

Pre-Proxy ESG Engagement

December 2023



FORWARD LOOKING INFORMATION

Fortis includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would, and the negative of these terms, and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: the 2050 net-zero GHG emissions target; the 2030 GHG emissions reduction target; the 2035 GHG emissions reduction target; planned coal retirements and the expectation to exit coal by 2032; TEP's 2023 IRP and UNS Electric's 2023 IRP, including planned additions of wind and solar generation, energy storage and hydrogen ready natural gas, and the related expected timing of ACC review, expected impact on UNS's five-year capital plan and forecast valuation of incremental investment opportunity through 2038; the expectation that UNS will rely more on lower-carbon generation from 2028-2032 and the forecasted impact on Scope 1 emissions; the expected timing of the issuance of the Corporation's second TCFD report and plans to further assess financial impacts of climate risks and opportunities; and 2024 forecasted environmental, social, governance and executive compensation priorities.

Forward looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation reasonable regulatory decisions and the expectation of regulatory stability; the successful execution of 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; sufficient liquidity and capital resources; the continued availability of natural gas, fuel, coal and electricity supply; continuation of power supply and capacity purchase contracts; and no significant changes in government energy plans, environmental laws and regulations that could have a material negative impact. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this presentation. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information is in Canadian dollars and rate base refers to midyear rate base.



AGENDA

- 01 Introductions (5 min.)
- 02 2023 ESG Advancements (10 min.)
- 03 2024 ESG Priorities (10 min.)
- 04 Feedback & Questions (35 min.)

STRONG ESG PROFILE

Continued Focus on Energy Delivery

Low carbon emissions profile with 93% transmission and distribution assets



Focused on Diversity, Equity and Inclusion

Women represent 50% of Fortis Inc. leadership team and 58% of directors



Strong Governance

Governance grounded in local leadership and independence; Ranked #2 in the Globe & Mail 2023 Board Games



Leader in Safety and Reliability

Continued outperformance of industry averages



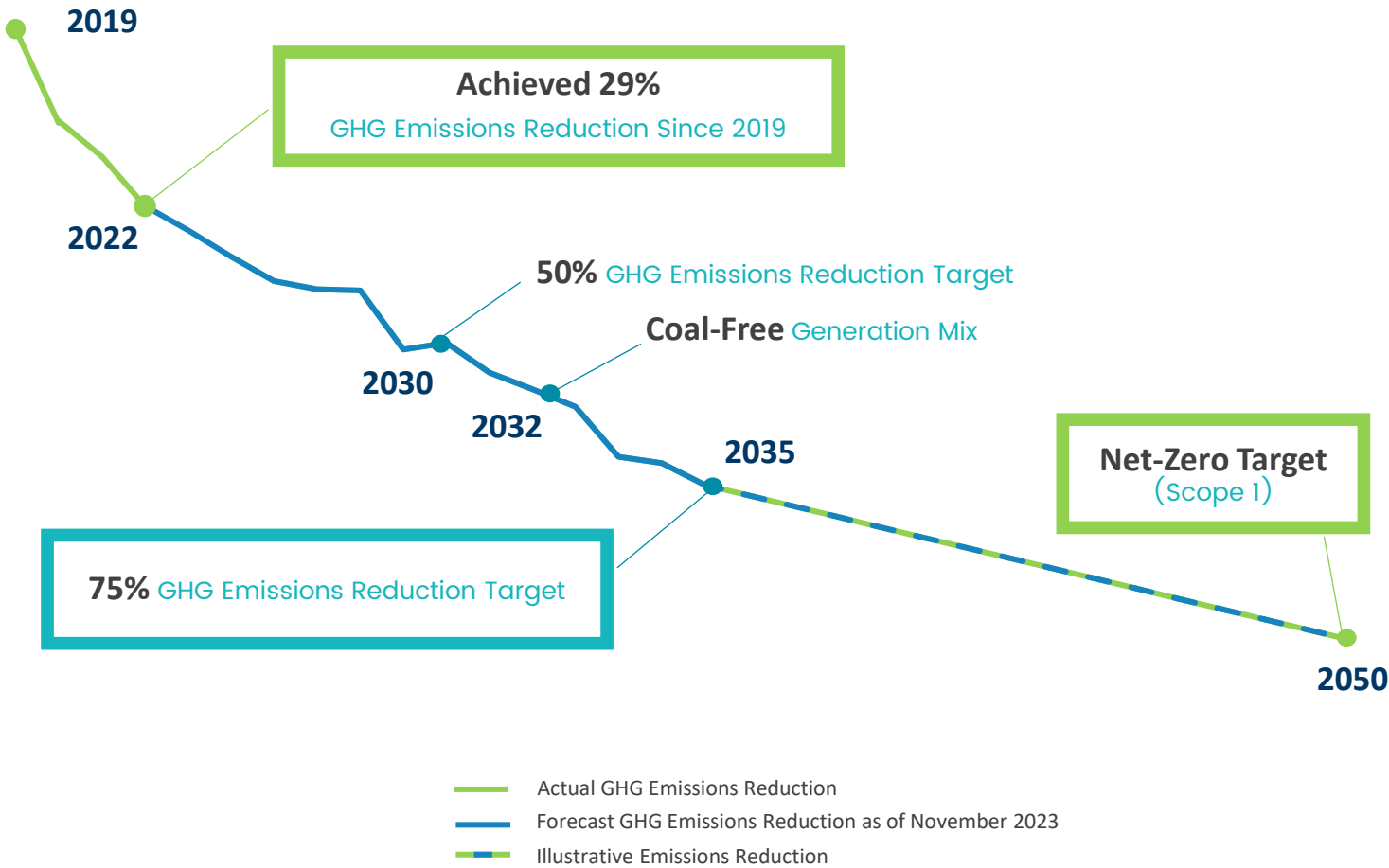
2050 Net-Zero Direct Emissions Goal

Interim targets to reduce GHG emissions 50% by 2030 and 75% by 2035



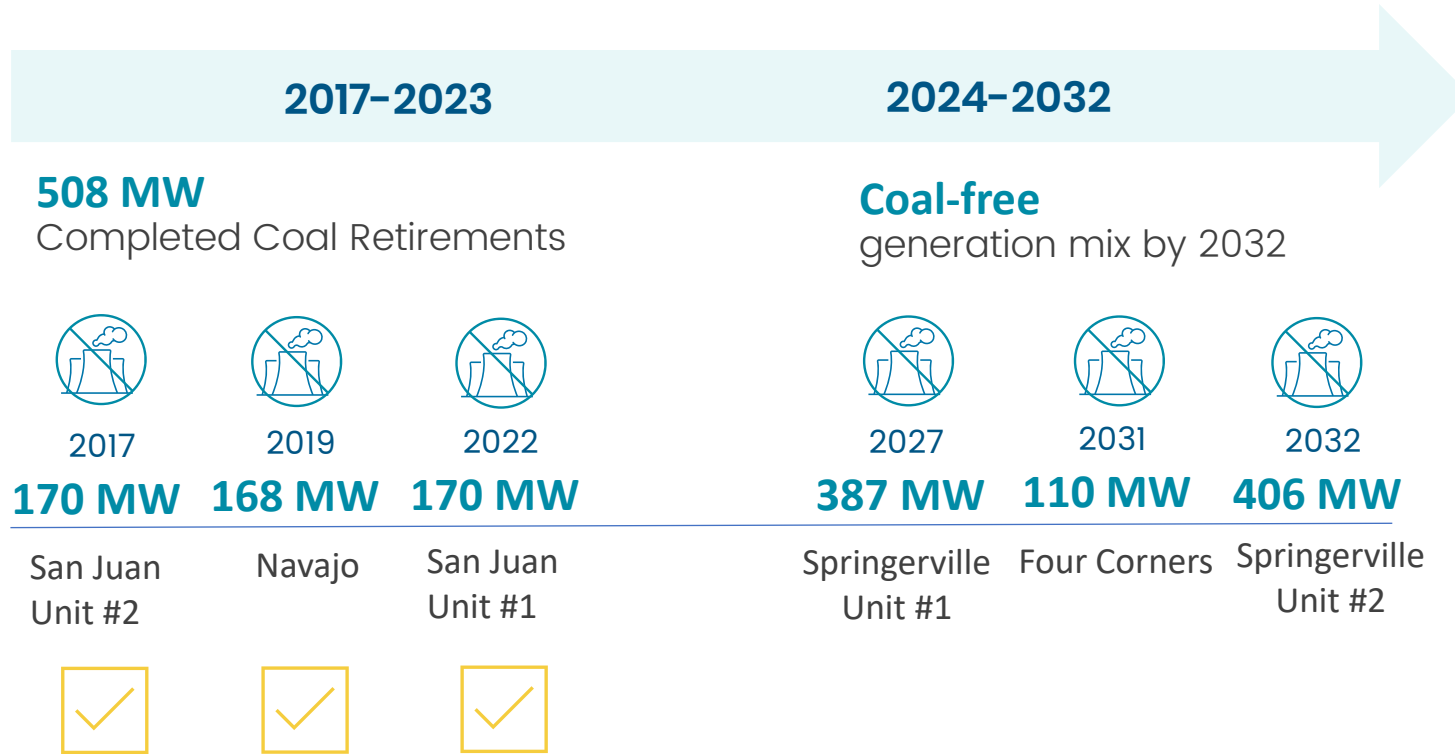
REDUCING CARBON EMISSIONS

Committed to Targets



2023 TEP IRP SUPPORTS EXIT FROM COAL

Exit from Coal On Track



Delivering reliable, cleaner energy that is lower risk and affordable for customers

TEP 2023 IRP Highlights (3,970 MW)

- ✓ 2,240 MW of wind and solar generation
- ✓ 1,330 MW of energy storage
- ✓ 400 MW hydrogen ready natural gas
- ✓ Fully exiting coal by 2032

UNS Electric 2023 IRP Highlights (775 MW)

- ✓ 350 MW of wind and solar generation
- ✓ 225 MW of energy storage
- ✓ 200 MW hydrogen ready natural gas
- ✓ IRP supports reducing wholesale market exposure

Next Steps and Expected Impacts

- ✓ ACC review process expected to conclude in fall of 2024
- ✓ No significant changes expected to five-year capital plan
- ✓ Incremental investment opportunity of ~US\$2.5-5.0B through 2038⁽¹⁾
- ✓ By ramping up renewable energy and natural gas capacity, UNS will rely even less on coal from 2028-2032, reducing cumulative forecasted Scope 1 emissions

(1) Incremental opportunity of ~US\$2.0-4.0 billion at TEP and \$0.5-1.0 billion at UNS Electric through 2038.

BUILDING CLIMATE RESILIENCY



It is no longer enough to design our systems based on historical weather, we are planning for future climate scenarios

Key focus areas: **Industry climate partnerships**

- EPRI Climate READi
- Energy Impact Partners

Active in design standards

- Canadian Standards Association

Operating with best practices in mind

- Situational awareness and forecasting
- Risk assessment and mapping
- Emergency response and recovery drills
- Grid operations and protocols
- Grid design and system hardening
- Asset inspection and vegetation management

2021

- Committed as a TCFD supporter
- Identified risks and opportunities under four climate scenarios at five largest utilities

2022

- Inaugural TCFD and Climate Assessment Report issued
- Climate scenario analysis completed at remaining utilities
- Identified high-risk physical impacts of climate change across utilities
- Aging infrastructure assessment

2023

- Identifying physical climate risks and opportunities with a focus on critical assets
- Developing action plans to accelerate the replacement of aging and vulnerable assets

2024

- Expect to issue second TCFD Report
- Further assessment of financial impacts of climate risks and opportunities

CLIMATE MITIGATION STRATEGY SUPPORTED BY LOCAL UTILITY MODEL

Distinct Characteristics	Diversified Legal Systems	Track Record of Recovery	Ongoing Mitigation Programs
<ul style="list-style-type: none"> • Virtually 100% regulated • 93% transmission and distribution electric and gas assets • Regulatory and geographic diversity • Local business model with local leadership and board oversight 	<ul style="list-style-type: none"> • Fortis ring-fenced from its utilities and utilities are ring-fenced from each other • Inverse condemnation has not been applied to electric and gas utilities in any of Fortis' jurisdictions • Liability only from intentional or negligent acts. Due diligence defense is available • Limitation of liability under certain statutes (e.g. Alberta) and regulatory tariffs⁽¹⁾ 	<ul style="list-style-type: none"> • Supportive regulatory mechanisms • As a general rule, utilities permitted recovery of the cost of regulatory-approved prudent investments to restore and replace utility assets damaged/destroyed by wildfires • Coverage for legal liability arising from third party bodily injury and/or property damage (\$500M in Canada and US\$350M in U.S.) – no wildfire exclusionary language 	<ul style="list-style-type: none"> • Predict, Prevent, Monitor, Respond • Situational awareness and forecasting • Risk assessment and mapping (prioritize high risk fire areas) • Wildfire response and recovery drills • Grid operations and protocols • Grid design and system hardening • Asset inspection and management • Vegetation management

(1) Example, FortisAlberta's exposure to third party liability arising in connection with the design, construction, and operation of the electric distribution system, is mitigated by the Electric Utilities Act and the Electric Utilities Act Liability Protection Regulation, which provide that: (i) no action lies against an Independent System Operator Person (which includes FortisAlberta) for any act or omission carried out while discharging the accountabilities imposed by the Electric Utilities Act and regulations, unless such act or omission arises from willful misconduct, negligence, or breach of contract; (ii) liability is limited to direct damages only (i.e. liability for indirect and economic damages is statute barred); and (iii) the Alberta Electric System Operator is required to indemnify Independent System Operator Persons for costs incurred in connection with the defense of claims for which no liability is proven.

2023 ESG ADVANCEMENTS



Enhanced Disclosures



- Issued 2023 Sustainability Update Report
- ESG materiality assessment completed
- 3rd party limited assurance of Scope 1 and 2 emissions and board diversity metrics

Diversity, Equity & Inclusion



- 58% of Fortis Inc. directors are women; 2 of 12 identify as visible minority
- 50% of Fortis Inc. leadership team are women
- 73% of Fortis utilities have a woman in the role of CEO or Board Chair
- Conducted enterprise-wide engagement survey

Climate Mitigation Strategy



- Built on 2022 Fortis TCFD and Climate Assessment Report with assessment of physical climate risks and critical assets
- Assessed Scope 3 emissions inventory and identified material Scope 3 categories

Strengthened Sustainability Commitment



- Introduced new DEI measure to the performance share unit plan for 2023
- Director education sessions held relating to sustainability, wildfire risk mitigation, indigenous partnerships, low-carbon technology, etc.



2024 ESG PRIORITIES

Environmental

- Issue 2nd TCFD Report
- Continued preparation for potential mandatory disclosures
- Evaluate setting additional targets
- Focus on Scope 3 reporting to align with GHG Protocol

Social

- Establish formal Human Rights Statement
- Develop action plans based on 2023 enterprise-wide engagement survey

Governance

- Enhance cybersecurity disclosures
- Refresh board evaluation process
- Ongoing director education

Executive Compensation

- Consolidate Omnibus Equity Plan across operating companies, subject to shareholder approval