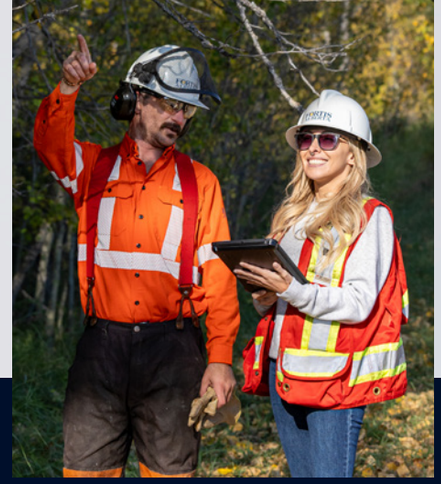










FortisAlberta 2025 Sustainability Report

The line that connects us all

FORTIS ALBERTA

Acknowledgement of Traditional Land

FortisAlberta acknowledges that its operations and facilities occur on Treaty Territories that are the traditional homelands, meeting grounds and travelling routes of Alberta's Indigenous Peoples and the Métis Nation of Alberta.

We make this acknowledgment as an act of reconciliation and an expression of gratitude.

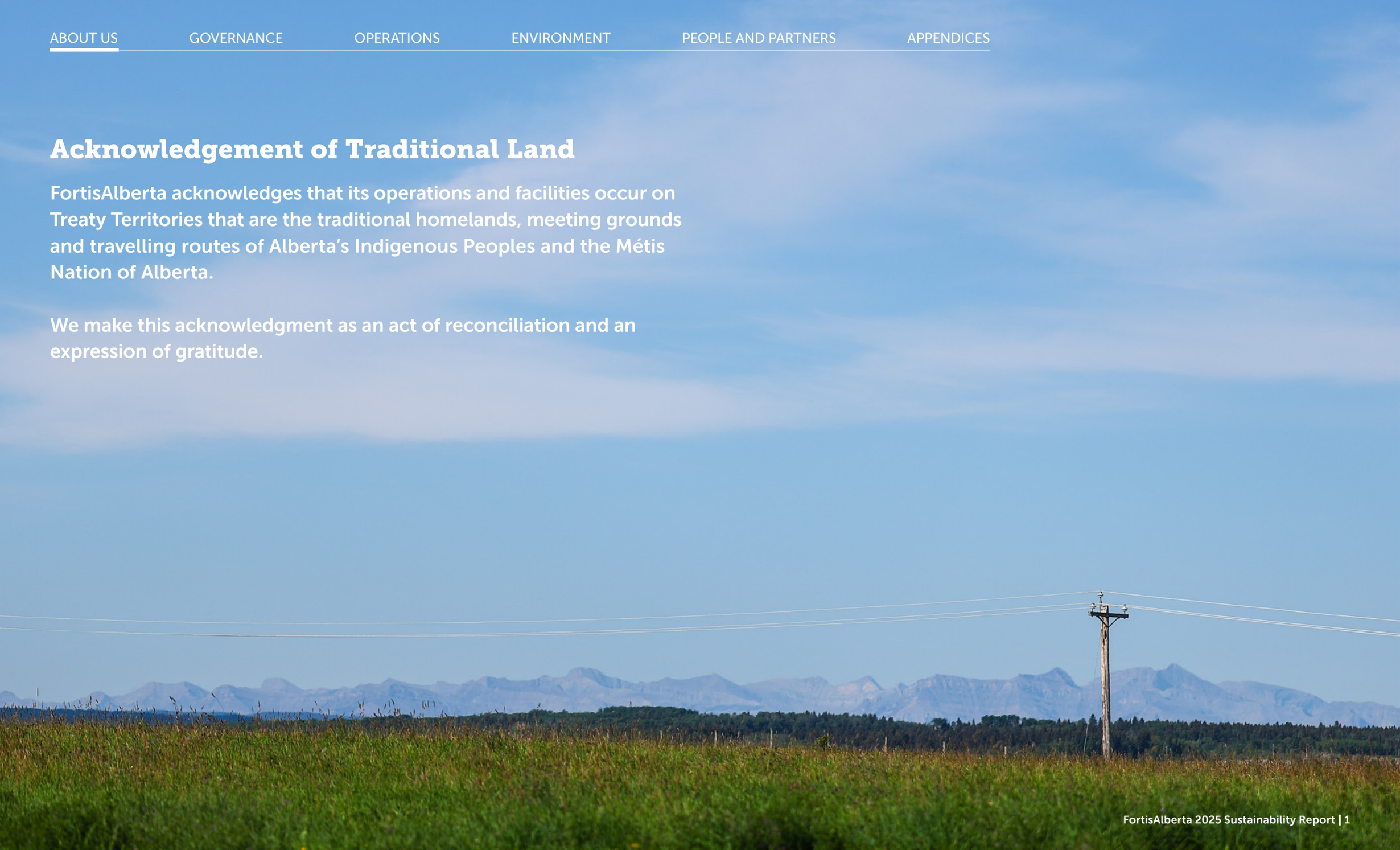


TABLE OF CONTENTS

About Us
1

Message from the Board of Directors 3
Message from the President and CEO 4
2025 Highlights 5
About FortisAlberta 6
Our Approach to Sustainability 7

Governance
8

Board of Directors 9
Sustainability Oversight 9
Business Ethics 10
Advocacy and Political Engagement 10

Operations
11

Reliability and Resiliency 12
Emergency Preparedness and Response 14
Wildfire Risk and Mitigation 15
Public Safety 16
Employee Health and Safety 17
Artificial Intelligence 19
Cybersecurity 19
Affordability and Value 20

Environment
21

Greenhouse Gas Emissions 22
Environmental Responsibility 24
Climate Adaptation 25

People and Partners
26

Indigenous Engagement 27
Community Investment 28
Customer Experience 30
Employee Engagement and Development 31
Culture of Inclusion 32

Appendices
33

Key Performance Indicators 34
Forward-looking Information 37

We are proud that this report was prepared using the skills and expertise of FortisAlberta employees.

Message from the Board of Directors

The Board of FortisAlberta is proud of the commitment to, and journey towards, sustainability that is demonstrated daily by the company's employees and leadership. As you will see in the pages of our report, we strive to be industry leaders in providing reliable, affordable and sustainable electricity distribution service to Albertans. Investing in our people, our communities and the environment remains essential to our long-term success.

In 2025, FortisAlberta received multiple awards from Electricity Canada, recognizing leadership in reliability, industry excellence and safety. These honours reflect the collective efforts of employees across the organization.

In the coming years, guided by the firm belief that an optimized grid is reliable, affordable and sustainable, FortisAlberta will continue to work closely with customers and local stakeholders. It is an exciting time in the utility industry, and FortisAlberta is proud to be a trusted partner in the province's energy future.

On behalf of the Board of Directors, thank you for reading. We, along with all members of the FortisAlberta team, are honoured to serve the communities where we live and work, and to be part of **the line that connects us all**.



"An optimized grid is a reliable, affordable and sustainable grid.

Mona Hale
Chair of the Board of Directors

Message from the President and CEO

At FortisAlberta, sustainability is central to our mission, purpose and values. Our vision statement says it best: “We lead by example, innovate with purpose and champion sustainable change so we can power the future Albertans deserve, together.”

This report demonstrates how we apply this vision across our business. It includes stories from 2025 on how we invested meaningfully in our communities, enabled thousands of microgeneration connections, achieved record-high customer experience scores and introduced a wildfire procedure to support public safety.

During this unique time in our industry, we remain committed to meeting the evolving needs of our customers. As we navigate emerging technologies, increasing electrification and rising costs of living, we are optimizing the grid to help create a cleaner, more affordable energy future. While fostering collaboration, innovation and resilience through a changing energy landscape, we are proud to be local, reliable and invested in Alberta’s future.



We are proud to be local, reliable and invested in Alberta’s future.

Janine Sullivan
President and CEO

2025 HIGHLIGHTS

Electricity Canada 2025 Awards

Reliability and Resiliency Award
Centre of Excellence Winner
Powering Progress Award
Lifesaving Award

Alberta's TOP 85 EMPLOYERS 2025

99.98%
of the time, customers had power when they needed it
(Average System Availability Index)

0.44
safety incidents per 200,000 hours
(Total Recordable Incident Rate)

82%
of customers reported positive customer satisfaction

37,291
total hours of employee training

15%
decrease from 2019 baseline emissions for Scope 1 and 2 combined (fleet, natural gas for building heat and electricity used in owned buildings)

3,500
new renewable generation sites connected to our system

$785,000
paid in community donations

4,500+ km
of line monitored with Early Fault Detection for wildfire mitigation, to date

$597.5 million
invested in the electricity distribution grid

View the full list of sustainability Key Performance Indicators at the end of this report.

About FortisAlberta

At FortisAlberta, we don't sell electricity, we bring it to your door.

FortisAlberta is a fully regulated distribution utility dedicated to delivering safe and reliable electricity to homes, farms and businesses across central and southern Alberta. Our employees live and work in the communities we serve and are proud to build, maintain and repair the electricity grid that powers Albertans' daily lives.



1.1 million+
power poles

240+
communities served

615,000+
customer sites

60%
of Alberta's electricity distribution network

133,000 km+
of power lines

1,300+
Albertans employed

17,000+
gigawatt-hours of electricity delivered per year

~13,000
renewable generation sites connected to our system

Our Approach to Sustainability

At FortisAlberta, we recognize that sustainability is fundamental to creating long-term value for our customers, employees and the communities we serve. As a key player in electrification, we are advancing initiatives across the province, including wildfire mitigation and the intergration of distributed energy resources, while incorporating sustainability into all our decision making. We are committed to fostering a culture of sustainability and ensuring our efforts reflect the priorities of our customers and employees.

Our sustainability program is informed by the ISO 26000 Social Responsibility Standard, the Canadian Sustainability Disclosure Standards and insights from our stakeholder sustainability surveys. With these inputs as guidance, our approach is organized around four priorities: our people and culture, community impact, environmental stewardship and organizational excellence. This means providing a safe and healthy workplace for our employees, playing an active role in supporting local communities, protecting the environment and biodiversity, and acting as leaders in governance and management practices. Learn more in our **Sustainability Commitment Statement**.

Strengthening our sustainability program

In 2025, with input from our Executive team, Board of Directors and an external consultant, we updated our sustainability program in several ways. First, we established a stronger, more formalized **governance structure**, including the integration of sustainability-related risks into our Enterprise Risk Management framework. Second, we streamlined and strengthened internal controls to better prepare us to meet the Canadian Sustainability Disclosure Standards (CSDS 1 and CSDS 2) as adoption becomes required. Finally, we established a regular cadence for stakeholder sustainability surveys, aiming to complete materiality assessments every four to six years.

Stakeholder sustainability surveys

We survey customers and employees on a recurring basis to identify the sustainability topics that are most important to them. These stakeholder surveys, called materiality assessments, ensure our sustainability efforts align with stakeholders' expectations. Respondents are asked to rank material topics, such as safety, affordability, system reliability, workforce well-being, environmental stewardship and community impact. In 2025, as part of strengthening our sustainability program, we laid the groundwork for a materiality assessment that will take place in 2026.

Sustainability topics*

People and Culture
- Alberta workforce
- Employee health, safety and wellness
- Workplace culture

Community Impact
- Community engagement and investment
- Customer experience
- Indigenous relations and economic development
- Public safety

Environmental Stewardship
- Biodiversity and environmental stewardship
- Climate change adaptation
- Energy transition and efficiency
- Wildfire mitigation

Operational Excellence
- Affordability of electricity service
- Cybersecurity
- Economic performance
- Incident response and preparedness
- Reliability of service
- Supply chain management
- Sustainability reporting

**Listed by topic in alphabetical order.*



GOVERNANCE

GOVERNANCE

Board of Directors

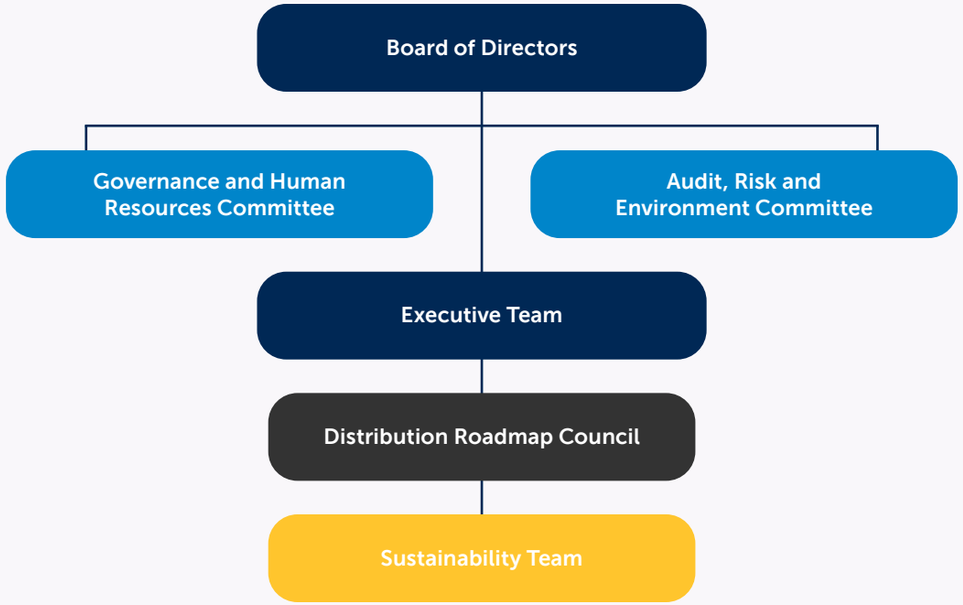
FortisAlberta's Board of Directors provides oversight of our strategic direction and operations. The Board is comprised of a majority of independent directors, including the Chair, who bring a diverse range of experience from Alberta's business community. Other members include FortisAlberta's President and CEO and three executives from the Fortis group of companies. In 2025, women represented 50 per cent of the Board of Directors.

The Board meets quarterly and has two standing subcommittees: the Audit, Risk and Environment Committee and the Governance and Human Resources Committee.

60% independent directors

50% female directors





Sustainability Oversight

A multi-tiered governance structure ensures our sustainability commitments are supported by clear accountability. At the highest level, the Board of Directors provides strategic oversight of key initiatives and reviews annual sustainability performance. This sustainability performance is also reported to Fortis Inc. for inclusion in their annual sustainability report.

The Executive team translates board-level priorities into actionable strategies, ensuring sustainability is reflected in company-wide decision making. At the management level, a cross-functional group of senior leaders, known as the Distribution Roadmap Council, focuses on the future of the grid through a lens of reliability, affordability and sustainability. The council identifies opportunities to embed our sustainability program into core business processes.

At the operational level, the Sustainability team helps execute sustainability initiatives and build awareness of sustainability priorities across the organization.

We further strengthen sustainability governance by integrating sustainability considerations into our Enterprise Risk Management framework.



Business Ethics

FortisAlberta is committed to maintaining high standards of conduct and professionalism. Our values of safety, integrity, respect, excellence and service guide our culture and decision-making. These values are reinforced through a combination of governance practices, company-wide programs and policies that set clear expectations for ethical behaviour.

FortisAlberta's Code of Conduct establishes ethical and professional standards for our Board of Directors, executives and employees. Compliance with the Code is mandatory and employees are expected to raise concerns or report any potential non-compliance. Annual Code of Conduct training reinforces these expectations and supports a culture of integrity and accountability.

For third parties, ethical expectations are outlined in our Supplier Code of Conduct, which applies to contractors, subcontractors, vendors and consultants working with or on behalf of FortisAlberta.

We also support ethical supply chains through Fortis Inc.'s **Annual S-211 Report**, prepared on behalf of Fortis Inc. and its Canadian subsidiaries. The report provides a consolidated, corporate-wide view of operations and outlines actions taken to prevent and reduce the risk of forced or child labour in the production of imported goods.

Advocacy and Political Engagement

FortisAlberta's advocacy and political engagement activities are governed by our Political Engagement Policy, which is overseen by our Board of Directors' Governance and Human Resources Committee. We participate in public policy discussions at all levels of government to support a resilient, affordable and sustainable electricity grid that advances the long-term interests of local communities. By contributing technical expertise and operational experience, we can help inform government decision-making while collaborating with customers, industry partners and other stakeholders to ensure policies reflect real-world needs and opportunities. Through this transparent and collaborative approach, we aim to be a credible and constructive voice in shaping Alberta's energy future.





OPERATIONS



Reliability and Resiliency

Delivering safe, reliable electricity to our customers is, and will always be, a core mandate of our business. Through strategic capital investments, we are modernizing the grid to meet customers' evolving needs, support the energy transition and withstand extreme weather.

Delivering reliable service

We plan, design and maintain the electricity distribution system to deliver reliable service to customers now and in the future. Our asset management program includes comprehensive, data-driven strategies that mitigate risks before they result in outages or safety concerns. From pole testing and cable rejuvenation to conductor replacement and vegetation management, we prioritize initiatives based on asset health data, detailed inspections, outage trends and predictive models.

System resiliency

We strengthen the electricity grid in several ways, ensuring it can withstand disruptions and recover quickly after an outage. Each year, we review the system to identify areas with limited backup supply and prioritize projects that reduce vulnerability, such as adding alternate power feeds or upgrading equipment. We also improve power quality and reduce system losses through voltage regulation and load balancing, helping the grid perform reliably under changing conditions. Through grid design and asset hardening, we further strengthen infrastructure to withstand climate-related risks and extreme weather. For more on **climate adaptation**, see the Environment section.

OPERATIONS

Innovative grid technologies

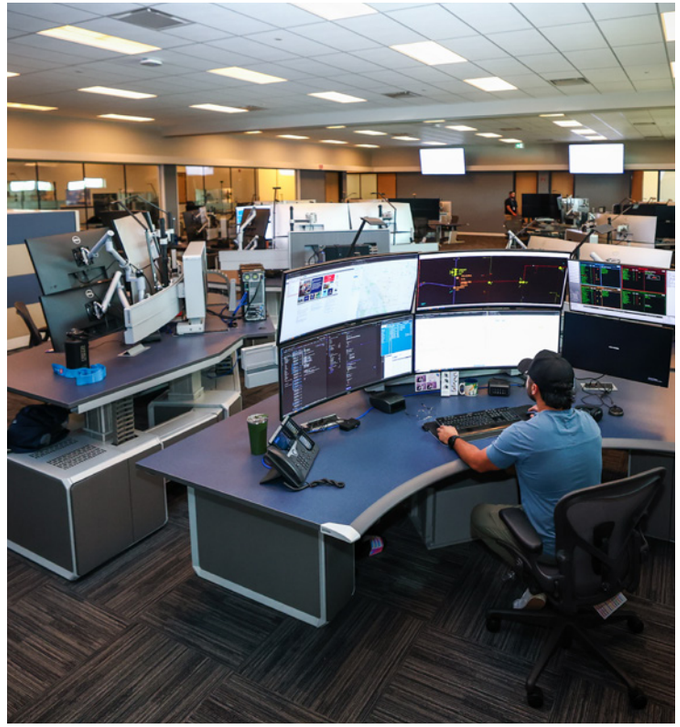
Innovative technologies across our system mean fewer outages, faster restoration times and a stronger, more resilient grid for customers. From software to sensors, these tools are improving safety and reliability today and into the future. These technologies are supported by our control centre in Airdrie, which operates 24/7 and maintains real-time visibility of system conditions.

Distributed Automation: Not every outage requires dispatching a crew to locate and fix the problem by hand. Sensors installed on our equipment can automatically detect and isolate an issue, such as a tree that's fallen on a line, often restoring power within seconds. This technology, called Distribution Automation, is connected to 56 per cent of our system, resulting in significantly faster restoration times for customers.

Early Fault Detection: Early Fault Detection (EFD) supports wildfire mitigation and reliability by identifying potential risks before they become a problem. Using radio frequency technology, EFD can detect issues such as damaged wires or vegetation contacts, allowing crews to intervene proactively. This helps prevent outages and lowers the risk of wildfire.

Advanced weather modelling: Knowing when and where severe weather may occur means we can restore power more quicky by positioning crews and equipment where they're needed most. This is possible with advanced modelling software that predicts the path, intensity and potential impacts of weather systems. When it comes to wildfire mitigation, this tool helps us monitor conditions and make informed, risk-based decisions.

Advanced Metering Infrastructure: Advanced metering infrastructure (AMI) reduces the need for on-site meter reads, includes bidirectional capability for customers with microgeneration connections and supports future energy management programs. Updated AMI meters are being deployed across our system through a multi-year meter exchange program, building a more efficient, responsive and sustainable electricity grid.





FortisAlberta receiving Electricity Canada's 2025 Reliability and Resiliency Award.

Measuring our reliability

We track system reliability using industry standard measures that reflect customer experience. The System Average Interruption Frequency Index (SAIFI) measures how often the average customer experiences an outage, while the System Average Interruption Duration Index (SAIDI) measures how long outages last on average. We consistently deliver strong performance in both SAIFI and SAIDI, reflecting the expertise of our people and the strength of our systems. These efforts were recognized by Electricity Canada's Resiliency and Reliability Award in 2022, 2024 and 2025. FortisAlberta is the first multi-year recipient of this award, which recognizes excellence in areas such as asset management, innovation in reliability and outage communications.

FortisAlberta is a multi-year winner of Electricity Canada's Reliability and Resiliency Award.



Emergency Preparedness and Response

With an increase in extreme weather and climate-related events, it is essential that we prepare our system and our people to respond to emergencies safely, quickly and effectively. In addition to strengthening the grid's resiliency, we apply formalized and comprehensive strategies to prepare for and respond to emergencies.

During events such as wildfires or severe storms, we use the Incident Command Structure (ICS), an internationally standardized framework that establishes clear leadership, defined roles and coordinated decision-making. The ICS framework is built into our Outage Restoration Management Plan, which is regularly reviewed and updated based on event learnings. We frequently hold tabletop exercises and scenario-based training, both internally and with key partners, including municipalities, peer utility companies and emergency services.

Additionally, our Business Continuity team monitors and prepares for incidents on an ongoing basis, ensuring that critical services can continue during major events such as pandemics or cybersecurity threats.

We participate in mutual assistance programs with both Fortis Inc. and Electricity Canada. These industry networks provide access to 24/7 support and shared resources, such as additional crews and equipment, during extreme weather and other emergencies.

FortisAlberta received an Emergency Response Award from the Edison Electric Institute for our efforts during the 2023 Drayton Valley wildfires.



2025 Brooks-area storm

When a severe storm hit the Brooks area in August, extensive damage to poles and power lines caused power outages for thousands of customers. Crews were quickly mobilized and worked around the clock to safely restore service to more than 3,000 customers within approximately 35 hours.

Wildfire Risk and Mitigation

Wildfires are a familiar threat in Alberta due to the province's vast forests, prairie grasslands, high winds and dry climate. When a windstorm brings a wire to the ground or a tree falls on a line, there is a risk of ignition. That's why at FortisAlberta, we take wildfire prevention seriously.

To help protect communities, we use a comprehensive, year-round approach that combines innovative technology with proven practices. This work is informed by risk assessment data and includes:

Weather stations: Weather stations provide up-to-the-minute, localized data on temperature, humidity and wind.

Advanced modelling: This software integrates weather, environmental conditions and asset data to provide early insight into wildfire and severe weather risk, allowing for more informed and timely decisions.

Regular patrols: We regularly inspect our power lines to identify and address potential hazards before they become problems.

Vegetation management: Trees and other vegetation are kept at a reasonable distance from power lines and equipment.

Early Fault Detection: This technology helps us identify and repair issues before they cause outages or safety concerns.

Enhanced Powerline Safety Settings (EPSS)**:** These settings increase system sensitivity so that power shuts off quickly if a tree branch or other debris contacts a line. This helps reduce wildfire risk in high-risk fire areas.

Public Safety Power Shutoff (PSPS)**:** In 2025, following extensive community engagement, we introduced PSPS in select high-risk fire areas. This last-resort measure temporarily shuts off power during periods of extreme wildfire risk to reduce potential ignition sources and protect public safety. We did not need to activate PSPS in 2025.



Fire-resistant mesh helps protect poles in high-risk areas.

Alberta Wildfire Utility Coalition

In partnership with AltaLink and ATCO Energy Systems, we are part of a newly formed Alberta Wildfire Utility Coalition. Together, we are aligning efforts to reduce wildfire risk and strengthen system resilience. The coalition is also focused on enhancing emergency preparedness through ongoing engagement with industry partners, government agencies, emergency services and community leaders.



Conklin-area wildfire response

In spring 2025, a fast-moving wildfire near Conklin, Alberta, damaged FortisAlberta infrastructure and restricted access for crews. The wildfire grew to more than 68,000 hectares, prompting evacuation alerts and creating challenging conditions for emergency response.

Once conditions allowed, crews replaced 152 damaged poles, restoring customers' power while coordinating with emergency responders to support public safety.

We maintained regular communication with customers in the surrounding areas and restored power when it was safe to do so.

As wildfire risk increases, this response reflects our continued focus on emergency preparedness, customer safety and strengthening the resilience of our distribution system.



Public Safety

Safety is our most important core value, and this extends to how we engage with the communities we serve. From educational resources to hands-on outreach, we work year-round to help the public stay safe around electricity.

Resources on our website offer guidance on farm safety, moving high or wide loads, and working near power lines. We also promote these topics through seasonal marketing and social media campaigns, sharing reminders on safe digging, tree pruning and other activities that take place near power lines.

In addition to digital resources, we take safety education directly to communities. Our Safety and Work Methods team delivers more than 100 presentations each year to groups who work near power lines and electrical facilities, including emergency responders, oil and gas workers, construction companies and municipalities. We share safety education at trade shows and industry events, and our employees regularly present to local schools on electricity safety and the power line trade.

Through strong partnerships, we further extend our reach, working closely with organizations like Utility Safety Partners, Energy Safety Canada and Ag for Life to promote electricity safety and safe work practices across industries.



A team member provides an overview of FortisAlberta's equipment during our annual Contractor Safety Summit, supporting a shared understanding of our safety culture.

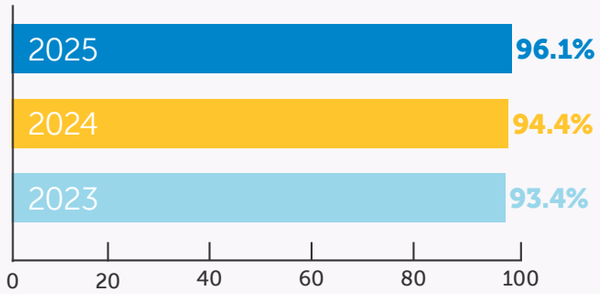
Employee Health and Safety

Above all else, our priority is ensuring our employees return home safely every day. Delivering electricity carries inherent risk, and safety is embedded across all levels of the organization. Our Health and Safety Management System outlines how risks are identified and managed, with an emphasis on shared accountability and continuous improvement.

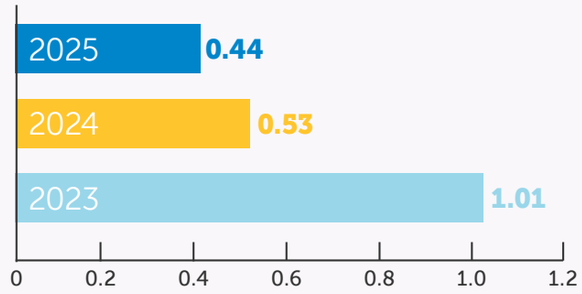
To support this approach, we set and report safety performance targets. Our Safety Performance Index (SPI) combines leading indicators — such as work site observations, safety meetings and training — with lagging indicators, such as injuries and other incidents.

One of the lagging indicators that feeds into SPI is the Total Recordable Incident Rate (TRIR). This number reflects the frequency of work-related recordable injuries and illnesses, including preventable and non-preventable medical-aid, lost-time and restricted-work injuries. In 2025, we successfully surpassed our targets for both SPI and TRIR, demonstrating continuous improvement.

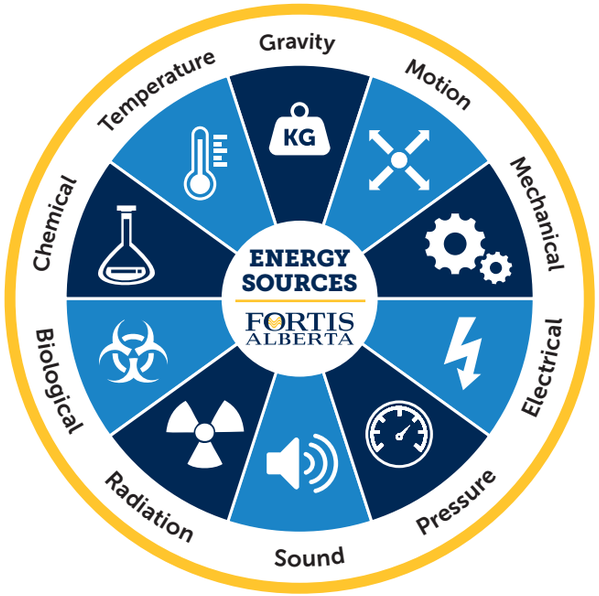
Safety Performance Index (SPI)



Total Recordable Incident Rate
(incidents per 200,000 hours)



OPERATIONS



Training: We regularly review and update training programs based on emerging trends and lessons learned, and employees complete mandatory safety training alongside job-based requirements. Our in-house apprenticeship program and journeyman upgrade training ensure our power line technicians are trained to the highest safety standards.

Hazard control: We take a proactive, systemic approach to identifying and managing hazards across our operations. Field employees complete injury prevention plans before starting work and apply controls to mitigate all hazards. In 2025, we introduced the Energy Wheel to help identify hazards that are more likely to cause serious injury or fatality. Employees can access online tools to report "good catches" and safety events. These reports are analyzed and corrective actions are implemented to prevent recurrence. Learnings are then shared with the entire company through safety meetings and event learning packages.

Safety culture: In addition to systems and processes, our safety culture is built through employee participation and leadership. Safety and Work Methods Advisors help teams manage hazards, the Joint Health and Safety Committee brings forward safety recommendations and the Home Team shares engaging safety communications. Employees participate in MoveSafe®, an ergonomic mobility program led by a network of MoveSafe® leaders across the company. Quarterly Safety Leader Awards highlight examples of outstanding safety leadership, and our Safety Honour Roll celebrates teams for each year they work without a lost-time, medical-aid or restricted-work injury.

Health and wellness: We support employees' health through a variety of initiatives, including our Employee and Family Assistance Program, annual wellness fairs and seminars focused on mental, physical and financial wellbeing. All leaders complete mandatory mental health training to foster psychological safety and resilience in the workplace. In 2025, to further support employees' mental health, we introduced the Critical Incident Stress Management team. This group of employees is trained to help colleagues recognize and manage stress following critical or high-stress events.



Electricity Canada Lifesaving Awards

In 2025, Electricity Canada recognized three FortisAlberta employees — Blake Heidmiller, Nancy Alexandre and Dian McFarlane — with its Lifesaving Award for their courageous and compassionate actions during a severe storm. When a live conductor fell onto a family's vehicle, Nancy and Dian maintained steady communication from dispatch while Blake responded on site, reassuring the family and coordinating support until the area was safe and first responders arrived. Their quick thinking and teamwork reflect the care, professionalism and community spirit that guide our people every day.

Artificial Intelligence

FortisAlberta is taking a thoughtful and responsible approach to artificial intelligence (AI). As AI continues to evolve, we are exploring how the responsbile adoption of AI tools can support employees in their daily work and improve efficiency. This includes a focus on learning and experimentation, and identifying opportunities where AI tools provide value to employees and the organization.

Potential benefits, such as finding information faster and streamlining routine tasks, give employees more time to focus on higher-value tasks that support customers and the business. A cross-functional group of employees, the AI Champions, helps identify these opportunities and shares learnings across the company. We further share these insights with the Fortis group of companies as part of Fortis Inc.'s AI Centre of Excellence.

Two such learnings came from pilot projects launched in 2025, testing how machine learning can support our operations. The first used AI-enabled cameras on fleet vehicles to assist with line patrols, inspecting power lines and other equipment. The second analyzed operational data to predict which poles were most likely to need replacing, which was confirmed in the field with a high degree of accuracy.

Recognizing both the opportunities and risks associated with AI, we have established governance practices to guide the use of AI across the company. This includes policies, standards and employee guidance that support the secure, ethical and appropriate use of AI while protecting sensitive information. Ongoing employee training and cross-functional oversight help ensure AI is aligned with corporate values and regulatory obligations.

As AI technologies continue to mature, we will continue to evaluate their potential applications, build organizational knowledge and apply appropriate governance to support informed decisions.



Cybersecurity

Practicing cyber vigilance is essential to delivering safe, reliable service to our customers. Our robust cybersecurity measures protect the confidentiality, integrity and availability of our systems. This includes safeguarding sensitive data and applying technical and governance controls across digital platforms. We invest in employee training and awareness programs to help reduce the risk of phishing and social engineering attacks, ensuring employees can recognize and respond to potential threats. Together, these efforts support the security of our systems and help protect customer information as technology and the need for cyber risks continue to evolve.

98% click pass rate

Affordability and Value

Affordability remains top of mind for utility customers throughout North America, including those who live and work in the communities served by FortisAlberta. We understand and have embraced our accountability to demonstrate how we ensure that the electricity distribution service we provide is safe, reliable and affordable. The ways we do this are reflected in our regular interactions with our independent regulator, extend to our thoughtful approach to investment and innovation, and include our commitment to supporting economic development in the communities we serve. Our goal is to assure our customers that they are receiving real, tangible value for the money that they pay for our distribution service.

As a regulated electric distribution utility, we operate under the Alberta Utilities Commission's Third-generation Performance-Based Regulation ratemaking plan. This plan sets our rates in a way that creates strong incentives for us to control our operating costs and make careful decisions about how and when we invest in our system for our customers' benefit. Our successful response to these optimization incentives is reflected in our strong operational results and our award-winning reliability — two critical kinds of value we deliver to customers.

Consistent with our commitment to provide long-lasting benefits to our customers, we invest in foundational grid technologies like Advanced Metering Infrastructure and Supervisory Control and Data Acquisition devices. These initiatives both improve our customers' near-term experience with our system and prepare them to take full advantage of future opportunities to manage their energy wallets, as our Advanced Distribution Management System matures to support programs like Demand-Side Management and Virtual Power Plants.

FortisAlberta is proud to say that we are "local, reliable, and invested in Alberta's future." We bring these words to life everyday by maintaining strong relationships with the communities we serve, leveraging our Community Investment program and working closely with local agricultural, commercial and industrial customers to provide the safe, reliable and affordable electricity that powers the economies of more than 240 cities, towns and hamlets across Alberta.



ENVIRONMENT



Greenhouse Gas Emissions

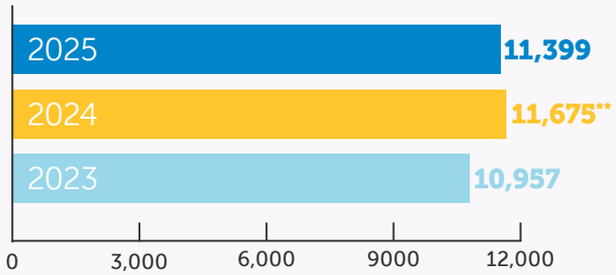
Managing our emissions

We monitor emissions from our fleet vehicles and facilities (Scope 1 and 2) and take steps to reduce them where possible. Scope 1 emissions are direct emissions from sources we control, such as fleet fuel and natural gas used to heat our facilities. Scope 2 emissions are indirect emissions from the electricity used in our buildings.

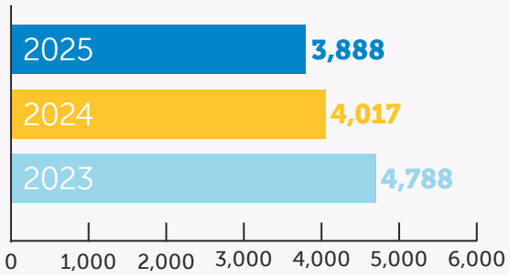
To help reduce emissions, we take steps such as adding electric and hybrid vehicles to our fleet, installing EV charging stations at major office locations, expanding on-site solar generation and restoring power remotely through our control centre when possible to reduce fleet travel.

We also track Scope 3 emissions, which include emissions from electricity generation using natural gas. While these emissions are outside our direct control as a distribution utility, we include them in our key performance indicators to provide a complete picture of our emissions profile.

Emissions Scope 1*
(fleet fuel and building heat) (tCO_2eq)



Emissions Scope 2*
(electricity use in buildings) (tCO_2eq)



*An independent third-party review found that FortisAlberta used appropriate evidence and sound methodology for their greenhouse gas inventory.
**From 2023 to 2024, our fleet travelled approximately 1.2 million additional kilometres due to strong customer growth and expanding service territory.

Reducing line losses

As electricity travels along power lines, resistance causes some energy to convert to heat and release into the environment. These line losses contribute to emissions and can affect electricity costs for customers. Our Distribution Voltage Management (DVM) program addresses these challenges.

In the past, voltage was managed using fixed settings due to limited real-time visibility of the distribution grid. Today, with automated technology and 24/7 monitoring, we can dynamically manage voltage across the system within a safe and optimal range.

The program reduces emissions and supports affordability by lowering overall energy consumption and decreasing peak demand. It also helps improve the reliability of renewable generation by maintaining optimal voltage levels. As the distribution grid continues to evolve, programs like DVM will be essential to supporting sustainability, reliability and affordability.



Lowering emissions through building design
In 2025, we completed construction of a new operations centre in Airdrie, home to our Dispatch team, the FortisAlberta Control Centre and area Field Operations. We incorporated sustainable building practices from the outset, including energy-efficient heating and cooling systems, water-wise landscaping and solar-ready infrastructure. The design prioritizes resilience and long-term reliability, with critical systems duplicated to ensure continued operation.

ENVIRONMENT



Connecting renewable energy

Our service area has seen rapid growth in microgeneration, with connections doubling each year between 2021 to 2024. In 2025, we facilitated 3,500 microgeneration connections, adding 34 megawatts of capacity to the electricity grid. To support this growth, we have expanded our Microgeneration team, improved application processes, collaborated with solar developers and implemented new software that reduces errors and shortens interconnection timelines. In 2025, this work was recognized with the Electricity Canada Centre of Excellence Award for improving operational efficiency and enhancing the customer experience.

Distributed energy resources (DERs), including larger-scale solar and wind projects, continue to grow across our service territory. In 2025, we connected four distributed generation sources, adding 42.8 megawatts of capacity to the electricity grid. In response to growing DER penetration, we have created dedicated planning and interconnection teams and developed new engineering processes. These teams work closely with customers to ensure these resources are integrated safely and reliably.

Environmental Responsibility

We manage environmental impacts across our operations, including land, water, air and biodiversity. Our Environmental Management System, aligned with ISO 14001 principles, helps us meet regulatory requirements, prevent pollution and continuously improve performance. This includes identifying and managing risks related to wildlife, oil releases, waste management and natural resources.

Vegetation management

FortisAlberta and our customers each play an important role in reducing the risk of outages, wildfires and safety incidents that can occur when vegetation comes into contact with power lines. To maintain safe clearances, we use integrated vegetation management practices such as mowing, mulching, tree trimming and selective removals. Our vegetation management program ranks among the best in North America, according to a third-party assessment, and delivers strong results in reliability, wildfire prevention and cost-efficiency. **Learn more about safe planting and power line clearances.**





Protecting birds and preventing outages

FortisAlberta's Avian Protection Plan is designed to protect migratory birds and raptors while maintaining a safe and reliable electricity system. We partner with environmental consultants to identify high-risk locations and implement effective solutions, such as installing perch deterrents and relocating nests to preconstructed platforms. These proactive measures reduce outages, help prevent avian mortality and support species at risk. After more than a decade of dedicated work, bird interactions with our system have been significantly reduced.

Protecting greater sage-grouse habitat

The greater sage-grouse is an endangered bird found in southeast Alberta. These birds tend to avoid tall structures, which can serve as perches for predators. That's why FortisAlberta is removing poles from critical habitat areas, either by transitioning to underground distribution or removing poles from inactive sites, such as former oilfields. Over the past six years, we've removed 1,128 poles from protected regions, helping support sage-grouse habitats.



Reducing waste

FortisAlberta reduces waste through recycling and reuse programs that divert materials from landfills. From paper to oil filters, wire to e-waste, collection happens at the office and in the field. For example, when wood poles and transformers are removed from service, they are assessed to determine if they can be reused. Many go on to have a second life. Poles that aren't suitable for reuse are sent to an Alberta cement facility where they are burned as biofuel and kept out of landfills. Big or small, these actions help reduce waste across our operations.



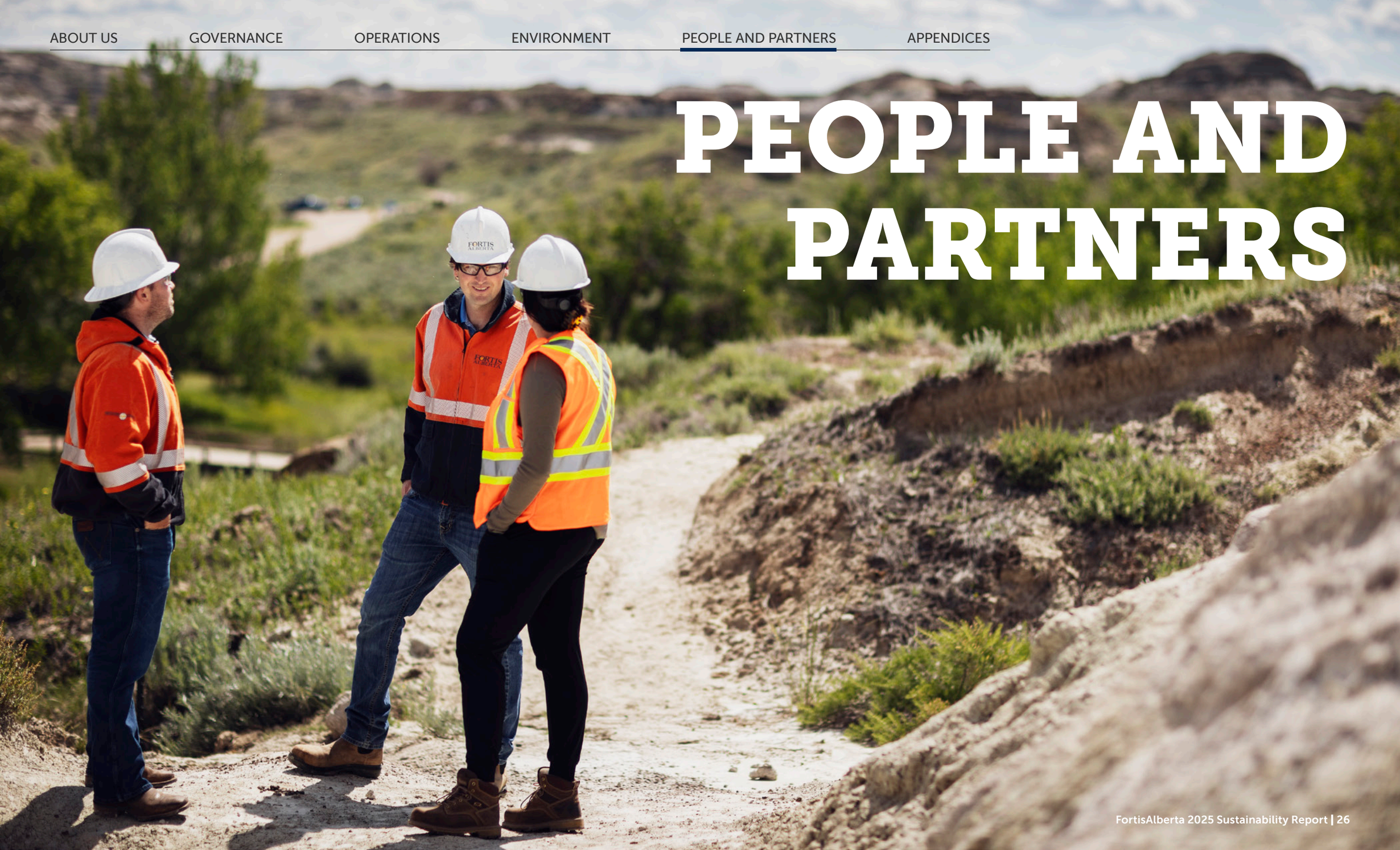
The Sustainability Collective is an employee-led group that champions sustainability through initiatives like water-smart gardening contests, Earth Day events and highway clean-ups.

Climate Adaptation

FortisAlberta's infrastructure can be affected by severe weather and natural events. To reduce risk, we conduct regular assessments, implement mitigation programs and increase patrols in high-risk areas. Our Climate Adaptation Committee monitors and plans for climate-related risks to support ongoing preparedness.

In addition to upgrading and maintaining equipment, we continue to implement resilience measures based on our Climate Vulnerability Study, which assessed how wildfire, flooding, ice and extreme weather could affect our operations over time. These measures include wrapping poles in fire-resistant mesh, installing weather stations for real-time monitoring and, in 2025, introducing an advanced modelling tool to help predict wildfire risk and prepare for severe storms.

This work supports a long-term climate resilience plan and our commitment to delivering safe, reliable electricity. See the Operations section for information on **wildfire risk mitigation** and **emergency preparedness and response**.



PEOPLE AND PARTNERS

Indigenous Engagement

We acknowledge the importance of building and nurturing authentic relationships within the communities we serve, which includes the 20 First Nations and two Métis Settlement lands and traditional territories on which we operate. We are respectful of the Indigenous Peoples of Canada, their land and their culture, and we recognize them as the traditional stewards of the land.

Our Indigenous engagement work is informed by the Truth and Reconciliation Commission's Call to Action 92, which addresses Canada's corporate sector. Our approach is also grounded in five principles of Indigenous engagement: understanding and awareness, constructive and long-term relationships, early and ongoing communication, sustainable resource use and shared economic prosperity. To learn more, view our **Indigenous Commitment Statement**.





Ongoing engagement: Our Indigenous Relations team plays a vital role in building and maintaining relationships with Indigenous communities. Through ongoing engagement, they ensure that FortisAlberta listens, learns and responds to Indigenous communities' unique needs and perspectives. This work helps us deliver reliable service, support community initiatives and foster mutual respect.

Employee education: All employees complete Indigenous awareness training to support a consistent baseline of understanding across the organization. This training includes modules on Indigenous history, the impacts of colonization and the legacy of residential schools. Learning opportunities are also offered throughout the year, including workshops and webinars led by Indigenous Elders and community leaders.

Community support: Each year, we are proud to sponsor and attend powwows and community celebrations across our service territory. Guided by longstanding relationships, we also support initiatives based on local priorities. In 2025, this included Indigenous food banks, school programs, holiday gatherings and youth sports.

Awards and bursaries: Each year, FortisAlberta supports Indigenous education and achievement through bursaries and awards, including four bursaries for Indigenous students at Lethbridge College, nine bursaries for graduating students at Siksika Nation High School, five bursaries through the Bearspaw Bursary Ozîja Thiha Education Trust and ongoing sponsorship of the Aboriginal Role Model Awards.

Community Investment

Each year, we partner with local organizations to support initiatives aligned with our core focus areas of safety, education, the environment and wellness. Employees who live and work in the communities we serve share insight into local needs, helping us focus efforts where they can have the greatest impact.

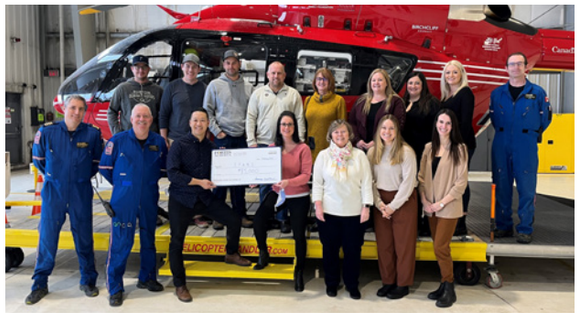


Environmental and Energy Efficiency Grants

Our annual grants help communities and schools plant trees, naturalize areas and improve energy efficiency.

In 2025:

- 21 communities received Community Naturalization/Tree Planting grants, totaling $45,000.
- 18 municipalities and community organizations received $1,000 to $7,500 Save Energy grants for LED lighting retrofits, window replacements and other energy efficiency upgrades.
- Seven schools received $1,000 greenUp grants for environmental projects such as outdoor classrooms, greenhouses and gardens.



Shock Trauma Air Rescue Service (STARS)

STARS provides the very best in critical care via helicopters staffed and outfitted as mobile intensive-care units. STARS serves Albertans living in rural communities, working in remote areas, travelling on highways or being transported from community hospitals to major medical centres. FortisAlberta has supported STARS since 2006, sponsoring their Mobile Education program, which provides specialized training to STARS crews and rural emergency care providers.



Alberta Birds of Prey Foundation

Since 2006, FortisAlberta has proudly supported the Alberta Birds of Prey Foundation, the largest raptor rescue and conservation centre in Canada. At the facility in Coaldale, injured birds are rehabilitated and released back into the wild. Additionally, guests can learn about campaigns to protect Alberta's birds and see a demonstration of FortisAlberta's avian-safe equipment.



Ronald McDonald House Charities

Ronald McDonald House Charities provide a home away from home for families with children who are receiving vital medical treatment. For over 18 years, FortisAlberta has supported the organization with various initiatives. Highlights include funding an automated door for the 'Magic Room,' which houses toys and gifts, and supporting the Home for Dinner program, where FortisAlberta employees prepare home-cooked meals for patients and families. The Comfort Cart is the latest initiative sponsored by FortisAlberta, providing snacks, toiletries and activities for families spending long hours at the hospital.



Canadian Parks and Wilderness Society (CPAWS)

CPAWS is dedicated to protecting forests, water and wildlife through conservation efforts at both national and regional levels. FortisAlberta supports CPAWS programs that bring nature and conservation education to students in rural and Indigenous communities across Alberta, from kindergarten to grade 12.

PEOPLE AND PARTNERS



















Volunteering

FortisAlberta employees are passionate about making a difference in their communities. Whether it's putting up Christmas lights at seniors' homes during our Lights of Joy campaign or supporting local food banks by helping harvest vegetables, there are many opportunities throughout the year for employees to volunteer. Grants are available to employees who have volunteered with an organization for 35 or more hours in the past year. In 2025, 23 employees received $500 grants for organizations such as Fort Saskatchewan Minor Hockey, Airdrie 4-H Beef and Sheep Club, and Lacombe Minor Baseball.

Pictured left to right: helping with the Town of Holden's holiday decorations; celebrating Taber's 120th anniversary with a hot dog barbecue; supporting the Brooks Minor Hockey team through an employee volunteer grant; stringing lights at Red Deer's Ronald McDonald House; supporting a holiday turkey drive for the Whitecourt Food Bank; delivering gifts to a shelter in Cochrane; teaching the importance of electrical safety at Claresholm Fair Days; participating in Raymond's Heritage Days parade; restoring a ball diamond in St. Albert through our Communities in Action grant.



Customer Experience

Our commitment to delivering excellent customer service starts with listening to our customers. One way we do this is through our Customer Experience Index (CEI), an ongoing survey program that measures customer perceptions of care and trust. The CEI measures the customer experience on a 10-point scale, and in 2025, we achieved an overall score of 8.28.

In addition to CEI surveys, we regularly conduct interviews with key customers, including municipalities, large commercial businesses and oil and gas operators. Insights from these ongoing discussions help us improve interactions and optimize processes to deliver an even better experience for these customers.

Whether through surveys or in-person conversations, listening to our customers allows us to focus on priorities that matter most to them. In 2025, this led to two major initiatives. In the first instance, we materially reduced interconnection project delivery timelines by improving customer communications during the quoting and construction phases of projects. In the second initiative, we leveraged software that we deployed in 2024 to make it even easier for microgeneration customers to connect their projects. This resulted in faster review times and a streamlined experience for customers. This improvement was recognized with Electricity Canada's Centre of Excellence Award for improving operational efficiency and enhancing the customer experience.



Employee Engagement and Development

Our employees live and work in the communities they serve, and that local pride is at the heart of our workplace culture. Through engagement and development opportunities, we're building a workforce with the skills and expertise to deliver reliable service over time. These efforts have earned us recognition as one of **Alberta's Top Employers** for five consecutive years. For information on employee health and wellness, see the **Employee Health and Safety** section.

Named one of Alberta's Top Employers

5 years in a row

Alberta's TOP 85 EMPLOYERS 2025

Employee engagement

Employees share their voices through FortisAlberta's confidential engagement survey, helping shape a workplace where people feel connected, valued and empowered. In 2025, 82 per cent of employees participated in the survey, providing valuable insights into what's working well and where we can improve. To maintain ongoing dialogue, FortisAlberta alternates between a full employee engagement survey and a shorter pulse survey every other year. Survey results are shared with leaders and employees and used to inform action planning at both the company and team levels.

Learning and development

We support employee growth through a range of learning and development opportunities designed to build skills, share knowledge and support career progression. Our mentorship program offers employees the opportunity to learn from experienced mentors, while the FortisAlberta Leadership Academy helps leaders strengthen their skills and build effective teams. Employees can also access financial support for job-related education through our Education Assistance Program.

This commitment to building talent extends beyond our current workforce. We invest in the next generation of line workers by participating in Alberta's Registered Apprenticeship Program with CAREERS: The Next Generation. This program gives high school students hands-on exposure to the Power Line Technician trade, with many continuing into FortisAlberta's apprenticeship program. Apprentices receive practical training and mentorship at our accredited Employee Development Centre (EDC) in Red Deer County.

The EDC plays a central role in workforce development, delivering hands-on safety and technical training for approximately 350 FortisAlberta field workers each year. The facility also hosts trainees from utilities across North America and is home to a fully functioning training substation — one of only a few in Canada.

Culture of Inclusion

FortisAlberta aims to create a workplace where employees feel safe, respected and supported. This includes fostering an environment where people feel a sense of belonging and are recognized for their contributions. To support this, training is offered on topics such as inclusion, allyship, gratitude, mental health and psychological safety in the workplace. We also have several Employee Resource Groups (ERGs). These employee-led networks foster inclusion, strengthen community and celebrate diverse identities.



Multiculturalism ERG: Mosaic
Mosaic brings employees of all cultural backgrounds together to share stories and celebrate diversity year-round. Initiatives include sharing resources for Multiculturalism Day and Asian Heritage Month, as well as the Mosaic Cookbook — a collection of employee-submitted recipes that reflect the rich diversity within our organization.



Black ERG: The Black Network
The Black Network supports and celebrates Black employees by building community and identifying opportunities for change. The group highlights Black History Month through educational resources and gives back by supporting local food banks and women's shelters.



2SLGBTQ+ ERG: Pride Network
The Pride Network creates a welcoming space for 2SLGBTQ+ employees and allies to connect and build community. The group also represents FortisAlberta at events like the Calgary Pride Parade, reinforcing our commitment to inclusion.



Women's ERG: The Women's Network
The Women's Network promotes gender equity and supports women at FortisAlberta by creating opportunities for connection, advocacy and awareness. Initiatives include hosting International Women's Day events and fundraising for breast cancer research and local women's shelters.



APPENDICES

FortisAlberta Sustainability Key Performance Indicators

Governance and Policy	2025	2024	2023
Board of Directors			
FortisAlberta Board of Directors (#)	10	9	10
Percentage of independent directors (%)[1]	60	56	60
Percentage of female directors (%)	50	44	50
Environmental Compliance			
Emergency Spill Response Plan	YES	YES	YES
Environmental Management System aligned with ISO 14001	YES	YES	YES
Avian Protection Plan	YES	YES	YES
Governance Policies			
Anti-corruption	YES	YES	YES
Code of Conduct	YES	YES	YES
Whistleblower	YES	YES	YES
Insider Trading	YES	YES	YES
Respectful Workplace	YES	YES	YES
Internal Inclusion and Diversity	YES	YES	YES
Political Engagement	YES	YES	YES
Privacy	YES	YES	YES
Indigenous Engagement			
Documented consultation process with Indigenous communities	YES	YES	YES
Indigenous communities within FortisAlberta's service area have been formally identified	YES	YES	YES

Operations	2025	2024	2023
Energy Delivered			
Total electricity delivered (GWh) (excluding transmission connected)	17,561	17,324	16,976
Reliability			
System Average Interruption Duration Index (hr)	1.33	1.28	1.34
System Average Interruption Frequency Index (# per year)	0.90	0.86	0.78
Distributed Energy Resources (DERs)			
DERs (>5 MW) connected (#)	4	6	19
Installed capacity of DERs connected (MW)	43	70	307
Microgeneration sites connected (#)	3500	4000	1600
Installed capacity of microgeneration sites connected (MW)	34	41	18
Financial Investments			
Total capital expenditures ($ thousands)	597,500	553,800	607,670
Hardening and modernization ($ thousands)[2]	224,300	221,000	294,000
Growth ($ thousands)[3]	238,200	190,000	191,000
Interconnection of distributed energy resources ($ thousands)	11,490	8,000	15,000

Notes

[1] Independent directors are not employees of FortisAlberta, Fortis Inc. or its subsidiaries.

[2] Strategic investments made to mitigate environmental risks and enhance the resilience and efficiency of infrastructure. This includes using technologies, equipment and controls that communicate and work together to deliver electricity more reliably — reducing the frequency and duration of outages, storm impacts and wildfire ignitions, and enabling faster restoration.

[3] Investments required to accommodate increased electrical load.

FortisAlberta Sustainability Key Performance Indicators

Environment	2025	2024	2023
Emissions			
Emissions Scope 1 (tCO2eq) (fleet and natural gas for building heat)[4]	11,399	11,675	10,957
Emissions Scope 2 (tCO2eq) (emissions from buildings)[4]	3,888	4,017	4,788
Emissions Scope 3 (tCO2eq) (related to electricity delivered)[5]	9,010,125	9,053,524	10,141,522
Oil Releases			
Reportable oil releases to the environment (number reportable to Alberta Environment and Protected Areas)[6]	23	30	31
Number of fines associated with releases (#)	0	0	0
Biodiversity			
Area of power line right-of-ways managed under Integrated Vegetation Management Principles within the Forest Protection Area (acres)	26,890	26,801	26,801
Waste Management			
Hazardous Waste Recycling Program (tonnes)[7]	0.09	0.00	0.16
People and Partners			
Employee Safety			
Total Recordable Incident Rate (incidents per 200,000 hours)	0.44	0.53	1.01
Employee Demographics			
Total number of employees (#)	1,301	1,326	1,290
Employee engagement survey participation rates (% of total workforce)[8]	82	-	80

	2025	2024	2023
Employee Demographics continued			
Percentage of female employees (%)	32	32	32
Percentage of female management (Supervisor, Manager and Director) (%)	35	34	33
Percentage of female executives (%)	13	22	25
Employee Age (ALL - Generational Data)			
Generation Z (% born 1997 and later)	7	6	5
Millennial (% born 1981-1996)	51	50	48
Generation X (% born 1965-1980)	34	34	35
Baby Boom (% born 1946-1964)	8	10	12
Employee Age (Management - Generational Data)			
Generation Z (% born 1997 and later)	1	0	0
Millennial (% born 1981-1996)	48	44	39
Generation X (% born 1965-1980)	45	46	47
Baby Boom (% born 1946-1964)	6	10	14
Employee Age (Executives - Generational Data)			
Millennial (% born 1981-1996)	12	11	0
Generation X (% born 1965-1980)	88	89	100

Notes

[4] In 2022, an independent third-party review of FortisAlberta's greenhouse gas inventory and methodology was completed.

[5] FortisAlberta delivers electricity only and does not purchase or sell electricity.

[6] All oil releases were fully remediated.

[7] All hazardous waste is PCB-contaminated oil and electrical equipment. Hazardous waste is processed and recycled using a licensed hazardous waste management contractor. There was no hazardous PCB contaminated equipment removed from service in 2024.

[8] Employee engagement surveys are completed every two years.

FortisAlberta Sustainability Key Performance Indicators

People and Partners continued	2025	2024	2023
Turnover and Retention			
Annual voluntary turnover (% of total workforce)	2.85	2.59	2.08
Annual retirement rate (% of total workforce)	2.24	1.65	2
Average years of employment (#)	11.04	11.18	11
Percentage of employees eligible to retire in 5 years (%)	9.44	10.24	9.78
Hiring			
Percentage of job vacancies filled by existing employees (%)	62	66	63
Percentage of job vacancies filled by women (ALL) (%)	40	40	34
Percentage of job vacancies filled by women (management) (%)	35	38	34
Benefits			
Employee training (total hours per year)[9]	37,291	46,838	59,763
Percentage of full-time employees that are eligible to receive disability coverage (%)	100	100	100
Percentage of full-time employees that are eligible to receive Employee and Family Assistance Program (%)	100	100	100
Percentage of full-time employees that are eligible to participate in the Employee Share Purchase Program (%)	100	100	100
Percentage of full-time employees that are eligible to receive health care benefits (%)	100	100	100
Percentage of full-time employees that are eligible to receive life insurance (%)	100	100	100
Percentage of full-time employees that are eligible to participate in the Retirement Savings Plan (%)	100	100	100
Labour Management Relations			
Total number of work stoppages (#)	0	0	0
Percentage of total workforce unionized (%)	75	74	75

	2025	2024	2023
Customer Service			
Customer Experience Index (out of 10)[10]	8.28	8.02	7.78
Customer Information			
Number of customers (#)	615,000	603,400	591,500
Residential (%)	85.1	84.8	84.6
Commercial (%)	13.3	13.6	13.8
Industrial (%)	1.6	1.6	1.6
Total electric customers (%)	100	100	100
Residential (% of distribution revenue)	44.5	44.3	44.7
Commercial (% of distribution revenue)	24.4	24.8	25.4
Industrial (% of distribution revenue)	18.1	18.2	18.3
Public Safety			
Third-party overhead power line contacts (#)	257	234	261
Third-party underground power line contacts (#)	108	109	113
Economic Value			
Total amount paid in employee compensation ($ thousands)	235,600	224,700	199,900
Total amount paid to top 10 contract services ($ thousands)	121,200	137,700	137,700
Total amount paid to top 10 material vendors ($ thousands)	131,200	87,200	87,200
Total amount paid in community donations ($)	785,000	1,010,000	961,000

Notes

[9] 2023 employee training hours were affected by a backlog resulting from COVID-19-related disruptions.

[10] A survey-based measure of customer experience across customer interactions with FortisAlberta.

Forward-Looking Information

This report contains forward-looking information within the meaning of applicable securities laws, including statements regarding FortisAlberta's sustainability initiatives, operational plans, regulatory readiness, climate adaptation measures and future performance.

Forward-looking information is based on certain material assumptions and expectations including, but not limited to: the continued operation of regulatory frameworks and approval processes; anticipated electricity demand and customer growth; planned capital investment and infrastructure programs; availability and performance of technology; and the continued implementation of sustainability and environmental initiatives.

The forward-looking information reflects management's current beliefs and is based on assumptions that are currently available to FortisAlberta's management. Although FortisAlberta believes that the forward-looking statements are based on information and assumptions that are current, reasonable and accurate, these statements are necessarily subject to a variety of risks and uncertainties. For additional information about FortisAlberta's principal risks, see Business Risk Management in FortisAlberta's Annual Management's Discussion & Analysis (MD&A) for the year ending Dec. 31, 2025.

All forward-looking information in this report and the information incorporated by reference is qualified in its entirety by this cautionary statement. Except as required by law, FortisAlberta undertakes no obligation to update or revise any forward-looking statements to reflect new information, future events or otherwise.




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