

# PRE-PROXY ENGAGEMENT

January 2026

**FORTIS** INC.



# 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 expected 2026 climate report; the expectation of having a coal-free generation mix by 2032; the 2050 net-zero GHG emissions target; forecast capital expenditures for 2026-2030; forecast annual dividend growth guidance through 2030; expected coal retirements; the nature, timing and benefits of the conversion of coal-fired generation at the Springerville Generating Station to natural gas generation; the expectation that the Corporation will take longer to achieve its net-zero GHG emissions target and interim GHG emissions reduction targets; expected reassessment of interim targets and timing of associated disclosure; and 2026 sustainability priorities.

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: reasonable legal and regulatory decisions and the expectation of regulatory stability; the successful execution of the Capital Plan; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the Capital Plan; the realization of additional opportunities beyond the Capital Plan; no significant variability in interest rates; the continuation of current participation levels in the Corporation's dividend reinvestment plan; no material changes in the assumed U.S. dollar to Canadian dollar exchange rate; the Board exercising its discretion to declare dividends, taking into account the financial performance and condition of the Corporation; no significant operational disruptions or environmental liability or upset; the continued ability to maintain the performance of the electricity and gas systems; no severe and prolonged economic downturn; sufficient liquidity and capital resources; the ability to hedge exposures to fluctuations in foreign exchange rates, natural gas prices and electricity prices; the continued availability of natural gas, fuel, coal and electricity supply; continuation of power supply and capacity purchase contracts; no significant changes in government energy plans, environmental laws and regulations that could have a material negative impact; maintenance of adequate insurance coverage; the ability to obtain and maintain licenses and permits; retention of existing service areas; no significant changes in tax laws and the continued tax deferred treatment of earnings from the Corporation's foreign operations; continued maintenance of information technology infrastructure and no material breach of cybersecurity; continued favourable relations with Indigenous Peoples; and favourable labour relations.

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 and rate base refers to midyear rate base.**

**Note: U.S. dollar-denominated five-year Capital Plan and forecast rate base converted at a forecast USD:CAD foreign exchange rate of 1.35 for 2026-2030.**



# MEETING AGENDA

## 1. Introduction (5 min.)

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## 2. Sustainability Strategy (20 min.)

- 2025 Advancements
  - Climate Risk Mitigation
  - Decarbonization Strategy
  - 2026 Sustainability Priorities
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## 3. Feedback and Q&A (20 min.)

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# OUR SUSTAINABILITY STRATEGY

Grounded in business fundamentals of delivering safe, reliable and affordable energy to customers

## Our sustainability strategies are:

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**aligned**

with value creation

**deeply integrated**

in operations

**resilient**

in shifting political environments

## Focused on:

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**Strengthening governance foundations**

**Integrating climate risk with business planning**

**Reducing emissions & advancing cleaner energy goals**

**Partnering with local communities**



# 2025 SUSTAINABILITY ADVANCEMENTS

## Strategy

- ✓ Focused on regulated growth and delivery of safe, reliable and affordable service
- ✓ \$28.8B 2026-2030 Capital Plan supporting 7% average annual rate base growth
- ✓ 52 years of consecutive dividend increases
- ✓ 4-6% annual dividend growth guidance through 2030

## Sustainability

- ✓ 2025 Sustainability Report
- ✓ EPRI SMARTargets participant

## Governance

- ✓ Continuation of high governance standards (ranked 1<sup>st</sup> by Globe & Mail Board Games)
- ✓ Executed new board assessment renewal process
- ✓ Reviewed all corporate policies; substantially revised cybersecurity policy
- ✓ Timely and relevant director education focused on topics such as wildfire mitigation, AI, and international trade matters

## Human Capital

- ✓ Conducted enterprise-wide survey to reassess engagement and inclusion
- ✓ Talent management of key positions (ITC CEO transition)

## Executive Compensation

### Annual Incentive:

- ✓ Updated to reflect wildfire and climate risk mitigation, employee engagement and the introduction of a new customer satisfaction measure
- ✓ For safety measurement, replaced the all-injury frequency rate (AIFR) to the total recordable incident rate (TRIR) and incorporated a new measure for injury severity

### Long-Term Incentive - PSUs:

- ✓ Introduced a new climate-related performance measure for the 2025 PSU award, to replace the previous carbon emissions reduction measure



# CLIMATE RISK MITIGATION

Fortis is continually focused on making informed decisions to increase the resilience of our operations while delivering energy our customers can afford:

- conducted corporate-wide climate scenario analyses using low and high emissions scenarios over three-time horizons to assess future climate scenarios to better understand the potential impact to our operations
- Identified risks and opportunities to inform future work to advance preparedness for climate impacts

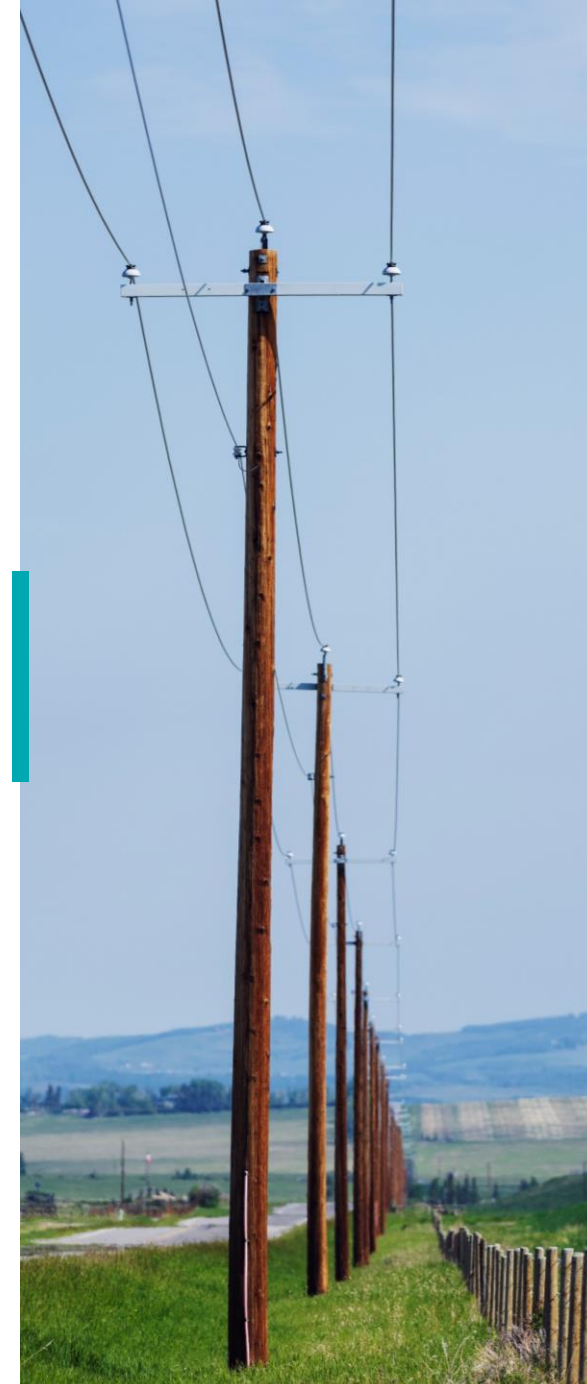
## Wildfire risk mitigation a focus area. Key advancements during 2025 included:

### Key Operational Activities in 2025

- **PSPS implemented** at FortisAlberta, FortisBC and UNS Energy in advance of wildfire season
- All subsidiaries completed **climate change vulnerability assessments** (including wildfire risk)
- **Wildfire risk assessments** performed by subsidiaries; enhancement of wildfire action plans
- Increased **key stakeholder outreach**: local regulators, government and community officials on wildfire plans
- Implemented **operational technologies** (e.g., Cloudwire, Gridware) in support of wildfire prevention, risk detection, operational effectiveness, situational awareness
- Active **participation by Fortis in EEI & industry groups**; sharing of best practices and advocacy around legislation to limit utility liability
- **Crisis communication readiness** drills performed

### Legal Liability & Legislative Support

- Wildfire risk is higher at utilities in **Alberta** (FortisAlberta), **British Columbia** (FortisBC) and **Arizona** (UNS Energy)
- UNS electric assets concentrated in southern and northwestern Arizona; **geography decreases risk** (desert/low vegetation)
- More favourable legal regime and statutory protections for utilities in Canada vs. the U.S.
- U.S. utility industry focused on **limiting legal liability of utilities** and funding support for customers and utilities
- **Arizona wildfire legislation passed** in May 2025 providing utilities with protection from liability in wildfire lawsuits
- BCUC review and **approval of FortisBC PSPS policy**
- S&P revised Fortis A- rating with **negative outlook to stable**. Revisions tied to improvements to mitigate climate risk, namely wildfires

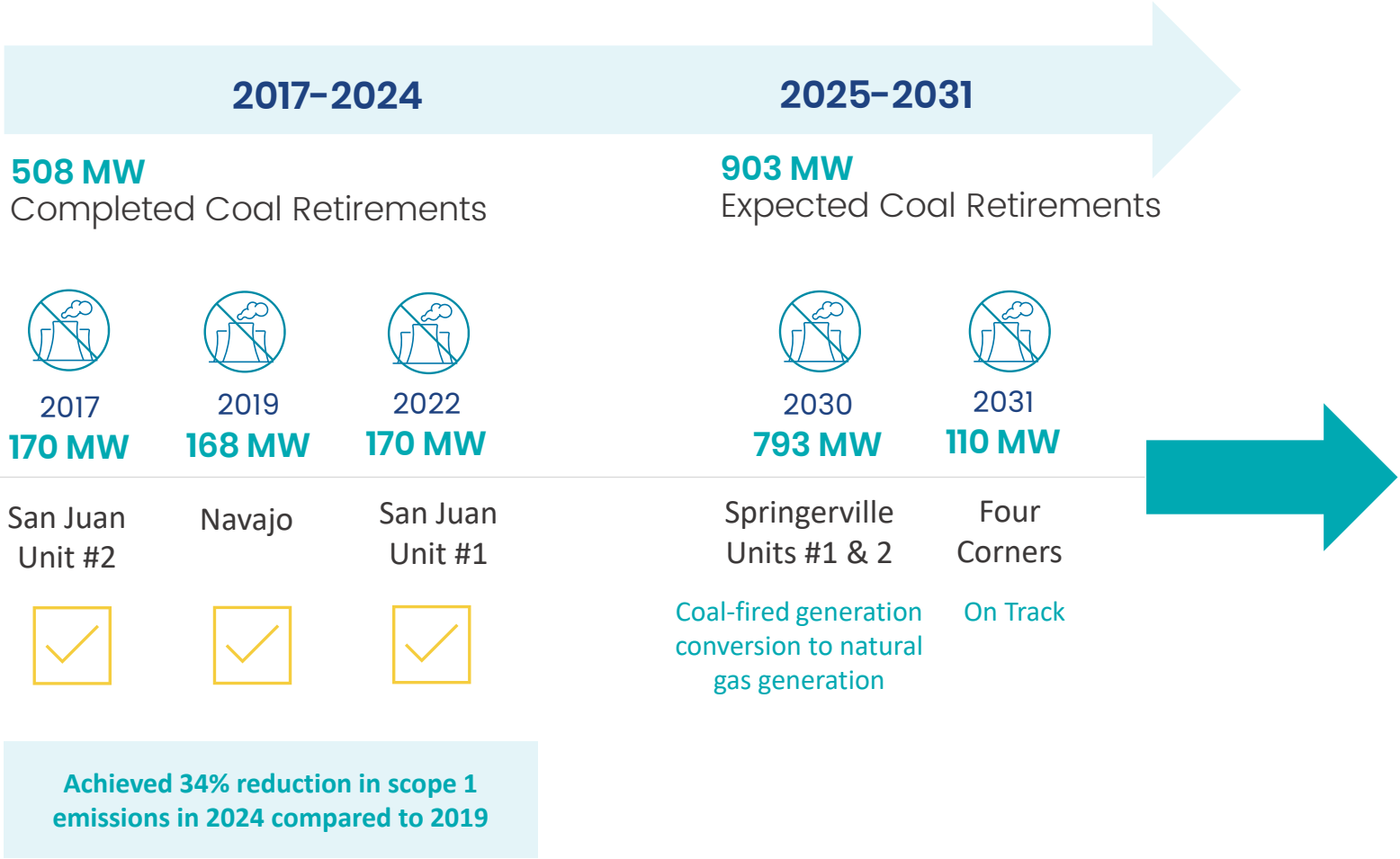


# DECARBONIZATION STRATEGY

Committed to a coal-free generation mix by 2032

## Overview

- TEP announced that it plans to **convert 793 MW of coal-fired generation at the Springerville Generating Station to natural gas generation** with similar capacity by 2030
- Springerville natural gas conversion will support **customer affordability, local communities, reliability and delivery of cleaner energy**
- **Committed to a coal-free generation mix by 2032**
- **2050 net-zero goal**
- Fortis expects it will take longer to achieve its 50% by 2030 and 75% by 2035 interim GHG reduction targets; as TEP and our other utilities advance their energy resource planning, **we will reassess our interim targets and will share the results once complete**





# 2026 SUSTAINABILITY PRIORITIES

Topic	Key Priorities
Climate Strategy	<ul style="list-style-type: none"><li>• Complete next phase of climate mitigation and adaptation planning</li><li>• Develop adaptation and mitigation plans across the utilities tailored to its geographic climate risks to improve long-term reliability</li><li>• Continue to strengthen wildfire risk mitigation to enhance grid design and hardening</li><li>• Integrate resiliency and system hardening investment into regulatory filings</li></ul>
Climate-Related Advocacy Support	<ul style="list-style-type: none"><li>• Support public policy advocacy to promote climate risk mitigation, with wildfire risk as a top priority</li><li>• Identify opportunities to align Canada's climate competitiveness strategy</li></ul>
Decarbonization Strategy	<ul style="list-style-type: none"><li>• Reassess interim GHG emission reduction targets</li><li>• Integrated Resource Plans to be filed at Tucson Electric Power and UNS Electric</li></ul>
Climate Reporting	<ul style="list-style-type: none"><li>• 2026 Climate Resilience Report</li><li>• 2026 Sustainability Report</li></ul>
Governance	<ul style="list-style-type: none"><li>• Focused on Board succession planning to address upcoming retirements</li></ul>
Human Capital	<ul style="list-style-type: none"><li>• Talent management</li><li>• Engagement and inclusion survey results will inform cultural priorities and leadership actions in 2026</li></ul>

