

FORTIS_{INC.}

SUSTAINABILITY

Edison Electric Institute

ESG/Sustainability Reporting Template

December 2021



Introduction

Fortis is an energy delivery company serving 3.4 million customers and employing 9,000 people in Canada, the U.S. and Caribbean. Our operations are primarily focused on the regulated transmission and distribution of electricity and natural gas, with a small amount of generation.



Our utilities operate in 17 jurisdictions, making us one of the most geographically diverse utility businesses in North America. Our businesses are virtually 100% regulated, with each utility operating under a distinct regulatory regime. 93% of Fortis assets are associated with the delivery of electricity and natural gas and as such, we have a low Scope 1 and 2 emissions profile.

Sustainability Governance

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

- 11 of 12 directors are independent
- 50% of directors are women
- Fortis has an independent Board Chair
- The roles of the Chair and CEO are separate

Three committees of independent directors help the board carry out its responsibilities. The Governance and Sustainability Committee, one of the three committees, oversees corporate governance and sustainability policies, practices and procedures as well as the nomination, assessment and compensation of Directors.

Our Executive Vice President, Sustainability and Chief Human Resource Officer reports to the President and CEO and collectively they are

responsible for enterprise-wide sustainability and stewardship at the executive level.

Each of our larger utilities is governed by its own Board of Directors with an independent Board Chair and a majority of independent board members who often reside in the utility's service territory.

Fortis utilities are independent from one another and are locally managed. Our decentralized model is unique in the utility industry and keeps the management of our utilities close to their customers and communities. Together, as a group of companies, we share best practices to drive operational excellence and innovation.

Sustainability is managed at the utility level to address applicable federal, provincial/state and municipal laws and regulations, which may differ in each service territory. Enterprise-wide sustainability practices and priorities are included in the Fortis enterprise risk management process and are integrated into annual strategy planning with oversight of the board.

Sustainability Reporting

Fortis is a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD") and is committed to fully implementing the TCFD recommendations.

Our [2021 Sustainability Update](#) includes more than 50 new key performance indicators, including 14 that align with the Sustainability Accounting Standards Board ("SASB") standards. Fortis plans to further align with SASB standards over time.

Additionally:

- Fortis sustainability priorities and supporting indicators align with certain United Nations Sustainable Development Goals
- We use the Global Reporting Initiative ("GRI") Standards to guide Fortis sustainability disclosures
- We use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards to disclose GHG emissions

ESG/Sustainability Strategy



"Transitioning to renewables and building the grid for a low carbon future is at the heart of our long-term strategy. By 2035, 99% of our assets will be focused on energy delivery and renewable, carbon-free generation."

- David G. Hutchens, President and CEO, Fortis Inc.

Fortis has a corporate-wide Scope 1 carbon emissions reduction target of 75% by 2035 as compared to 2019 levels. This target aligns:

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

In 2020 we achieved a 15% reduction in carbon emissions, equivalent to taking 400,000 vehicles off the road in one year.

The target will be primarily met through generation resource changes outlined in Tucson Electric Power's ("TEP") [Integrated Resource Plan \("IRP"\)](#). In 2021 TEP commissioned the 250-megawatt ("MW") Oso Grande Wind project, and now receives an additional 100 MW of solar power with 30-MW of battery storage. A second TEP wind project, the Borderlands

Wind Project, began producing in late 2021. It includes 34 turbines that produce a combined 100 MW, more than doubling TEP's large-scale renewable resources in 2021. While TEP's IRP is integral to our carbon emissions reduction strategy, achieving our target requires all Fortis utilities to provide customers with cleaner energy and reduce their environmental footprint.

With 93% of our assets associated with the delivery of electricity and natural gas, our infrastructure must be able to withstand extreme weather and be capable of delivering increased levels of cleaner energy to customers. Our \$4.2 billion 2020 capital plan included \$2.2 billion spent on resiliency and modernization and \$0.9 billion on projects that reduce emissions, water usage or increase customer energy efficiency.

Cybersecurity at Fortis

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

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

Additional Resources

- [Fortis 2021 Sustainability Update](#)
- [Fortis Carbon Emission Reduction Target Fact Sheet](#)
- [Fortis 2020 Sustainability Report: GRI Cross Reference \(pg. 68\) and Alignment with Recommendations of TCFD \(pg. 73\)](#)
- [Fortis Sustainability Web Page](#)
- [Fortis Investor Relations Web Page](#)
- [Fortis Board Mandate and Policies](#)
- [Fortis utility EEI Sustainability Reporting Templates: Central Hudson; UNS Energy; Tucson Electric Power](#)

Fortis Utilities

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



Forward-Looking Information

Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: the Corporation's 2035 carbon emissions reduction target and projected asset mix; and the expected carbon emission reductions associated with Tucson Electric Power's Integrated Resource Plan, FortisBC's goal of reducing customers' GHG emissions from natural gas, and support of local government emissions reduction and renewable energy goals by Caribbean Utilities Company and FortisTCl.

Forward looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation: no material adverse effects from the COVID-19 pandemic; reasonable regulatory decisions and the expectation of regulatory stability; the successful execution of the Corporation's capital plan; no material capital project or financing cost overruns; sufficient human resources to deliver service and execute the Corporation's capital plan; and no significant variability in interest rates.

Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this presentation. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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



Electric Company ESG/Sustainability Quantitative Information

Parent Company:

Fortis Inc.

Operating Company(s):

BECOL, Caribbean Utilities Company, Central Hudson Gas & Electric, FortisAlberta, FortisBC, FortisOntario, FortisTCL, ITC Holdings, Maritime Electric, Newfoundland Power, and UNS Energy

Business Type(s):

Electric transmission, distribution, and generation

State(s) of Operation:

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

State(s) with RPS Programs:

Arizona and New York

Regulatory Environment:

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

Report Date:

December 2021

Ref. No.		Last Year	Current Year	Comments, Links, Additional Information, and Notes
		2019	2020	
Portfolio				
1	Owned Nameplate Generation Capacity at end of year (MW)	4,512	4,101	
1.1	Coal	1,242	1,073	
1.2	Natural Gas	2,201	2,135	
1.3	Nuclear			
1.4	Petroleum	446	441	
1.5	Total Renewable Energy Resources	623	452	
1.5.1	Biomass/Biogas			
1.5.2	Geothermal			
1.5.3	Hydroelectric	566	395	
1.5.4	Solar	57	57	
1.5.5	Wind			
1.6	Other			
2.i	Owned Net Generation for the data year (MWh)	18,976,000	17,694,000	
2.1.i	Coal	7,070,000	5,820,000	
2.2.i	Natural Gas	8,660,000	8,590,000	
2.3.i	Nuclear			
2.4.i	Petroleum	946,000	884,000	
2.5.i	Total Renewable Energy Resources	2,300,000	2,400,000	
2.5.1.i	Biomass/Biogas	12,000		
2.5.2.i	Geothermal			
2.5.3.i	Hydroelectric	2,186,000	2,288,000	
2.5.4.i	Solar	102,000	112,000	
2.5.5.i	Wind			
2.6.i	Other			
2.ii	Purchased Net Generation for the data year (MWh)	19,244,000	18,255,000	
2.1.ii	Coal			
2.2.ii	Natural Gas			
2.3.ii	Nuclear	2,740,000	2,685,000	
2.4.ii	Petroleum			
2.5.ii	Total Renewable Energy Resources	11,999,000	11,512,000	
2.5.1.ii	Biomass/Biogas	222,000	200,000	
2.5.2.ii	Geothermal	36,000	32,000	
2.5.3.ii	Hydroelectric	9,640,000	9,166,000	
2.5.4.ii	Solar	921,000	951,000	
2.5.5.ii	Wind	1,180,000	1,163,000	
2.6.ii	Other	4,505,000	4,058,000	
3	Capital Expenditures and Energy Efficiency (EE)			
3.1	Total Annual Capital Expenditures (nominal dollars)	CAD\$3.8B	CAD\$4.2B	Information on Fortis' 2021 - 2025 Capital Plan can be found on Slide 11 of presentation: https://www.fortisinc.com/docs/default-source/investor-presentations/fts---q3-2021-investor-marketing_8-13-21.pdf?sfvrsn=b43a7598_2
3.2	Incremental Annual Electricity Savings from EE Measures (MWh)	380,000	388,000	
4a	Retail Electric Customer Count (at end of year)	2,036,000	2,054,000	
4.1	Commercial	252,464	236,210	
4.2	Industrial	22,396	20,540	
4.3	Residential	1,761,140	1,780,818	
4b	Other Customers (wholesale)	Not Available	16,432	Data for this metric was collected this year and historical data is not available.



Electric Company ESG/Sustainability Quantitative Information

Parent Company:

Operating Company(s):

Business Type(s):

State(s) of Operation:

State(s) with RPS Programs:

Regulatory Environment:

Report Date:

Fortis Inc.

BECOL, Caribbean Utilities Company, Central Hudson Gas & Electric, FortisAlberta, FortisBC, FortisOntario, FortisTCl, ITC Holdings, Maritime Electric, Newfoundland Power, and UNS Energy

Electric transmission, distribution, and generation

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

Arizona and New York

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

December 2021

Ref. No.	Last Year		Current Year		Comments, Links, Additional Information, and Notes
	2019		2020		
Emissions					
5	GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)				
5.1	Owned Generation				
5.1.2	Carbon Dioxide Equivalent (CO2e)				
5.1.2.1	Total Owned Generation CO2e Emissions (MT)				
5.1.2.2	Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)				
	11,925,000	10,093,000	0.628	0.570	
5.2	Purchased Power				
5.2.2	Carbon Dioxide Equivalent (CO2e)				
5.2.2.1	Total Purchased Generation CO2e Emissions (MT)				
5.2.2.2	Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh)				
	2,933,000	2,487,000	0.152	0.136	
5.3	Owned Generation + Purchased Power				
5.3.2	Carbon Dioxide Equivalent (CO2e)				
5.3.2.1	Total Owned + Purchased Generation CO2e Emissions (MT)				
5.3.2.2	Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)				
	14,858,000	12,580,000	0.389	0.350	
5.4	Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6)				
5.4.1	Total CO2e emissions of SF6 (MT)				
	92,000	59,000			
6	Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)				
6.1	Generation basis for calculation				
	Total				
6.2	Nitrogen Oxide (NOx)				
6.2.1	Total NOx Emissions (MT)				
6.2.2	Total NOx Emissions Intensity (MT/Net MWh)				
	20,000	18,000	0.001	0.001	
6.3	Sulfur Dioxide (SO2)				
6.3.1	Total SO2 Emissions (MT)				
6.3.2	Total SO2 Emissions Intensity (MT/Net MWh)				
	6,000	5,000	0.0003	0.0003	
6.4	Mercury (Hg)				
6.4.1	Total Hg Emissions (kg)				
6.4.2	Total Hg Emissions Intensity (kg/Net MWh)				
	17	9	0.000001	0.000001	



Electric Company ESG/Sustainability Quantitative Information

Parent Company:

Operating Company(s):

Business Type(s):

State(s) of Operation:

State(s) with RPS Programs:

Regulatory Environment:

Report Date:

Fortis Inc.

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

Electric transmission, distribution, and generation

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

Arizona and New York

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

December 2021

Ref. No.	Last Year		Current Year		Comments, Links, Additional Information, and Notes	
	2019	2020	2019	2020		
Resources						
7	Human Resources					
7.1	Total Number of Employees	9,000	9,000		Please note that this represents our U.S. utilities only. U.S. employees make-up 42% of our total employee population. Please note that the composition of the Boards of Fortis' Operating Utilities (rather than Fortis Inc.'s Board of Directors as shown here) can be found on page 18 of Fortis' 2021 Sustainability Update Report (https://sustainability.fortisinc.com/wp-content/uploads/2021/07/FORTIS_SUSTAINABILITY-REPORT-2021_DIGITAL.pdf).	
7.2	Percentage of Women in Total Workforce	31%	31%			
7.3	Percentage of Minorities in Total Workforce	27%	27%			
7.4	Total Number on Board of Directors/Trustees	12	10			
7.5	Percentage of Women on Board of Directors/Trustees	42%	40%			
7.6	Percentage of Minorities on Board of Directors/Trustees	9%	10%			
7.7	Employee Safety Metrics					
7.7.1	Recordable Incident Rate	1.56	1.31			
7.7.2	Lost-time Case Rate	0.66	0.42			
7.7.3	Days Away, Restricted, and Transfer (DART) Rate	0.85	0.65			
7.7.4	Work-related Fatalities	0	0			
9	Waste Products					
9.1	Amount of Hazardous Waste Manifested for Disposal	420	440			

Goal Applicability	Baseline Year	Target Year	Greenhouse Gas Reduction Goal Description (Short)	Source (URL)
Fortis, Inc. (Parent Company)	2019	2035	Corporate-wide Scope 1 carbon equivalent emissions reduction target of 75% by 2035 compared to 2019 levels.	https://www.fortisinc.com/docs/default-source/environment-reports/fts-nc-five-year-plan-final.pdf?sfvrsn=2f587498_2
FortisBC (Operating Company)	2007	2030	Reduce customers' emissions 30% by 2030 relative to 2007 levels.	https://www.fortisbc.com/about-us/climate-leadership/rethinking-bc-low-carbon-future
Tucson Electric Power (Operating Company)	2005	2035	Reduce Scope 1 carbon dioxide emissions from fossil fuel generation by 80% compared to 2005 levels by 2035.	https://www.tep.com/resource-planning/

Notes

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

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