters at Fortis Inc.

The Fortis President and CEO is responsible for the long-term success of Fortis, including our climate strategy.

***EVP, Sustainability and Chief Legal Officer***
Leads climate strategy, ensuring climate is embedded into strategy and decision making at utilities

***VP, Sustainability and Climate Strategy***
Oversees climate-related strategy development and execution in collaboration with Fortis utilities

***EVP, Chief Financial Officer***
Oversees the ERM program and internal controls over climate-related disclosures

***EVP, Operations and Technology***
Supports Fortis utilities in developing climate resiliency and adaptation plans

## Management Oversight of Climate Matters at Fortis Utilities

Climate-related matters are considered at each Fortis utility through ongoing strategic planning discussions and risk management programs. Each Fortis utility assigns responsibility for climate to an executive position, and team members have specific responsibility for climate matters in their service territories.

As part of the Fortis business model, Fortis utilities are responsible for regulatory proceedings in each respective service territory. Regulatory requirements related to climate change are incorporated into resource plans and submitted to regulators.

### How Fortis utilities execute the climate resiliency strategy

The Fortis Operations Group executes the climate resiliency strategy across utilities in the Fortis group. The group includes executives who lead operations at each Fortis utility, and representatives from Fortis Inc. including the EVP, Operations and Technology and the VP, Sustainability and Climate Strategy.

Group members have responsibility for safety, reliability, operations, capital investment decisions and the response to and recovery from extreme weather-related events. They are a key connection point across the group of companies, where information is shared, ideas are generated and strategy is executed.

## Risk Management

Our ERM program assesses and manages risks, including climate risk, that have the potential to affect business performance and strategy.

The oversight and methodology of the ERM program is well-established, and there have been no modifications to risk assessment methodologies, governance structure or monitoring processes since the 2024 Climate Report.

Consistent with previous climate reporting, the findings included in this report will be integrated with the ERM process. Significant business risks for Fortis, including climate-related risks, are included in the business risk section of the Management Discussion and Analysis. Additional information on the ERM program is included in the Management Information Circular.

### Overview of how risks are identified and mitigation plans implemented:

**Risks are identified through internal workshops and ERM coordination with utilities** → **Risks are evaluated by both severity of impact and probability of occurrence** → **Risks are categorized according to impact after considering mitigating controls** → **Current and planned mitigation activities are captured and assigned ownership at the appropriate level**

### Fortis and its utilities have a similar approach to risk management oversight

- The Fortis Inc. board is responsible for understanding the material risks and mitigation strategies of Fortis Inc., and for taking reasonable steps to ensure that management has an effective risk management system in place relative to the risk profile. The audit committee of the board oversees the Fortis Inc. ERM program.

- Each Fortis utility has its own ERM program, overseen by each respective utility's board of directors. Material risks are communicated to Fortis management and aggregated into the Fortis Inc. ERM program.

# Glossary

## Abbreviations

| | |
|---|---|
| **AI** | Artificial intelligence |
| **CSDS** | Canadian Sustainability Disclosure Standards |
| **CUC** | Caribbean Utilities Company (a Fortis company) |
| **ERM** | Enterprise risk management |
| **FLI** | Forward-looking information |
| **GHG** | Greenhouse gas |
| **GIS** | Geographic information system |
| **IPCC** | Intergovernmental Panel on Climate Change |
| **LIDAR** | Light detection and ranging |
| **LNG** | Liquefied natural gas |
| **mph** | Miles per hour |
| **PSPS** | Public safety power shutoff |
| **RNG** | Renewable natural gas |
| **SSPs** | Shared socioeconomic pathways |
| **TCFD** | Task Force on Climate-Related Financial Disclosures |
| **TEP** | Tucson Electric Power (a Fortis company) |

## Definitions

**Climate change** - observable changes in climate variables and a shift in long-term weather patterns that are attributable to an increase in atmospheric greenhouse gas emissions driven by human activity.

**Exposure** - represents the degree to which assets, operations or systems could experience climate hazards based on physical location and projected climate change.

**Potential impact** - describes outcomes related to an asset being impacted by a climate hazard.

**Reliability** - the ability of the energy system to supply the energy demand and requirements of customers and to withstand sudden disturbances.

**Resiliency** - the ability of a system to withstand damage and improve recovery from non-routine disruptions, such as climate hazard impacts, in a reasonable amount of time.

**Risk** - the magnitude of potential impacts from climate hazards, taking into account both vulnerability and consequence.

**Utility infrastructure** - reflects property, plant and equipment as at December 31, 2025.

**Vulnerability** - measures the extent to which assets and infrastructure are susceptible to, or unable to manage, the impacts of climate hazards.

# Forward-Looking Information

This Climate Resiliency Report includes a discussion of future climate scenarios, and their implications for Fortis, that are inherently speculative and the reader is cautioned not to place undue reliance on this report in making investment decisions. References to "material" in this report should not be construed as a characterization regarding the materiality of such information to our financial results or for the purposes of applicable securities laws. The information in this report is subject to change and should be read in conjunction with the following forward-looking information caution.

Fortis includes forward-looking information in this Climate Resiliency 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: that Fortis utilities are designing and operating systems that will remain resilient to extreme weather events in the decades ahead; the expectation that Fortis and its utilities will continue to strengthen systems and invest in resiliency; the expected uses, applications and integrations of the findings of this climate resiliency report into the strategic planning, capital and maintenance planning, and risk management processes, including vulnerability assessments and adaptation and resiliency plans, of Fortis and its utilities, as applicable; the potential for future regulatory cost recovery mechanisms to reduce financial risk to Fortis; the potential incorporation of additional hazard variables into future climate scenario analysis; planned retirement of coal-fired generation at UNS Energy by 2032; potential climate hazards under the assessed climate scenario, including predicted vulnerability or exposure, and potential impacts; planned adaptation and resiliency activities at Fortis utilities and the expected impact and effectiveness of such adaptation and resiliency activities; the projected decreasing frequency of winter weather storms; the potential impact of identified climate hazards on assets and operations; planned wildfire mitigation activities at Fortis utilities and the expected impact and effectiveness of such mitigation activities; and the integration of the climate resiliency report findings with the enterprise risk management process.

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: one climate hazard occurring at a time; the inherent assumptions of SSP2-4.5 and SSP5-8.5 climate scenarios; the advancement of design standards for electricity and natural gas infrastructure; that climate risk assessment is an ongoing iterative process, with future analyses expected to incorporate new hazard variables as data availability improves; no significant changes in government energy plans, environmental laws and regulations that could have a material negative impact; and the successful execution of the five-year capital plan. 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 Fortis 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.

Climate scenario analysis completed by a Fortis company for its specific service territory may use different assumptions, methodologies and scenarios, resulting in different results from those included in this report. Caution should be used in attempting to compare this report to climate assessments completed by individual Fortis companies.