

SHAREHOLDER ESG ENGAGEMENT

December 2021



FORWARD-LOOKING INFORMATION

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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 capital plan; no material capital project or financing cost overrun; no material changes in the assumed U.S. dollar to Canadian dollar exchange rate; sufficient human resources to deliver service and execute the 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.

ESG LEADERSHIP



Industry leader in
SAFETY AND RELIABILITY



Continued focus on
ENERGY DELIVERY



Carbon emissions reduction
target of 75% BY 2035
using a 2019 base year⁽¹⁾



Industry recognition for
STRONG GOVERNANCE grounded in
local leadership & independence



More than \$15 MILLION
in 2020 community
investment



Focused on DIVERSITY,
EQUITY AND INCLUSION
Women represent 50% of the Fortis Board;
60% of Fortis utilities have either a female
CEO or Board Chair; Diversity, Equity and
Inclusion Advisory Council established

(1) Achieved a 15% carbon emissions reduction in 2020

2021 ESG ADVANCEMENTS



DIVERSITY, EQUITY & INCLUSION

- Gender parity reached on the Board in 2021
- Fortis-wide Diversity, Equity and Inclusion Advisory Council established

TCFD ALIGNMENT

- Became an official Task Force on Climate-Related Financial Disclosures (TCFD) Supporter in July 2021
- Committed to fully implement the TCFD recommendations
- Commenced climate scenario analysis

ENHANCED DISCLOSURES

- Issued 2021 Sustainability Report in July 2021
 - 50+ new key performance indicators; 14 aligned with Sustainability Accounting Standards Board (SASB)
- Achieved a 15% carbon emissions reduction in 2020
- \$3.8B of cleaner energy investments identified in five-year outlook

STRENGTHENED SUSTAINABILITY COMMITMENT

- Board's Governance and Sustainability Committee renamed to better reflect its role in oversight of sustainability matters
- Introduced a new measure in executive compensation to link incentive compensation to carbon reduction and climate change priorities

2022 ESG PRIORITIES

DIVERSITY, EQUITY & INCLUSION

- Board and Executive Diversity policy modified
 - Board gender target increasing from 33% to 40%
 - Board target of two directors identifying as visible minority or indigenous by 2023 shareholder meeting

TCFD ALIGNMENT

- TCFD report, including climate scenario progress update, to be released in early 2022

ENHANCED DISCLOSURES

- Full sustainability report to be released mid-2022 with further SASB alignment

STRENGTHENED SUSTAINABILITY COMMITMENT

- Focused on expanding linkage of short and long-term compensation to sustainability goals
- Expect board-shareholder engagement sessions in late 2022
- Enhanced reporting of workforce representation data planned for 2022



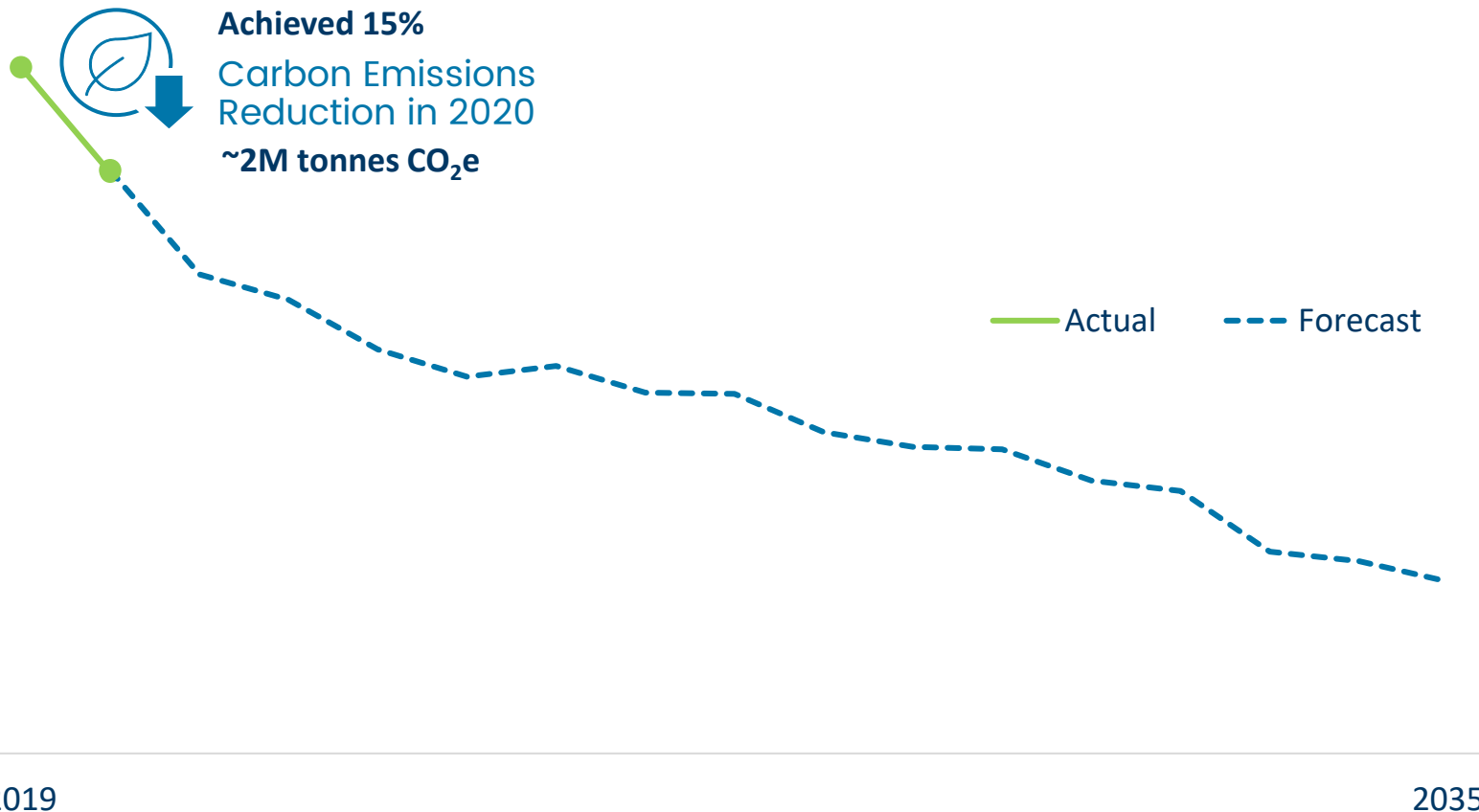


APPENDIX



CARBON EMISSIONS REDUCTION TARGET ON TRACK

75% REDUCTION IN SCOPE 1 EMISSIONS BY 2035
COMPARED TO 2019 LEVELS



Fortis target to be largely achieved through TEP's carbon emissions reduction plan:

- Exiting coal-fired generation by 2032
- Installing ~2,400 MW of new wind and solar and 1,400 MW of battery storage by 2035

Focused on reducing Scope 2 & 3 emissions:

- FortisBC reducing customer emissions through RNG and LNG
- Interconnecting renewables
- Electric vehicle adoption
- Energy efficiency

2019

2035

ARIZONA FOCUSED ON RENEWABLES

TEP INTEGRATED RESOURCE PLAN FILED IN 2020

Coal-free generation mix by 2032

>70% renewable power by 2035

Over 50 million tonnes of CO₂ emissions avoided over 15 years

(1) Power purchase agreement
(2) Wilmot also has 30 MW of battery storage

