Fortis Sustainability

FORTIS | 2024 REPORT

Contents

Notice: This sustainability report includes information on Fortis' sustainability-related objectives, practices and performance, including statements about the environmental or climate-related impacts of our business activities. Where available, Fortis follows best practices in sustainability reporting, including alignment with internationally recognized methodologies, frameworks, standards and/or recommendations for sustainability reporting as noted on ***page 4****. Where non-standard measures are used, we have disclosed the information in accordance with our internal standards which are designed to reflect and be consistent with internationally recognized reporting methodologies and best practices in sustainability reporting to the extent possible.*

In particular, this report includes information relating to Fortis' sustainability-related goals, targets, commitments, plans, practices, performance and achievements, including statements about the environmental or climate-related impacts of our business activities and the business activities of our utilities. Fortis assesses and confirms the accuracy of these statements before publication in accordance with applicable law as well as current industry and international best practices in sustainability reporting, including relevant internationally recognized methodologies, frameworks, standards and/or recommendations for sustainability reporting. For further information, please refer to the forward-looking information on ***page 47****.*

Message from David Hutchens

President & CEO

In today's changing world, the need for cleaner energy and the necessity to maintain reliable and affordable service to our customers remains paramount. We develop our strategy with this in mind by anticipating trends and focusing on innovation and new technology to provide the tools necessary to continue the transition to a low-carbon economy.

We continue to reduce scope 1 GHG emissions, achieving a 33% decrease since 2019. This marks considerable progress towards attaining our scope 1 emissions reduction targets of 50% by 2030, 75% by 2035 and net-zero by 2050.

Our sustainability efforts go beyond the role we play in the clean energy transition. It involves attracting, developing, and retaining a diverse workforce, investing in our communities, and adhering to the highest governance standards. And of course, keeping safety as our top priority. Taking a holistic view to move all of these key areas forward is how we will create a more sustainable future. This approach has long guided our track record of growth and success and will continue to drive our strategy.

The pace of change and innovation in our industry is exciting, affecting everything from the way we produce energy to the way our customers use it. We are optimistic about what the future holds for Fortis, our customers and our planet.

My thanks to our employees for their dedication and commitment to our customers and the communities they serve. You are at the core of our sustainability journey, you drive progress in every part of our business, and you are the reason for our continued success.

David G. Hutchens
President & CEO
Fortis Inc.

Reporting Framework

Sustainability Reporting

- We report in accordance with industry-specific Sustainability Accounting Standards Board (SASB) standards and align with the applicable Global Reporting Initiative (GRI) standards.
- We are early adopters of the new SASB standards for Electric Utilities and Power Generators and Gas Utilities and Distributors. The SASB cross reference on our **website** aligns with the new SASB standards that will become effective January 1, 2025.
- GHG emissions are reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standards.
- The Key Performance Indicators (KPIs) reported in the appendix are corporate-wide and include data from all Fortis utilities. All exceptions are noted as footnotes.
- Scope 1 and 2 emissions and select Fortis Inc. board diversity metrics were assured at a limited level[1] by a third party. KPIs marked by ✓ throughout the appendix have been assured to a limited level.

Fortis issues a full sustainability report, such as this one, every two years, and reports sustainability KPIs annually.

Canadian and U.S. securities regulators are at varying stages of developing and finalizing climate-related disclosure rules. We continue to monitor progress of, and prepare for, future reporting requirements by building upon existing sustainability reporting practices and strengthening the connection between sustainability and financial reporting.

We constantly assess our reporting processes to identify ways to improve. Last year, we identified ways to strengthen internal controls and review processes related to collection and reporting of KPI data, and we continue to implement our findings.

1 For additional information on the limited level assurance, see the third-party assurance report on our **website**.

The **sustainability reporting page** on our website includes prior sustainability reports as well as the 2024 SASB and GRI Cross References and the Edison Electric Institute (EEI) ESG template.

Related Fortis documents:

- **2023 Annual Results**
- **2023 Annual Information Form**
- **2024 Management Information Circular**
- **2024 Climate Report**

Additional information is available at **fortisinc.com/sustainability**.

Unless otherwise specified, all information is as of December 31, 2023 and financial information is referenced in Canadian dollars and based on applicable U.S. dollar-to-Canadian dollar foreign exchange rates for 2023.

This report was published on July 31, 2024.

2024 Climate Report

In March 2024, Fortis released its second climate report, which includes climate scenario analysis using low and high emissions scenarios over three time horizons.

- Physical risk exposure and opportunities were assessed for priority assets using nine climate hazards
- Transition risks and opportunities were assessed using a framework based on enterprise risk management principles

The report also includes details on mitigation and resiliency activities across the Fortis group of companies.

LEARN MORE
2024 Climate Report

About Fortis

10 regulated utilities in Canada, the U.S. and Caribbean

9,600 dedicated employees

3.5 million electric and gas customers

93% transmission and distribution assets

99% regulated utility assets

$69 billion total assets[1]

$12 billion in revenue

1 As of June 30, 2024

Report Highlights

2023 combined GHG intensity of the electricity and natural gas delivered to our customers reached its **lowest level in the last five years**.

Annual voluntary **employee turnover rate decreased** in 2023 compared to 2022, and the overall retirement rate remained consistent year over year.

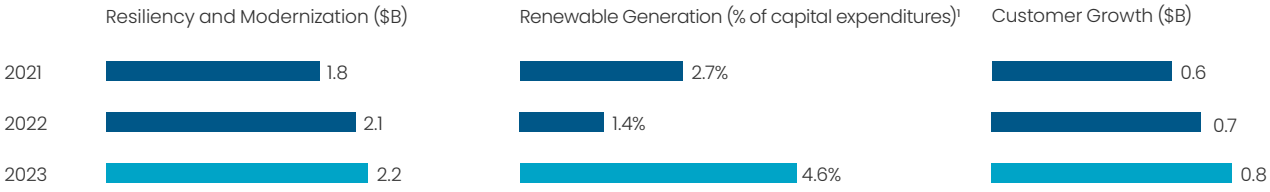
$58.5 million in community donations over the last five years, including $11.4 million in 2023.

33% reduction in GHG emissions achieved since 2019 as we move towards our scope 1 emissions reduction targets of:

50% by 2030 → **75% by 2035** → **2050 Net-Zero**

Safety and reliability metrics continue to **outperform industry averages**.

Capital Expenditure Increases in Key Growth Areas



New reporting elements

Fortis is an early adopter of the new SASB standards for Electric Utilities and Power Generators as well as Gas Utilities and Distributors. The cross reference on our **website** aligns with these new SASB standards that will become effective January 1, 2025.

In 2023, Fortis completed a project to identify material scope 3 emissions categories using the GHG Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard. Based on the analysis, the material scope 3 emissions categories for Fortis are category 3 (Fuel and Energy Related Activities) and 11 (Use of Sold Products). In this report, we have updated our reporting to include scope 3 emissions for our two material categories.

1 Renewable generation includes capital expenditures in wind, solar and hydro generation. Also includes battery storage that supports renewable energy sources.

Climate & Environment

KEY METRICS

GHG Emissions Indicators (ktonnes of CO_2e)	2022	2023	YOY Change
Total scope 1 emissions	8,748	8,155	▼593
Total scope 2 emissions – market based	179	158	▼21
Scope 3 emissions related to electricity transmitted and delivered under certain regulatory tariffs [1]	88,355	85,418	▼2,937
Scope 3 emissions related to natural gas used by customers	11,709	10,777	▼932

2023 GHG Intensity Factors at Lowest Levels in Last Five Years

Combined GHG intensity of energy delivered to customers (ktonnes of CO_2e per PJ) [2]	7.72	7.30	▼0.42
Average GHG intensity of electricity generated (ktonnes of CO_2e per GWh)	0.52	0.50	▼0.02

Renewable Energy Indicators (GWh)	2022	2023	YOY Change
Total renewable net electricity generated	3,134	2,836	▼298
Renewable energy purchased and resold for customer use	12,811	13,223	▲412

1 Reflects ITC, FortisAlberta and UNS Energy for when they transmit and distribute energy only and do not purchase or sell the energy. For additional information regarding scope 3 emissions, see page 39.
2 Energy delivered to customers includes electricity and natural gas deliveries

Insights

- 33% reduction in scope 1 emissions since 2019 - Fortis remains on track to achieve targets to reduce 50% by 2030, 75% by 2035 and 2050 net zero goal.
- GHG intensity factors continue to decrease, indicating both the energy we deliver and the electricity we generate is getting cleaner.
- Total renewable net electricity generated decreased year over year, primarily due to lower hydro generation at Fortis Belize, and decreased generation at the TEP Oso Grande wind facility.
- Renewable energy purchased and resold for customer use increased in 2023, indicating our grids are delivering a cleaner energy mix to customers.

Coal Generation Indicators

- TEP is the only Fortis utility that uses coal for generation.
- Through a series of planned coal retirements, TEP has retired 508 MW of coal generation since 2017. TEP plans to close all remaining coal generation facilities by 2032.[1]

The shift in TEP's energy mix through new wind and solar energy sources and additional natural gas capacity has enabled coal retirements and seasonal operations of remaining coal generation facilities.

In 2023, the following coal generation indicators trended to their lowest levels in the last five years.

Coal generation as a percentage of:

Total revenue 3.6%	Annual capital expenditures 0.6%	Total midyear rate base 3.1%

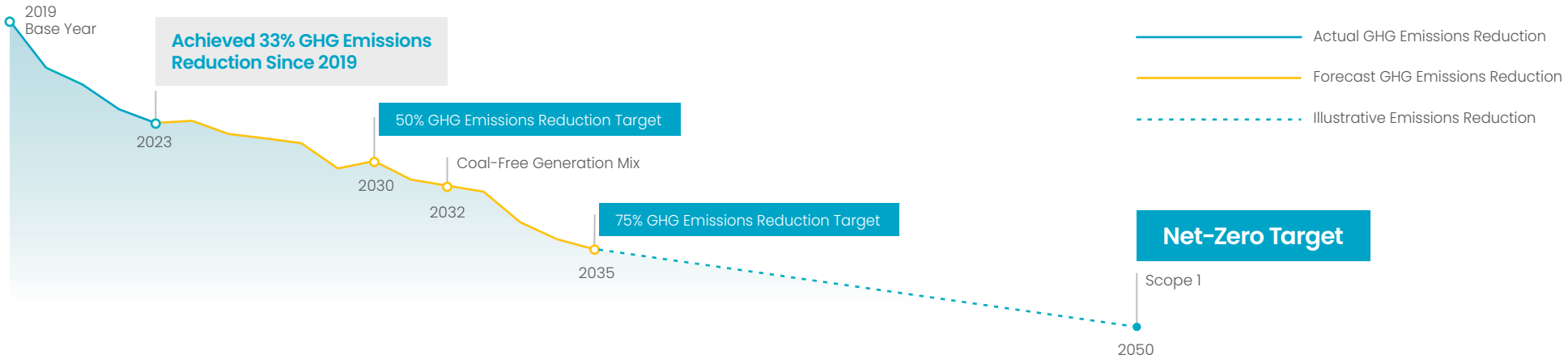
Net electricity generated by coal has decreased by 47% since 2019

1 As outlined in TEP's 2023 IRP

GHG Emissions Reduction Targets

We have established clear targets and we measure our performance regularly to ensure we are making meaningful progress. This is integral to developing our strategy and establishing future priorities.

Our planned trajectory to net-zero



GHG & Climate-Related Goals Across Our Group of Companies

Fortis Utility	Location	Goals
Caribbean Utilities	Cayman Islands	• 60% reduction of CO_2 emissions by 2030 • 70% renewable energy by 2037
Central Hudson	New York, U.S.	• 10% fleet electrification by 2025 and 50% by 2030
FortisBC	British Columbia, Canada	• Reduce absolute scope 1 GHG emissions by 35% by 2035 from 2019 levels • Reduce customers' GHG emissions by 200,000 tonnes through participation in conservation and energy management initiatives by the end of 2027 • Invest $690 million to help customers save 3.8 million gigajoules (GJ) of gas and 115 GWh of electricity by the end of 2027
Maritime Electric	Prince Edward Island, Canada	• Reduce GHG emissions from electricity delivered to customers by 55% by 2030 (2019 base year) • 100% light-duty electric vehicle fleet by 2032
Newfoundland Power	Newfoundland and Labrador, Canada	• Reduce controlled GHG emissions by 55% by 2035 (2019 base year)
TEP	Arizona, U.S.	• 80% reduction in CO_2 emissions by 2035 (2005 base year) • Net-zero direct GHG emissions by 2050

Learn More About How Our Three Largest Utilities are Driving the Clean Energy Transition

The approach of each Fortis company to enable the energy transition is unique, based on the local environment, customer needs, and the services it provides. For example, ITC, a fully regulated electric transmission company, has a different approach when compared to TEP, which is a vertically integrated electric utility, and FortisBC, which primarily delivers natural gas and electricity to customers. While the approach may differ, the end goal is the same — to deliver a cleaner energy future.

Transmission Infrastructure Enabling the Energy Transition at ITC

ITC is investing in grid modernization, reliability and interconnections.

Deployment of renewable energy has seen increased demand, with almost a 100% increase in interconnection queues at ITC in 2023 as compared to 2022. The company's five-year capital plan reflects the integration of approximately 7,000 MW of renewable energy on its system.

ITC's service territory is expected to continue to be a preferred location for renewable development, driven by customer preferences, high quality wind resources and access to reliable electricity transmission.

Transitioning to a Cleaner Energy Future at TEP[1]

TEP is a vertically integrated electric utility, and the largest generator within the Fortis group of companies. The utility is transitioning its energy mix to increase renewable energy sources while also supporting growing customer energy use.

TEP's five-year $5.2 billion capital plan includes more than $2 billion for energy storage, renewables, and other investments that are associated with its exit from coal generation by 2032.

The utility expects to retire its remaining coal generation by 2032 and plans to add over 2,200 MW of wind and solar generation and 1,300 MW of energy storage by 2038. This will be achieved through a mix of owned generation and purchased power agreements. TEP also plans to add 400 MW of natural gas generation to help offset the capacity lost from coal plant retirements and support greater use of wind and solar energy and growing customer demand.

TEP's energy resources are expected to more than double over the next 15 years with new wind, solar, natural gas and storage systems.

FortisBC's Clean Growth Pathway

FortisBC is expanding lower carbon energy solutions and helping customers save energy. The company is a leading gas utility buyer of renewable natural gas in North America. Its renewable natural gas (RNG) supply has grown from 0.7 petajoules (PJ) in 2021 to 2.8 PJ in 2023 and has approved contracts to acquire 18 PJ.

FortisBC was the first energy utility in North America to automatically designate RNG for customers

FortisBC is also one of Canada's largest private investors in energy efficiency with approved demand-side management investment plans of almost $700 million over the next four years. The utility is enabled by the province of British Columbia (BC) to deliver on its low-carbon transportation objectives and is developing programs to support investments in fueling infrastructure for zero emissions vehicles and LNG for marine vessels. Supplying LNG for marine shipping can reduce emissions associated with incumbent marine fuels.

Spotlight: FortisBC

Action plan for methane emissions

FortisBC's action plan to improve measurement and mitigation of methane emissions include:

- Investing more than $60 million annually to inspect, repair, upgrade and replace equipment
- Piloting new technology, including satellite leak detection
- Increasing the frequency of methane measurement to improve leak detection
- Investing approximately $5.8 million in capital improvements in 2023 and 2024 to reduce methane emissions in its compression fleet. Estimated methane emissions from compressor stations are expected to decrease 80% by 2025.

1 Based on TEP's 2023 Integrated Resource Plan

Supporting Our Customers to Increase Energy Efficiency and Decrease Emissions

$204 million spent on energy efficiency customer programs in 2023

Energy efficiency is one of the quickest and most cost effective GHG emissions mitigation options while lowering energy bills and strengthening energy security.

Fortis utilities work with customers directly on their changing energy needs. For communities, businesses and individuals, being more energy efficient is critical to reduce costs and enhance sustainability.

FortisBC Leads $50 Million Pilot Project to Reduce Energy Use in Older Homes

The project seeks to identify and implement the best ways to reduce energy use in older homes and multi-family housing units, which is an essential step to achieve BC's climate actions. Twenty single family homes and four apartment buildings are participating in a deep energy retrofit pilot. During each phase of the multi-year pilot, FortisBC will analyze the energy reductions, customer experience and overall costs. The information gained will be invaluable for the industry, policymakers and FortisBC to determine how best to ensure older housing units can continue to meet the needs of families as the province moves towards a net-zero future.

With FortisBC planning to invest almost $700 million in energy savings programs over the next four years, the information gained from the pilot will be invaluable in establishing the most effective, affordable ways to lower energy use in existing buildings and will help inform future incentive programs.

Central Hudson's Energy Efficiency Program Delivering Results for Customers

Energy efficiency programs and incentives in place at Central Hudson resulted in customer savings of more than US$107 million in energy costs since 2009. One of the program elements is providing incentives to customers to install heat pumps. The utility has exceeded its six-year goal to incent the installation of 12,000 heat pumps, with more than 19,000 units installed through 2023. Central Hudson also offers reduced pricing on home weatherization products through partnerships with local home improvement stores.

A Customer Program to Help Manage Peak Demand

TEP's Smart Thermostat Program Helps Manage Peak Demand

Tucson had its third hottest summer on record in 2023, with a string of record-setting temperatures in July. To beat the heat, the utility created a Smart Rewards program.

Smart Rewards program participants agreed to brief adjustments of up to 4 degrees fahrenheit to their thermostats during peak electric demand periods from June 1 through September 30, including weekends and holidays. Adjustments typically lasted no more than three hours.

More than 6,900 customers participated, collectively saving the equivalent of powering approximately 2,300 homes, and the program is continuing in 2024.

Spotlight: Newfoundland Power

Circuit Breaker Pilot Project to Reduce SF_6 Emissions

Newfoundland Power recently piloted a new type of high voltage circuit breaker (66kV) to replace its SF_6 breakers. SF_6 is considered a potent GHG gas. The new breaker being piloted uses a vacuum instead of SF_6 gas. If the pilot is successful, the new breakers may be used more broadly across the company.

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

TEP's plan to phase out coal-fired generation reflects its commitment toward a measured transition for employees and communities. Once TEP announced the retirement of its two coal-fired generation units in 2020, planning began immediately to support employees and communities.

TEP's transition plans are primarily focused on communities around the Springerville Generating Station (SGS), 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.

TEP has established a Coal Community Transition Committee that is working closely with employees and local stakeholders to prepare for the planned retirements and promote sustainable economic growth. The committee has four main focus areas: broadband access, transportation, education and workforce development, and housing.

To support employees, TEP established an employee training and development program in 2022. The program includes tuition assistance, apprenticeship programs, job-shadowing, cross-training opportunities, and career counselling.

Plant Workers Learning New Skills in Renewable Energy

TEP's first solar array is located near the SGS. It has expanded through the years, and the array now has a capacity of 13.5 MW. In recent years, maintenance transitioned from a contractor, creating an opportunity for SGS workers to become its in-house maintenance team. Employees took ownership of the project and are gaining knowledge and skills in renewable energy. SGS employees took part in job shadowing and received guidance from solar array experts who are part of the TEP team.

US$1 Million in Grants Available for Community Groups

TEP has partnered with two other energy providers to provide US$1 million for funding for communities that may be impacted by coal retirements through the Utilities' Grant Funding Program.

Applications for up to US$25,000 in assistance may be filed on behalf of impacted communities within 50 miles of a coal-fired power plant owned by TEP or one of the other energy providers. Tribal, state and local governments, public schools, economic development groups and nonprofit groups may be eligible to apply. More than US$570,000 in grants have been awarded since announced in April 2023. In addition to this funding, TEP has contributed approximately US$750,000 to assist local community development initiatives.

Biodiversity Efforts Across Our Group of Companies

Fortis Belize Protecting the Chiquibul-Maya Mountain Massif

Fortis Belize is developing a shared management agreement in partnership with the Government of Belize and the Friends for Conservation and Development to protect a portion of the Chiquibul-Maya Mountain Massif. The full area comprises 1.25 million acres in southwestern Belize and is one of the largest intact blocks of tropical forest north of the Amazon. The mountains surround Fortis Belize's hydro facilities on the Macal River, and conservation of the natural and cultural resources of the area is key to the sustainable development of Belize. The three groups are working in consultation on biodiversity planning and proposing land use restrictions to protect the natural environment.

ITC Commits 98,000 Acres to Monarch Butterfly Habitat

ITC has enrolled certain land in a federal program designed to protect and grow habitat for the threatened monarch butterfly. There has been a drastic butterfly population loss over the past 20 years. ITC will manage the land to improve monarch habitat, including timing seasonal mowing to avoid the monarch breeding season, selective brush removal and developing more grassland and prairie habitat. ITC will regularly monitor and report on monarch habitat and population in these areas.

Newfoundland Power Protects a Species of Lichen at Risk

Newfoundland Power has a project to rebuild a 66 kV transmission line. As part of the project, an assessment was completed to identify if Boreal Felt Lichen was present in the rebuild area. This specific type of lichen is a vulnerable species with a declining population. Prior to construction, Newfoundland Power worked with local wildlife officers and experts to relocate all 60 Boreal Felt Lichen observed to areas within the same mature forest stands to ensure the new habitat could support the lichen.

Invasive Species Study Yields Promising Results for FortisBC

FortisBC recently completed a study of invasive plant species at Inland Gas Upgrades work sites. Based on the findings, the utility is now able to restore the work sites with native plant species that are more resilient and resistant to invasion by non-native species. The two-year study took place in Kamloops' Kenna Cartwright Park and was led by a local university.

Operations

KEY METRICS

2023 All-Injury Frequency Rate[1]
1.12

Outperforming the industry average

$25 B
Capital Plan
2024-2028

▲ $2.7 B increase over the 2023-2027 plan

✓
No material cybersecurity breaches

Electricity Key Operations Indicators	2022	2023	YOY Change
Total electricity customers (thousands)	2,097	2,133	▲ 36
Electricity delivered (GWh)	229,319	229,891	▲ 572
Electricity SAIDI (average annual outage duration (hours))	2.02	1.96	▼ 0.06
Electricity transmission service reliability (number of forced outages per 100 miles of transmission lines)	0.52	0.37	▼ 0.15

Natural Gas Key Operations Indicators	2022	2023	YOY Change
Total natural gas customers (thousands)	1,323	1,345	▲ 22
Natural gas delivered (PJ)	331	314	▼ 17
Reportable pipeline incidents	12	6	▼ 6
Gas leaks per 1,000 customers	1.60	1.47	▼ 0.13

1 Number of injuries for every 200,000 hours worked

Insights

- Safety performance remains strong. In 2023, Fortis utilities achieved top quartile safety performance relative to industry peers.
- For electricity operations, all key growth-related indicators trended positively in 2023 compared to 2022. The same is true for natural gas operations, with the exception of a decrease in energy deliveries.
- Key indicators that measure reliability for both electricity and natural gas operations trended favourably with systems delivering strong performance even during challenging weather-related disruptions.
- The latest five-year capital plan of $25 billion represents the largest capital plan in Fortis' history.

Building a Culture of Safety

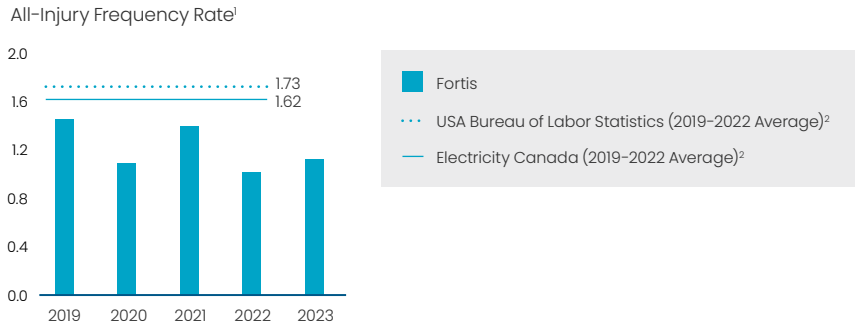
Fortis employees are deeply connected by a culture of safety. The network across the group of companies prioritizes safety, sharing best practices and learning from experiences.

Quarterly safety performance is shared, including comparative data from previous years and details on the underlying causes of every injury.

Safe Operations

The safety of our employees, customers, communities and contractors remains our number one priority.

Fortis utilities outperformed industry averages for employee safety performance once again in 2023.



1 Number of injuries for every 200,000 hours worked
2 2023 data not yet available

Spotlight: FortisBC

Improving Safety Through Technology: Robotic Exoskeleton Pilot Project

FortisBC is currently piloting the use of robotic exoskeletons. These are devices employees wear that support and assist movement, thereby helping to prevent injuries. Musculoskeletal injuries are the most common injuries in the workplace. FortisBC will test the devices by using them for:

- Shoulder support for electricians making repairs that require overhead lifting
- Posture support for mechanics working in confined spaces

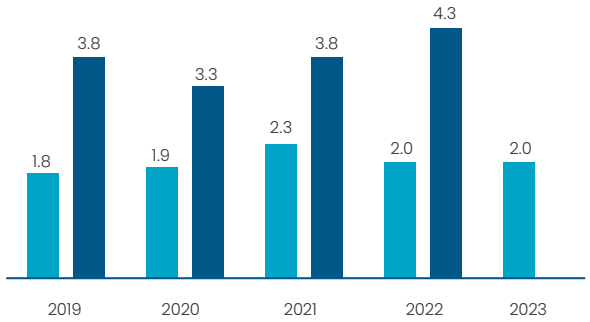
FortisBC employee Kris Nyberg is supported by an exoskeleton while lifting a heavy object

Reliable and Resilient Operations

Despite extreme cold and hot temperatures and more frequent extreme weather events, we continue to deliver electricity and gas service reliably to our customers. Fortis continues to outperform industry averages for reliability performance.

Our asset integrity management programs are designed to maintain, strengthen and optimize the performance of our energy delivery systems.

Average Electricity Customer Outage Duration (Hours)



Fortis[1]

Electricity Canada and U.S. Energy Information Administration Average[2]

1 Based on weighted average of Fortis' customer count in each jurisdiction
2 2023 data not yet available

Reliability and Resiliency Across Our Group of Companies

ITC Midwest Reduces Transmission Outages by 77% Since 2007

Iowa-based ITC Midwest has reduced the number of outages by 77% since acquiring the regional transmission system in 2007.[1]

When ITC Midwest took over the transmission system serving more than two-thirds of Iowa, it had largely reached the end of its useful life and needed significant investment.

Through sustained and targeted capital investments, coupled with performance and maintenance activities, ITC continues to improve the grid's performance and drive value for customers.

FortisBC: "Calling or Clicking Before You Dig" Decreases Gas Line Incidents

FortisBC's message that encourages customers to call ahead before they dig, excavate or disturb the ground is making a difference. The utility's damage incidents have decreased by approximately 5% year over year since 2020.

Approximately 90% of damages to the utility's gas lines are preventable by contacting the proper resources before digging begins. This small, but important step impacts many important areas: it reduces the risk of personal injury, avoids service interruptions, reduces fugitive emissions and prevents costly repairs.

TEP's Mobile Substations Are Critical to Maintaining Reliability

Mobile substations have many uses. They provide temporary solutions during periods of high energy usage, unexpected outages or ongoing upgrades to existing equipment. Mobile substations help restore service and reduce outage times during emergencies. Here are examples of how TEP puts mobile substations to work:

- In 2023, a temporary mobile substation was used for several weeks while crews installed a new permanent transformer to replace one that was no longer suitable for service. Customers in the area experienced no outages while the transformer was installed.
- An area in Tucson that has experienced rapid growth in recent years is benefitting from the use of a mobile transformer in place for the next few years while a new, permanent substation is constructed.

Wildfire Risk Prevention and Mitigation

Our work to better understand and mitigate wildfire risk is a priority. Operational experts are continuously working to identify ways to improve wildfire risk mitigation efforts across our group of companies.

We have conducted climate scenario analysis to better evaluate physical risks and opportunities for priority assets across our group of companies. Nine climate hazards were used in the assessment, and the three most significant climate exposures for priority assets were determined to be: strong winds, warmer temperatures and wildfire risk.

Our 2024 Climate Report includes a comprehensive assessment of corporate-wide wildfire risk using climate scenario analysis. It also outlines the strategies Fortis utilities are deploying to decrease and mitigate the risks associated with wildfires, specific to each service territory. Operational teams at Fortis utilities hold wildfire events as part of ongoing emergency response planning. Fortis companies regularly conduct tabletop and simulated emergency exercises to proactively test emergency preparedness. Customer communication is also key as communities prepare for potential wildfires. As an example, FortisBC proactively provides information to customers about staying safe around gas and electricity before, during and after a wildfire evacuation.

1 Based on a three-year rolling average

Emergency Preparedness and Response

Our emergency management efforts are focused on: prevention, preparedness, response and recovery.

Fortis utilities have processes and tools in place to effectively manage emergency response, business continuity and crisis management efforts.

- Fortis utilities work together to identify risk and assess the potential severity should an event occur
- Established emergency response plans are updated regularly
- Tabletop exercises and simulated drills are completed to practice preparedness and identify improvements
- In addition to industry mutual assistance programs, Fortis has a mutual assistance program across its group of companies. Crews and staff across Fortis utilities are identified and prepared in advance and can be deployed when additional support is needed.

Vegetation Management

A proactive vegetation management program prevents safety issues and service interruptions, and helps conserve the natural habitat. Strong vegetation management creates diverse greenways where grasses, wildflowers and low-growing shrubs thrive, while minimizing environmental disturbance.

Storm-Related Damage from Trees is the Number One Cause of Outages at Central Hudson

At Central Hudson 40% of all storm-related damages are caused by falling trees and branches. This is not surprising, given the densely forested area in the Hudson Valley.

Central Hudson has completed a vegetation management study and findings have been incorporated into the utility's vegetation management program.

Invasive Species Control at ITC

ITC has developed protocols for reducing the potential spread of invasive species, particularly if they become established in its transmission corridors. Foresters and trained field staff conduct inspections to identify both appropriate and invasive species and recommend suitable management methods.

The team at ITC also coordinates with partner organizations to maintain databases of rare plant and animal species. Operations and maintenance activities are adjusted to protect rare species and habitats, including limiting equipment access at sensitive times, including when animals are hibernating or plants are dormant.

Spotlight:

FortisAlberta received the EEI Emergency Response Award

The award recognized their wildfire restoration efforts in May 2023. As part of the response, more than 200 FortisAlberta employees from across the province replaced more than 800 poles and 67 kms of lines, restoring power to thousands of customers.

Capital Plan

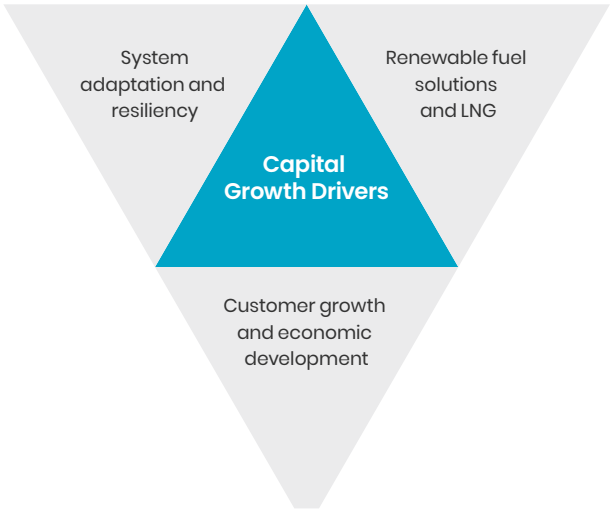
Five-Year Capital Plan Highlights

$25 B
Capital Plan
2024-2028

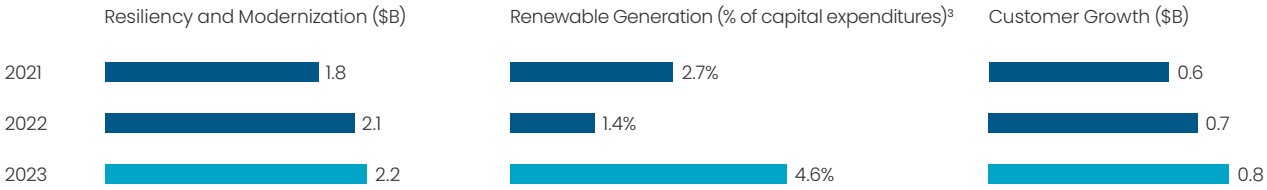
▲ **Largest in Fortis History**

~$7 B
for cleaner energy investments[1]

57%
sustaining capital[2]

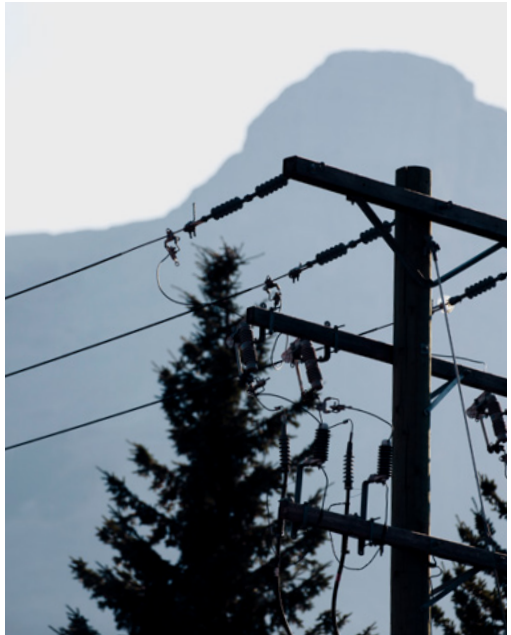


Historical Capital Expenditures Increases in Key Growth Areas



Insights

- We have a strong record of delivering and outperforming our five-year capital plans. Our 2019-2023 capital spending was 17% higher than initially projected for that five-year period.
- Our plan includes ten major capital projects[4], which in total represent approximately 20% of the plan.
- We have a bottom-up approach to establishing our five-year capital plan, only including the projects we believe will be executed from a regulatory and affordability viewpoint. The result is a capital plan that only includes projects that have been thoroughly vetted.



1 Cleaner energy investments defined as capital that supports reductions in air emissions, water usage and/or increases customer energy efficiency.
2. Sustaining capital relates to the continued and enhanced performance, reliability and safety of generation, transmission and distribution assets.
3 Renewable generation includes capital expenditures in wind, solar and hydro generation. Also includes battery storage that supports renewable energy sources.
4 Projects more than $200 million

Affordability

Key Focus Areas:

- Target controllable operating costs
- Cleaner energy investments with fuel savings for customers
- Preventative maintenance and innovation to reduce operating costs
- Help customers manage energy costs and be more energy efficient
- *Inflation Reduction Act* tax credits for renewable generation in the U.S.

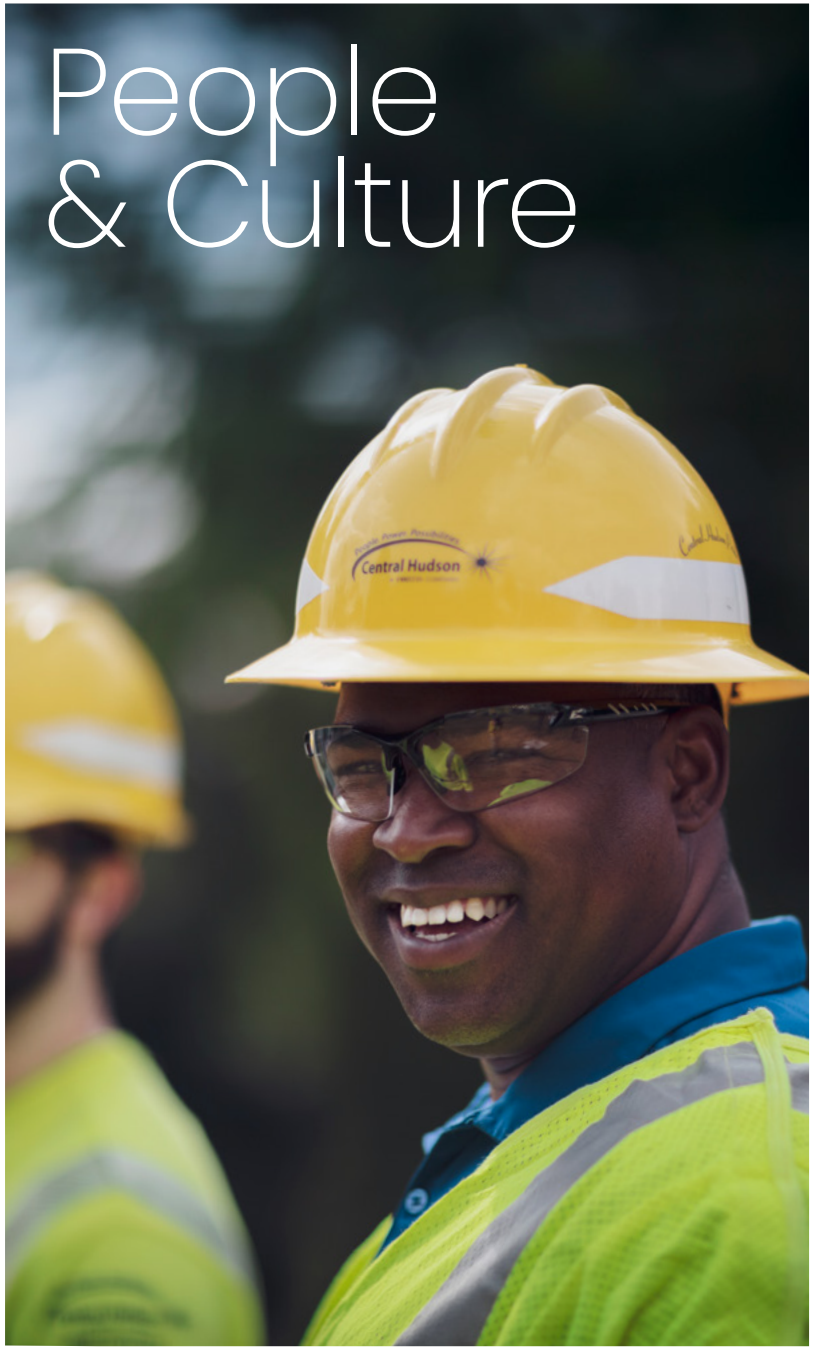
Controllable Operating Costs per Customer

Cybersecurity

Cybersecurity leaders across the Fortis group of companies develop and implement cybersecurity risk management processes to protect the confidentiality, privacy, integrity and reliability of our assets and infrastructure. Cybersecurity programs include activities such as:

- Cybersecurity incident response plans that are integrated into enterprise risk management and emergency management programs
- Cybersecurity employee training and testing to address social engineering attacks targeting employees and contractors
- Partnerships with external resources to enhance preparedness and strengthen IT systems

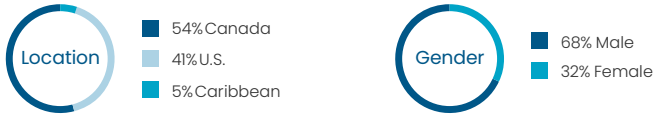
1 Controllable operating cost per customer is a financial measure used by management to evaluate operating efficiency. May not be comparable with measures used by other entities and excludes costs that are considered largely outside of management's control (e.g., purchased power, generation fuel expense).



KEY METRICS

Employee Count	2022	2023	YOY Change
	9,200	9,600	▲400

Employee Breakdown



Full-Time Employee Key Indicators	2022	2023	YOY Change
Annual voluntary full-time employee turnover	4.6%	3.4%	▼ 1.2%
Average years of employment	11.0	10.7	▼ 0.3 years
Annual retirement rate	3.0%	3.0%	-
Eligible to retire as of end of calendar year	3.0%	3.0%	-

Insights

- The increase in the number of employees is largely attributable to filling vacancies and adding new positions required to execute the capital plan.
- Fortis is committed to promoting internal talent, with 56% of job vacancies filled by existing employees in 2023.
- Our workforce is relatively stable with low voluntary turnover.
- Retirements have been largely anticipated. Our utilities factor projected retirements into workforce planning.
- In 2023, our Canadian and Caribbean companies began collecting self-identification data from existing employees and new hires on a voluntary basis. U.S.-based utilities have historically reported self-identification information.
- Most Fortis utilities offer flexible work arrangements through a hybrid work model or other arrangements that work with business needs.

Professional development by the numbers

More than **470,000** training hours in 2023

~53 training hours per employee

Our People and Culture Strategy

People and culture are priorities for Fortis. We are focused on having the right people in place to achieve our goals. We recognize that company culture is key to attracting and retaining people who want to work or do business with Fortis. Our priorities include driving employee engagement, retention, professional development, and performance to support our overarching business strategy.

Our diverse geographic reach enables us to tap into a broad range of perspectives from different communities and cultures. This diverse knowledge base, coupled with our "local is best" philosophy, positions Fortis well to advance issues that are most relevant to employees and the communities our utilities serve. A number of Fortis utilities have established employee resource groups, which are employee-led and voluntary groups that help employees feel more connected, supported and included. These groups offer professional development, mentoring, and networking opportunities. The majority of Fortis utilities also provide mental health training to employees, aimed at reducing stigma and promoting a sense of belonging for all employees. Other training programs offered focus on inclusive leadership, anti-racism and Indigenous awareness.

As a more specific example, ITC has expanded its inclusion efforts in recent years. The company has established a supplier diversity program, increased efforts to ensure recruiting is inclusive, launched an ambassador program and conducted inclusion and culture assessments. This intentional approach is creating a greater sense of belonging among ITC employees.

Here is the strategic framework we use to advance our people and culture strategy:

Talent Management
Build an integrated talent management strategy that includes executive succession, gap assessments for key skillsets, and leadership development.

Culture and Engagement
Embed engagement as a way of doing business that is reflected in our culture. This includes a solid understanding of employee engagement, employee relations and workplace culture.

People and Culture Strategy

People Analytics
Ensure we have the right information to inform workforce planning, employee engagement, succession planning, compensation, learning and development.

Total Rewards
Deliver a comprehensive approach to total rewards that is focused on compensation, benefits, wellness and development and aligns with our business strategy.

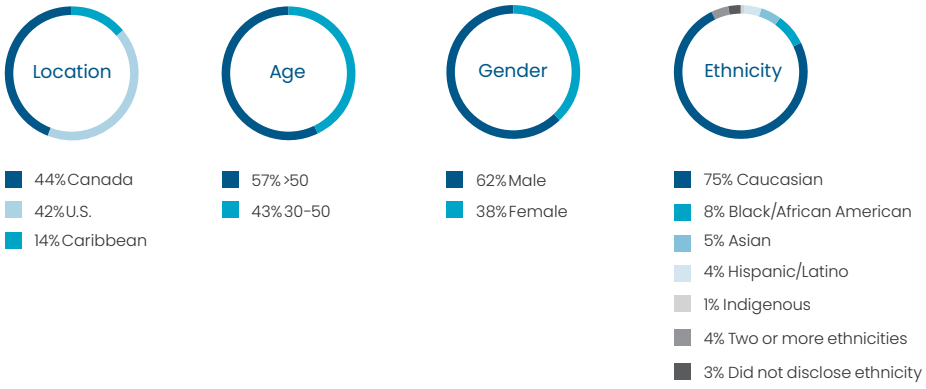
Newfoundland Power received the *2023 Leading the Way: DEI and Belonging Award* from the St. John's Board of Trade.

Employee Engagement

Our employee engagement survey provides valuable insights into working at a Fortis company. In 2023, Fortis worked with an independent consulting company to conduct a confidential employee engagement survey administered to our 9,600 employees.

This enterprise-wide approach allows for comparable data across our group of companies. We are now developing and executing action plans based on the survey results with a focus on continuous improvement.

Executive Diversity



Insights

- Executive location of residence and age has remained relatively stable over the last five years.
- Women represent 38% of all executive positions enterprise-wide, the highest amount in our history.
- Looking to our future leaders, we are increasing diversity within our emerging talent pipeline. As an example, diverse participation is a foundational element of the Fortis Leadership Lab. Learn more on **page 26**.

Spotlight:

Women in Executive Leadership (WEL)

WEL gatherings bring together women who are current executives and emerging talent throughout our group of companies to share key career development moments and discuss Fortis' key business priorities.

Since WEL's inception in 2016, nearly 600 female leaders and emerging talent have participated. Many attendees have grown as leaders and taken on new and more challenging positions.

WEL 2024

Succession Planning is Business Planning

Succession planning and leadership development are business priorities owned by the executive team. Our annual talent review process is robust, purposeful, and focused on the enterprise's executive succession priorities. The senior executive team discusses future enterprise leaders and what needs to be done to prepare them. Contingency candidates are also identified for each role to ensure continuity in the event of unexpected executive vacancies.

Our succession plan evolves as required to meet business needs and is focused on:

- internal talent development and progression
- preparing succession candidates
- identifying critical skill gaps across the organization

Fortis Leadership Lab

The Fortis Leadership Lab, launched in 2021, is a program designed to prepare emerging leaders for future leadership roles, build networks and increase cross-Fortis mobility.

Leadership Lab Participants

69 participants

5 participants were appointed to executive roles

22 participants received promotions

96% retention rate

Lab participants have unprecedented access to our most senior leaders. Over the course of 12 months, they:

- are mentored by Fortis executives
- strengthen their business acumen
- develop solutions to real-life business priorities
- are introduced to Fortis companies across North America, and make lasting connections with peers.

The Lab is preparing emerging leaders for successful, long-term careers with Fortis while we gain visibility on our potential future leaders.

Community

KEY METRICS

Community Investment

$58.5 million in community donations
2019-2023

Insights

- We have a history of leadership and involvement in communities where our employees live and work.
- Decision making on community investments is done based on local priorities and needs across the group of companies.
- Beyond donations, Fortis is committed to meaningful community partnerships, including those with Indigenous communities.

Fostering Strong Indigenous Partnerships

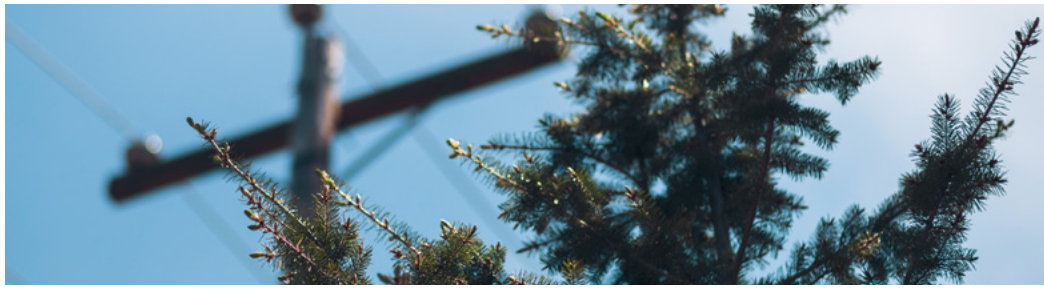
Fortis continues to create and nurture meaningful partnerships with First Nations. The following are examples of how we are working to build authentic, mutually respectful relationships with Indigenous Peoples.

Wataynikaneyap Power Project: Seven Additional Communities Connected to the Grid in 2023

Wataynikaneyap Power is a transmission company majority-owned by 24 First Nations in partnership with Fortis. Together, we constructed a 1,800-kilometre transmission line to connect 17 remote First Nation communities to the Ontario power grid. This is Canada's largest First Nations grid connection project, and is improving the quality of life for people in these communities.

Twelve communities are now connected to Ontario's power grid. Construction of the transmission line is fully complete and ready for all remaining communities to connect.

To recognize the partnership between Wataynikaneyap Power and Fortis, the two groups created the Future Generations Scholarship. The program is funded by Fortis and is available to the Wataynikaneyap Power Project's 24 owner First Nations. The scholarship respects the First Nation way of life and what we collectively leave behind for future generations to come, or chinagatamaageyeg (which is Anishinabe for "to leave something behind for others").



FortisBC Awarded the Silver-Level Designation in Progressive Aboriginal Relations (PAR)

The designation, awarded by the Canadian Council for Indigenous Business, is internationally recognized and confirms corporate performance in Indigenous relations. Earning a PAR certification is a multi-year process of implementing action plans and targets in: business development, leadership actions, employment and community relationships.

TEP Helps Light Up Navajo Nation

TEP is a supporter of Light Up Navajo, an ongoing effort coordinated by the Navajo Tribal Utility Authority to connect isolated rural households to the electricity grid. TEP crews volunteered for the effort, setting miles of poles and stringing conductors for the initiative.

FortisAlberta Releases Rehabilitated Eagles with Piikani and Kainai First Nations and the Alberta Birds of Prey Foundation

The Alberta Birds of Prey Foundation is Canada's largest birds of prey facility, with a primary objective to rescue and release injured hawks, falcons, eagles, owls and vultures. The foundation is one of FortisAlberta's key community investment partnerships. Elders and community members from the Kainai and Piikani First Nations participated in a ceremony to release rehabilitated hawks and eagles back into the wild. The birds are sacred to Indigenous communities, and key to the natural environment.

Helping Build Strong Communities

Fortis Inc. a Major Sponsor of the St. John's 2025 Canada Games

St. John's, Newfoundland and Labrador is the host city for the 2025 Canada Games. As part of the Fortis sponsorship, the flagship facility of the games will be named the "Fortis Canada Games Complex". The partnership will enable local youth to participate in sports, which helps develop important life skills as they prepare to have a successful future.

ITC Invests in the New Community Transformation Fund

ITC invested US$500,000 in the New Community Transformation Fund, which is aimed at boosting businesses owned by people of colour in West Michigan. The investment will support business diversity and spur economic growth in the communities ITC serves.

Newfoundland Power Supporting Cancer Care for More than 20 Years

Newfoundland Power's Power of Life charity raises much-needed funds for cancer treatment equipment, support programs and to promote cancer education and awareness. Over the past 20 years, the Power of Life charity raised over $5 million for cancer care. Most recently, $250,000 was donated to build a new chemotherapy unit.

Fortis Inc. Employees presenting $1,000,000 donation to 2025 Canada Games in St. John's

Fortis employees participating in the **Mega Bike Ride for Big Brothers Big Sisters**

TEP Employees Making a Difference: Community Action Team

The Community Action Team (CAT) is an employee-led committee that organizes volunteer and donation activities to benefit causes closest to their hearts. For the past 28 years, TEP employees have donated countless hours to make a difference in their communities. Every year, nearly 90 community events are led by CAT volunteers. Throughout the years, teams have built energy efficient homes for Habitat for Humanity, revamped animal habitats at a local zoo, and built playgrounds, making a real difference to Tucson residents.

Governance

KEY METRICS

Key Features of the Fortis Inc. Board

- Independent Chair of the Board
- Separate Chair and CEO Positions
- **100%** Independent Board Committees

Fortis Inc. Board Diversity

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

- 25% 8-12 years
- 42% <4 years
- 33% 4-8 years

82% of Fortis utilities have a female CEO or Board Chair

Fortis Inc. Board Diversity Targets

- Women and men each represent at least 40% of the board's independent directors
- A minimum of two board members to represent visible minorities and/or Indigenous persons

✓ **The Fortis Inc. Board of Directors meet these diversity targets**

Recent Accomplishments

A new human rights statement and a vendor code of conduct was adopted in January 2024

→ **LEARN MORE Page 32**

The Fortis board is responsible for ensuring effective leadership and for providing oversight in the following areas:

- **Strategy**
- **Leadership Succession**
- **Risk Management**
- **Sustainability including environmental, climate change and social priorities**
- **Cybersecurity, Information Technology (IT) and Operational Technology (OT)**

LEARN MORE
2024 Management Information Circular (MIC)

Independence — A Key Governance Feature at Fortis Utilities

Fortis follows a standalone business model where Fortis utilities operate with substantial autonomy.

Each of our significant operating utilities is governed by its own board of directors with a majority of independent directors. In addition to independent directors, utility boards typically include the utility's CEO for operating expertise, one or more officers of Fortis and, in certain cases, an executive of another Fortis operating utility or a Fortis director.

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

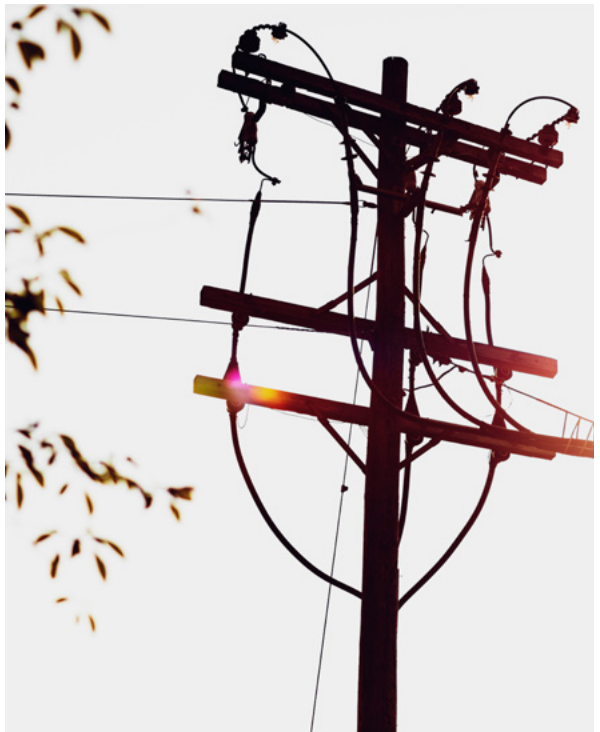
Doing the Right Thing Everyday — Acting with Honesty, Integrity and Professionalism

Our Code of Conduct guides the ethical and professional behaviour expected at Fortis. The code applies to Fortis employees, officers and directors in every country where we do business.

Annually, employees receive training on the code and they acknowledge they have read, understand and agree to abide by the Code of Conduct. We periodically conduct an internal audit to monitor employee compliance with the code and other policies.

While each Fortis utility adopts its own code, the general principles and spirit of the Fortis Code of Conduct apply universally across the entire organization.

LEARN MORE
Fortis Code of Conduct



New in 2024: Human Rights Statement

We adopted a new human rights statement in January 2024 that outlines our long-standing commitment to human rights, including international labour conventions.

LEARN MORE
Human Rights Statement

New in 2024: Vendor Code of Conduct

Our vendor code of conduct is an extension of our Code of Conduct and Human Rights Statement. This document describes the expectations of ethical conduct we have of suppliers and other organizations that do business with the Fortis group of companies.

LEARN MORE
Vendor Code of Conduct

Our Human Rights Commitment: Ethical Supply Chains

Together, Fortis' Human Rights Statement and Vendor Code of Conduct shows our commitment to prevent and reduce the risk of exploitation, forced labour and child labour in supply chains.

Audits and peer-benchmarking help us understand whether our programs are accomplishing their objectives and align with industry standards. Third party experts and consultants may be retained as required to assist with this process.

Fortis recently filed its Modern Slavery Report in Canada, which outlines steps taken in 2023 to prevent and reduce the risk that forced labour and child labour is present in our supply chains.

LEARN MORE
Modern Slavery Report

Advocacy and Political Engagement

We advocate for our customers, employees, investors and the communities we serve. Our political activities are governed by our political engagement policy, which is overseen by our Board of Directors' Governance and Sustainability Committee (GSC). Fortis management reports to the GSC annually on contributions, any potential misalignments with our values, and responsive action taken.

Fortis annually reports on contributions by the Fortis group of companies to:

- Political candidates, parties and organizations
- Trade associations in the energy and utility sector
- Other tax-exempt organizations that may conduct lobbying or public policy-related activities
- 501(c)4 organizations in the U.S.

LEARN MORE
Advocacy and Political Engagement

Appendix

KEY PERFORMANCE INDICATORS

Indicators listed on the following pages relate to Fortis' performance in terms of:

- **Operations**
- **Environment**
- **Governance and Policy**
- **Employee and Social**

Appendix: Key Performance Indicators

The sustainability KPIs included in this document are dated as of December 31, 2023, except as otherwise noted. Please use this document for comparative purposes as historical data has been updated in some instances.

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 31, 2024.

Operations Indicators

	2023	2022	2021	2020	2019
Financial Indicators					
Assets[1] (% of total assets, except as indicated)					
Total value of assets ($ billions)	65.9	64.3	57.7	55.5	53.4
Total assets that are regulated utility assets	99%	99%	99%	99%	99%
Total assets dedicated to energy delivery	93%	93%	93%	93%	93%
Total assets dedicated to electricity generation	7%	7%	7%	7%	7%
-fossil-fuel generation	5%	5%	5%	5%	5%
-renewable generation	2%	2%	2%	2%	2%
Revenue (% of total revenue, except as indicated)					
Coal-fired electricity generation[2]	3.6%	4.1%	5.1%	5.7%	6.6%
Natural gas-fired electricity generation	5.6%	4.4%	4.1%	3.7%	*
Diesel/oil generation	2.1%	2.1%	1.9%	1.9%	*
Renewable generation	2.6%	2.7%	2.5%	2.3%	*
Transmission, storage and distribution of natural gas	19.6%	23.7%	22.1%	19.4%	*
Transmission, storage and distribution of electricity	60.8%	59.4%	59.5%	62.5%	*
Other	5.7% [3]	3.6%	4.8%	4.5%	*
Natural gas revenue protected by regulatory mechanisms[4] (% of total natural gas revenue)	94.6%	95.8%	95.3%	92.7%	*
Electricity revenue protected by regulatory mechanisms[4] (% of total electricity revenue)	63.4%	62.7%	61.7%	61.1%	*
Rate Base (% of midyear rate base)					
Coal-fired electricity generation	3.1%	3.3%	3.6%	3.9%	4.5%
Natural gas-fired electricity generation	2.7%	2.7%	2.8%	2.8%	*
Diesel/oil generation	2.1%	2.0%	2.1%	2.3%	*
Renewable generation	3.1%	3.0%	2.5%	1.9%	*
Transmission, storage and distribution of natural gas	18.0%	17.8%	18.9%	18.9%	*
Transmission, storage and distribution of electricity	66.7%	66.7%	66.8%	67.0%	*
Other	4.3%	4.5%	3.3%	3.2%	*

	2023	2022	2021	2020	2019
Capital Expenditures ($ billions)[5]					
Resiliency & modernization	2.2	2.1	1.8	2.2	1.9
Cleaner energy[6]	0.7	0.6	0.6	0.8	0.6
Customer growth	0.8	0.7	0.6	0.6	0.6
IT & cybersecurity	0.3	0.3	0.3	0.3	0.3
Other[7]	0.3	0.3	0.3	0.3	0.4
Total annual capital expenditures	**4.3**	**4.0**	**3.6**	**4.2**	**3.8**
Capital Expenditures (% of total capital expenditures)					
Coal-fired electricity generation	0.6%	1.0%	1.4%	1.2%	1.1%
Natural gas-fired electricity generation	4.2%	1.3%	2.0%	2.2%	*
Diesel/oil generation	2.4%	2.0%	1.2%	0.8%	*
Renewable generation[8]	4.6%	1.4%	2.7%	12.8%	*
Transmission, storage and distribution of natural gas	14.5%	15.8%	14.3%	12.5%	11.8%
Transmission, storage and distribution of electricity	60.2%	63.9%	61.6%	54.8%	*
Other[7]	13.5%	14.6%	16.8%	15.7%	*
Electricity Transmission and Distribution (T&D)					
Total kilometres of electricity T&D lines	185,300	185,010	185,200	185,700	184,850
- Distribution lines (% of total T&D lines)	82%	82%	81%	81%	81%
- Transmission lines (% of total T&D lines)	18%	18%	19%	19%	19%
Natural Gas T&D					
Total kilometres of natural gas T&D lines	59,100	58,700	58,000	57,000	56,850
- Distribution lines (% of total T&D lines)	99%	99%	99%	99%	99%
- Transmission lines (% of total T&D lines)	1%	1%	1%	1%	1%
Electricity Generation					
Electricity Generation Capacity (MW)					
Coal	903	903	1,073	1,073	1,242
Diesel/oil	410	408	441	441	446
Natural gas	2,213 [9]	2,133	2,135	2,135	2,201
Hydropower	396	395	395	395	566
Solar	71	70	58	57	57
Wind	250	250	250	0	0
Total electricity generation capacity	**4,243**	**4,159**	**4,352**	**4,101**	**4,512**
Net Electricity Generated (GWh)					
Coal	3,727	4,665	5,341	5,820	7,070
Diesel/oil	1,070	979	942	884	946
Natural gas	8,060	7,191	8,324	8,590	8,660
Biofuel[10]	0	0	0	0	12
Hydropower	2,161	2,292	2,239	2,288	2,186
Solar	123	115	101	112	102
Wind	552	727	573	0	0
Total net electricity generated	**15,693**	**15,969**	**17,520**	**17,694**	**18,976**

	2023	2022	2021	2020	2019
Electricity Purchased by Fortis and Resold for Customer Use[11] (GWh)					
Solar	1,369	1,349	1,164	951	921
Wind	1,411	1,382	1,122	1,163	1,180
Hydropower	10,229	9,865	9,457	9,166	9,640
Other renewables	214	215	197	232	258
Total renewables[12]	**13,223**	**12,811**	**11,940**	**11,512**	**11,999**
Nuclear	2,497	2,711	2,539	2,685	2,740
Total clean sources[12]	**15,720**	**15,522**	**14,479**	**14,197**	**14,739**
Other sources from the grid	4,729	4,501	4,352	4,058	4,505
Total electricity purchased by Fortis and resold for customer use	**20,449**	**20,023**	**18,831**	**18,255**	**19,244**
Percentage of electricity sold to customers from renewable sources[12]	44.4%	44.3%	40.9%	38.7%	37.4%
Percentage of electricity sold to customers from clean sources[12]	51.3%	51.8%	47.8%	46.2%	44.6%
Energy Deliveries					
Total electricity delivered (GWh)	229,891	229,319	221,139	218,517	226,062
Total electricity delivered (petajoules (PJ))	828	826	796	787	814
Total gas delivered (PJ)	314	331	338	306	319
Total energy delivered (PJ)	**1,142**	**1,157**	**1,134**	**1,093**	**1,133**
Percentage of net electricity generated relative to total electricity deliveries	6.8%	6.9%	7.9%	8.0%	8.3%
Customer Information					
Number of electricity customers (in thousands)	2,133	2,097	2,074	2,054	2,036
- Percentage of residential customers	86.8%	86.7%	86.8%	86.7%	86.5%
- Percentage of commercial customers	11.8%	11.9%	11.8%	11.9%	12.9%
- Percentage of industrial customers	0.5%	0.5%	0.5%	0.6%	0.6%
- Percentage of other customers[13]	0.9%	0.9%	0.9%	0.8%	*
Electric customer satisfaction score					
- U.S. - Central Hudson[14]	63.5%	67.0%	85.0%	*	*
- U.S. - TEP[15]	722	735	749	751	731
- Canada	76%-94%	79%-95%	80%-96%	*	*
- Caribbean	72%-91%	74%-83%	74%-83%	*	*
Number of natural gas customers (in thousands)	1,345	1,323	1,310	1,297	1,281
- Percentage of residential customers	90.6%	90.6%	90.6%	90.5%	90.4%
- Percentage of commercial customers	9.2%	9.2%	9.2%	9.2%	9.4%
- Percentage of industrial customers	0.1%	0.1%	0.1%	0.1%	0.2%
- Percentage of other customers[13]	0.1%	0.1%	0.1%	0.2%	*
Natural gas customer satisfaction score					
- U.S. - Central Hudson[14]	63.5%	67.0%	85.0%	*	*
- U.S. - UniSource Energy Services[15]	735	760	757	729	740
- Canada	85%	86%	87%	*	*
Customer Energy Savings from Fortis Efficiency and Demand Reduction Programs					
Total spending on energy efficiency customers programs[16] ($ thousands)	204,345	164,784	158,578	*	*
New annual electricity program savings (GWh)	315	343	310	390	382
New annual natural gas program savings (terajoules)	1,548	1,288	1,261	1,165	951

	2023	2022	2021	2020	2019
Electricity Consumed in Operations					
Solar	186	145	*	*	*
Wind	1,337	1,140	*	*	*
Hydropower	829	713	*	*	*
Other renewables	137	137	*	*	*
Total renewables[12]	**2,489**	**2,135**	*	*	*
Nuclear	1,311	1,666	*	*	*
Other sources from the grid	6,301	6,205	*	*	*
Total electricity consumed in operations[17]	**10,101**	**10,006**	**8,821**	*	*
Energy Reliability					
Electricity Reliability Performance					
Electricity System Average Interruption Duration Index (SAIDI) under normal operations (customer hours of interruption per customer served)	1.96	2.02	2.28	1.90	1.84
SAIDI during major events (customer hours of interruption per customer served)[18]	1.52	8.77	1.70	2.82	2.30
Electricity System Average Interruption Frequency Index (SAIFI) under normal operations (number of times that a customer experiences an outage)	1.18	1.32	1.37	1.39	1.35
SAIFI during major events (number of times that a customer experiences an outage)[18]	0.40	0.41	0.35	0.38	0.20
Electricity Customer Average Interruption Duration Index (CAIDI) under normal operations (amount of time required, in hours, to restore service once an outage has occurred)	1.66	1.53	1.66	1.37	1.36
CAIDI during major events (amount of time required, in hours, to restore service once an outage has occurred)[18]	3.80	21.39	4.86	7.42	11.50
Transmission service reliability (number of forced outages per 100 miles of transmission lines)	0.37	0.52	0.47	0.68	0.52
Combined T&D electricity losses	4.2%	4.2%	4.2%	4.4%	4.2%
Natural Gas Reliability Performance					
Reportable pipeline incidents[19]	6	12	17	20	*
Corrective action orders	0	1	0	0	*
Notices of probable violation[20]	20	12	4	5	*
Gas leaks per 1,000 customers (number of gas leaks for every 1,000 customers)	1.47	1.60	1.50	1.75	1.94
Combined T&D natural gas losses	0.74%	0.74%	0.92%	0.65%	0.53%
Percentage of cast/wrought iron pipeline in service[21]	0.10%	0.08%	0.50%	0.50%	*
Percentage of unprotected steel pipeline in service[22]	0.10%	0.15%	0.70%	0.70%	*
Percentage of transmission pipelines inspected[23]	100%	100%	100%	100%	*
Percentage of distribution lines inspected[23]	100%	100%	100%	100%	*
Employee Safety					
All injury frequency rate (number of injuries for every 200,000 hours worked)	1.12	1.02	1.40	1.09	1.45
Near miss frequency rate (number of reported near misses for every 200,000 hours worked)[24]	3.40	5.93	5.80	*	*
Lost work day case rate (number of lost time injuries for every 200,000 hours worked)	0.45	0.50	0.55	0.42	0.66
Days away, restricted and transfer rate (number of lost time injuries including restricted work duties for every 200,000 hours worked)	0.73	0.70	0.86	0.65	0.85
Total recordable incident rate (number of injuries including job transfers not requiring medical treatment for every 200,000 hours worked)	1.22	1.05	1.47	1.31	1.56
Work-related fatalities[25]	0	1	0	0	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 (number of reported injuries and fatalities for every 200,000 hours worked)[26]	0.52	0.64	0.15	*	*

	2023	2022	2021	2020	2019
Cybersecurity					
Number of material security breaches	0	0	0	0	0
Number of material information security breaches involving customers' personally identifiable information	0	0	0	0	0
Number of customers affected by material information security breaches involving customers' personally identifiable information	0	0	0	0	0
Total amount of fines/penalties paid in relation to information security breaches	0	0	0	0	0

The astericks (*) in the table above indicate metrics added in recent years or historical data is not available.

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

(2) Revenue allocated based on current year rate base and operating costs in the year.

(3) Increase driven by regulatory deferrals, including FortisBC's Generic Cost of Capital decision in 2023.

(4) Includes: (i) revenue that is protected by regulatory mechanisms or a regulatory construct, whereby annual revenue requirements are fixed and are not materially impacted by variations in sales; and (ii) revenue associated with costs that are flowed through to customers and do not impact earnings.

(5) Capital expenditures represent a non-US GAAP financial measure. Refer to the "Non-US GAAP Financial Measures" section of the Corporation's 2023 Management Discussion and Analysis for the Non-US GAAP reconciliation.

(6) Cleaner energy capital is defined as capital expenditures that support reductions in air emissions, water usage, and/or increases in customer energy efficiency.

(7) Includes facilities, equipment, vehicles, and information technology assets.

(8) Renewable generation includes capital expenditures in wind, solar and hydro generation. Also includes battery storage that supports renewable energy sources.

(9) In 2023, upgrades to Gila River Unit 2 and Unit 3 turbines increased capacity by 80 MW.

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

(11) Mixed source purchases from the grid are estimated based on supplier energy mix and/or regional energy supply.

(12) Renewable sources includes wind, solar, hydropower, biofuel and geothermal. Clean electricity includes nuclear and renewable energy sources.

(13) Includes wholesale customers.

(14) Customer satisfaction scores at Central Hudson continue to be negatively impacted by issues associated with its new customer information system implemented in 2021.

(15) Reflects J.D. Power customer satisfaction scores, which are not provided as percentages. TEP and Unisource Energy Services are wholly-owned subsidiaries of UNS Energy.

(16) Includes operating and capital expenditures.

(17) Includes energy consumption at the Fortis utilities, including line losses from energy generated, purchased or delivered. Mixed source electricity consumption from the grid is estimated based on supplier energy mix and/or regional energy supply. On November 1, 2023, Fortis completed the sale of the Aitken Creek Gas Storage facility (Aitken Creek). 2023 data from Aitken Creek is based on an estimate using 10 months of 2022 data.

(18) A major event is an event that exceeds the reasonable design and/or operational limits of the electric power system. SAIDI and CAIDI performance during major events in 2022 was negatively impacted by Hurricane Fiona at Maritime Electric.

(19) 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 since 2020 are considered "minor" in nature.

(20) Notices of probable violation include notable incidents such as those that affected a significant number of customers, created extended disruptions to service, or resulted in serious injury or death. None of the 20 notices of probable violation in 2023 were found to have affected a significant number of customers, created extended disruptions to service or resulted in serious injury or death.

(21) Includes bare and/or uncoated iron.

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

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

(24) 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.

(25) An employee fatality was experienced in 2022 due to a tragic accident at a hydroelectric facility at Fortis Belize.

(26) 2023 data excludes FortisBC, UNS Energy, Fortis Belize and Central Hudson. 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

The following GHG inventory is presented in accordance with The Greenhouse Gas Protocol Corporate Accounting Standards. The GHG inventory is consolidated using the financial control approach across Fortis operations. The GHG inventory data preparation and validation takes place at the utility level by subject matter experts. In addition, the data is also reviewed by Fortis subject matter experts and finance teams.

	2023	2022	2021	2020	2019
Greenhouse Gas (GHG) emissions[1]					
Scope 1 emissions (ktonnes of CO_2 equivalent)[2,3]					
From coal electricity generation	3,811	4,658	5,406	5,865	7,224
From diesel/oil electricity generation	698	651	639	589	626
From natural gas electricity generation	3,345	3,027	3,372	3,639	4,075
Total From Electricity Generation	**7,854**	**8,336**	**9,417**	**10,093**	**11,925**
From natural gas operations (combustion, flaring, venting)	128	156	141	134	154
From natural gas fugitive emissions	96	175	86	80	86
From owned vehicle emissions	52	50	53	52	51
From SF6 fugitive emissions	25	31	45	59	92
Total Scope 1 Emissions	**8,155** ✓	**8,748** ✓	**9,742**	**10,418**	**12,308** [4,5] ✓
Scope 2 emissions (ktonnes of CO_2 equivalent)[6]					
Location-Based Method: From electricity purchased and consumed in Fortis-owned or controlled equipment *(New)*	158 ✓	*	*	*	*
Market-Based Method: From electricity purchased and consumed in Fortis-owned or controlled equipment	158 ✓	179 ✓	158	173	173
Scope 3 emissions (ktonnes of CO_2 equivalent)[3]					
Category 3 - Related to fuel- and energy-related emissions not included in scope 1 or scope 2					
Related to electricity used by customers that Fortis purchased from the grid	1,914	2,133	1,984	2,233	2,929
Related to electricity transmitted and delivered under certain regulated tariffs[7]	85,418	88,355	78,284	85,395	97,470
Upstream emissions related to the production of fuels and energy purchased and consumed by the reporting company *(New)*	9,474	*	*	*	*
Category 11 - Use of sold products					
Related to natural gas transmitted and delivered under certain Fortis contracts[8]	5,631	5,573	6,184	5,462	*
Related to natural gas used by customers[9]	10,637	11,709	11,634	10,583	17,955
Other GHG Emissions (ktonnes of CO_2 equivalent)					
Related to electricity purchased and resold to non-end users[10]	316	320	300	243	*
Avoided emissions (ktonnes of CO_2 equivalent)					
Avoided emissions from the use of natural gas in transportation[11]	31	31	43	36	37
Avoided emissions from the use of liquified natural gas in marine bunkering[11]	40	43	39	39	34
Avoided emissions from the use of renewable natural gas in natural gas deliveries	266	214	57	19	11
Avoided emissions from replacement of leak-prone natural gas distribution piping	2	2	2	3	0.2
Avoided emissions from streetlight conversion programs	18	19	19	19	*
Avoided emissions from customer demand reduction and energy efficiency programs	200	192	178	226	231
– From electricity related programs in the year	122	127	113	165	182
– From natural gas related programs in the year	78	65	65	61	49

	2023	2022	2021	2020	2019
GHG Intensity Factors					
Combined GHG intensity of energy delivered to customers (ktonnes of CO_2 equivalent per PJ)	7.28	7.72	8.73	9.69	11.02
Average GHG intensity of electricity generated by Fortis (ktonnes of CO_2 equivalent per GWh)	0.50	0.52	0.54	0.57	0.63
Other air emissions from fossil fuel electricity generation[3]					
NO_x emissions (ktonnes)	17	17	18	18	20
SO_2 emissions (ktonnes)	4	4	4	5	6
Mercury emissions (kilograms)	9	6	8	9	17
Particulate matter emissions (ktonnes)	1	1	1	1	1
Water Used During Fossil Fuel Generation					
Groundwater withdrawn (million cubic metres (m^3))	46	44	45	48	49
Surface water withdrawn (million m^3)	1	2	4	5	6
Returned to source (million m^3)	28	28	28	28	27
Water consumed in electricity generation, covering significant use (million m^3)	19	18	20	25	28
Percent returned to source	60%	61%	57%	53%	49%
Waste Management[3,12]					
Total amount of hazardous waste manifested for disposal (ktonnes)	0.49	0.39	0.23	0.44	0.42
Total amount of recycled hazardous waste (ktonnes)	0.53	0.61	0.53	0.79	0.17
Environmental Compliance					
Number of spills or releases with an associated fine	0	0	0	0	0
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%

(New) in the table above identifies new key performance indicators added this year.

The ✓ identifies performance indicators for which a limited level of assurance was provided.

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

(1) GHG Emissions stated as CO_2-equivalent using 100-year time horizon global warming potentials (GWPs) per the IPCC Fourth Assessment Report (AR4). In certain instances, Fortis is required to obtain emissions information from third parties which may utilize GWPs from IPCCs Fifth Assessment Report (AR5). The impact of utilizing AR5 GWPs is considered immaterial to this inventory.

(2) For Scope 1 inventory, where available, Fortis utilities reference GHG data primarily from emissions monitoring systems that is used to satisfy regulatory reporting requirements. When regulatorily submitted data is not available, Fortis utilities employ the best available activity data and fuel combustion emission factors to calculate relevant emissions. Excludes immaterial emissions sources (<1% of total Scope 1 inventory).

(3) On November 1, 2023, Fortis completed the sale of Aitken Creek. 2023 data from Aitken Creek is based on an estimate using 10 months of 2022 data.

(4) For Fortis Scope 1 targets, 2019 was selected as the baseline year. At the time of setting the target, 2019 represented the most current and complete inventory available, and therefore was the strongest set of data to benchmark Fortis progress.

(5) Fortis completed the sale of Aitken Creek on November 1, 2023. The impact of Aitken Creek in Fortis Scope 1 emissions is immaterial and Fortis has not restated the 2019 baseline year.

(6) For both location-based and market-based Scope 2 emissions, Fortis utilities utilize supplier specific emission factors, when available, that represent the energy available for purchase in those regions. This approach prevents double counting emissions in areas where Fortis utilities generate and supply electricity to customers. When supplier specific emission factors are not available, Fortis utilities utilize best available regional emission factors. Excludes line losses from ITC Holdings Corp., FortisAlberta and UNS Energy when these utilities transmit and deliver electricity only and do not purchase or sell electricity.

(7) Reflects ITC Holdings Corp., FortisAlberta and UNS Energy when these utilities transmit and deliver energy only and do not purchase or sell the energy.

(8) Reflects customer combustion of the gas that is transmitted and delivered. This natural gas is not owned by Fortis utilities.

(9) Emissions reflect customer combustion of the gas transmitted and delivered by Fortis utilities.

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

(11) Avoided GHG emissions compared to the carbon intensity of diesel.

(12) Includes ~0.04 ktonnes of PCB waste that is required to be submitted to a regulatory agency by federal, state/provincial, or local regulations.

Governance & Policy Indicators

	Anti-corruption	Code of Conduct	Diversity, Equity & Inclusion	Respectful Workplace	Speak Up	Insider Trading	Political Engagement	Privacy
Fortis-wide policy frameworks[1]	✓	✓	✓	✓	✓	✓	✓	✓
Policy review included in new employee orientation	✓	✓	✓	✓	✓	Targeted[2]	Targeted[2]	Targeted[2]
Policy review included in continuous employee training	✓	✓	✓	✓	✓	Targeted[2]	Targeted[2]	Targeted[2]

	2023	2022	2021	2020	2019
Fortis Inc. Board of Directors[3] (% of Board of Directors, except as noted)					
Independent	92%	92%	92%	90%	83%
Women	58% √	54% √	50%	40% √	42%
Men	42% √	46 %	50%	60 %	58%
With Disabilities	0%	0%	0%	0%	*
Veterans	8%	8%	8%	0%	*
With sustainability skills and experience	42%	46%	42%	50%	50%
Governance and sustainability committee directors with sustainability skills and experience	38%	43%	29%	50%	57%
Country of Residency					
Reside in Canada	42%	38%	42%	50%	50%
Reside in U.S.	58%	62%	58%	50%	50%
Ethnicity					
Caucasian	84% √	84% √	92%	90% √	91%
Black/African[4]	8% √	8% √	0%	0%	0%
Hispanic/Latino[4]	8% √	8% √	8%	10% √	9%
Age					
Under 60	33%	38%	33%	30%	25%
Between 60-65	42%	54%	59%	60%	50%
Directors 66+	25%	8%	8%	10%	25%
Subsidiary Boards of Fortis' operating utilities[3] (% of total subsidiary board members)					
Independent	57%	59%	56%	55%	57%
Women	47%	44%	41%	32%	30%
With disabilities	0%	0%	0%	0%	*
Veterans	4%	5%	5%	6%	*
Country of Residency					
Reside in Canada	55%	53%	53%	50%	51%
Reside in U.S.	31%	35%	34%	33%	35%
Reside in Turks & Caicos Islands	3%	3%	3%	4%	2%
Reside in Cayman Islands	9%	8%	9%	10%	10%
Reside in Belize	2%	1%	1%	3%	2%

	2023	2022	2021	2020	2019
Ethnicity					
Caucasian	84%	85%	84%	80%	86%
Black/African	8%	6%	8%	13%	8%
Hispanic/Latino	2%	3%	3%	3%	3%
Indigenous, American Indian or Alaska Native	1%	1%	1%	1%	*
Asian	1%	1%	1%	1%	*
With two or more races	4%	4%	3%	2%	3%
Age					
Under 60	58%	57%	54%	56%	52%
Between 60-65	21%	26%	29%	31%	33%
Directors 66+	21%	17%	17%	13%	15%

The ✓ identifies performance indicators for which a limited level of assurance was provided.
The asterisks (*) in the table above indicate metrics added in recent years or historical data is not available.
(1) As at December 31, 2023. Excludes a new Human Rights Statement and a new Vendor Code of Conduct, which both came into effect on January 1, 2024.
(2) Policy not considered directly relevant to all employees, therefore orientation and continuous training may target specific employees.
(3) Results based on self-identification data collected from board members.
(4) In 2023, one board member identified as Black/African and one board member identified as Hispanic/Latino.

Employee & Social Indicators

	2023	2022	2021	2020	2019
Number and geographical location of employees (% of workforce, except as noted)					
Total number of employees[1] (#)	9,600	9,200	9,100	9,000	9,000
Employed in Canada	54%	54%	53%	53%	52%
Employed in the Caribbean	5%	5%	5%	5%	5%
Employed in the U.S.	41%	41%	42%	42%	43%
Diversity[2,3]					
Enterprise-wide employee diversity (% of employee respondents)					
Male	68%	68%	69%	69%	69%
Female	32%	32%	31%	31%	31%
Caucasian *(New)*	68%	*	*	*	*
Black/African *(New)*	6%	*	*	*	*
Asian *(New)*	7%	*	*	*	*
Hispanic/Latino *(New)*	14%	*	*	*	*
Indigenous, American Indian or Alaska Native *(New)*	2%	*	*	*	*
Two or more ethnicities *(New)*	3%	*	*	*	*
With disabilities *(New)*	6%	*	*	*	*
Veterans *(U.S. utilities only)*[4]	8%	8%	9%	9%	10%
Indigenous status *(Canadian utilities only)*[5]	5%	4%	4%	*	*
Enterprise-wide management[6] diversity (% of management respondents)					
Male	65%	66%	68%	66%	66%
Female	35%	34%	32%	34%	34%
Caucasian *(New)*	76%	*	*	*	*
Black/African *(New)*	7%	*	*	*	*
Asian *(New)*	7%	*	*	*	*
Hispanic/Latino *(New)*	7%	*	*	*	*
Indigenous, American Indian or Alaska Native *(New)*	1%	*	*	*	*
Two or more ethnicities *(New)*	2%	*	*	*	*
With disabilities *(New)*	8%	*	*	*	*
Veterans *(U.S. utilities only)*[4]	5%	5%	5%	5%	5%
Indigenous status *(Canadian utilities only)*[5]	4%	3%	3%	*	*

	2023	2022	2021	2020	2019
Enterprise-wide executive[7] diversity[8] (% of executive respondents)					
Male	62%	64%	64%	67%	69%
Female	38%	36%	36%	33%	31%
Caucasian	75%	77%	77%	*	*
Black/African	8%	8%	8%	*	*
Asian	5%	4%	4%	*	*
Hispanic/Latino	4%	4%	4%	*	*
Indigenous, American Indian or Alaska Native	1%	1%	1%	*	*
Two or more ethnicities	4%	5%	5%	*	*
Did not disclose their ethnicity	3%	1%	1%	*	*
With disabilities	1%	2%	2%	*	*
Veterans (*U.S. utilities only*)[4]	3%	2%	2%	*	*
Demographics					
Employees[1] (% of employees, except as noted)					
Under 30	12%	11%	11%	10%	11%
Between 30 - 50	59%	59%	58%	56%	54%
Over 50	29%	30%	31%	34%	35%
Average age of employees (years)	43	44	44	44	44
Management[6] (% of management)					
Under 30	6%	6%	5%	5%	6%
Between 30 - 50	59%	58%	57%	60%	57%
Over 50	35%	36%	38%	35%	37%
Executives[7] (% of executive)					
Between 30 - 50	43%	44%	42%	41%	45%
Over 50	57%	56%	58%	59%	55%
Turnover and retention (% of total full-time employees, except as noted)					
Annual voluntary employee turnover[9]	3.4%	4.6%	3.4%	1.5%	3.0%
Annual involuntary employee turnover[10]	1.0%	0.9%	0.8%	0.9%	1.1%
Average years of employment for full-time employees (years)	10.7	11.0	11.4	12.0	12.0
Annual retirement rate	3%	3%	3%	2%	2%
Eligible to retire as of end of calendar year	3%	3%	3%	3%	3%
Eligible to retire in 5 years	8%	8%	8%	9%	9%
Eligible to retire in 10 years	16%	16%	16%	20%	20%
Hiring (% of job vacancies filled)					
Existing employees	56%	60%	58%	59%	55%
New employees	44%	40%	42%	41%	45%
Men	63%	64%	65%	67%	64%
Women	37%	36%	35%	33%	36%
Underrepresented racial and ethnic groups[11] (*U.S. utilities only*)	33%	30%	25%	27%	27%
Persons with disabilities (U.S. utilities only)	6%	6%	4%	3%	2%
Veterans[4] (*U.S. utilities only*)	8%	7%	8%	8%	8%

	2023	2022	2021	2020	2019
Employee[1] Training and Development					
Total employee training spend ($ millions)	33.8	26.1	21.6	19.5	23.7
Total training spend per employee ($)	3,517	2,803	2,373	2,178	2,642
Total employee training hours[12]	471,064	439,689	370,095	321,344	349,590
Total training hours per employee[12]	53	51	44	39	39
Full-time employees that received annual performance appraisals (% of full-time employees)	81%	81%	80%	71%	74%
Benefits[13] (% of full-time employees)					
Eligible to receive disability coverage[14]	98.1%	98.2%	98.1%	98.1%	98.1%
Eligible to receive employee and family assistance	100%	100%	100%	100%	100%
Eligible to participate in an employee stock purchase plan	99.5%	99.5%	99.6%	99.6%	99.6%
Eligible to receive health care benefits	100%	100%	100%	100%	100%
Eligible to receive life Insurance	100%	100%	100%	100%	100%
Eligible to participate in a retirement savings plan	99.9%	98.3%	98.3%	97.9%	97.8%
Eligible to receive wellness-related perquisites[15]	100%	100%	100%	100%	100%
Eligible to receive paid sick leave	100%	100%	100%	100%	100%
Labour Management Relations					
Total number of work stoppages	0	0	0	0	0
Grievance resolution rate without the use of arbitration	92.6%	95.0%	93.1%	95.5%	88.8%
Freedom of Association					
Percentage of total workforce - unionized	50%	50%	51%	52%	52%
Remuneration					
Percentage of full time employees whose basic salary is above the local minimum wage	100%	100%	100%	100%	100%
Median employee total annual compensation	$136,221	$132,023	$128,791	$136,349	*
CEO-to-median pay ratio[16]	105.7	87.6	71.0	74.5	*
Economic Value Distributed ($ millions)					
Costs paid for energy supply	3,771	3,952	2,951	2,562	2,520
Costs paid for fleet, materials and services to top 10 suppliers at each utility	1,945	1,759	1,367	1,240	1,233
Costs paid for finance charges	1,255	1,057	986	1,027	1,007
Total amount paid to common shareholders in dividends	1,109	1,037	964	900	793
Total amount paid in annual employee compensation	1,633	1,528	1,437	1,444	1,352
Total amount paid in employee payroll taxes	453	442	405	388	368
Total amount paid in property taxes	475	441	414	417	376
Total amount paid in carbon taxes	447	395	324	305	267
Total amount paid in excise/sales taxes	394	348	328	315	323
Other taxes paid	66	59	41	29	18

	2023	2022	2021	2020	2019
Community Donations ($ millions)					
Arts & culture	0.8	0.6	0.4	0.6	1.2
Biodiversity	0.5	0.6	1.0	0.7	0.7
Education	2.7	2.7	2.5	2.1	3.0
Environment & safety	0.8	0.9	0.8	0.9	2.9
Health & wellness	1.0	0.7	0.7	1.1	1.6
Small businesses & other	1.8	1.4	1.8	6.2	0.8
Social development	3.8	2.8	2.9	3.4	2.1
Community donations total	**11.4**	**9.7**	**10.1**	**15.0**	**12.3**

(New) in the table identifies new key performance indicators added this year.

The asterisks (*) in the table above indicate metrics added in recent years or 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) 2023 racial diversity data is based upon self-identification. Participation rates were approximately 100% in the U.S., 29% in Canada, and 48% in the Caribbean. These response rates may not accurately reflect the representation of the entire workforce. Increased participation is expected over time. Data in the U.S. was collected as at December 31, 2023 and in Canada and the Caribbean as at April 30, 2024.

(3) In 2022, results in Canada and the Caribbean were based on self-identification employee data collected through a diversity representation survey facilitated by the Canadian Centre for Diversity and Inclusion (CCDI Consulting). Refer to our 2023 Sustainability Update Report for the results of this survey.

(4) Results are based upon U.S. respondents. An employee is considered a veteran if they are a former member of the armed forces.

(5) Results are based upon Canadian respondents. 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 Mētis people.

(6) An employee is considered management if they hold the position of Manager or Director.

(7) An employee is considered executive if they hold the position of Vice President, Senior Vice President, Executive Vice President or President/CEO.

(8) Results for 2022 and 2021 are based on self-identification executive data collected in 2022 through an enterprise-wide diversity survey facilitated by MQO Research.

(9) Voluntary turnover includes an employee who leaves the company voluntarily (e.g., willingly chooses to resign their position), but excludes seasonal temporary employment.

(10) Involuntary turnover includes an employee who leaves the company involuntarily (e.g., a position is terminated, an employee is dismissed or an employee dies).

(11) An employee in the U.S. is considered to be part of an underrepresented racial and ethnic group if they have self-identified as: (i) Black/African; (ii) Asian; (iii) Hispanic/Latino; (iv) Indigenous, American Indian or Alaska Native; and/or (v) Native Hawaiian or Other Pacific Islander.

(12) Excludes Fortis Inc. and Newfoundland Power employees.

(13) The eligibility to receive these benefits may be dependant on completing a probation period, as applicable.

(14) Employee eligibility may be impacted by insurance coverage terms (e.g., age or health of an employee).

(15) Wellness-related perquisites include family leave, personal days-off, flexible working hours and location, and/or fitness/gym financial support.

(16) Fortis CEO, Mr. David Hutchens, is a U.S. resident and his compensation has been converted from U.S. dollars to Canadian dollars for disclosure purposes. Assuming a constant foreign exchange rate, the CEO-to-median pay ratio for 2023 would be 100.2.

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 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target; the 2050 net-zero GHG emissions target; how GHG emissions targets are expected to be achieved; TEP's plan to close remaining coal generation facilities by 2032; various Fortis utility GHG and climate-related commitments; FortisBC's action plan for methane emissions and related capital investments; ITC's five-year capital plan; the expectation that ITC's footprint is expected to continue to be a preferred location for renewable development; TEP's five-year capital plan, including investments related to energy storage, renewables and TEP's exit from coal generation; FortisBC's demand-side management investments plans; the expected outcome of FortisBC's pilot project to reduce energy use in older homes; FortisBC's planned investments related to energy savings programs; the potential impacts of Newfoundland Power's circuit breaker pilot project; the timing and impact of planned and potential additions of solar and battery systems at certain Fortis utilities; TEP's plan to support employees and communities during the clean energy transition; the expected outcome of various biodiversity efforts at certain Fortis utilities; forecast capital expenditures for 2024-2028, including cleaner energy investments and sustaining capital; planned modernization of call centers at TEP and expected outcomes; the expected customer benefits of FortisBC's advance gas meters project; target of controllable operating costs in line with historical levels; and the expected completion of the Wataynikaneyap Power Project.

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: the successful execution of the capital plan; reasonable regulatory decisions and the expectation of regulatory stability; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the capital plan; no significant operational disruptions or environmental liability or upset; the continued ability to maintain the performance of the electricity and gas systems; no severe and prolonged economic downturn; sufficient liquidity and capital resources; no significant changes in government energy plans, environmental laws and regulations that could have a material negative impact; retention of existing service areas; continued maintenance of information technology infrastructure and no material breach of cybersecurity; continued favourable relations with Indigenous Peoples; and favourable labour relations.

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

BC	British Columbia
CO_2e	Carbon dioxide equivalent
CAIDI	Customer average interruption duration index
CAT	Community Action Team
DEI	Diversity, equity and inclusion
EEI	Edison Electric Institute
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GSC	Governance and Sustainability Committee
GWh	Gigawatt hours
GJ	Gigajoules
IT	Information technology
IRP	Intergrated Resource Plan
ITC	ITC Holdings Corp. (a Fortis company)
Km	Kilometres
Ktonnes	Kilotonnes
KPI	Key performance indicator
LNG	Liquified Natural Gas
MIC	Management Information Circular
MW	Megawatts
OT	Operational technology
PAR	Progressive Aboriginal Relations
PJ	Petajoules
RNG	Renewable Natural Gas
SAIDI	System average interruption duration index
SASB	Sustainability Accounting Standards Board
SGS	Springerville Generating Station
SF_6	Sulfur hexaflouride
TEP	Tucson Electric Power (a Fortis company)
WEL	Women in Executive Leadership
YOY	Year over year

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