FORTIS

Fortis
Sustainability

2022 REPORT

Contents

A Message from David Hutchens

President & CEO | *Delivering a cleaner energy future*

Sustainability is central to our business strategy. Our purpose to deliver a cleaner energy future guides our decisions. We are making meaningful progress in lowering emissions and assisting our customers' transition to a low-carbon economy.

We have a 2050 net-zero direct emissions goal, with interim targets to reduce GHG emissions 50% by 2030 and 75% by 2035. We have already achieved a 20% emissions reduction relative to 2019 levels, marking a strong start on our journey towards net-zero.

We've also increased our renewable electricity generation capacity. Renewable electricity generation capacity in 2021 increased by approximately 50% compared to 2020, due in large part to new wind and solar generation at our utility in Arizona.

We're also seeing results from our efforts that support customers to be more energy efficient. At FortisBC, avoided emissions from the use of renewable natural gas by its customers increased more than seven fold since 2017, and that trajectory is not slowing down. Fortis utilities also increased the amount of avoided emissions through the use of EV chargers by seven times over the last three years. We recognize we still have much work to do, and these are just a few of the successes of Fortis utilities combatting climate change. You'll find many more in this report.

As we reduce emissions, we remain focused on reliability and affordability for customers. When it comes to the energy transition, the jurisdictions in which we operate require different approaches and solutions. We are focused on engaging with our communities and listening to our customers.

Energy security and affordability have become important challenges. Fortis utilities are working together to mitigate the cost impacts on our customers from rising inflation rates and constrained global supply chains.

I am optimistic that new opportunities will continue to be created as we transition to a cleaner energy future. We will pursue innovative solutions and remain focused on operational excellence, positioning us for continued growth.

My sincere thanks to our 9,100 employees for your hard work and commitment to serve customers – you are the reason for our continued success.

David G. Hutchens
President & CEO
Fortis Inc.

A Message from Jim Reid

Executive Vice President, Sustainability & Chief Legal Officer

We continue to advance a range of sustainability priorities, informed by meaningful discussions with stakeholders. We enhanced our sustainability strategy disclosure and significantly expanded the scope of our performance indicators.

Delivering a cleaner energy future is at the core of our sustainability efforts. But sustainability at Fortis is so much more. To consistently grow long-term shareholder value our utilities must be a positive force for our customers, employees and communities. It has never been more important to lead with our values.

Diversity is one of our most important sustainability priorities. Our engaged and highly-effective board of directors is more diverse than ever. And for the first time, we are disclosing comprehensive diversity data on employees, including executives, across the Fortis group. A better understanding of the diversity of our workforce will inform objective-setting and more expansive disclosure of DEI indicators.

You will also read about how we are enhancing our strong governance practices, investing in innovation, developing our next generation of leaders and building relationships with Indigenous communities. Sustainability also includes our bedrock commitment to the delivery of safe, reliable and affordable energy for our customers. We will continue to focus on maintaining resilient supply chains.

Our stakeholders are looking for quantitative sustainability disclosures that facilitate comparability. In this report, we have added more than 35 new sustainability

performance indicators. We have also fully aligned with applicable SASB standards and have completed a comprehensive SASB cross-reference. Fortis has a good sustainability story as the numbers in this report demonstrate.

Earlier this year, we released our first TCFD and Climate Assessment Report, which included an analysis of four climate-related scenarios and associated risks and opportunities. This report provided information about our strategy to successfully operate over the long-term in a world increasingly impacted by climate change.

The input we receive from you, our stakeholders, continues to be invaluable in further developing our sustainability strategy and priorities. We will continue these engagements as we focus on executing on our plans and continuously improving our sustainability program.

At Fortis, we are committed to being a sustainability leader.

James R. Reid
Executive Vice President,
Sustainability & CLO
Fortis Inc.

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Fortis

One strong company throughout North America

9,100 employees

$9.4 billion
2021 Revenue

$60 billion
in total assets
as at June 30, 2022

3.4 million
utility customers

48 consecutive years
of dividend payment increases

TSX/NYSE: FTS

Newfoundland & Labrador

Prince Edward Island

British Columbia

Alberta

Ontario

New York

Minnesota

Michigan

Iowa

Illinois

Kansas

Missouri

Oklahoma

Arizona

Turks & Caicos Islands

Cayman Islands

Belize

○ Regulated Electric

□ Regulated Gas

◇ FERC-Regulated Electric Transmission

⬡ Long-Term Contracted Hydro Generation

△ Natural Gas Storage Facility

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93% of Fortis assets associated with energy delivery

Our Corporate Sustainability Commitment

Our corporate sustainability commitment sets out our focus in conducting business in a responsible manner and protecting the environment for future generations. Our commitment statement has four focus areas:

- Preserving Our Environment and Combatting Climate Change
- Linking Human Capital and Sustainability
- Engaging with Stakeholders and Communities
- Ensuring Good Governance

[Sustainability Commitment]

We have more than 243,000 kilometres of electricity and natural gas transmission and distribution lines across our North American footprint.

Fortis is a well-diversified leader in the North American regulated electric and gas utility industry. We have a decentralized business model and operate in five Canadian provinces, nine U.S. states and three Caribbean countries.

PURPOSE

To deliver a cleaner energy future

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** every day

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Report Highlights

Our focus on energy delivery:

93% Energy Delivery Assets

7% Energy Generation Assets

20% GHG emissions reduction since 2019 on the path to our 2050 net-zero direct GHG emissions target

Adding More Renewable Energy
Renewable electricity generation capacity increased by approximately 50% in 2021 compared to 2020.

In 2021 we had our best performance in terms of[1]:

○ electricity transmission service reliability (# of forced outages per 100 miles of transmission lines); and

○ the number of gas leaks per 1,000 customers.

(1) In comparison to the last five years

Fortis utilities continue to outperform industry averages for safety and reliability performance

Our five-year capital plan calls for $20 billion of investment from 2022 through 2026, of which $3.8 billion is expected to be invested in cleaner energy infrastructure. In support of our capital program, Fortis Inc. recently amended its $1.3 billion revolving credit facility to become a sustainability linked loan, which includes pricing adjustments connected to achieving certain goals related to carbon emissions and board diversity.

$20B — 19% Cleaner Energy Investments
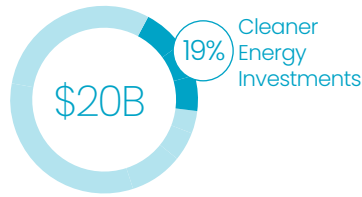
Adding New Performance Indicators to our Sustainability Reporting: 35+ new key performance indicators added, including several focused on employee diversity
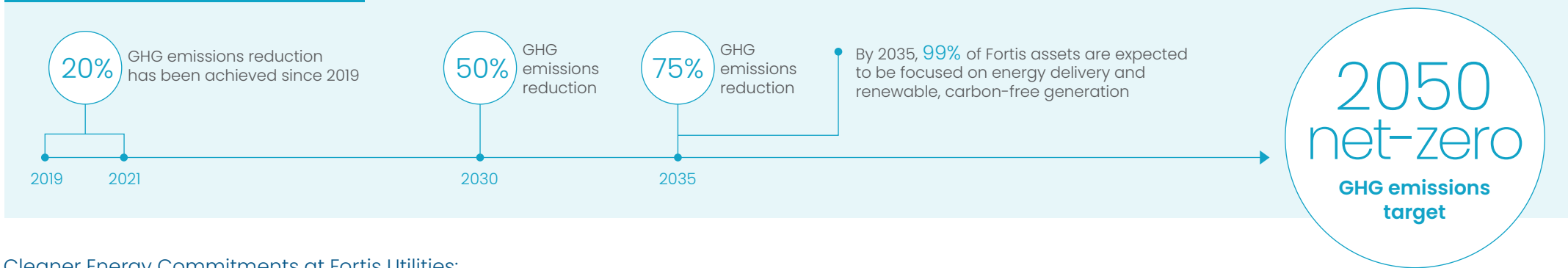
Full alignment with applicable SASB standards and completion of a comprehensive SASB cross-reference

Natural gas energy savings has doubled since 2017, saving more than 630 TJ of natural gas over the period.

Strong sustainability governance including enhanced links between sustainability performance and executive compensation

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Our Sustainability Commitments and Progress

Corporate-Wide Direct GHG Emissions Goals:

20% GHG emissions reduction has been achieved since 2019

50% GHG emissions reduction

75% GHG emissions reduction

By 2035, **99%** of Fortis assets are expected to be focused on energy delivery and renewable, carbon-free generation

2019 2021   2030   2035

2050 net-zero GHG emissions target

Cleaner Energy Commitments at Fortis Utilities:

TEP Tucson Electric Power

5% of Fortis assets are related to fossil-fuel generation, the majority of which are at TEP

Target: Reduce Scope 1 CO_2 emissions from fossil-fuel generation 80% by 2035 compared to 2005 levels
By 2032:

○ TEP will have a coal-free generation mix

○ The use of surface water for power generation will be eliminated and groundwater use will be reduced by 70%

Progress: 468 MW of coal-fired generation retired from 2015-2019 with an additional 170 MW retired in June 2022

TEP plans to provide more than 40% power delivered from renewables and battery storage in 2030 and more than 60% in 2033

Progress: 450 MW of wind and solar capacity and 30 MW of battery energy storage system capacity was added in 2021

Target: Support the more than 1 million electric vehicles expected on the road in Arizona by 2030

Progress: TEP anticipates by the end of 2022, it will have contracted 360 EV charging ports. TEP is supporting electrification through its partnership with the National Electric Highway Coalition, electrifying the local bus fleet, and through rebates for EV owners and residential home chargers.

FORTIS BC

Fortis utilities deliver natural gas to 1.3 million customers, 81% of whom are located in FortisBC's service territory

Target: Reduce GHG emissions associated with customers' energy use 30% by 2030 compared to 2007 levels

Progress: In 2021, FortisBC customers reduced GHG emissions by approximately 578,000 tonnes, equivalent to removing approximately 177,000 gas-powered cars from the road for a year

Progress: In 2021, FortisBC hit an energy efficiency milestone by investing close to $120 million

in conservation and energy efficiency programs

Target: To have more than 15% of gas supply come from renewable sources by 2030. Looking beyond, FortisBC sees potential to have 75% or more of the energy it delivers to be renewable or low-carbon by 2050.

Progress: 25 supply agreements have been approved. By 2025, it is expected that approved contracts will be in place to cover more than 11% of FortisBC's total annual gas supply.

Central Hudson A FORTIS COMPANY

Target: 10% of its fleet electrified by 2025 and 50% electrified by 2030

Progress: Central Hudson was recently one of the first utilities in the U.S. to purchase two all-electric bucket trucks, which will save approximately 1,000 gallons of diesel fuel annually. The utility has also purchased four hybrid bucket trucks that will save approximately 500 gallons of diesel fuel annually. By the end of 2022, Central Hudson plans to have a total of 18 EVs included in its fleet, which equates to one quarter of its 2025 target.

Diversity, Equity and Inclusion Commitments at Fortis Inc.

Target: Commitment to maintain a Board where at least 40% of independent directors are women.

Progress: As of the 2022 Annual Meeting, 54% of Board members are women. Additionally, 42% of the Fortis Inc. executive leadership team are women and 70% of Fortis utilities have either a female president or female board chair.[1]

Target: Have at least two Board members identify as a visible minority or Indigenous person by 2023.

Progress: As of the 2022 Annual Meeting, two Fortis Inc. directors identify as visible minorities.

(1) As of July 2022

Our Environment
Delivering on our commitments

2050 Net-Zero Direct GHG Emissions Target

Our net-zero goal builds on our interim targets to:

- Reduce direct GHG emissions 50% by 2030
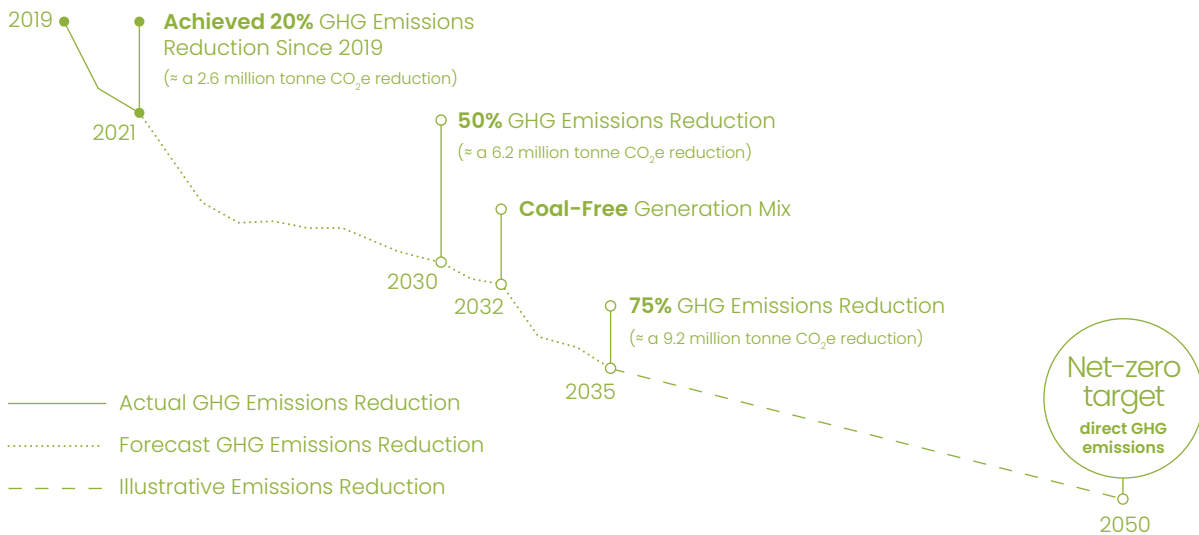- Reduce direct GHG emissions 75% by 2035

We have a clear path to achieve both interim targets without the use of carbon offsets.
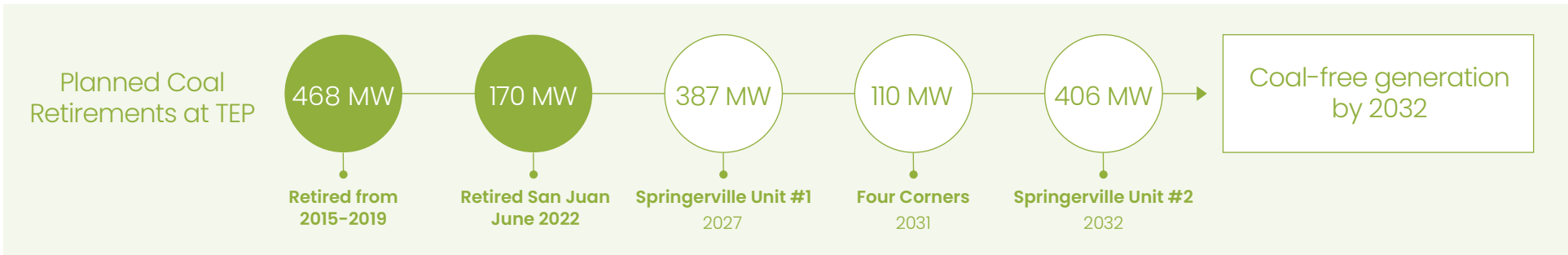
TEP's Path to a Sustainable Energy Future

While clean energy initiatives across Fortis utilities will contribute to achieving our targets, TEP will be the most impactful amongst the Fortis group in reducing direct GHG emissions. TEP has an ambitious, realistic and responsible plan to serve customer energy needs and affordably transition its assets to cleaner generation alternatives.

In 2021, TEP added 450 MW of wind and solar power and 30 MW of battery energy storage and from 2022–2035, the utility plans to add 3,400 MW of wind, solar and storage.

Our Pathway to 2050 Net-Zero[1]

2019

Achieved 20% GHG Emissions Reduction Since 2019
(≈ a 2.6 million tonne CO_2e reduction)

2021

50% GHG Emissions Reduction
(≈ a 6.2 million tonne CO_2e reduction)

Coal-Free Generation Mix

2030

2032

75% GHG Emissions Reduction
(≈ a 9.2 million tonne CO_2e reduction)

2035

Net-zero target
direct GHG emissions

2050

————— Actual GHG Emissions Reduction

·············· Forecast GHG Emissions Reduction

– – – – Illustrative Emissions Reduction

(1) Includes direct (Scope 1) emissions

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Planned Coal Retirements at TEP

468 MW	170 MW	387 MW	110 MW	406 MW	Coal-free generation by 2032
Retired from 2015–2019	**Retired San Juan June 2022**	**Springerville Unit #1** 2027	**Four Corners** 2031	**Springerville Unit #2** 2032	

Beyond 2035, most of our Scope 1 emissions relate to natural gas generation at TEP. Natural gas generation is critical to providing safe, reliable and affordable energy to customers. To reach net-zero by 2050, as technology advances, TEP will look to improve efficiency of natural gas units, utilize lower-carbon fuel and prepare units for future hydrogen injection. Reliability and affordability will remain key priorities of TEP as it works to meet emissions reduduction targets.

⎘ Read more about TEP's plan to support communities during the cleaner energy transition

Retail Energy Mix at TEP

2021

30% Coal
40% Natural Gas
21% Renewables
9% Market Purchase

2035 Forecast

26% Natural Gas
70% Renewables
4% Market Purchase
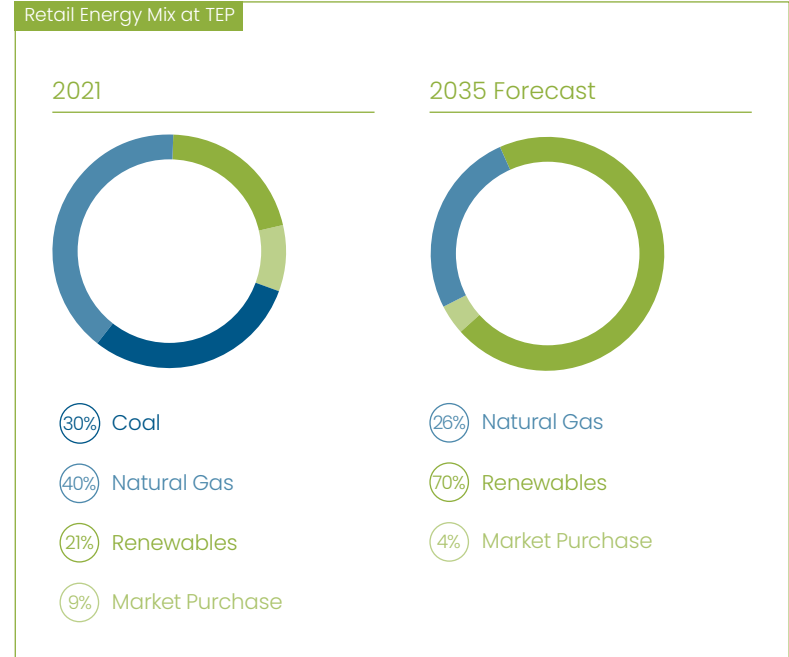
In addition to TEP's clean energy plans, all of our other utilities are taking action to decrease GHG emissions in their operations and by their customers. The following are examples of the important work taking place throughout the Fortis group of utilities.

FortisBC's Strategy to Create a Lower-Carbon Energy Future

2021 marked a number of significant milestones for FortisBC's RNG program:

- The 10-year anniversary of FortisBC's RNG program was recognized. The utility was the first in North America to offer RNG to customers.

- Partnered with Seaspan Ferries who became the first Canadian marine company to pilot the use of RNG in one of its LNG-powered vessels.

- 25 supply agreements approved with RNG suppliers.

- The Government of British Columbia introduced regulatory amendments to allow FortisBC to increase the amount of renewable and low-carbon gases in its system from 5% to 15% of total annual supply.

- Submitted a regulatory proposal, where every newly constructed building connected to the gas system would automatically receive 100% RNG for the lifespan of the building — a regulatory first in North America. If approved, this would dramatically decrease GHG emissions from new builds throughout the province of B.C.

- A new RNG supplier was added to acquire RNG from the U.S. — a first for FortisBC.

- Annual RNG supply increased 184% in 2021 compared to the previous year, marking the largest annual delivery in the RNG program's history.

⧉ Read about FortisBC's Clean Growth Innovation Fund

Additional Renewable Wind and Solar Resources Require Electricity Transmission

As new wind and solar energy systems are constructed, they are often located away from the densely populated cities and communities where customers will ultimately use the energy. In some cases, the distance between renewable energy systems and end-use customers can be hundreds of kilometres away. That's why electricity transmission is an important aspect of infrastructure planning as part of the clean energy transition.

Planning, siting and building new transmission infrastructure can take much longer to complete in comparison to renewable generation. Fortis utility ITC Holdings Corp. is the largest independent electricity transmission company in the U.S. and is taking action now to plan and prepare for the needs of the energy grid of the future.

The U.S. electricity transmission system will require modernization in order to deliver clean energy.

ITC is working with industry partners across its seven-state footprint to ensure that critical transmission infrastructure is reliable and resilient when renewable energy projects come online.

For example, in Michigan, ITC recently worked closely with developers of the state's largest solar array to bring 239 MW of solar online in three phases from 2020–2022.

ITC is also a partner on a high-voltage transmission line project that will connect northeast Iowa and western Wisconsin. The project is key to connecting renewable energy to the grid. As of April 2022, 127 renewable generation projects totalling more than 19 gigawatts were dependent upon its construction.

Fortis Utilities Supporting EV Adoption

Fortis utilities are:

○ Deploying EV charging infrastructure

○ Forecasting and planning for the increased electricity demand associated with increased usage

○ Conducting suitability assessments with local fleet operators to identify which vehicles are most suitable to convert to electric

○ Partnering with community groups and public organizations, such as bus transportation services, to electrify fleets

○ Developing solutions specifically for low-income customers

○ Advising customers of EV purchase incentives offered in each service territory

Central Hudson Introduces **First-of-Its-Kind Electric Utility Truck**

The utility recently purchased two all-electric bucket trucks — one of the first utilities in the U.S. to do so. Central Hudson expects these trucks to save approximately 1,000 gallons of diesel fuel annually.

FortisAlberta Sponsors **Electric Zamboni**

The Zamboni cleans the ice for hockey and skating fans alike at the Leduc Recreation Centre in Alberta.

TEP Supports **Bus Fleet** Electrification

TEP is supporting Tucson's bus operator Sun Tran as it converts its bus fleet to electric. Sun Tran has added five new battery electric buses with another five buses to be added in 2022.

Fortis Utilities Advancing EV Adoption and Building EV Infrastructure:

○ FortisBC had 40 EV charging stations at 22 locations across B.C. at the end of 2021, and hit a milestone this past September with its EV direct current fast charge network surpassing 10,000 charges. With more and more electric vehicles on the road, FortisBC plans to surpass 20,000 charging events by the end of 2022.

○ Central Hudson is investing more than $30 million in "make-ready" EV charging infrastructure.

○ Maritime Electric is partnering with 20 communities on a project to install 50 level two EV chargers across Prince Edward Island.

○ ITC Holdings Corp. provided a sponsorship to Michigan State Parks helping to provide 30 EV chargers across 12 parks throughout the state.

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Our Operations
A steadfast focus on safety and reliability

The safety of our employees and our communities will always be our top priority. As a group of utility companies, we continue to outperform industry averages for safety performance.

Fortis utilities have a strong safety culture that goes hand in hand with delivering reliable service to customers.
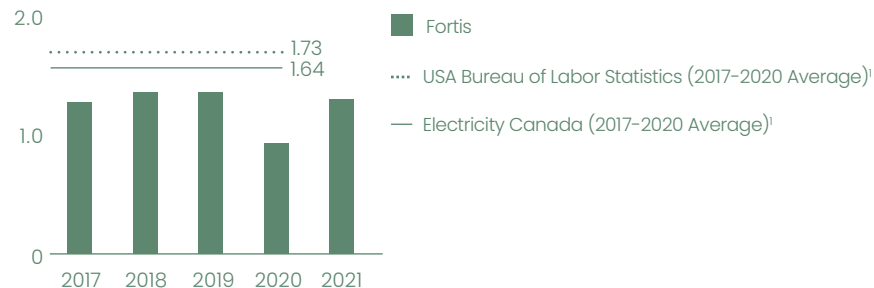
Safety Practices of Our Contractors

All contractors are required to share our commitment to conduct work in a safe manner. Contractors must demonstrate a strong safety program with a high level of training centered around a proactive approach to risk management. Historical safety performance is a consideration when selecting successful contractors.

Contractors are required to report all on-site incidents related to work carried out as quickly as possible to the appropriate Fortis company representative.

All-injury Frequency Rate

The All-Injury Frequency Rate represents the number of injuries for every 200,000 hours worked.

Legend:
- Fortis
- USA Bureau of Labor Statistics (2017–2020 Average)[1] ···· 1.73
- Electricity Canada (2017–2020 Average)[1] — 1.64

Years: 2017, 2018, 2019, 2020, 2021
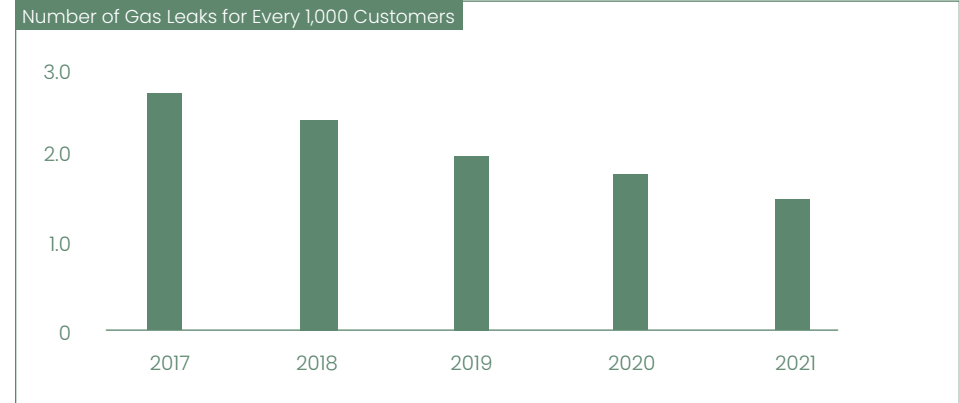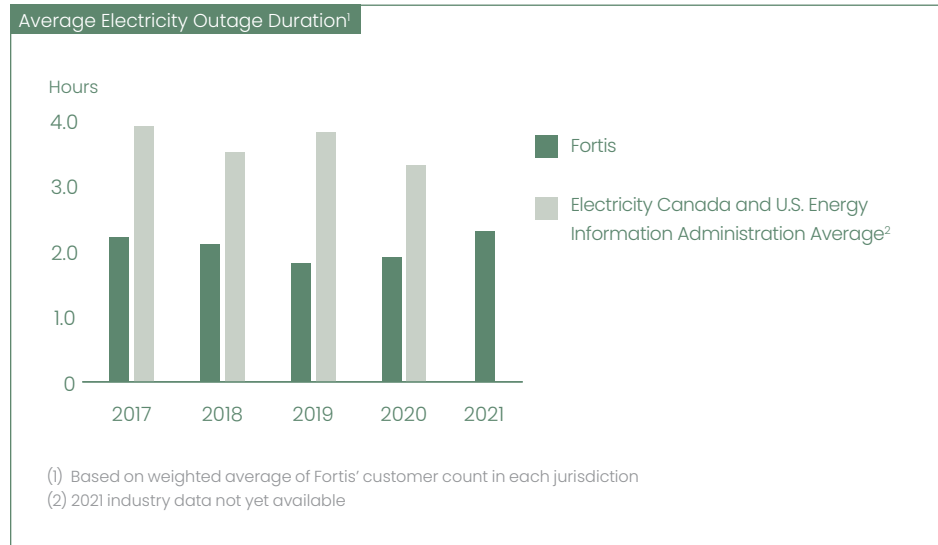
(1) 2021 industry data not yet available

FortisAlberta Held Its 10th Annual Contractor Safety and Environment Summit, which creates an opportunity to share ideas and stories that help keep our workers, customers and communities safe.

Customer Service Reliability

In 2021, the average hours of interruption per electricity customer served by Fortis utilities was 2.3 hours, outperforming both Canadian and U.S. industry average outage durations for electricity customers.

This performance was achieved despite another year of weather extremes. From record heat and historic flooding in British Columbia, to a derecho storm in ITC's Midwest service area and a hurricane in Newfoundland & Labrador, several of our jurisdictions were impacted by severe weather.

Average Electricity Outage Duration[1]

Hours

- **Fortis** (dark green)
- **Electricity Canada and U.S. Energy Information Administration Average[2]** (light grey)

(1) Based on weighted average of Fortis' customer count in each jurisdiction
(2) 2021 industry data not yet available

Number of Gas Leaks for Every 1,000 Customers

On the natural gas side, the number of gas leaks experienced for every 1,000 customers is a reliability performance indicator. Limiting the number of gas leaks also results in decreased GHG emissions. 2021 marked our best performance on this indicator in the last five years. Again, this was achieved while experiencing a year of frequent and difficult extreme weather events.

Together in 2021, Fortis utilities that deliver natural gas to customers had a year-over-year decrease in reportable pipeline incidents.

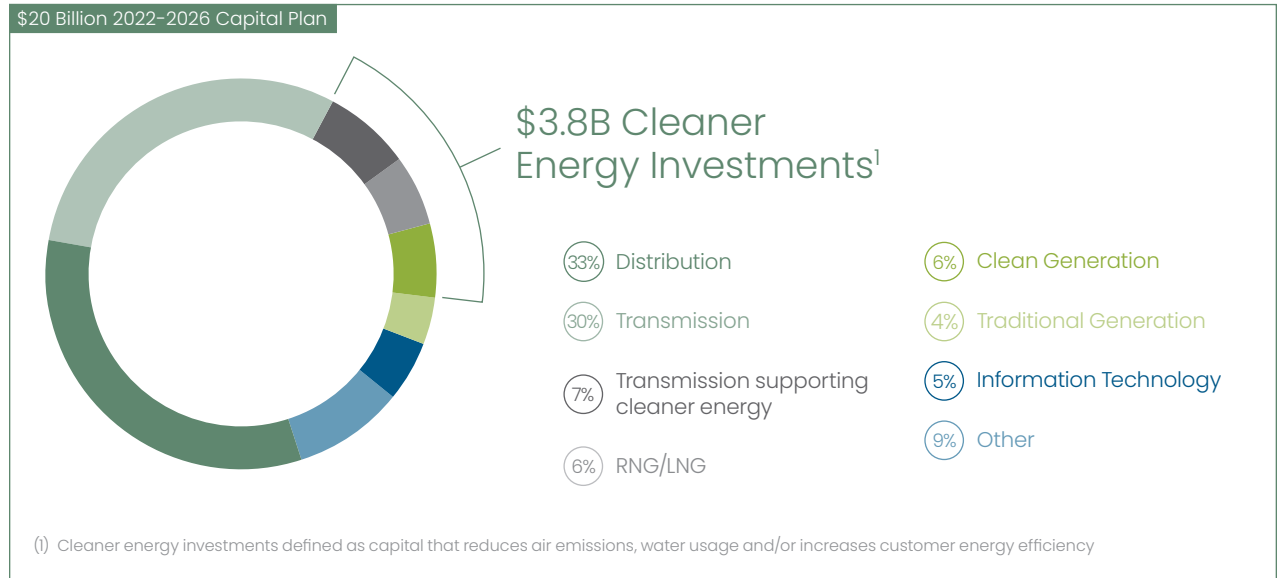## Investing in a Resilient Grid and Cleaner Energy

Our five-year capital plan calls for investment of $20 billion from 2022 through 2026, with $3.8 billion expected to be invested in cleaner energy infrastructure.

In support of our capital program, debt financing in 2020 was highlighted by inaugural green bonds issued at FortisBC and TEP for $200 million and US$300 million respectively. This was followed by ITC Holdings Corp., which issued US$75 million in green debt in 2021 and US$20 million in the first quarter of 2022. In 2021, TEP amended its US$250 million revolving credit facility to include pricing adjustments associated with achieving targets on safety performance and renewable generation capacity. Likewise, Fortis Inc. recently amended its $1.3 billion revolving credit facility to a sustainability linked loan, which includes pricing adjustments connected to achieving certain goals related to carbon emissions reductions and board diversity.

Physical and Cyber Security

A safe and reliable system requires it to be secure.

Physical and cyber security leaders throughout our companies are committed to protecting our workplaces, operations and cyber programs. These leaders regularly share best practices in areas such

$20 Billion 2022-2026 Capital Plan

$3.8B Cleaner Energy Investments[1]

- (33%) Distribution
- (30%) Transmission
- (7%) Transmission supporting cleaner energy
- (6%) RNG/LNG
- (6%) Clean Generation
- (4%) Traditional Generation
- (5%) Information Technology
- (9%) Other

(1) Cleaner energy investments defined as capital that reduces air emissions, water usage and/or increases customer energy efficiency

as threat monitoring, protecting customer information and risk management. The group also conducts training exercises to test systems and identify opportunities to improve. Physical and cyber security leaders are also members of industry groups that share best practices and learn from each other.

> The Fortis group of companies have not had any reportable cyber security breaches since we began reporting this performance indicator in 2018.

Emergency Response Planning

Fortis companies have crisis management plans in place in the event of an emergency situation. Structures and processes in place during the pandemic have enabled us to further refine our emergency response planning. Crisis plans are tested throughout the year to simulate real life emergency situations, creating opportunities to strengthen our plans and better prepare. Crisis exercises are linked to our risk management program, ensuring we test a company's response to its highest risk situations.

Customer Affordability

With a backdrop of economic uncertainty and geopolitical unrest in the world, affordability remains a key priority for Fortis. It always has been. Historically, Fortis utilities have managed annual increases in controllable operating costs per customer to below inflation.

Affordability is particularly concerning for lower-income customers. Fortis utilities have increased efforts to ensure customers are aware of assistance programs and offer customers:

- Home energy efficiency evaluations and rebates for upgrades
- Bill payment options including equal payment plans and payment extensions
- Energy efficiency tips and no-cost ways to reduce customer costs
- Recommendations to save energy during extreme warm and cold temperatures
- Increased communication on payment assistance programs available to customers at the federal, state and provincial levels

One of the most significant areas Fortis utilities are experiencing cost increases relates to rising fuel costs. Rising interest rates are also impacting capital and operating costs.

Fortis utilities are focused on providing near-term supply price relief for customers. For example, Central Hudson is further deferring gas supply costs from the previous winter in an effort to spread the costs over a longer period of time in order to reduce customer bill costs in the short-term.

Supply Chain

Similar to others in our industry, Fortis utilities are experiencing supply chain pressures related to supply availability for certain key materials and rising costs, which can impact customer bills.

To mitigate these pressures:

- Executive responsibility for supply chain coordination was expanded. The Fortis Operating Group, which includes senior operational leaders across Fortis utilities, restructured to place a higher priority on supply chain management.
- The Fortis Operating Group identified the highest priority key materials. Fortis utilities support one another to ensure adequate supply of materials and consolidate buying power to improve outcomes.
- Inventory plans have been adjusted to reflect market conditions and supply chain constraints.
- Fortis utilities are working more closely with suppliers to create multi-year forecasts, flexible product specifications, and align plans with material availability.

Ensuring Sustainable Supply Chains

Supply chains are important to advance the global clean energy transition and reduce emissions. To gain a better understanding of the sustainability priorities of our largest suppliers, a survey was conducted with our top ten suppliers on topics including health and safety practices, ethical business practices, environmental performance, climate change preparedness, workforce stability and DEI priorities. Conducting the survey was an initial step to better understand the current practices of our suppliers in key sustainability areas.

Maritime Electric and Newfoundland Power Receive Sustainable Electricity Company Designation from Electricity Canada

Both Fortis utilities were awarded the designation in 2021, which recognizes utilities that prioritize sustainability solutions.

The designation requires utilities to conform to the ISO 14001 standard on Environmental Management Systems and ISO 26000 Guidance on Social Responsibility.

Maritime Electric and Newfoundland Power demonstrated their commitment to responsible environmental, social and economic practices and to the principles of sustainable development.

Electricity Canada also awarded Newfoundland Power the first ever Resilience and Reliability Award for dedication to meet electricity needs of customers. Newfoundland Power was recognized for overcoming obstacles and developing long-term solutions in asset management, innovation in reliability, outage communications and overall reliability management.

Investing in Innovation

Delivering a cleaner energy future means investing in innovation and new technologies to enable a low-carbon economy. Our industry needs research and development in order to achieve our net-zero goals.

Fortis is an engaged partner in the Electric Power Research Institute (EPRI), an independent non-profit energy research and development organization. As an example of our partnership, we are participating in the *Low-Carbon Resources Initiative*, a joint project with EPRI and GTI Energy to identify and accelerate the development of promising low-carbon technologies.

We also have a long-standing investment in Energy Impact Partners (EIP), a strategic venture capital firm focused on innovation as we transition to a sustainable future. In addition to EIP's flagship funds, we also participate in EIP's *Elevate Future Fund* to advance DEI in the energy transition and its *Deep Decarbonization Fund*, which targets early-stage, revolutionary technologies that accelerate the clean energy transition. Through our EIP investment, Fortis utilities develop a more innovative mindset that is needed for the clean energy transition and gain access to the latest research, innovation and technology in our industry.

Our utilities are working together to think innovatively and share ideas to ensure Fortis remains at the forefront of the energy transformation taking place.

FortisBC's Clean Growth Innovation Fund

FortisBC has committed almost $5 million annually from 2020-2024 to invest in projects that will help decarbonize its gas supply and accelerate climate action.

One of the first projects to receive funding will explore the use of hydrogen in FortisBC's gas system. Research continues with the University of British Columbia's Okanagan campus to better understand how to safely blend hydrogen, and other low carbon gases, into the gas system. A dedicated hydrogen lab is being built, with an expected opening in 2022, that will allow researchers to start testing some of their theories in real-life applications. In addition, FortisBC is exploring the opportunity to advance new hydrogen pilot projects so we can test this form of energy in real-world settings. Recently, FortisBC announced a partnership between Suncor Energy and Hazer Group to advance a new hydrogen pilot facility with CleanBC support. The new pilot project will produce carbon-neutral hydrogen by using an innovative methane pyrolysis technology for the first time in North America.

The fund will also support projects related to RNG, carbon and methane capture technologies, energy efficiency, fuel cell, and remote power technologies.

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Our People

Fortis employees are the reason for our success

An engaged team that brings together innovative and diverse perspectives creates the best solutions for Fortis and drives our business forward.

We remain true to our values and focused on our people. After a little more than two years, office re-entry is in progress or complete across Fortis. The return to the office has generally been positive and many Fortis utilities have adopted flexible work arrangements. Our utilities are creating workplace models that support recruitment, retention, engagement and ensure our people are able to work efficiently and effectively.

Supporting Employees and Creating New Ways to Work

Our employees have demonstrated the ability to adapt, innovate and persevere as we respond to the global pandemic. Fortis has continued to deliver strong performance because of the commitment shown by our employees.

Newfoundland Power Participated in **Job Fair for Ukrainian Newcomers**

The utility was one of the local employers interested in hiring Ukrainian newcomers.

The job fair connected skilled Ukrainians with job opportunities in Newfoundland & Labrador.

Maritime Electric's **Focus First Mindfulness Program**

The *Focus First* Mindfulness Program was developed to highlight the importance of staying focused and safe on the job. Practicing mindfulness helps heighten awareness, controls distracting thoughts and supports overall mental health.

FortisAlberta Selected as a **2021 Top 70 Employer in Alberta**

The selection process considered key performance areas including physical workspace, atmosphere, benefits, vacation and time off, employee communications, performance management, training and skill development and community involvement.

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Attracting and Retaining the Best Talent

Fortis has a longstanding corporate-wide talent management strategy that enhances our ability to identify, mentor and develop current executives and employees for more senior positions. This approach ensures there is a pipeline of qualified talent and we are prepared for an orderly succession of critical roles.

FORTIS LEADERSHIP LAB

In 2021, we launched the Fortis Leadership Lab, a development program designed for employees early in their leadership progression. The purpose of the lab is to serve as a talent management hub and to further encourage an innovative culture. It is designed to:

- Build mentoring relationships and create exposure to senior leaders across the Fortis group of companies
- Promote inter-company career mobility and deepen peer relationships

Leadership lab participants take part in education modules that focus on key business areas. Participants are also assigned a team to work on a capstone project that directly aligns with the Fortis business strategy and objectives.

FortisTCI Reaccredited with Silver Certification for the **Investors in People Framework**,

which is an internationally recognized standard for excellence in people management. This accreditation level recognizes FortisTCI's use of people-centred principles, which have been applied consistently across the business, with employees experiencing the benefits.

Constructive Union Relations

Fortis utilities strive to maintain good employee relations and regular communications and collaboration between union and management leaders. More than half of the 9,100 employees across our group of companies are represented by a labour union.

If employee relations issues arise, unionized employees have access to a grievance procedure for internal dispute resolution, which provides an opportunity for a timely and fair resolution. In 2021, 93% of grievances were resolved without arbitration and there were no work stoppages.

WEL 2022 | 6th ANNUAL Women In Executive Leadership

Fortis Women in Executive Leadership Forum

The event gathered 70 participants throughout the Fortis group of companies to discuss new business opportunities, capital projects, changing workplaces, the advancement of women and lessons in leadership.

The DEI Advisory Council

The DEI Advisory Council was established in November 2020 and comprises executives from each Fortis utility. These senior leaders are passionate about DEI. In 2021, the Council focused on two key priorities:

DEI Accountability and Measurement

Workforce diversity data was identified as critical to advance DEI strategies. We believe it is important to understand our current diversity profile so we can consider directions and opportunities for the future. Executive across Fortis companies participated in a self-identification survey to help us understand the demographic characteristics of our most senior leaders. We also conducted an inaugural DEI survey of all employees in Canada and the Caribbean.[1]

The information collected through these surveys will help broaden our understanding of the unique needs of all employees and will help advance our DEI strategies.

Advancing Racial Equity

At Fortis racial equity means equal and fair treatment of all races. It means having policies, beliefs, practices, attitudes, and taking actions that promote equal opportunity and treatment for people of all races.

The Council developed an enterprise-wide action plan to advance racial justice in our business and communities. The plan has four primary goals, actions and associated timelines for execution:

1. Equip Fortis leadership to lead and be accountable for advancing racial equity

2. Hire, develop, promote, and retain a racially diverse workforce

3. Cultivate an anti-racism culture that is safe, respectful, and inclusive

4. Seek opportunities for meaningful engagement with racially and ethnically diverse communities within our workplace and in the geographies we serve

For the third consecutive year, Fortis was named to The Globe and Mail's *Women Lead Here* Gender Diversity List.

2022
REPORT ON BUSINESS
WOMEN LEAD HERE

The annual benchmark identified 74 of the largest companies on the Toronto Stock Exchange with a significant number of women in leadership positions.

(1) Fortis U.S. utilities are already required to collect similar data annually.

Our Communities
Making an impact

Building Relationships with Indigenous Communities

At Fortis, we strive for respectful relationships with all peoples as we search for collective healing and true reconciliation. Our goal is to develop long-term partnerships with Indigenous communities and create economic opportunities.

Land Acknowledgement:
We acknowledge the lands on which many Fortis companies operate as traditional territories of diverse Indigenous groups.

The Wataynikaneyap Power Transmission Project

Wataynikaneyap Power is constructing an 1,800-kilometre transmission line that will connect 17 remote First Nations communities to the Ontario power grid for the first time. These communities currently have inefficient and oftentimes unreliable electricity systems based on diesel generation, which is limiting opportunities for community growth.

The project is majority owned by 24 First Nations in Northwestern Ontario. Fortis has a 39% ownership interest and we are the project manager. The project is two years into a four-year construction schedule and is more than 60% complete. During peak construction in 2021, there were approximately 1,000 workers at various remote construction sites.

An all-women line crew ground support training group successfully graduated in 2021. The program was designed to provide support and remove barriers that prevented women from applying for training or jobs. It included providing childcare and other supportive services. Training also incorporated Indigenous knowledge and land-based learning. This is the only course of its kind in Canada, specifically organized for First Nations women.

The Wataynikaneyap Power Transmission Project was voted the leading Clean50 Top Project at the Clean 50 Summit held in 2021. The project was chosen by sustainability advocates, emerging leaders, top project representatives, members of the Clean50 and other summit attendees.

Wataynikaneyap Power's CEO Chosen as a 2022 Changemaker by The Globe & Mail

The Changemakers List includes 50 individuals in Canada who were selected out of hundreds of submissions. These changemakers are finding pragmatic solutions to the world's most intractable problems.

"Indigenous people need to be involved in the major infrastructures that are happening in our homeland. We need to have a say in our communities and our future generations."

–Margaret Kenequanash,
CEO Wataynikaneyap Power

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As examples, the following outlines actions being taken at FortisAlberta and FortisBC to strengthen Indigenous relationships.

FortisAlberta serves customers located on 20 First Nations and two Métis Settlement lands and traditional territories. In 2021, the utility formalized an Indigenous commitment statement and is participating in the Truth and Reconciliation Commission of Canada's Calls to Action. FortisAlberta provides Indigenous training for contractors completing work on behalf of the company on settlement lands and traditional territories and is implementing mandatory Indigenous training for all employees. The utility is assessing opportunities to further support Indigenous-owned businesses, especially for projects on settlement lands and traditional territories.

When FortisBC's Mt. Hayes LNG storage facility was commissioned in 2011 on Vancouver Island, a long-term partnership with two First Nations communities was created. **From an ownership perspective, each First Nation invested in the facility holds a 7.5% equity position while FortisBC holds the remaining 85%.** The 20 hectare storage facility is supplied by FortisBC's existing systems and holds 1.5 billion cubic feet of LNG.

FortisBC serves 58 First Nations communities across 150 traditional territories in the Province of British Columbia. The utility is pursuing a certification in Progressive Aboriginal Relations (PAR) with the Canadian Council of Aboriginal Business (CCAB). This certification program confirms corporate performance in Indigenous relations and reflects best practices in corporate social responsibility.

Below are actions FortisBC is taking to strengthen relationships and build connections with Indigenous peoples:

Seeking Out Indigenous-Owned Businesses

Through major infrastructure projects, FortisBC sought out Indigenous-owned businesses to work with and strengthened these relationships for mutual benefit. For example, in 2021, 25% of total vendor expenditures on FortisBC's inland gas project were with 28 different Indigenous businesses.

Broadening Employee Understanding

In 2021, 42 Indigenous awareness training sessions were held and more than 800 employees participated.

An Indigenous employee circle was also created in 2021, which includes more than 80 employees who discuss topics including language, traditional protocols and mentorship opportunities.

Increasing Indigenous Employee Recruitment

The talent acquisition team at FortisBC increased efforts to recruit Indigenous peoples by participating in a training session on Indigenous recruitment and attending career fairs to build relationships with Indigenous peoples and connect them with career opportunities.

Our journey will continue and we will keep learning, supporting and being respectful of Indigenous peoples, their land, culture, traditional values and rights.

TEP's Plan to Support Communities During the Clean Energy Transition

We are committed to a just transition for stakeholders as our utilities move toward a clean energy future.

As TEP ramps down and ultimately retires coal-fired generation, its timelines allow the transition to less carbon-intensive resources to take place at a cost-effective pace while working toward a measured transition for employees and communities.

TEP has established a Coal Community Transition (CCT) Committee that is working closely with employees and local stakeholders to prepare for the planned retirements and promote sustainable economic growth. To facilitate a just transition, employee layoffs will be avoided by reducing the number of employees over time through attrition.

TEP's transition plans are primarily focused on communities around the Springerville Generating Station (SGS). The utility is the plant's majority owner and operates the entire plant, which consists of four generating units. TEP has ownership in two units at the SGS (793 MW total), which are planned for retirement in 2027 and 2032.

So far, efforts at SGS have focused on preparing the workforce for the unit retirements and supporting local efforts to evaluate and address long-term economic development needs, including regional broadband and internet connectivity, transportation infrastructure, housing, and education. Recently, the Arizona Commerce Authority approved an Arizona Broadband Development grant that will benefit eight rural communities in the Northeastern Arizona region, including Springerville and Eager, where TEP operates the SGS. TEP committed US$300,000 in matching contributions to help secure the grant and to fund an economic study which looked at how high-speed broadband will help improve the region with new jobs, tax revenue, and other benefits. The funding will help secure high-speed reliable broadband service so communities can thrive and be competitive in a digital environment as they transition away from coal.

TEP is a minority owner of units operated by other utilities in northwestern New Mexico and of a closed plant in remote northern Arizona. The operators of those plants have taken the lead in addressing CCT issues and TEP is informed and involved in those plans.

Customer affordability will be a key consideration in the clean energy transition. TEP is participating in the Arizona Corporation Commission's efforts related to a Just Energy Transition. This is a broader state-based effort with a larger group of stakeholders. As part of this effort, TEP will participate in a Policy Task Force focusing on funding, repurposing facilities and ratepayer impacts.

Making a Difference

We are committed to making a real impact by supporting the communities where we live and work.

TEP Provides US$30,000 in Grants to *Step Up to Justice*

Step Up to Justice is a local nonprofit organization in Tucson, Arizona that connects low-income residents with volunteer attorneys who provide free legal services.

When the pandemic hit, Step Up to Justice immediately saw an increase in requests for legal assistance from low-income residents facing housing issues and eviction risk. TEP's contribution has primarily assisted with housing insecurity services, reaching 947 people in the past year alone.

Since Step Up to Justice launched in 2017, the organization has expanded resources and increased services by 25% in the community, giving thousands of more residents access to pro bono legal services.

2021 Community Support
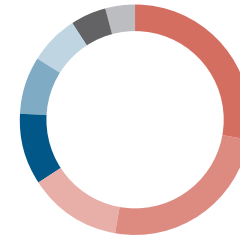
In 2021, the Fortis group of companies contributed **$10 million** to the communities we serve.

- 28% Social Development
- 25% Education
- 13% Other
- 10% Biodiversity
- 8% Environment & Safety
- 7% Health & Wellness
- 5% Small Business Support
- 4% Arts & Culture

Newfoundland Power's EnviroFest Celebrates 25 Years

Newfoundland Power recently celebrated its 25th annual EnviroFest, which provides funding and support to community organizations and their green community-based projects. In addition to funding support, Newfoundland Power employees have rolled up their sleeves and got to work improving park areas, enhancing trail systems and starting recycling programs.

Throughout the years, EnviroFest has resulted in more than:

- **300** community group partnerships
- **110** environmental projects completed
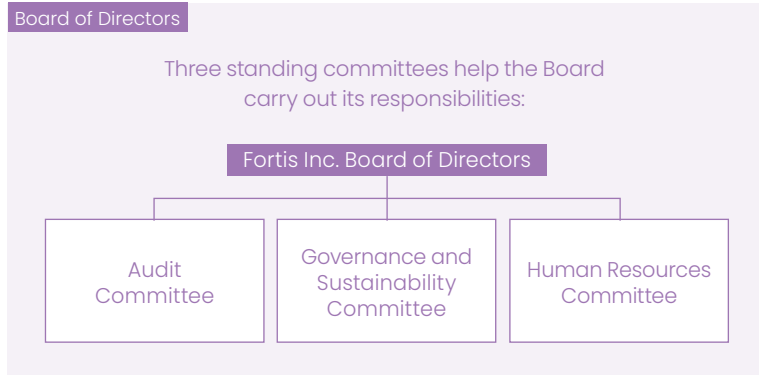- **3,000** trees and shrubs planted

Our Governance Model
Strong sustainability oversight

The Fortis Inc. Board of Directors is responsible for the stewardship of Fortis on behalf of our shareholders and other stakeholders.

The Board ensures effective leadership and provides oversight for strategy, succession planning, leadership diversity, risk management, sustainability and corporate governance.

Board of Directors

Three standing committees help the Board carry out its responsibilities:

Fortis Inc. Board of Directors

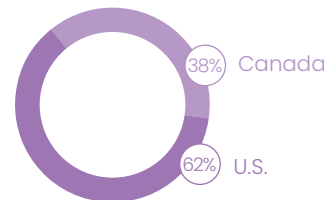| Audit Committee | Governance and Sustainability Committee | Human Resources Committee |

Each board committee has a written mandate that sets out its responsibilities and areas of focus. The mandates are reviewed regularly to capture best practices and applicable regulatory requirements.
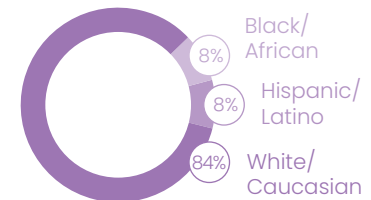
Fortis Inc. Board of Directors Facts[1]

- Fortis has an independent Board Chair and the roles of the Chair and CEO are separate
- All members of our three board committees are independent, and the Chair of the Board is a member of each committee for continuity and consistency
- The Board and committees meet without management present at every meeting
- Term limits for board members are in place to help ensure independence, a diversity of views, and fresh insight

54% of directors **are women**

12 of **13** board members are **independent***

4.9 **years** average tenure

Residency

38% Canada
62% U.S.

Ethnicity

8% Black/African
8% Hispanic/Latino
84% White/Caucasian

(1) Information provided in this section is based on directors elected at the Fortis 2022 Annual and Special Meeting on May 5, 2022
*Fortis President and CEO David Hutchens is not considered independent

Sustainability Oversight at Fortis Inc.

Sustainability strategy and progress on commitments are discussed as part of regular board meetings and the annual strategy session. Board education sessions held throughout the year include sustainability-related topics.

The Governance and Sustainability Committee assists the Board in overseeing our governance practices as well as our sustainability commitments and key disclosures. The committee receives a report on sustainability at each regularly scheduled meeting. It reviews our short and long-term sustainability objectives and our progress against these objectives, programs and practices. The committee advises the board on the status and adequacy of efforts to ensure business is conducted in a sustainable manner.

Sustainability Oversight at Fortis Utilities

Aligned with our decentralized business model and focus on independent governance, each Fortis subsidiary is governed by its own board of directors. Our significant utility subsidiaries have an independent Board Chair and a majority of independent board members who generally reside in the subsidiary's service territory. Fortis senior executives and utility CEOs also serve as board members for our utilities, which facilitates oversight, the sharing of best practices and operating expertise.

This structure ensures that subsidiary boards provide effective independent oversight and administration of their governance and operations with regard to their local customer needs, regulatory environment and business objectives, while operating within the broad parameters of Fortis policies and best practices.

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Sustainability Priorities and Executive Compensation

Executive compensation at Fortis is designed to reward superior performance over varying time horizons. The incentive program is designed to motivate the executive team to deliver strong absolute and relative performance.

Achieving our sustainability objectives is a focus for the Fortis Inc. Board of Directors and forms part of Fortis Inc. executive compensation. Sustainability performance focuses on climate, people, safety and reliability.

The importance of sustainability-related performance was reinforced in executive compensation by adding new measures focused on carbon reduction and DEI in recent years.

Sustainability Performance Linked to Executive Compensation:

- The overall sustainability and people performance category, which focuses on ESG leadership, safety, people and system reliability, accounts for 40% of annual corporate performance in executive compensation at Fortis Inc. in 2022. Included in the 40% is a measure focused on DEI that accounts for 10% of corporate performance.

- A new measure included in the performance share unit (PSU) 2022 plan focuses on carbon emission reduction and accounts for 10% of the performance assessment. This measurement forms part of the long-term incentive plan and applies to all executives throughout the Fortis group of companies.

Compliance and Core Policies

Fortis utilities promote compliance and ethics with employees annually to build program awareness and reinforce ethical behaviour and the culture of Fortis. We have a corporate-wide compliance framework that underpins our commitment to the highest standards of ethical business conduct. Fortis expects its utilities and employees to comply with all applicable laws, regulations and rules, exhibiting a strong culture of compliance and ethics. Fortis utilities are also required to annually certify that their own sustainability-related policies are aligned with the Fortis core policies.

Our Code of Conduct is the foundation of the Fortis compliance framework. It is a broad, principles-based document which establishes the ethical expectations of the entire Fortis organization. The code requires strict compliance with all laws and regulations, specifically referencing those relating to lobbying and political contributions. The code also references the responsibilities and internal control processes for authorizing, reporting, monitoring and recording lobbying activities, and political and charitable contributions. All employees certify that they have read and understand and receive training on the code. While each Fortis subsidiary adopts its own code, the general principles and spirit of the Fortis Code of Conduct apply universally across the entire Fortis organization.

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In addition to the Code of Conduct, policies are also in place related to:

◦ Anti-Corruption

◦ Board and Executive Diversity

◦ Political Engagement

◦ Privacy

◦ Respectful Workplace

◦ Speaking Up (Reporting allegations of suspected improper conduct and wrongdoing)

◦ Technology Acceptable Use

[↗ Our Code of Conduct and Policies]

At Fortis, our Political Engagement Policy governs political activities. The policy is overseen by the governance and sustainability committee of our Board of Directors. Fortis management annually reviews contributions to political entities, trade associations and other organizations. Any misalignments with our values and policies and related actions taken are then reported to the governance and sustainability committee. In 2021, no misalignments were reported.

Consistent with our business model, Fortis utilities directly oversee advocacy and political engagement activities.

[↗ Our Approach to Advocacy and Political Engagement]

Public Policy and Political Engagement

Fortis believes it is important to participate in the public policy process to help ensure informed and balanced public policy discussion. Particularly as we transition to a clean energy future, policy and regulatory advancements are required in order for regions and countries to achieve decarbonization and renewable energy goals.

Our Sustainability Reporting Framework

Fortis aligns its reporting with widely recognized sustainability and climate change standards and recommendations. We also consider the feedback received from investors and other stakeholders to enhance our disclosures.

With this report, we are fully aligned with applicable Sustainability Accounting Standards Board (SASB) standards and a new cross reference of our disclosures with SASB standards is included in Appendix C.

Fortis is a Task Force for Climate-Related Financial Disclosures (TCFD) supporter and issued its first TCFD and Climate Assessment Report in March 2022. The report aligns with the four pillars of the TCFD framework, and includes analysis of four climate-related scenarios to identify risks and opportunities.

We also report using the Edison Electric Institute (EEI) ESG/sustainability reporting template, which provides more uniform and consistent data and information for utility companies.
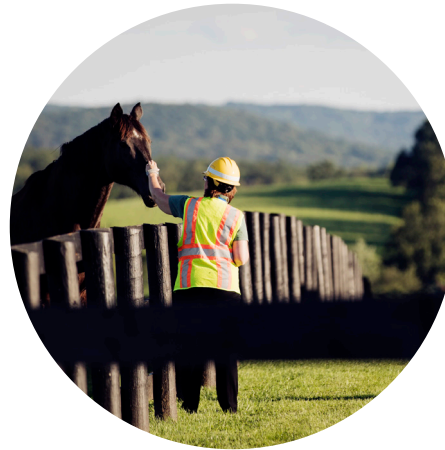
The Global Reporting Initiative (GRI) Standards also guide the content of this report and we present GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standards.

↗ Appendix B: GRI Cross Reference

↗ Appendix C: SASB Cross Reference

↗ 2022 TCFD and Climate Assessment Report

↗ EEI ESG/Sustainability Reporting Template

SUSTAINABLE DEVELOPMENT GOALS

We have identified the following United Nations Sustainable Development Goals that are most relevant to our sustainability priorities:

5 GENDER EQUALITY

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Examples of our progress on these goals are included throughout this report.

Data Verification and Report Review

Fortis and our utilities follow rigorous internal assurance processes for the information contained within this report. Each Fortis utility completes the necessary data checks by subject matter experts. The data is then consolidated by the Fortis corporate sustainability and finance teams and further review and analysis is completed, including internal quality control checks.

Once all data is compiled, checked and the report drafted, a final review is conducted with input from Fortis utilities, the internal audit and financial reporting teams and other groups engaged in disclosure review. This report is also reviewed by the Fortis Inc. executive team and the governance and sustainability committee of the Fortis Inc. Board of Directors.

Fortis reports sustainability key performance indicators annually (Appendix A) and produces a comprehensive sustainability report, such as this one, every two years.

The sustainability key performance indicators included in Appendix A are dated as of December 31, 2021 except as otherwise noted. Please use this document for comparative purposes as historical data has been updated in some instances.

[↗ Appendix A: Key Performance Indicators]

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 report was published on July 28, 2022.

Additional Fortis disclosures

[↗ Annual Report]

[↗ Management Information Circular]

[↗ Annual Information Form]

[↗ Board and Committee Mandates]

[↗ Fortis Policies]

Visit our sustainability web page for a comprehensive list of Fortis sustainability reporting and for news and updates throughout the year.

Appendices

Appendix A: Key Performance Indicators

Operations Indicators

	2021	2020	2019	2018	2017
Financial Indicators					
Assets[1]					
Total Value of Assets ($B)	57.7	55.5	53.4	53.1	47.8
Percentage of Total Assets that are regulated utility assets	99%	99%	99%	97%	97%
Percentage of Total Assets dedicated to Energy Delivery	93%	93%	93%	93%	92%
Percentage of Total Assets dedicated to Electricity Generation	7%	7%	7%	7%	8%
–Percentage of fossil-fuel generation	5%	5%	5%	5%	*
–Percentage of renewable generation	2%	2%	2%	2%	*
Revenue					
Percentage of Revenue Related to Coal-Fired Electricity Generation	5.0%	6.2%	6.1%	*	*
Percentage of Revenue Related to Natural Gas-Fired Electricity Generation	3.8%	2.9%	*	*	*
Percentage of Revenue Related to Diesel/Oil Generation (New)	1.9%	1.9%	*	*	*
Percentage of Revenue Related to Renewable Generation	2.7%	3.0%	*	*	*
Percentage of Revenue Related to Transmission, Storage and Distribution of Natural Gas	22.1%	19.4%	*	*	*
Percentage of Revenue Related to Transmission and Distribution of Electricity (New)	59.7%	62.2%	*	*	*
Percentage of Revenue Related to Other (New)	4.8%	4.4%	*	*	*
Percentage of Natural Gas Revenue protected by regulatory mechanisms	90%	90%	*	*	*
Percentage of Electricity Revenue protected by regulatory mechanisms	57%	55%	*	*	*
Rate Base					
Percentage of Midyear Rate Base Related to Coal-Fired Electricity Generation	3.6%	3.9%	4.5%	*	*
Percentage of Midyear Rate Base Related to Natural Gas-Fired Electricity Generation	2.8%	2.8%	*	*	*
Percentage of Midyear Rate Base Related to Diesel/Oil Generation (New)	2.1%	2.3%	*	*	*
Percentage of Midyear Rate Base Related to Renewable Generation	2.5%	1.9%	*	*	*
Percentage of Midyear Rate Base Related to Transmission, Storage and Distribution of Natural Gas	18.9%	18.9%	*	*	*
Percentage of Midyear Rate Base Related to Transmission, Storage and Distribution of Electricity (New)	66.8%	67.0%	*	*	*
Percentage of Midyear Rate Base Related to Other (New)	3.3%	3.2%	*	*	*

(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 and historical data is not available.*

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

	2021	2020	2019	2018	2017
Capital Expenditures ($B)[1]					
Resiliency & Modernization	1.8	2.2	1.9	*	*
Cleaner Energy[2]	0.6	0.8	0.6	*	*
Customer Growth	0.6	0.6	0.6	*	*
IT & Cybersecurity	0.3	0.3	0.3	*	*
Other[3]	0.3	0.3	0.4	*	*
Total Annual Capital Expenditures ($B)	**3.6**	**4.2**	**3.8**	**3.2**	**3.0**
Percentage of Capital Expenditures Related to Coal-Fired Electricity Generation	1.4%	1.2%	1.1%	*	*
Percentage of Capital Expenditures Related to Natural Gas-Fired Electricity Generation	2.0%	2.2%	*	*	*
Percentage of Capital Expenditures Related to Diesel/Oil Generation *(New)*	1.2%	0.8%	*	*	*
Percentage of Capital Expenditures Related to Renewable Generation	2.7%	12.8%	*	*	*
Percentage of Capital Expenditures Related to Transmission, Storage and Distribution of Natural Gas	14.3%	12.5%	11.8%	*	*
Percentage of Capital Expenditures Related to Transmission and Distribution of Electricity *(New)*	61.6%	54.8%	*	*	*
Percentage of Capital Expenditures Related to Other[3] *(New)*	16.8%	15.7%	*	*	*
Electricity Transmission and Distribution ("T&D")					
Total Kilometres of Electricity T&D Lines	185,200	185,700	184,850	182,700	*
- Percentage of Distribution Lines	81%	81%	81%	81%	*
- Percentage of Transmission Lines	19%	19%	19%	19%	*
Natural Gas T&D					
Total Kilometres of Natural Gas T&D Lines	58,000	57,000	56,850	56,850	*
- Percentage of Distribution Lines	94%	94%	94%	94%	*
- Percentage of Transmission Lines	6%	6%	6%	6%	*
Electricity Generation					
Electricity Generation Capacity (in MW)					
Coal	1,073	1,073	1,242	1,242	1,412
Diesel/Oil	441	441	446	450	451
Natural Gas	2,135	2,135	2,201	2,107	1,555
Hydropower	395	395	566	566	563
Solar	58	57	57	55	55
Wind	250	0	0	0	0
Total Electricity Generation Capacity (in MW)	**4,352**	**4,101**	**4,512**	**4,420**	**4,036**
Net Electricity Generated (in GWh)					
Coal	5,341	5,820	7,070	7,241	7,565
Diesel/Oil	942	884	946	900	892
Natural Gas	8,324	8,590	8,660	7,572	3,897
Biofuel[4]	0	0	12	25	24
Hydropower	2,239	2,288	2,186	2,930	2,882
Solar	101	112	102	108	109
Wind	573	0	0	0	0
Total (in GWh)	**17,520**	**17,694**	**18,976**	**18,776**	**15,369**

(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 and 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 2021 Management Discussion and Analysis for the Non-US GAAP reconciliation for 2021 and 2020.

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

	2021	2020	2019	2018	2017
Electricity Purchased by Fortis and Resold for Customer Use[1] (in GWh)					
Solar	1,164	951	921	845	781
Wind	1,122	1,163	1,180	1,201	1,214
Hydropower	9,457	9,166	9,640	9,578	9,451
Other renewables	197	232	258	247	251
Total renewables (in GWh)	**11,940**	**11,512**	**11,999**	**11,871**	**11,697**
Nuclear	2,539	2,685	2,740	2,819	2,759
Other sources from the grid	4,352	4,058	4,505	4,475	5,329
Total (in GWh)	**18,831**	**18,255**	**19,244**	**19,165**	**19,785**
Percentage of renewable electricity sold to customers	40.9%	38.7%	37.4%	39.4%	41.9%
Percentage of clean electricity sold to customers[2]	47.8%	46.2%	44.6%	46.8%	49.7%
Energy Deliveries					
Total electricity delivered (in GWh)	221,139	218,517	226,062	224,902	216,746
Total electricity delivered (in PJ)	796	787	814	810	780
Total natural gas delivered (in PJ)	338	306	319	292	295
Total energy delivered (in PJ)	**1,134**	**1,093**	**1,133**	**1,102**	**1,075**
Percentage of Net Electricity Generated relative to Total Electricity Deliveries *(New)*	7.86%	8.04%	8.32%	8.27%	7.03%
Customer Information					
Number of electricity customers (in thousands)	2,074	2,054	2,036	2,022	2,002
- Percentage of Residential Customers	86.8%	86.7%	86.5%	*	*
- Percentage of Commercial Customers	11.8%	11.9%	12.9%	*	*
- Percentage of Industrial Customers	0.5%	0.6%	0.6%	*	*
- Percentage of Other Customers[3]	0.9%	0.8%	*	*	*
Typical average monthly electricity bill for residential customers for 500 kWh of electricity delivered per month *(New)*					
-U.S. (US$)	79.19	*	*	*	*
-Canada (CAD$)	97.48	*	*	*	*
-Caribbean (US$)	175.14	*	*	*	*
Typical average monthly electricity bill for residential customers for 1,000 kWh of electricity delivered per month *(New)*					
-U.S. (US$)	144.27	*	*	*	*
-Canada (CAD$)	162.44	*	*	*	*
-Caribbean (US$)	348.33	*	*	*	*
Electric Customer Satisfaction Score					
- U.S.[4]	85%	*	*	*	*
- Canada	80% – 96%	*	*	*	*
- Caribbean	74% – 83%	*	*	*	*

(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 and 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) *Excludes TEP's J.D. Power customer satisfaction score of 749 in 2021, 751 in 2020 and 731 in 2019.*

	2021	2020	2019	2018	2017
Number of natural gas customers (in thousands)	1,310	1,297	1,281	1,268	1,244
- Percentage of Residential Customers	90.6%	90.5%	90.4%	*	*
- Percentage of Commercial Customers	9.2%	9.2%	9.4%	*	*
- Percentage of Industrial Customers	0.1%	0.1%	0.2%	*	*
- Percentage of Other Customers[1]	0.1%	0.2%	*	*	*
Natural Gas Customer Satisfaction Score					
– U.S.[2]	85%	*	*	*	*
– Canada	87%	*	*	*	*
Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year[3]: *(New)*					
- U.S. (US$)	$59.33	*	*	*	*
- Canada (CAD$)	$48.63	*	*	*	*
Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year[3]: *(New)*					
- U.S. (US$)	$118.67	*	*	*	*
- Canada (CAD$)	$97.25	*	*	*	*
Customer Energy Savings from Fortis Efficiency and Demand Reduction Programs					
Total spending on energy efficiency customers programs[4] ($thousands) *(New)*	158,578	*	*	*	*
Electricity savings in the year (in GWh)	309	388	380	359	329
Natural gas savings in the year (in terajoules)	1,261	1,165	951	697	630
Electricity Consumed in Operations					
Total electricity consumed in operations (in GWh) *(New)*	8,821	*	*	*	*
Energy Reliability					
Electricity Reliability Performance					
SAIDI under normal operations (customer hours of interruption per customer served)	2.28	1.90	1.84	2.07	2.15
SAIDI during major events (customer hours of interruption per customer served)	1.70	2.82	2.30	2.03	1.73
SAIFI under normal operations (number of times that a customer experiences an outage)	1.37	1.39	1.35	1.47	1.49
SAIFI during major events (number of times that a customer experiences an outage)	0.35	0.38	0.20	0.54	0.42
CAIDI under normal operations (amount of time required, in hours, to restore service once an outage has occurred)	1.66	1.37	1.36	1.41	1.44
CAIDI during major events (amount of time required, in hours, to restore service once an outage has occurred)	4.86	7.42	11.50	3.76	4.12
Transmission Service Reliability (number of forced outages per 100 miles of transmission lines)	0.47	0.68	0.52	0.55	0.55
Combined T&D electricity losses	4.2%	4.4%	4.2%	4.2%	4.3%

(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 and historical data is not available.*

(1) Includes wholesale customers.

(2) Excludes UNS Gas' J.D. Power customer satisfaction score of 757 in 2021, 729 in 2020 and 740 in 2019.

(3) Based on average retail gas rates for residential customers

(4) Includes operating and capital expenditures

	2021	2020	2019	2018	2017
Natural Gas Reliability Performance					
Reportable Pipeline Incidents[1]	17	20	*	*	*
Corrective Action Orders	0	0	*	*	*
Notice of Probable Violation	4	5	*	*	*
Gas Leaks per 1,000 customers (number of gas leaks for every 1,000 customers)	1.50	1.75	1.94	2.39	2.66
Combined T&D natural gas losses	0.92%	0.65%	0.53%	0.95%	0.81%
Percentage of Cast/Wrought Iron Pipeline in Service[2]	0.5%	0.5%	*	*	*
Percentage of Unprotected Steel Pipeline in Service[3]	0.7%	0.7%	*	*	*
Percentage of Transmission Pipelines Inspected[4]	100%	100%	*	*	*
Percentage of Distribution Lines Inspected[4]	100%	100%	*	*	*
Employee Safety					
All Injury Frequency Rate (number of injuries for every 200,000 hours worked)	1.40	1.09	1.45	1.45	1.38
Near Miss Frequency Rate (number of reported near misses for every 200,000 hours worked)[5] *(New)*	5.8	*	*	*	*
Lost Work Day Case Rate (number of lost time injuries for every 200,000 hours worked)	0.55	0.42	0.66	0.48	0.53
Days Away, Restricted and Transfer Rate (number of lost time injuries including restricted work duties for every 200,000 hours worked)	0.86	0.65	0.85	0.68	0.78
Recordable Incident Rate (number of injuries including job transfers not requiring medical treatment for every 200,000 hours worked)	1.47	1.31	1.56	1.58	1.53
Work-related Fatalities	0	0	0	1	0
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[6] (number of reported injuries and fatalities for every 200,000 hours worked)*(New)*	0.15	*	*	*	*
Cybersecurity					
Number of reportable security breaches	0	0	0	0	*
Number of reportable information security breaches involving customers' personally identifiable information	0	0	0	0	*
Number of customers affected by company's data breaches	0	0	0	0	*
Total amount of fines/penalties paid in relation to information security breaches	0	0	0	0	*

(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 and 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 and 2021 are considered "minor" in nature.

(2) *Includes bare and/or uncoated iron.*

(3) *Pipeline in service that is bare/uncoated steel.*

(4) *Percentage inspected in accordance with regulatory and inspection program requirements*

(5) *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.*

(6) *Excludes BECOL and Central Hudson. Excludes medical aids. 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

	2021	2020	2019	2018	2017
Greenhouse Gas (GHG) emissions					
Scope 1 emissions (in ktonnes of CO_2 equivalent)[1]					
From coal electricity generation	5,406	5,865	7,224	7,425	7,621
From diesel/oil electricity generation	639	589	626	598	589
From natural gas electricity generation	3,372	3,639	4,075	2,795	1,800
Total From Electricity Generation	**9,417**	**10,093**	**11,925**	**10,818**	**10,010**
From natural gas operations (combustion, flaring, venting)	141	134	154	127	142
From natural gas fugitive emissions	86	80	86	86	93
From owned vehicle emissions	53	52	51	51	51
From SF_6 fugitive emissions	45	59	92	58	84
Total Scope 1 Emissions	**9,742**	**10,418**	**12,308**	**11,140**	**10,380**
Scope 2 emissions (in ktonnes of CO_2 equivalent)					
From electricity purchased from the grid, used in Fortis-owned or controlled equipment[2]	158	173	173	182	220
Scope 3 emissions (in ktonnes of CO_2 equivalent)					
Related to electricity used by customers that Fortis purchased from the grid	1,984	2,233	2,929	2,836	3,533
Related to electricity transmitted and delivered under certain regulated tariffs[3]	78,284	85,395	97,470	98,527	95,714
Related to natural gas transmitted and delivered under certain Fortis contracts[4]	6,184	5,462	*	*	*
Related to natural gas used by customers[5]	11,634	10,583	17,955	16,441	16,582
Other GHG Emissions (in ktonnes of CO_2 equivalent)					
Related to electricity purchased and resold to non-end users[6]	300	243	*	*	*
Avoided emissions (in ktonnes of CO_2 equivalent)					
Avoided emissions from the use of natural gas in transportation	43	36	37	45	48
Avoided emissions from the use of liquified natural gas in marine bunkering	39	39	34	17	9
Avoided emissions from the use of renewable natural gas in natural gas deliveries	60	13	11	9	8
Avoided emissions from electric vehicle chargers	1.33	0.25	0.19	*	*
Avoided emissions from replacement of leak-prone natural gas distribution piping	19	15	14	12	11
Avoided emissions from streetlight conversion programs	19	19	*	*	*
Avoided emissions from Customer Demand Reduction and Energy Efficiency Programs	181	232	234	232	205
-From electricity related programs	116	171	185	196	173
-From natural gas related programs	65	61	49	36	32

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

(1)   Scope 1 emissions from biofuel are not listed as they are negligible.

(2)   Excludes line losses from ITC and FortisAlberta. These utilities transmit and deliver electricity only and do not purchase or sell electricity.

(3)   Reflects ITC and FortisAlberta. These utilities transmit and deliver energy only and do not purchase or sell the energy.

(4)   Emissions reflect customer combustion of the gas transmitted and delivered but not owned by Fortis utilities.

(5)   Assumes that natural gas was used in combustion by customers.

(6)   Represents emissions associated with purchases for wholesale resale. Prior to 2020, these emissions were reported as Scope 3 emissions.

	2021	2020	2019	2018	2017
GHG Intensity Factors					
Combined GHG intensity of energy delivered to customers (in ktonnes of CO_2 equivalent per PJ)	8.73	9.69	11.02	10.27	9.86
Average GHG intensity of electricity generated by Fortis (in ktonnes of CO_2 equivalent per GWh)	0.54	0.57	0.63	0.58	0.65
Other air emissions from electricity generation					
NO_x Emissions (in ktonnes)	18	18	20	*	*
SO_2 Emissions (in ktonnes)	4	5	6	*	*
Mercury Emissions (in kilograms)	8	9	17	*	*
Particulate Matter Emissions (in ktonnes)	1	1	1	*	*
Water Used During Fossil Fuel Generation					
Groundwater withdrawn (in million cubic metres ("m³"))	45	48	49	47	*
Surface water withdrawn (in million m³)	4	5	6	6	*
Returned to source (in million m³)	28	28	27	26	*
Water consumed in electricity generation, covering significant use (in million m³)	20	25	28	27	21
Waste Management					
Total Amount of Hazardous Waste Manifested for Disposal (in ktonnes)	0.23	0.44	0.42	*	*
Total Amount of Recycled Hazardous Waste (in ktonnes)	0.53	0.79	0.17	*	*
Environmental Compliance					
Number of spills or releases with an associated fine	0	0	0	1[1]	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%

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

(1)   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.

(2)   In 2017, a transformer containing trace amounts of PCB (polychlorinated biphenyls) developed a leak at FortisAlberta. The site was fully remediated and lessons learned were shared with other Fortis utilities

Governance & Policy Indicators

	2021	2020	2019[1]	2018	2017
Fortis Inc. Board of Directors					
Percentage of Independent Directors	92%	90%	83%	83%	83%
Percentage of Women Directors	50%	40%	42%	42%	33%
Percentage of Directors with disabilities	0%	0%	*	*	*
Percentage of Directors that are veterans	8%	0%	*	*	*
Percentage of Board Directors with Sustainability Skills and Experience	42%	50%	50%	50%	*
Percentage of Governance and Sustainability Committee Directors with Sustainability Skills and Experience	43%	50%	57%	57%	*
Country of Residency					
Percentage of Directors that reside in Canada	42%	50%	50%	*	*
Percentage of Directors that reside in U.S.	58%	50%	50%	*	*
Ethnicity[2]					
Percentage of Directors with Caucasian Ethnicity	92%	90%	91%	*	*
Percentage of Directors with Hispanic/Latino Ethnicity	8%	10%	9%	*	*
Age					
Percentage of Directors under 60	33%	30%	25%	*	*
Percentage of Directors 60-65	59%	60%	50%	*	*
Percentage of Directors 66+	8%	10%	25%	*	*
Subsidiary Boards of Fortis' operating utilities					
Percentage of Independent Directors	56%	55%	57%	*	*
Percentage of Women Directors	41%	32%	30%	31%	28%
Percentage of Directors with disabilities	0%	0%	*	*	*
Percentage of Directors that are veterans	5%	6%	*	*	*
Percentage of Board Directors with Sustainability Skills and Experience	69%	68%	57%	*	*
Country of Residency					
Percentage of Directors that reside in Canada	53%	50%	51%	*	*
Percentage of Directors that reside in U.S.	34%	33%	35%	*	*
Percentage of Directors that reside in Turks & Caicos Islands	3%	4%	2%	*	*
Percentage of Directors that reside in Cayman Islands	9%	10%	10%	*	*
Percentage of Directors that reside in Belize	1%	3%	2%	*	*
Ethnicity[2]					
Percentage of Directors with Caucasian Ethnicity	84%	80%	86%	*	*
Percentage of Directors with Black/African Ethnicity	8%	13%	8%	*	*
Percentage of Directors with Hispanic/Latino Ethnicity	3%	3%	3%	*	*
Percentage of Directors with Native American/Indigenous Ethnicity	1%	1%	*	*	*
Percentage of Directors with Asian or Pacific Islander Ethnicity	1%	1%	*	*	*
Percentage of Directors with two or more races	3%	2%	3%	*	*
Age					
Percentage of Directors under 60	54%	56%	52%	*	*
Percentage of Directors 60-65	29%	31%	33%	*	*
Percentage of Directors 66+	17%	13%	15%	*	*

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

(1) Metrics include Ida J. Goodreau as she served as a Board member for almost all of 2019 until she passed away in December 2019.

(2) Represents the ethnicity of those who opted to disclose.

	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[1]	TARGETED[1]	TARGETED[1]
Policy review included in continuous employee training	✔	✔	✔	✔	✔	TARGETED[1]	TARGETED[1]	TARGETED[1]

Employee & Social Indicators

	2021	2020	2019	2018
Number and geographical location of employees				
Total number of employees[2]	9,100	9,000	9,000	8,800
Percentage employed in Canada	53%	53%	52%	52%
Percentage employed in Caribbean	5%	5%	5%	5%
Percentage employed in U.S.	42%	42%	43%	43%
Diversity[3]				
Enterprise-wide employee gender diversity				
Percentage of male employees	69%	69%	69%	69%
Percentage of female employees	31%	31%	31%	31%
Canadian employee diversity[4]				
Percentage of employees that are racialized persons[5] (New)	21%	*	*	*
Percentage of employees of Indigenous/Aboriginal ancestry[6] (New)	4%	*	*	*
Percentage of employees with disabilities[7] (New)	14%	*	*	*
Caribbean employee diversity[4]				
Percentage of employees that are racialized persons[5] (New)	73%	*	*	*
Percentage of employees with Indigenous/Aboriginal ancestry[6] (New)	10%	*	*	*
Percentage of employees with disabilities[7] (New)	8%	*	*	*
U.S. employee diversity				
Percentage of employees that are minorities[8]	28%	27%	27%	27%
Percentage of employees with disabilities[9]	5%	4%	4%	4%
Percentage of employees that are veterans[10]	9%	9%	10%	9%

(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 and historical data is not available.*

(1)   Policy not considered directly relevant to all employees, therefore orientation and continuous training may target specific employees

(2)   An employee includes any individual who has a direct employment relationship with the company as of December 31 of the calendar year.

(3)   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 represents our first year of broader diversity data collection and disclosure for our executives and employees, and a process of alignment is expected over time with respect to the terminologies used.

(4)   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.

(5)   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.

(6)   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).

(7)   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.

(8)   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.

(9)   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.

(10) An employee is considered a veteran if they are a former member of the armed forces.

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	2021	2020	2019	2018
Enterprise-wide management[1] gender diversity				
Percentage of male management	68%	66%	66%	67%
Percentage of female management	32%	34%	34%	33%
Canadian management diversity[2]				
Percentage of management that are racialized persons[3] (New)	19%	*	*	*
Percentage of management of Indigenous/Aboriginal ancestry[4] (New)	3%	*	*	*
Percentage of management with disabilities[5] (New)	12%	*	*	*
Caribbean management diversity[2]				
Percentage of management that are racialized persons[3] (New)	71%	*	*	*
U.S. management diversity				
Percentage of management that are minorities[6]	16%	15%	15%	14%
Percentage of management with disabilities[7]	7%	4%	4%	4%
Percentage of management that are veterans[8]	5%	5%	5%	4%
Enterprise-wide executive[9] diversity[10]				
Percentage of executives who identify as men	64%	67%	69%	68%
Percentage of executives who identify as women	36%	33%	31%	32%
Percentage of executives with Caucasian Ethnicity (New)	77%	*	*	*
Percentage of executives with Black/African Ethnicity (New)	8%	*	*	*
Percentage of executives with Asian/Pacific Islander Ethnicity (New)	4%	*	*	*
Percentage of executives with Hispanic/Latino Ethnicity (New)	4%	*	*	*
Percentage of executives with Native American/Indigenous Ethnicity (New)	1%	*	*	*
Percentage of executives with two or more ethnicities (New)	5%	*	*	*
Percentage of executives that did not disclose their ethnicity (New)	1%	*	*	*
Percentage of executives with disabilities[7] (New)	2%	*	*	*
Percentage of executives that are veterans[8] (New)	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 and 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). 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 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 views of the entire workforce.

(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.

(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.

	2021	2020	2019	2018
Demographics				
Employees[1]				
Percentage of employees under 30	11%	10%	11%	11%
Percentage of employees 30 - 50	58%	56%	54%	53%
Percentage of employees over 50	31%	34%	35%	36%
Average age of employees	44	44	44	*
Management[2]				
Percentage of management under 30	5%	5%	6%	6%
Percentage of management 30 - 50	57%	60%	57%	57%
Percentage of management over 50	38%	35%	37%	37%
Executives[3]				
Percentage of executives 30 - 50	42%	41%	45%	47%
Percentage of executives over 50	58%	59%	55%	53%
Turnover and retention				
Annual voluntary full-time employee turnover[4] (as % of total workforce)	3%	2%	3%	3%
Annual involuntary full-time employee turnover[5] (as % of total workforce)	1%	1%	1%	1%
Average years of employment for full-time employees	11.4 years	12.0 years	12.0 years	12.3 years
Annual retirement rate (as % of total workforce)	3%	2%	2%	3%
Percentage of full-time employees eligible to retire as of end of calendar year	3.3%	3.0%	3.1%	3.4%
Percentage of full-time employees eligible to retire in 5 years	9.5%	9.4%	9.3%	9.9%
Percentage of full-time employees eligible to retire in 10 years	19.0%	19.6%	19.8%	20.9%
Hiring				
Percentage of job vacancies filled by existing employees	58%	59%	55%	57%
Percentage of job vacancies filled by new employees	42%	41%	45%	43%
Percentage of job vacancies filled by men	65%	67%	64%	69%
Percentage of job vacancies filled by women	35%	33%	36%	31%
Percentage of job vacancies filled by minorities[6] (U.S. utilities only)	25%	27%	27%	22%
Percentage of job vacancies filled by persons with disabilities[7] (U.S. utilities only)	4%	3%	2%	3%
Percentage of job vacancies filled by veterans[8] (U.S. utilities only)	8%	8%	8%	8%
Employee[1] Training and Development				
Total employee training spend ($M)	17.1	15.3	18.3	*
Total training spend per employee ($)	1,877	1,704	2,039	*
Total employee training hours	193,577	157,715	185,163	*
Total training hours per employee	23	19	22	*
Percentage of full-time employees that received annual performance appraisals	80%	71%	74%	*

The asterisks ("*") in the table above indicate metrics added in recent years and 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, 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 visible 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.

	2021	2020	2019	2018
Benefits[1]				
Percentage of full-time employees that are eligible to receive Disability Coverage[2]	98.1%	98.1%	98.1%	98.0%
Percentage of full-time employees that are eligible to receive Employee and Family Assistance	100.0%	100.0%	100.0%	100.0%
Percentage of full-time employees that are eligible to participate in an Employee Stock Purchase Plan	99.6%	99.6%	99.6%	99.6%
Percentage of full-time employees that are eligible to receive Health Care Benefits[2]	100.0%	100.0%	100.0%	100.0%
Percentage of full-time employees that are eligible to receive Life Insurance[2]	100.0%	100.0%	100.0%	100.0%
Percentage of full-time employees that are eligible to participate in a Retirement Savings Plan	98.3%	97.9%	97.8%	97.7%
Percentage of full-time employees that are eligible to receive Wellness-related Perquisites[3]	100.0%	100.0%	100.0%	100.0%
Percentage of full-time employees that are eligible to receive paid sick leave	100.0%	100.0%	100.0%	100.0%
Labour Management Relations				
Total number of work stoppages	0	0	0	0
Grievance resolution rate without the use of arbitration	93.1%	95.5%	88.8%	87.5%
Freedom of Association				
Percentage of total workforce — unionized	51%	52%	52%	53%
Remuneration				
Percentage of full time employees whose basic salary is above the local minimum wage	100%	100%	100%	100%
Median employee total annual compensation[4]	$128,791	$136,349	*	*
CEO-to-median employee pay ratio[4]	71.0	74.5	*	*
Economic Value Distributed ($M)[4]				
Costs paid for Energy Supply	2,951	2,562	2,520	2,495
Costs paid for Fleet, Materials and Services to top 10 Suppliers at each utility	1,293	1,240	1,233	*
Costs paid for Finance Charges	1,003	1,042	1,035	974
Total amount paid to Shareholders in Dividends	964	900	793	731
Total amount paid in annual Employee Compensation	1,437	1,444	1,352	*
Total amount paid in Employee Payroll Taxes	405	388	368	*
Total amount paid in Property Taxes	414	417	376	*
Total amount paid in Carbon Taxes	324	305	267	*
Total amount paid in Excise/Sales Taxes	328	315	323	*
Other taxes paid	41	29	18	*
Community Donations ($M)[4]				
Arts & Culture	0.4	0.6	1.2	*
Biodiversity	1.0	0.7	0.7	*
Education	2.5	2.1	3.0	*
Environment & Safety	0.8	0.9	2.9	*
Health & Wellness	0.7	1.1	1.6	*
Small Businesses	0.5	0.7	0.4	*
Social Development	2.9	3.4	2.1	*
Other[5]	1.3	5.5	0.4	*
Community Donations Total (in $M)	**10.1**	**15.0**	**12.3**	**13.0**

The asterisks ("") in the table above indicate metrics added in recent years and 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, particularly 2021 as compared to 2020.*

(5) *Includes COVID-19 community support.*

Appendix B: GRI Cross Reference

The following is a cross reference of the GRI with information contained in this report and other Fortis Disclosures

GRI Standard	Disclosure	Response
GRI 2: General Disclosures 2021	2-1 Organizational details	2021 Annual Information Form, Description of the Business (page 8)
	2-2 Entities included in the organization's sustainability reporting	2022 Sustainability Report (pages 5, 30)
	2-3 Reporting period, frequency and contact point	2022 Sustainability Report (pages 30, 53)
	2-4 Restatements of information	2022 Sustainability Report, Appendix A (pages 31-42)
	2-6 Activities, value chain and other business relationships	2021 Annual Information Form, Description of the Business (page 8)
	2-7 Employees	2021 Annual Report (page 11)
	2-9 Governance structure and composition	2021 Annual Information Form, Directors and Officers (page 26)
	2-10 Nomination and selection of the highest governance body	2022 Management Information Circular (pages 38-39)
	2-11 Chair of the highest governance body	2022 Management Information Circular (page 27)
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors Mandate
	2-13 Delegation of responsibility for managing impacts	2022 Management Information Circular, Risk Management (page 43)
	2-14 Role of the highest governance body in sustainability reporting	Governance and Sustainability Committee Mandate
	2-15 Conflicts of interest	Code of Conduct
	2-16 Communication of critical concerns	2021 Annual Report, Business Risks (page 36-42)
	2-17 Collective knowledge of the highest governance body	2022 Management Information Circular (pages 17-30, and page 51)
	2-18 Evaluation of the performance of the highest governance body	2022 Management Information Circular (page 31)
	2-19 Remuneration policies	2022 Management Information Circular (pages 57-60)
	2-20 Process to determine remuneration	2022 Management Information Circular (pages 62-73)
	2-21 Annual total compensation ratio	2022 Sustainability Report (page 43)
	2-22 Statement on sustainable development strategy	Fortis Sustainability Commitment
	2-23 Policy commitments	Fortis' Core Policies
	2-24 Embedding policy commitments	2022 Sustainability Report (pages 27, 28, 39)
	2-26 Mechanisms for seeking advice and raising concerns	Speak Up Policy
	2-27 Compliance with laws and regulations	Code of Conduct (page 5)
	2-28 Membership associations	Our Approach to Advocacy and Political Engagement
	2-29 Approach to stakeholder engagement	2020 Sustainability Report, Community Partnerships (page 55)
	2-30 Collective bargaining agreements	2021 Annual Information Form, Human Resources (page 19)
GRI 3: Material Topics 2021	3-2 List of material topics	2022 Sustainability Report (page 52)
	3-3 Management of material topics	Fortis Sustainability Reports and Additional Disclosures
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2022 Sustainability Report, Economic Value Distributed (page 42)
	201-2 Financial implications and other risks and opportunities due to climate change	2022 TCFD and Climate Assessment Report, Climate-related risks and opportunities (pages 13-23)
	201-3 Defined benefit plan obligations and other retirement plans	2021 Annual Report, Employee Future Benefits (pages 91-95)
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2022 Sustainability Report, page 42

GRI Standard	Disclosure	Response
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2022 Sustainability Report, Capital Expenditures, page 32
	203-2 Significant indirect economic impacts	2022 Sustainability Report, Appendix A (pages 31-42)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption Policy
	205-2 Communication and training about anti-corruption policies and procedures	2022 Sustainability Report, page 39
	205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents reported in 2021
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2021 Annual Information Form, Legal Proceedings and Regulatory Actions (page 20)
GRI 207: Tax 2019	207-1 Approach to tax	2021 Annual Report, Income Taxes (pages 90-91) and 2022 Sustainability Report (page 43)
	207-4 Country-by-country reporting	2021 Annual Report, Income Taxes (pages 90-91) and 2022 Sustainability Report (page 43)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2022 Sustainability Report (page 37)
	301-2 Recycled input materials used	2022 Sustainability Report, Appendix A (pages 31-42)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2022 Sustainability Report (page 34)
	302-2 Energy consumption outside of the organization	2022 Sustainability Report, Appendix A (pages 31-42)
	302-3 Energy intensity	2022 Sustainability Report (page 37)
	302-4 Reduction of energy consumption	2022 Sustainability Report, Appendix A (pages 31-42)
	302-5 Reductions in energy requirements of products and services	2022 Sustainability Report, Appendix A (pages 31-42)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2020 Sustainability Report (page 43) and 2022 Sustainability Report (page 47)
	303-2 Management of water discharge-related impacts	2020 Sustainability Report (page 43) and 2022 Sustainability Report (page 47)
	303-3 Water withdrawal	2022 Sustainability Report (page 37)
	303-4 Water discharge	2022 Sustainability Report (page 37)
	303-5 Water consumption	2022 Sustainability Report (page 37)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2020 Sustainability Report, A Good Steward of the Environment (pages 40-42)
	304-2 Significant impacts of activities, products and services on biodiversity	2020 Sustainability Report, A Good Steward of the Environment (pages 40-42)
	304-3 Habitats protected or restored	2020 Sustainability Report, A Good Steward of the Environment (pages 40-42)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2022 Sustainability Report (page 36)
	305-2 Energy indirect (Scope 2) GHG emissions	2022 Sustainability Report (page 36)
	305-3 Other indirect (Scope 3) GHG emissions	2022 Sustainability Report (page 36)
	305-4 GHG emissions intensity	2022 Sustainability Report (page 36)
	305-5 Reduction of GHG emissions	2022 Sustainability Report (page 36)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2022 Sustainability Report (page 37)
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	2020 Sustainability Report, Waste Management (page 44)
	306-3 Waste generated	2022 Sustainability Report (page 37)
	306-4 Waste diverted from disposal	2022 Sustainability Report (page 37)

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GRI Standard	Disclosure	Response
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2022 Sustainability Report ([page 41])
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2022 Sustainability Report ([page 42])
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2022 Sustainability Report ([page 35])
	403-4 Worker participation, consultation, and communication on occupational health and safety	[2020 Sustainability Report (pages 18-19]) and 2022 Sustainability Report ([pages 14] and [36])
	403-5 Worker training on occupational health and safety	[2020 Sustainability Report (pages 18-19]) and 2022 Sustainability Report ([pages 14] and [36])
	403-6 Promotion of worker health	[2020 Sustainability Report (pages 18-19]) and 2022 Sustainability Report ([pages 14] and [36])
	403-8 Workers covered by an occupational health and safety management system	[2020 Sustainability Report (pages 18-19]) and 2022 Sustainability Report ([pages 14] and [36])
	403-9 Work-related injuries	[2020 Sustainability Report (pages 18-19]) and 2022 Sustainability Report ([pages 14] and [36])
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2022 Sustainability Report ([page 35])
	404-2 Programs for upgrading employee skills and transition assistance programs	2022 Sustainability Report ([page 23])
	404-3 Percentage of employees receiving regular performance and career development reviews	2022 Sustainability Report ([page 35])
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2022 Sustainability Report ([pages 38-41])
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	[Code of Conduct (page 11])
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	[Code of Conduct (page 11])
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	[Code of Conduct]
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	[Code of Conduct]
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	[2020 Sustainability Report, Community Partnerships (page 55])
GRI 415: Public Policy 2016	415-1 Political contributions	[Our Approach to Advocacy Political Engagement]
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	[2020 Sustainability Report, Community Partnerships (page 36])

Appendix C: SASB Cross Reference

SASB Standards Cross Reference

The tables below detail a Fortis cross reference of SASB Sustainability Accounting Standards for Electric Utilities & Power Generators and Gas Utilities & Distributors

Electric Utilities & Power Generators		
SASB Code	**Accounting Metric**	**Response**
Greenhouse Gas Emissions & Energy Resource Planning		
IF-EU-110a.1	Gross global Scope 1 emissions (in metric tons CO_2e)	9,742,000
	Percentage covered under emissions-limiting regulations *(New)*	2 %
	Percentage covered under emissions-reporting regulations *(New)*	92 %
IF-EU-110a.2	GHG emissions associated with power deliveries (in metric tonnes CO_2e) *(New)*[1]	7,489,000
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets *(New)*	2022 Sustainability Report, pages 9-13
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards (RPS)[2] *(New)*	918,435
	Percentage fulfillment of RPS target by market *(New)*	UNS Energy: 228% Central Hudson: 100%
	Discussion of operations in markets with RPS regulations, including compliance with current and future regulatory obligations *(New)*	UNS Energy: The Arizona Corporation Commission requires a certain percentage of UNS Energy's retail sales to be renewable electricity. In 2021 the required retail renewable electricity percentage was 11%, which UNS Energy exceeded. This percentage requirement increases by 1% every year so that after 2024, there will be a 15% retail renewable electricity requirement. This requirement has been and will be met by UNS Energy adding renewable generation capacity to its generation portfolio. As an example, in 2021, UNS Energy added 349 MW of wind generation capacity through the commissioning of Oso Grande and Borderlands Wind Facilities. Additionally, 100 MW of solar generation capacity was also added with the commissioning of the Wilmot Solar Facility. Central Hudson: The New York State Department of Public Service has developed a Clean Energy Standard (CES), which is administered by the New York State Energy Research and Development Authority. The CES is a framework for the direct procurement of qualifying generation through three financial mechanisms: (1) Renewable Energy Credits (2) Offshore Wind Renewable Energy Credits (3) Zero-Emissions Credits. Central Hudson meets its capacity and electricty obligations through contracts with capacity and energy providers, purchases from the New York Independent System Operator energy and capacity markets and its own generating capacity.
Air Quality		
IF-EU-120a.1	Air emissions of NOx (excluding N_2O) (in metric tonnes)	18,000
	Air emissions of SOx (in metric tonnes)	4,000
	Air emissions of particulate matter (PM_{10}) (in metric tonnes)	1,000
	Air emissions of lead (Pb) (in metric tonnes) *(New)*	<1
	Air emissions of mercury (Hg) (in metric tonnes)	<1
	Percentage of each air emission in or near areas of dense population:	
	NOx *(New)*	10 %
	SOx *(New)*	6 %
	PM_{10} *(New)*	8 %
	Lead *(New)*	34 %
	Mercury *(New)*	14 %

SASB Code	Accounting Metric	Response
Water Management		
IF-EU-140a.1	Total water withdrawn (in thousand cubic meters (m³))	49,000
	Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress *(New)*	16%
	Total water consumed (in thousand cubic meters (m³))	20,000
	Percentage of water consumed in regions with High or Extremely High Baseline Water Stress *(New)*	38 %
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations *(New)*	0
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks *(New)*	Fortis utilities that use water for combustion electricity generation have risks related to availability and climate change impacts. Risks are mitigated by regular water monitoring and one utility uses collected rainwater. The risk of rainwater drought risk is mitigated by using storage tanks with a total capacity that exceeds annual use. Fortis utilities that use water for hydrogeneration experience risks such as monitoring water levels and flow variability, impacts to biodiversity, climate change impacts and watershed degradation. Practices to mitigate these risks include water quality monitoring, wildlife and aquatic assessments, community consultations and upgrades to improve water efficiency and use of an environmental management system.
Coal Ash Management		
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated (Metric tonnes) *(New)*	719,000
	Percentage of CCR recycled *(New)*	2 %
IF-EU-150a.2	Total number of CCR impoundments[3] *(New)*	0.35
	Total number of CCR impoundments, broken down by hazard potential classification[3]:	
	Less Than Low Hazard Potential *(New)*	0.07
	Low Hazard Potential *(New)*	0.14
	Significant Hazard Potential *(New)*	0.14
	High Hazard Potential *(New)*	0
	Incised *(New)*	0
	Total number of CCR impoundments, broken down by structural integrity assessment[3]:	
	Satisfactory *(New)*	0.28
	Fair *(New)*	0
	Unsatisfactory *(New)*	0
	Poor *(New)*	0
	Not Applicable *(New)*	0.07
Energy Affordability		
IF-EU-240a.1	Average retail electric rate for residential customers:	
	U.S. (US$ per kWh) *(New)*	0.15
	Canada (CAD$ per kWh) *(New)*	0.18
	Caribbean (US$ per kWh) *(New)*	0.35
	Average retail electric rate for commercial customers:	
	U.S. (US$ per kWh) *(New)*	0.13
	Canada (CAD$ per kWh) *(New)*	0.13
	Caribbean (US$ per kWh) *(New)*	0.36
	Average retail electric rate for industrial customers:	
	U.S. (US$ per kWh) *(New)*	0.09
	Canada (CAD$ per kWh) *(New)*	0.10
	Caribbean (US$ per kWh) *(New)*	0.25
	Average retail electric rate for wholesale customers:	
	U.S. (US$ per kWh) *(New)*	0.06
	Canada (CAD$ per kWh) *(New)*	0.09

SASB Code	Accounting Metric	Response
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh of electricity delivered per month:	
	U.S. (US$) *(New)*	79.19
	Canada (CAD$) *(New)*	97.48
	Caribbean (US$) *(New)*	175.14
	Typical monthly electric bill for residential customers for 1,000 kWh of electricity delivered per month:	
	U.S. (US$) *(New)*	144.27
	Canada (CAD$) *(New)*	162.44
	Caribbean (US$) *(New)*	348.33
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment: *(New)*	
	U.S.[4]	9,675
	Canada[5]	12,215
	Caribbean[6]	5,657
	Percentage of disconnected residential customers reconnected within 30 days: *(New)*	
	U.S.	85%
	Canada	79%
	Caribbean	93%
	Discussion of how policies, programs, and regulations impact the number and duration of residential customer disconnections *(New)*	Fortis utilities offer customers flexible payment options, energy efficiency product rebates and advice that is aimed to help customers better manage energy usage and costs. Some jurisdictions have disconnect bans in place during months of extreme cold or heat. During winter months Maritime Electric installs load limiting devices, which allows customers to continue heating their homes rather than disconnecting overdue residential customers. In some jurisdictions, government programs are in place that offer rebates and funding to avoid disconnections.
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including economic conditions of the service territory *(New)*	The following external factors can impact customer affordability of electricity: inflation rates; pandemic implications; climate change impacts and the need for resilient infrastructure; labour cost changes associated with hiring and retaining skilled employees; supply issues. Fortis utilities operate in 17 jurisdictions in Canada, U.S. and the Caribbean. Economic conditions vary by region.
Workforce Health & Safety		
IF-EU-320a.1	Total recordable incident rate (TRIR)	1.47
	Fatality rate	0
	Near miss frequency rate (NMFR) *(New)*	5.8
End-Use Efficiency & Demand		
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are decoupled *(New)*	39%
	Percentage of electric utility revenues that contain a lost revenue adjustment mechanism (LRAM) *(New)*	1%
IF-EU-420a.2	Percentage of electric load served by smart grid technology[7] *(New)*	70%
	Discussion of the opportunities and challenges associated with the development and operations of a smart grid *(New)*	Smart grids create opportunities to create efficiencies and improve system management. For example, smart grids provide the ability to connect and disconnect services remotely and can enable quicker response times during outages. Smart grid technology increases data analytics, which enables utilities to provide more detailed information to customers about their energy use. ITC Holdings Corp. is purely focused on electricity transmission and uses digital information and control technology to enhance its smart grid capabilities. As a result, ITC can monitor its transmission systems more effectively, improve reliability, and help to minimize system downtime. To develop a smart grid, additional costs are initially required, and regulatory approval of such costs may be challenging. Utilities also must ensure smart grid compatibility with existing system technologies.
IF-EU-420a.3	Customer electricity savings from efficiency measures by market (MWh) *(New)*	The following Fortis utilities are regulated to provide customer efficiency programs or have a formal program in-place to track customer electricity savings: Central Hudson: 74,000 FortisBC: 30,000 Maritime Electric: 2,000 NF Power: 30,000 UNS Energy: 174,000
	Discussion of customer efficiency regulations relevant to each market in which it operates *(New)*	Fortis utilities Central Hudson, FortisBC, and Maritime Electric are subject to customer efficiency regulations. These regulations differ in each jurisdiction. Customer efficiency programs include activities such as: energy efficiency education and training, retrofitting, providing energy efficient products, support for building codes and standards, and conservation rebates.

SASB Code	Accounting Metric	Response
Nuclear Safety & Emergency Management		
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not Applicable
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not Applicable
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations *(New)*	In 2021, Fortis experienced no material physical or cybersecurity breaches of any mandatory, enforceable standards or regulations. This includes the North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) standards applicable to electricity infrastructure. As operators of critical energy infrastructure, Fortis understands the risk and consequences associated with physical and cyber security. Fortis companies work with government agencies, regulators, and industry peers to identify risks and develop and implement industry best practices to protect customers and infrastructure.
IF-EU-550a.2	SAIDI under normal operations	2.28
	SAIDI during major events	1.70
	SAIFI under normal operations	1.37
	SAIFI during major events	0.35
	CAIDI under normal operations	1.66
	CAIDI during major events	4.86
	Discussion of notable service disruptions such as those that affected a significant number of customers or disruptions of extended duration *(New)*	The following are notable service disruptions at Fortis companies: • On July 21, 2021, a wildfire resulted in electricity lines damage and service disruptions in FortisBC's service territory. Due to the continued fire risk and safety concerns, the lines could not be rebuilt, and power restored for an extended duration. • On September 11, 2021, Hurricane Larry struck the east coast of Newfoundland causing service disruptions due to winds in excess of 145km/h. • UNS Energy in Arizona experienced a very active storm season during Q3 2021, which brought excessive monsoons causing service disruptions. • In December 2021, Central Hudson's service territory experienced a series of winter storms causing service disruptions due to high winds and snow.
Activity Metrics		
IF-EU-000.A	Number of residential customers served (# in thousands)	1,800
	Number of commercial customers served (# in thousands)	245
	Number of industrial customers served (# in thousands)	11
	Number of other customers served (# in thousands)	18
IF-EU-000.B[8]	Total electricity delivered to residential customers (MWh) *(New)*	18,586,000
	Total electricity delivered to commercial customers (MWh) *(New)*	11,452,000
	Total electricity delivered to industrial customers (MWh) *(New)*	14,147,000
	Total electricity delivered to wholesale customers (MWh) *(New)*	7,018,000
	Total electricity delivered to all other retail customers (MWh) *(New)*	155,000
IF-EU-000.C	Length of electricity transmission and distribution lines (km)	185,200
IF-EU-000.D	Total electricity generated, percentage by major energy source (MWh/%):	
	Coal	5,341,000 / 30%
	Natural Gas	8,324,000 / 48%
	Nuclear	0 / 0%
	Petroleum	942,000 / 5%
	Hydropower	2,239,000 / 13%
	Solar	101,000 / 1%
	Wind	573,000 / 3%
	Total electricity generated (MWh)	17,520,000
	Total electricity generated in regulated markets (%) *(New)*	97%
IF-EU-000.E	Total wholesale electricity purchased (MWh)	18,832,000

Gas Utilities & Distributors[9]		
SASB Code	**Accounting Metric**	**Response**
Energy Affordability		
IF-GU-240a.1	Average retail gas rate for residential customers *(New)*	
	U.S. (US$ per MMBtu)	14.24
	Canada (CAD$ per MMBtu)	11.67
	Average retail gas rate for commercial customers *(New)*	
	U.S. (US$ per MMBtu)	9.16
	Canada (CAD$ per MMBtu)	9.20
	Average retail gas rate for industrial customers *(New)*	
	U.S. (US$ per MMBtu)	7.02
	Canada (CAD$ per MMBtu)	6.53
	Average retail gas rate for transportation services only *(New)*	
	U.S. (US$ per MMBtu)	1.12
	Canada (CAD$ per MMBtu)	1.35
IF-EU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year[10]: *(New)*	
	U.S. (US$)	$59.33
	Canada (CAD$)	$48.63
	Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year[10]: (New)	
	U.S. (US$)	$118.67
	Canada (CAD$)	$97.25
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment *(New)*:	
	U.S.[11]	1,840
	Canada[12]	3,794
	Percentage of residential customers reconnected within 30 days *(New)*:	
	U.S.	67%
	Canada	65%
	Discussion of how policies, programs, and regulations impact the number and duration of residential customer disconnections *(New)*	• FortisBC: A moratorium imposed by the British Columbia Utility Commission on disconnections was lifted on June 17, 2020. FortisBC continued a self-imposed moratorium on disconnections until March 1, 2021. After this date, eased reconnection requirements were introduced to allow for faster reconnection of service. Additionally, FortisBC has introduced several new programs that have made it easier for customers to afford and repay their natural gas bills, such as energy efficiency, a customer recovery fund, security deposit flexibility, and a softened debt collections approach. • Central Hudson: A disconnection moratorium is currently in-effect and shutoffs are currently prohibited. If the moratorium is ended, disconnections can only occur after several attempts are made to collect past due arrears and a final termination notice is received by the customer. The final termination notice communicates the amount that must be paid to prevent a disconnect, informs the customer of their right to an installment plan to pay the balance over time, and provides a date after which a disconnection is possible. • UNS Energy: The Arizona Administrative Code prohibits natural gas utility disconnection of residential customers for non-payment from June 1 through October 15 of each year and during extreme weather events. A COVID-19 moratorium on customer disconnections was implemented from March 12, 2020 through to January 11, 2021. Customer Assistance Residential Energy Support discount programs are available for eligible customers. UNS Energy also offers energy efficiency programs to help customers reduce monthly bills and risk management and hedging policies are in place to mitigate increases and volatility in natural gas prices.
IF-GU-240a.4	Discussion of impact of economic conditions of the service territory on customer affordability of gas *(New)*	The following external factors can impact customer affordability of natural gas: climate change impacts and more frequent extreme weather, increased natural gas pricing, increased labour costs associated with hiring and retaining skilled employees, and reduction in natural gas pipeline availability. There are three Fortis utilities that provide natural gas service to customers (FortisBC, Central Hudson, UNS Energy). Economic conditions vary by region.
End-Use Efficiency		
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled *(New)*	55%
	Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM) *(New)*	0%

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SASB Code	Accounting Metric	Response
IF-GU-420a.2	Customer gas savings from efficiency measures by market (MMBtu)	FortisBC: 1,083,000 Central Hudson: 69,000 UNS Energy: 43,000
	Discussion of customer efficiency measures that are required by regulations for each of its relevant markets *(New)*	• FortisBC: The company is mandated to consider energy efficiency as a potential resource option for its long-term natural gas resource planning. FortisBC's portfolio of energy efficiency programs include: programs for income qualified customers; energy efficiency education and training; community engagement; support for building codes and standards; technology innovation and an energy efficiency program for rental properties. • Central Hudson: The company is subject to regulations that require customer natural gas efficiency measures to be taken. This includes solutions for residential, commercial and industrial customers, such as: residential HVAC offerings and customized commercial energy efficiency solutions. • UNS Energy is not subject to regulations that require customer natural gas efficiency measures to be taken.
Integrity of Gas Delivery Infrastructure		
IF-GU-540a.1	Number of reportable pipeline incidents	17
	Number of Corrective Action Orders (CAO)	0
	Number of Notices of Probable Violation (NOPV)[13]	4
	Discussion of notable incidents such as those that affected a significant number of customers, created extended disruptions to service, or resulted in serious injury or death *(New)*	In 2021, there were four NOPVs. None of these NOPVs impacted a significant number of customers, created extended disruptions to service, or resulted in serious injury or death.
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron (% by length)	0.5%
	Percentage of distribution pipeline that is unprotected steel (% by length)	0.7%
IF-GU-540a.3	Percentage of gas transmission pipelines inspected (% by length)[14]	100%
	Percentage of gas distribution pipelines inspected (% by length)[14]	100%
IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions *(New)*	Fortis utilities that provide natural gas to customers have comprehensive distribution and transmission integrity plans in accordance with Federal, State and Provincial requirements. Utilities work with stakeholders to promote awareness of safe digging practices and participate in organizations such as Dial Before you Dig, Pipeline Hazardous Materials Administration and the Common Ground Alliance. Fortis utilities also conduct in-line inspections, above ground cathodic protection and coating surveys, integrity digs and leak surveys. They also utilize geographic information system mapping with mobile capacity available for field and operations personnel.
Activity Metric		
IF-GU-000.A	Number of residential customers served (in thousands)	1,187
	Number of commercial customers served (in thousands)	120
	Number of industrial customers served (in thousands)	1
	Number of other customers served (in thousands)	2
IF-GU-000.B[8]	Amount of natural gas delivered to residential customers (MMBtu) *(New)*	92,601,733
	Amount of natural gas delivered to commercial customers (MMBtu) *(New)*	63,977,656
	Amount of natural gas delivered to industrial customers (MMBtru) *(New)*	20,567,632
	Amount of natural gas delivered to other customers (MMBtu) *(New)*	75,825,370
IF-GU-000.C	Length of gas transmission pipelines (km)	3,480

(1) *Scope 1, 2 and 3 GHG emissions related to retail energy deliveries (excludes emissions from wholesale sales) from owned fossil generation, purchased electricity, SF_6 and transmission and distribution losses*

(2) *UNS Energy and Central Hudson are the two Fortis utilities with regulated RPS in their respective jurisdictions*

(3) *UNS Energy has a 7% ownership in the Four Corners Power Plant. The Four Corners Power Plant currently has five CCR impoundments.*

(4) *Represents 1% of total residential customers*

(5) *Represents 1% of total residential customers*

(6) *Represents 14% of total residential customers*

(7) *Excludes Fortis utilities: BECOL, Caribbean Utilities Co., FortisAlberta, FortisOntario, FortisTCI, ITC Holdings Corp.*

(8) *Excludes deliveries where the utility transmits and/or distributes the energy only and does not purchase or sell the energy.*

(9) *FortisBC, Central Hudson, and UNS Energy are the only Fortis utilities that provide natural gas service to customers.*

(10) *Based on average retail gas rates for residential customers.*

(11) *Represents 1% of total residential customers*

(12) *Represents 0.4% of total residential customers*

(13) *Notices did not impact a significant number of customers, create extended disruption in service or result in serious injury or death.*

(14) *Percentage inspected in accordance with regulatory and inspection program requirements.*

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Appendix D: Significant Sustainability Issues

The following issues and topics were identified as significant to stakeholders, Fortis and its utilities:

Environment:

- The shift to a low-carbon economy, cleaner fuels and resilience in the supply mix

- GHG emissions and energy efficiency of our operations

- GHG emissions and energy efficiency programs for customers

- Physical and transitional risks associated with climate change

- Other air emissions (Nitrogen Oxide, Sulphur Oxide, Particulate Matter, Mercury)

- Water use and availability

- Land-use and biodiversity impacts

- Accidental releases and spills and management of post contamination

- Hazardous waste

Corporate Leadership and Governance

- Board structure and oversight

- Management approach to sustainability issues and risk management

- Anti-corruption, code of conduct and business ethics

- Executive compensation linked to sustainability performance

- Supply chain resilience

- Shareholder engagement

- Lobbying and political activity

- Compliance/violations of laws and regulations

- Procurement practices

- Ongoing pandemic preparedness

People and Communities:

- Employee safety, health and wellness

- Public health and safety

- Diversity, equity and inclusion

- Talent development and retention

- Energy affordability

- Physical and cyber security

- Customer satisfaction

- Community involvement and engagement (including Indigenous relations)

- System reliability and resiliency

- Just and equitable energy transition

- Workplace human rights

- Labour Conditions

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Forward Looking Information

Fortis includes forward-looking information in this sustainability 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: the 2050 net-zero GHG emissions reduction target and interim targets to reduce GHG emissions 50% by 2030 and 75% by 2035, and the projected 2035 asset mix; TEP's GHG emissions reduction target, projected 2035 generation mix, planned coal-fired generation retirements, and planned additions of wind and solar power and battery energy storage capacity; TEP's 2030 electric vehicle target and associated initiatives; FortisBC's 2030 GHG emissions reduction target and renewable gas targets; planned energy efficiency expenditures at FortisBC, including clean energy research and pilot projects; Central Hudson's fleet electrification targets; forecast capital expenditures for 2022–2026, including cleaner energy investments; expected funding sources for the capital plan; the nature, timing, benefits and costs of certain capital projects including, without limitation, the Wataynikaneyap Transmission Power Project, and additional projects beyond the capital plan; and expected actions to mitigate negative impacts of changes in commodity prices, supply chains and inflation on customer rates;

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 rising 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; continuation of power supply and capacity purchase contracts; 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 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.

Glossary

CAIDI	Electricity Customer Average Interruption Duration Index (amount of time in hours, required to restore service once an outage has occurred)	EV	Electric vehicles	SAIDI	Electricity System Average Interruption Duration Index (customer hours of interruption per customer served)
		GHG	Greenhouse gas		
CCT	Coal Community Transition Committee	GRI	Global Reporting Initiative	SAIFI	Electricity System Average Interruption Frequency Index (number of times that a customer experiences an outage)
CEO	Chief Executive Officer	GWh	Gigawatt hours		
CLO	Chief Legal Officer	ITC	ITC Holdings Corp. (a Fortis company)	SASB	Sustainability Accounting Standards Board
CO_2e	CO_2 equivalent	LNG	Liquified natural gas	SGS	Springerville Generating Station
DEI	Diversity, Equity and Inclusion	m^3	Cubic metres	T&D	Transmission and distribution
EEI	Edison Electric Institute	MW	Megawatts	TCFD	Task Force on Climate-Related Financial Disclosures
EIP	Energy Impact Partners	PJ	Petajoules	TEP	Tucson Electric Power (a Fortis company)
EPRI	Electric Power Research Institute	RNG	Renewable natural gas	WEL	Women in Executive Leadership (an annual internal Fortis event)

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