

FortisAlberta Sustainability Report



The line that connects us all



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Message from the President and CEO

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





Land Acknowledgement

FortisAlberta acknowledges that its operations and facilities occur on the traditional territories, meeting grounds, and travelling routes of the Indigenous peoples of the treaty territories and Métis people of Alberta. We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we reside on or are visiting.



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 affordable, reliable and sustainable electric distribution service to Albertans. Continued investments in our people and communities and in being stewards of the natural environment will be key to our ongoing success in this regard.

Our Company’s expertise in system resiliency and emergency power restoration has been recognized by Electricity Canada and the Edison Electric Institute, respectively. FortisAlberta is also a proud recipient of Electricity Canada’s Sustainable Electricity Leader designation.

In the coming years, our Company will work closely with its customers and other local stakeholders to continue to optimize Alberta’s distribution grid and prepare it for a truly sustainable future. It is an exciting time in the utility industry and FortisAlberta is proud to be a trusted partner in our province’s energy transition.

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

Mona Hale
Chair of the Board of Directors

“An optimized grid is a reliable, affordable and sustainable grid.”
—Mona Hale



Message from the President and CEO

At FortisAlberta, operating sustainably is a part of 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.” Looking back on 2023, it was a year of celebrating milestones and overcoming new challenges in each of our four pillars of sustainability: our people, our communities, our environment and our business. You can read about some of these stories in this report – from unparalleled growth in microgeneration interconnections, to the opening of our first net-zero building in Coaldale; the launch of our electric vehicle pilot and a historic wildfire restoration effort.

Through this unique time of energy transition where many unknowns are at play, we remain committed to meeting the ever-evolving needs of our customers. As we navigate emerging technologies, increasing electrification and rising costs of living, we are guided by the firm belief that an optimized grid is synonymous with a reliable, affordable and sustainable grid.

By prioritizing the important work of grid-optimization now, our distribution system will be prepared to meet the demands of the future. As a key partner in the changing energy landscape, our focus remains steadfast on fostering collaboration, innovation and resilience in Alberta’s electricity industry. Together, we are building a sustainable energy future that prioritizes the needs of our communities and ensures the affordability and reliability of our electricity service.

Janine Sullivan
President and CEO

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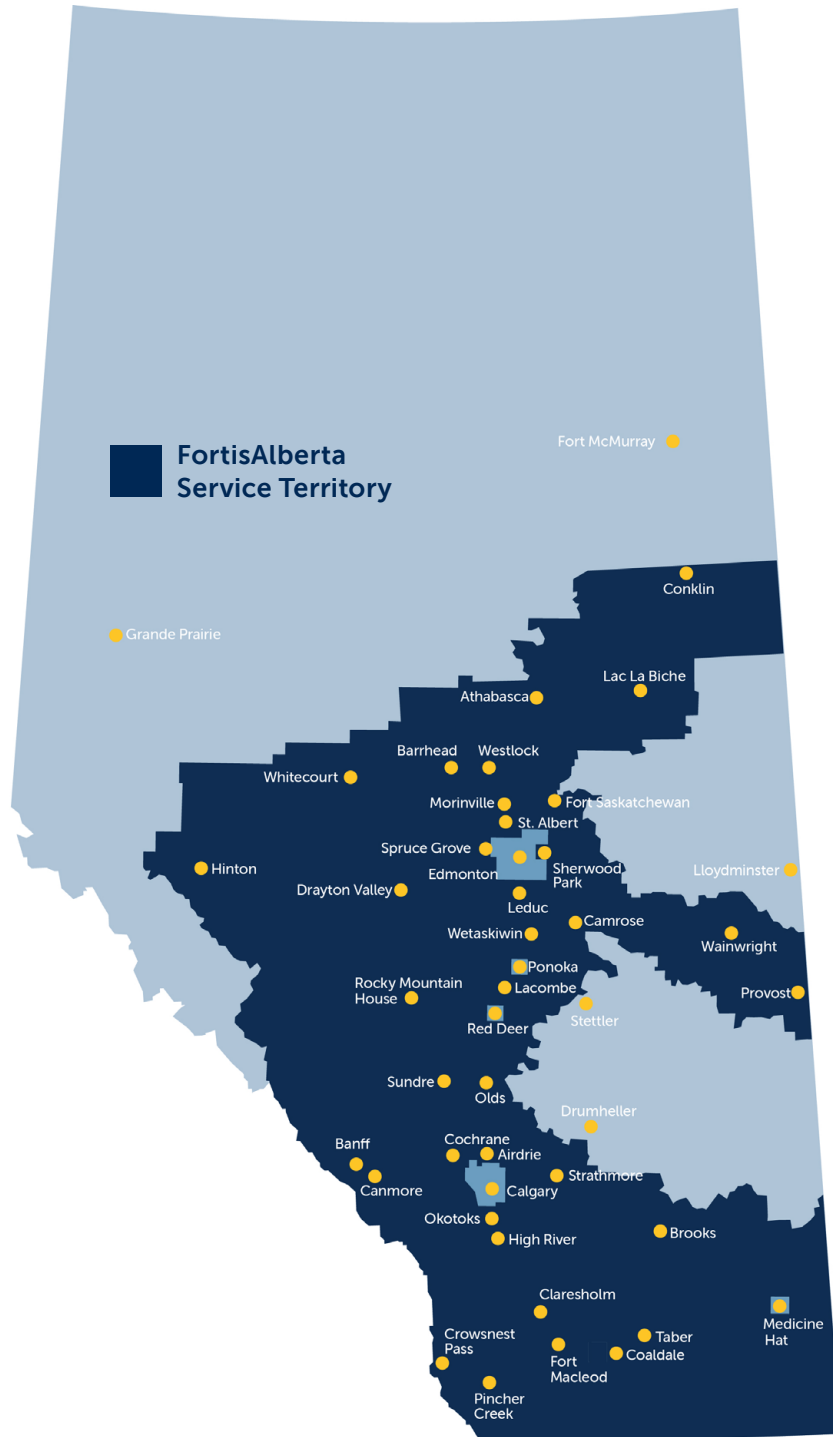
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FortisAlberta at a Glance

583,500+

customers (residential, farm and industrial sites)

129,000 km+

of power lines



1.1 million+

power poles

60%

of Alberta's electric distribution network



17,000 GWh

of electricity delivered per year

15%

of electricity delivered each year is generated by renewable sources connected to our system

240

number of communities we operate in



1,300+

Albertans employed



Our Approach to Sustainability

FortisAlberta’s [Sustainability Commitment Statement](#) acts as a continual reminder of what sustainability means to us: overseeing the day-to-day business while managing environmental, social and economic considerations.

Our sustainability program incorporates the guidelines of the Social Responsibility Standard ISO 26000, Electricity Canada’s Sustainable Electricity Program and the results of our stakeholder sustainability survey.

FortisAlberta is committed to accuracy, improving the quality of our disclosures and performance reporting, and maintaining a high level of transparency.

FortisAlberta’s 2023 Sustainability Report includes information on FortisAlberta’s sustainability-related objectives, targets, plans, commitments, practices, achievements and performance, including statements about the environmental or climate-related impacts of our business activities. Where available, FortisAlberta follows best practices in sustainability reporting, including alignment with internationally recognized methodologies, frameworks, standards and/ or recommendations for sustainability reporting. 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. We also engage third-party providers to review certain data and information relied upon to ensure that our reports are accurate and relevant.



Sustainable Electricity Leader

We are one of 13 utilities across Canada to receive the [Sustainable Electricity Leader designation](#) from Electricity Canada.



We directly contribute to 11 of the United Nations’ 17 [Sustainable Development Goals](#).

2023 Sustainability at a Glance

Our People

11 average years of employment

59,763 total training hours

76% of leaders completed FortisAlberta leadership training

75% of total workforce is unionized

33% women in leadership roles

2.08% voluntary annual turnover (per cent of total workforce)

Our Business

\$607M invested in the distribution grid

173,697 calls to 310-WIRE

87.2% positive customer satisfaction

80% of customers' concerns were resolved with one phone call

56% of customers are connected to technology that restores power automatically

1.34 average hours of power interruptions for our customers (system average interruption duration index)

1 Electricity Canada awards

1 Sustainability Designation from Electricity Canada

1 Top Employer Award

1 Edison Electric Award

Our Community

\$961,000 paid in community donations

357 sponsorships of community organizations and events

~1,000 poles replaced during wildfire recovery efforts

Our Environment

44,000 high-risk fire area assets patrolled

2 new electric off-road vehicles added to our fleet

10% decrease, on average, in our emissions from fleet and building heat compared to our 2019 baseline (tCO₂eq)*
*An independent third-party review found that FortisAlberta used appropriate evidence and sound methodology for their 2021 greenhouse gas inventory.

View the full list of sustainability Key Performance Indicators [here](#).

We are local, reliable and invested in Alberta's future.

FortisAlberta is entrusted to serve 240 communities across Alberta. In 2023, we decided to provide our stakeholders with an eye-catching and accessible tool to help them better understand all the things we do for them daily in a complex and fast-paced industry: the FortisAlberta Value Card.

INVESTMENT IN ALBERTA ✓



We have invested more than **\$5 billion** in Alberta over the past two decades, creating jobs and powering sustainable growth.



More than one third of our annual capital program is dedicated to climate change and wildfire mitigation initiatives.

INNOVATIVE TECHNOLOGY ✓



At the FortisAlberta Control Centre in Airdrie, System Operators monitor our electricity distribution grid around the clock to respond to outages and restore power quickly.



Technology installed on our system allows us to isolate trouble locations so that impacts on customers are minimized when an outage happens.



We are investing in early fault detection technology, which helps us mitigate the risk of wildfires in high-risk areas.

TOP-TIER RELIABILITY ✓



We avoid **500,000** hours of outages every year by using specialized work methods to keep power on for customers while we work on our lines.



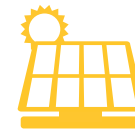
With fewer than 1.4 outage hours per customer annually, we rank top-of-class among Canadian utilities that serve both urban and rural customers, as recognized by Electricity Canada.

LOCAL PEOPLE WHO CARE ✓



Over the last five years, we have contributed nearly **\$5 million** to charitable organizations across our service area, including more than **250** food banks and **80** women's shelters.

COMMITMENT TO SUSTAINABILITY ✓



We've connected **4,600** micro- and distributed generation sites, with a total capacity of more than **1,170 megawatts**. That's enough electricity to power more than **377,000** homes.



We are a partner of choice for a sustainable energy future as we explore opportunities for micro-grids, batteries and energy efficiency options to better serve our customers.



We are optimizing the capabilities of our grid to meet the electricity needs of our customers in a cost efficient way.



Our People and Culture

A key part of sustainability is taking care of our people. This includes creating a strong safety culture, supporting employee development and embracing diversity, equity and inclusion. FortisAlberta is dedicated to being an employer of choice in Alberta, helping grow strong and vibrant communities where our employees work, play and live.



FortisAlberta has been named one of Alberta's top employers every year since 2020. The award, which is part of the Canada's Top 100 Employers competition, is a special designation recognizing employers that lead their industries in offering exceptional places to work.

Employee Engagement Survey

In the fall of 2023, we held an employee engagement survey alongside other Fortis Inc. subsidiaries. Using Gallup, a third-party survey provider, employees answered 12 questions to provide feedback on topics such as teamwork, leadership and inclusion. With an 80 per cent participation rate, the results will be used to address specific areas for improvement and build on our successes.

Safety

Home Safely

FortisAlberta's primary goal is ensuring that our employees return home safely to their loved ones every day. An employee-led group, the Home Team, keeps this priority top of mind with creative, seasonally relevant messages throughout the year. This safety focus extends to keeping our customers, contractors and the public safe around power lines and equipment.

Safety Performance Index

The Company's Safety Performance Index (SPI) is a metric used to track safety performance across all business units. A quarterly scorecard presents a holistic view of our safety performance by measuring behaviours that are both proactive, such as mandatory training and work site observations; and reactive, including preventable injuries. By focusing on the underlying causes of incidents, we can help prevent them from occurring in the first place. This approach requires engagement across the entire Company and helps us both learn from the past and plan for the future.



Electricity Canada Lifesaving Awards

In 2023, Power Line Technicians Dwain Hausherr and Justin Roberts each received 2023 Lifesaving Awards from Electricity Canada for their courageous acts during two unrelated motor vehicle accidents.

During a freezing rainstorm outside of Drayton Valley, Dwain witnessed a half-ton truck lose control while rounding a corner. After calling 911, Dwain cut the driver’s seat belt, removed him from the vehicle and stayed with the driver until emergency services arrived.

Similarly, Justin was on his way to work when he saw a motorcyclist who had collided with a deer. Justin administered crucial first aid, controlling the bleeding and stabilizing the driver’s neck while bystanders called 911.

These awards are part of Electricity Canada’s Occupational Health and Safety program and celebrate employees who intervene in emergencies.

“Dwain and Justin’s selfless response reflects their personal character and compassion while at the same time demonstrates the safety-first culture we uphold at FortisAlberta,” says Janine Sullivan, President and CEO, FortisAlberta. “We are all very proud of their actions in administering aid to fellow Albertans in crisis and appreciate Electricity Canada’s recognition of their efforts.”



Safety Leader Awards

We celebrate individuals and teams who best exemplify our strong safety culture. Safety Leader Award recipients are selected by a peer panel of representatives from the Company’s Joint Health and Safety Committee.

MoveSafe® Body Health Program

Launched in 2013, MoveSafe® is a preventative program that helps reduce the potential for musculoskeletal injuries. At the start of each workday, employees participate in a MoveSafe® stretching routine to prepare their bodies for work and practice proper techniques for daily tasks.

The Working Mind

Developed by the Mental Health Commission of Canada, the Working Mind Training is a workplace mental health and resiliency program designed to educate employees and leaders on mental health topics. By promoting language throughout the organization, this training aims to reduce stigma and infuse mental health literacy into our Company’s culture.



Employees use this green bag on passenger-side mirrors as a visible reminder to complete a walk around before removing the bag. Walk arounds provide an opportunity to scan the driving path and ensure there are no people, pets, vehicles or other objects in the way.

STOPCHECK™

The STOPCHECK™ program encourages employees to STOP and CHECK with themselves, their surroundings and their co-workers to avoid making costly or dangerous errors. This is a method developed by Jo-Ann Pawliw, founder of Heart of Performance coaching. All employees received STOPCHECK™ magnets and stickers to record and display how they will use the strategy to eliminate distractions and work safely.

“The majority of our injuries over the years have involved some form of distraction and I believe that is the one key area we each need to concentrate on going forward,” says Cam Aplin, Vice President, Operations and Customer Experience. “That’s where the STOPCHECK™ strategy comes in. It’s such a quick, simple and effective way to refocus before carrying out a potentially hazardous activity.”

Training and Development

Employee Mentoring and Professional Development

At FortisAlberta, our goal is to provide opportunities to actively help our employees grow and develop their careers. Through our employee mentoring program, employees are paired with a mentor to build knowledge, share experiences and discuss professional growth. We offer financial educational assistance for those seeking skills and knowledge through job-related courses, certifications and exams.



59,763

total training hours in 2023



Leadership Development

The FortisAlberta Leadership Academy offers both new and experienced leaders the opportunity to explore leadership styles and improve their skills. The program aims to elevate leadership capabilities and enhance teamwork through three modules: Leader Fundamentals, Individual Competencies and Team Culture.



36%

of vacant management roles filled by female candidates*

**Average of the past three years*

Employee Development Centre

The FortisAlberta Employee Development Center (EDC) is a world-class training facility in Red Deer County that includes a fully functional, modernized training substation – one of only a few in Canada. Through the EDC, we deliver more than 40,000 hours of safety and technical training to our 350 Power Line Technicians (PLTs) each year. The facility offers hands-on learning opportunities to PLTs from FortisAlberta and other utilities across North America.



76%

of leaders completed FortisAlberta leadership training in 2023

Diversity, Equity and Inclusion

Our goal at FortisAlberta is to create a workplace where everyone feels safe, respected and empowered to bring their authentic selves to work. This means creating spaces where employees feel they belong and are appreciated for the work they do. In support of this, we offer training on topics such as inclusion, allyship, gratitude, mental health and psychological safety in the workplace.

Employee Resource Groups

Our Employee Resource Groups (ERGs) were the catalyst for several initiatives in 2023, including marching in the Calgary Pride Parade and providing an in-depth look at Black History Month. They also led wellness-focused initiatives: the Women’s Network ERG organized a series on women’s health that covered topics like perinatal health and menopause, and during Movember, the Wellness ERG provided education about prostate cancer and men’s mental health.

FortisAlberta’s ERGs include:

- *Black Network*
- *Pride – 2SLGBTQ+*
- *Mosaic – Multicultural*
- *Wellness – Mental and overall health*
- *Women’s Network*

Self-Identification

In 2023, FortisAlberta introduced a voluntary self-identification questionnaire for employees. This data provides insight into the diverse demographics of our workforce relative to the communities we serve. Employees have the opportunity to disclose information related to race, ethnicity, ability and gender. This information will help us develop DEI programs, educate our employees and measure our progress moving forward.

Indigenous Recruiting Efforts

In 2023, FortisAlberta attended the Treaty 7 Post-Secondary Employment Symposium, a two-day event that helps Indigenous students and employers connect with the goal of filling summer student positions. The conference also provides an opportunity for learning about Indigenous cultures, languages and customs.



Our Communities

Supporting the well-being of the communities where we live and work is both a key component of sustainability and a long-standing value at FortisAlberta.

Community Investment Partners

Each year, FortisAlberta’s Community Investment program sponsors local, grassroots events and initiatives throughout the communities we serve. Below are some sustainability-focused examples of our community investment program. We contribute to organizations that offer programs and services aligned with FortisAlberta’s business focuses of safety, education, the environment and wellness.

FortisAlberta’s Community Investment Pillars



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.



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.



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.



Canadian Parks and Wilderness Society (CPAWS) – CPAWS is dedicated to the protection of public land, freshwater and ocean with a strong national and regional presence across the country. FortisAlberta supports CPAWS educational programs in rural and Indigenous communities, bringing wilderness and conservation education to students in Kindergarten to grade 12.



Environmental and Energy Efficiency Grants

Our annual grants help communities and schools plant trees, naturalize areas and create energy efficiency. Learn more and apply for a FortisAlberta grant on our [website](#).

- Community Naturalization/Tree Planting – 19 communities received \$2,500 grants.
- Save Energy – 25 municipalities and community organizations received \$1,000 to \$5,000 for upgrades such as LED lighting retrofits, window replacements and energy assessment kits.
- greenUp – 15 schools received \$1,000 toward environmental projects such as outdoor classrooms, greenhouses and gardens.

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.

Our employee volunteer grants are available to employees who have spent at least 35 hours volunteering with an organization in the past year. In 2023, 30 employees received \$500 grants for organizations such as Alberta Health Services, Wetaskiwin Minor Hockey Association, the Fort Saskatchewan Community Band and the Provost Fire Department.

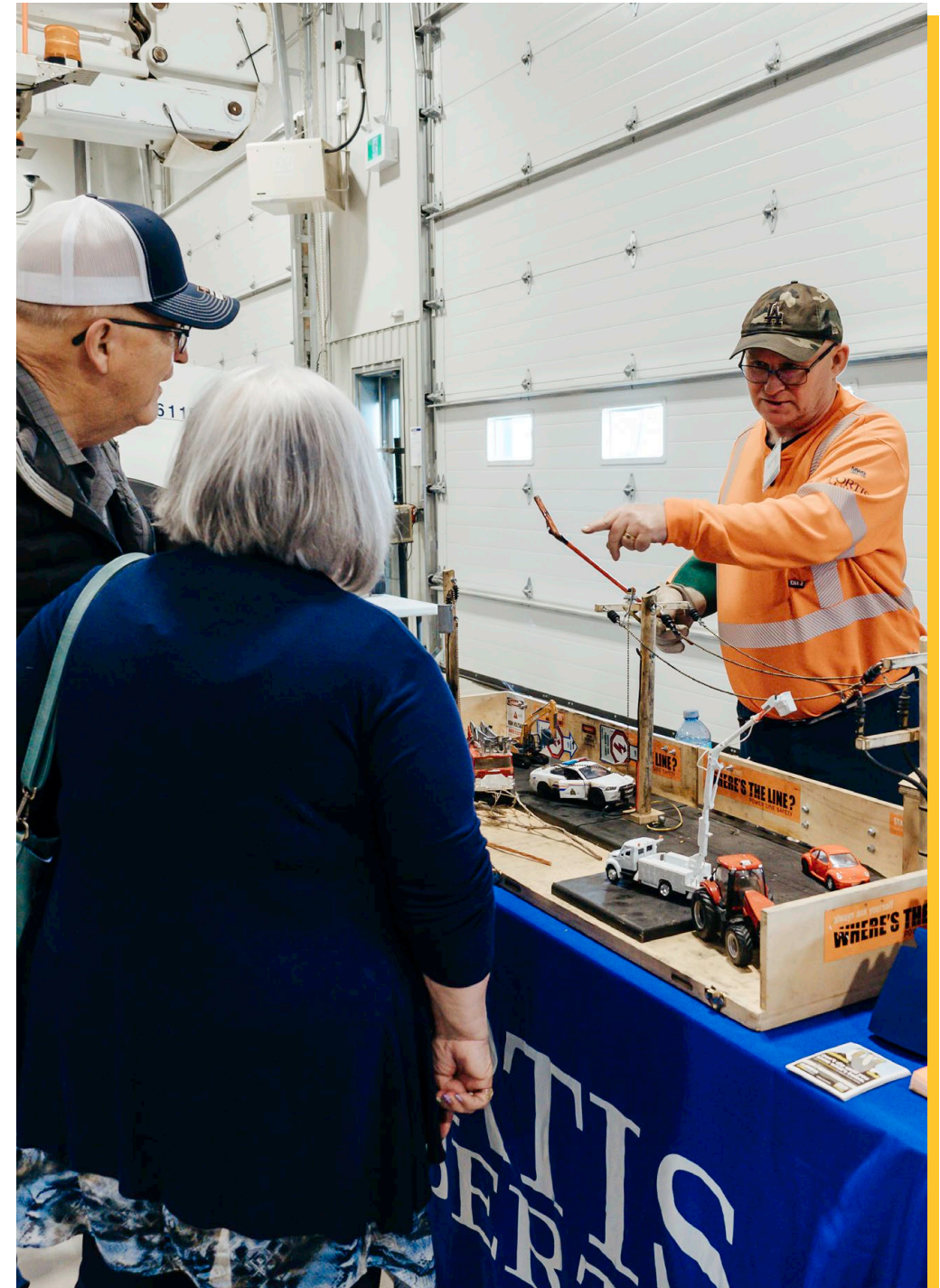
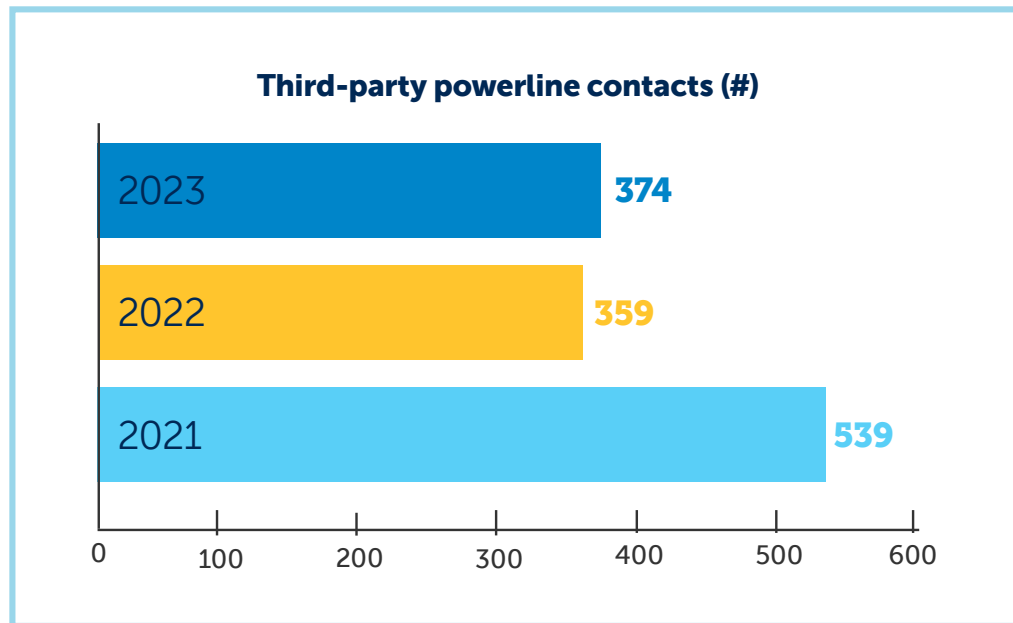
FortisAlberta employees live, work and volunteer in your community. Pictured left to right: cheering on teammates at the Make-A-Wish Heroes Challenge; participating in Morinville's Lite Up the Night Parade; outfitting a bucket truck rider at Cremona Aggie Days; volunteering at the Airdrie Food Bank; presenting a holiday donation to the Crossfield Fire Department; debuting the FortisAlberta-sponsored Comfort Cart at the Ronald McDonald House in Red Deer.



Public Safety

With safety as one of our core values, we provide free resources to help the public learn about getting home safely. For instance, our e-SMART program offers fun, interactive games and resources for children to learn about electrical safety. Other resources on our website focus on farm safety, moving high loads and power line safety.

Our Safety and Work Methods team delivers more than 100 presentations each year to those who work near power lines and facilities, including emergency responders, oil and gas workers, construction crews and municipalities.



Indigenous Engagement

FortisAlberta Indigenous Commitment Statement

At FortisAlberta, we continue to further solidify our commitment to enhancing relationships with Indigenous communities. All employees are encouraged to find meaningful ways to support the well-being of our Indigenous customers. This includes listening to the stories and experiences of Indigenous Elders, learning about the residential school system and hearing about the impacts of intergenerational trauma. It also means creating opportunities for employees to help meet the 94 Calls to Action from the Truth and Reconciliation Commission of Canada. Our commitment to working with Indigenous communities is formalized in our FortisAlberta Indigenous Commitment Statement. Read the full statement [here](#).

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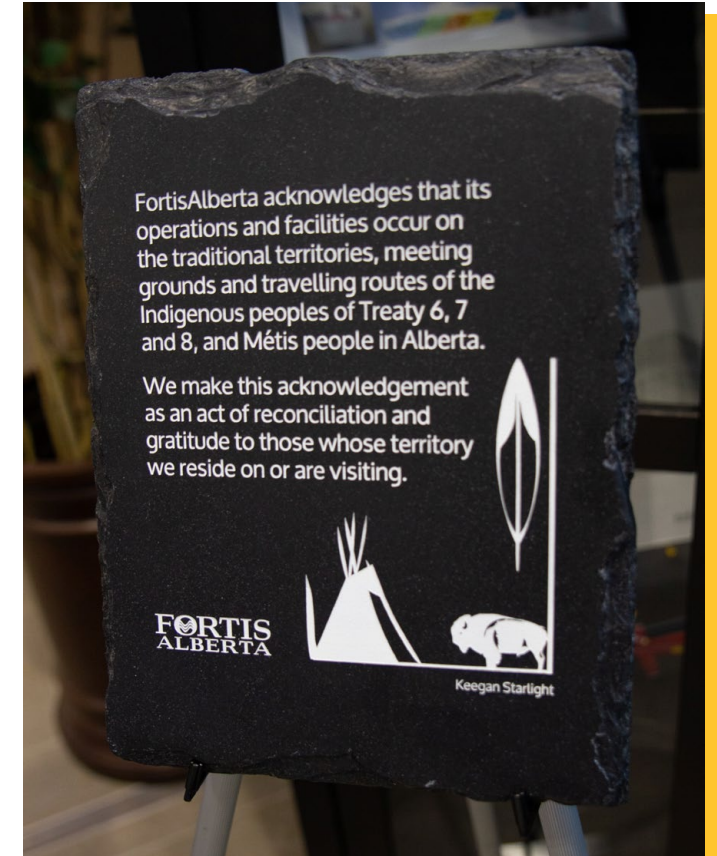
Making a land acknowledgement is a small but important first step in the reconciliation process between Canada’s Indigenous peoples and those who came later. It’s an opportunity to recognize the First Nations, Métis and Inuit peoples of Canada as the traditional stewards of the land we live and work on. Additionally, it recognizes their traditional ways of life, ties to the land and the ways their customs were forcibly disrupted to the benefit of colonization. To serve as a continual reminder of our commitments, we have a land acknowledgement plaque at the entrance of all 36 FortisAlberta buildings.



Cultural Awareness Employee Training

The Truth and Reconciliation Commission calls upon the corporate sector to provide education for management and staff on the history of Indigenous peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, treaties and Aboriginal rights, Indigenous law and Aboriginal–Crown relations. Our education journey has started with an invitation for all employees to complete our Indigenous Orientation. This training is intended to move us all toward the path of reconciliation.

Councilor Floyd Big Head from the Blood Tribe and Janine Sullivan, President and CEO, meet Gordon the owl from Alberta Birds of Prey Foundation, one of our community investment partners.





Aboriginal Role Model Awards

FortisAlberta is proud to support the Aboriginal Role Models of Alberta, sponsoring the Youth Award category that is presented to a youth member for outstanding contributions to their community.

Lethbridge College Education Program

Since 2016, FortisAlberta has committed \$10,000 each year to support Indigenous students at Lethbridge College. Each year, four Indigenous students are awarded \$2,500 to go towards their education, improving their career options and helping them plan for a bright future.

“ My name is Zoe, I am 29 years old and I am from the Blood tribe. I have three beautiful children who have given me the strength and determination to get my education. I am so very grateful for them. Receiving this award has meant so much to me, it encourages me to keep going. ”

- Zoe Tallow, recipient of the FortisAlberta Lethbridge College Indigenous Scholarship.

National Indigenous Peoples Day

On Tuesday, June 20, representatives from Brown Bear Woman Events visited our Courtyard and Airdrie offices. At both locations, employees were treated to a performance of traditional dancing, drumming and singing in addition to teachings about the history and significance of each dance.



FortisAlberta attended a Treaty 6 flag raising ceremony at the Michener House Museum in Lacombe. We are proud sponsors of the museum’s Indigenous Learning Garden.

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Our Environment

At FortisAlberta, we stand behind our responsibility to protect the environment and preserve biodiversity for future generations. Throughout the organization, we foster climate resilience through innovative and adaptive solutions for climate risks. We also pursue emerging solutions for customers that promote energy efficiency and reduce greenhouse gas emissions.

Avian Protection Program

The Avian Protection Plan is a utility-specific plan to manage and protect migratory birds and raptors while keeping your lights on, safely. When birds travel or seek out power lines for perching, feeding, hunting or nesting, they can come into contact with energized wires or equipment, risking electrocution. These events not only harm birds, they also increase the risk of electrical outages and fires. To limit bird interactions with our system, we partner with environmental consultants to identify high-risk locations and develop solutions. For example, we frequently relocate nests onto artificial nesting platforms. We also avoid working near nests during sensitive breeding seasons. Since the inception of our Avian Protection Program over 10 years ago, bird interactions with our system and related outages have dramatically decreased. We have also successfully relocated several ferruginous hawk nests, contributing to the at-risk species' recovery by increasing their nesting success. View our popular [Osprey webcam](#) to see these magnificent birds and an example of our nesting platforms.

Emission Reduction Plan

Distributed Energy Resources

One way the grid is operating with fewer carbon emissions is through Distributed Energy Resources (DERs) such as solar panels and wind turbines. Each year, we facilitate more DER connections to our grid. In 2023, we connected 19 large, distributed generation sources with a total capacity of 307 megawatts. That’s more than double the amount from three years prior, with eight DERs and 123 megawatts connected in 2021. To meet the growing demand for these connections, we have developed a team of employees to help guide customers through the DER process. We have also implemented new engineering processes to accommodate for the rise in DER connections, ensuring the safety and reliability of our system now and in the future.

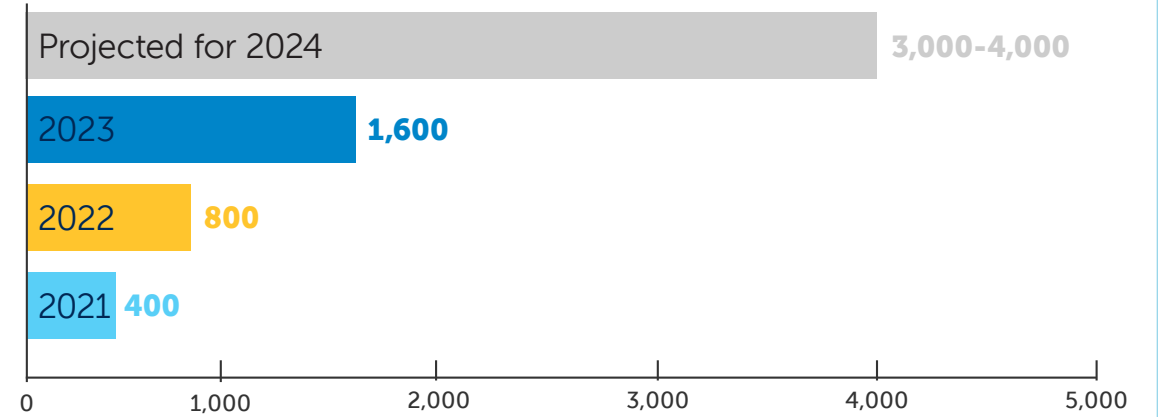
Microgeneration

Microgeneration technologies typically include small-scale wind turbines, solar panels or combined heat and power. Over the past three years, our service area has become a hotspot for microgeneration penetration in Canada, with interconnections doubling each year since 2021. Given this unprecedented growth, we continue to look for ways to meet our microgeneration customers’ needs. We have:

- Facilitated industry sessions to educate consultants on connection processes
- Partnered proactively with solar companies to address erroneous applications
- Increased our microgeneration team ten-fold
- Implemented leading-edge software to shorten timelines and reduce errors in applications



Microgeneration Installs



FortisAlberta is seeing 100 per cent growth year over year.



Voltage Reduction Program

Another way we are lowering our emissions is by reducing line losses. What are line losses? As electricity travels through power lines, it encounters resistance and some energy is converted to heat and emitted into the environment. This directly impacts the cost of electricity for customers and contributes to our emissions.

This is where our voltage reduction program comes in. Specialized equipment maintains voltage levels at the lower end of the acceptable range. This reduces energy consumption, limiting line losses with no impact to customers' electricity service.

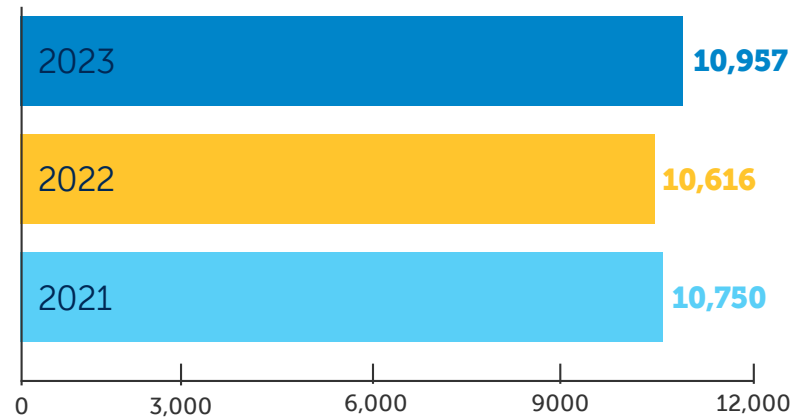
This is an example of managing our grid efficiently, which reduces maintenance costs, extends the lifespan of our infrastructure and reduces the environmental impact of electricity distribution.

Our Emissions

We also monitor our own emissions from fleet vehicles and offices. We have added four electric vehicles (EVs) to our fleet and plan to incorporate more over the coming years; in preparation for this, our largest office buildings now include EV charging stations for employees to travel between facilities. Additionally, we have installed over 730 kilowatts of solar power to offset our electricity usage with renewable energy. We plan to continue retrofitting and adding solar energy to our existing sites in the coming years.

We also monitor our scope 3, or indirect, emissions. This includes emissions from the combustion of coal and natural gas during electricity generation. As a distributor of electricity, these emissions are not directly within our control but we include them in our reports to provide a complete picture of our emissions profile.

Emissions Scope 1 (fleet and building heat) (tCO₂eq)



An independent third-party review found that FortisAlberta used appropriate evidence and sound methodology for their 2021 greenhouse gas inventory.

Coaldale Zero Carbon Building

In the town of Coaldale, we opened our first net-zero carbon building, as outlined by the Canada Green Building Council. The building design focuses on reducing energy consumption while using an onsite solar array to meet its electricity needs, producing the same amount of energy (or more) than it will consume in a year. In 2023, Electricity Canada recognized the project with a Centre of Excellence Award, which celebrates the best of Canadian electric ingenuity, inspiration and aspiration. Learnings from this pilot project will inform future building standards for our facilities. The project is also an example to our customers, demonstrating that net zero designs are achievable in a commercial and industrial setting.



Electric Vehicles

With EV adoption continuing to climb throughout the province, we're focused on ensuring Albertans have the information – and the electricity – they need. In 2023, more than 300 customers participated in our EV Smart Charging Pilot to help us understand their charging habits.

With support from research teams at the University of Calgary and the University of Alberta, the pilot provides critical data as we explore how EV charging impacts the grid. While drivers learn about scheduled charging, we are learning how to incentivize “managed charging” when demand for electricity is high. This practice can help limit costs and optimize the grid.

A first-of-its-kind project focusing on rural Alberta, the pilot will continue into 2024, helping us serve our customers better as more Albertans make the switch to electric.

Rate 62 – the Electric Vehicle Fast Charging Service Rate

We introduced Rate 62 – the EV Fast Charging Service Rate – because customers expressed that established rates were a barrier to installing EV fast chargers in their communities. By operating on a pay-per-use basis rather than peak metered demand, this rate is better suited for areas where EV usage is low. In September 2023, the pilot rate was approved by the Alberta Utilities Commission and is available for customer enrollment. Learn more about [Rate 62](#).

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Vegetation Management Program

FortisAlberta uses integrated vegetation management practices to responsibly keep trees from growing into our overhead power lines and equipment. In 2020, a third-party assessment was done to review our vegetation management program. The assessment included a growth study that determined appropriate maintenance cycles and identified ways to improve the program. The results showed that our vegetation management program is one of the best among North American utilities and achieves positive results when considering the cost of the program, system reliability, tree-caused outages and reduction in wildfire risk.

Waste Management

We implement numerous recycling programs to reduce the impact of our operations on landfills. From paper to oil filters, wire to e-waste, collection happens in the field and our offices. Programs also exist to reuse wood poles and transformers that are removed from services but go on to have a useful life. These programs save costs and reduce our supply chain's carbon footprint. Although it's difficult to measure the total impact of these recycling programs on the economy and environment, we are committed to doing our part to reduce landfilled waste.

The Sustainability Collective

This employee-led group was created to drive innovation and advance sustainable initiatives. "We all have a role in creating a more sustainable future for our fellow employees, our customers and our communities," says Todd Dettling, Vice President, Stakeholder Engagement and Energy Solutions. "Sustainability is top of mind for many of our customers and stakeholders and this group is working to find solutions."

Climate Adaptation

FortisAlberta’s wires, poles and other equipment are vulnerable to damage from severe weather conditions and natural events. In 2023, Alberta saw extreme temperatures, a tornado and a historic wildfire season. To minimize these risks, we have measures in place such as ongoing assessments, mitigation programs and increased patrols. We also have a Climate Adaptation Committee to monitor and plan for climate-related risks.

Alberta 2023 Wildfires

In 2023, Alberta experienced its worst wildfire season in more than 40 years, impacting communities across all corners of the province. Tens of thousands of customers in Drayton Valley and the surrounding area were displaced due to fires and air quality risk.

FortisAlberta actively supported teams at various emergency operations centres, assisting first responders by providing technical expertise and resources. Understanding the challenges the wildfires presented for communities, FortisAlberta rallied to raise funds for evacuees and local food banks.

While Drayton Valley was largely kept energized during the evacuation, more than 800 FortisAlberta poles were damaged in the surrounding area. Thanks to the hard work of our local employees, all damaged poles and lines were replaced within three weeks.

The Edison Electric Institute recognized our wildfire response with a 2023 Emergency Response Award. This award recognizes outstanding efforts to restore service promptly following a storm or natural disaster.

Wildfire Risk Mitigation Plan

The dry climate in Alberta heightens the risk of wildfires in our service territory, which is why we have a robust Wildfire Risk Mitigation Plan. This plan utilizes the latest technology and best practices to monitor our assets and assess the risk of wildfire across the province.

Each year, prior to the start of wildfire season, we patrol our service areas to identify potential fire ignition risks. Our field employees compile a comprehensive list of repairs needed. Completing these repairs lowers the chance of an electrical fault that could lead to a fire. Other mitigations include situational awareness, asset management, engineering standards, vegetation management, system/grid operations and operational practices. These mitigations combine time-proven traditional practices with innovative technologies such as early fault detection.





Early Fault Detection

FortisAlberta launched a pilot project in 2022 to enhance the safety of our system and mitigate wildfire risks. By strategically placing specialized sensors on our equipment, we successfully identified and addressed potential issues such as damaged wires or vegetation growing too closely to power lines.

Building on this success, we expanded the program in 2023 to cover more regions and introduce new sensor technology for improved efficiency. In the coming years, we're committed to advancing this technology to help ensure the highest standard of safety and reliability for our customers.

Wildfire Vulnerability Assessment

In 2023, FortisAlberta conducted a wildfire vulnerability assessment. This assessment provided valuable information to help protect power lines and maintain electricity to critical infrastructure. For example, from this assessment, we are installing fire wraps on our wooden poles in vulnerable locations.

Carstairs Tornado

In 2023, during the Canada Day long weekend, a tornado touched down near Carstairs, Alberta, causing significant damage to the area. Our poles and wires were no match for the strong winds, with estimated speeds of 275 kilometres per hour, according to Environment and Climate Change Canada. More than 2,000 customers were without power. Within 20 minutes, FortisAlberta Power Line Technicians were on the scene, working to isolate the hardest hit areas and repair the damage. Less than four hours later, power was restored to the town of Carstairs. Crews from Airdrie and Strathmore arrived that evening and helped restore power to the remaining customers outside of town, whose farms had been hit hard by the tornado. In the following days, FortisAlberta crews helped clean up and restore infrastructure, replace poles and rebuild lines.

Climate Vulnerability Assessments

FortisAlberta is in the process of completing a climate vulnerability assessment to mitigate climate-related risks such as floods, wildfires and severe storms. The results will be used to create climate resiliency plans to help mitigate this growing risk. Many municipalities in our service area are also completing climate assessments. We look forward to collaborating with our municipal customers in this important work.



Our Business

At FortisAlberta, we pride ourselves on our commitment to business excellence. Whether it's providing excellent customer service through our call centre or quickly restoring power out in the field, our employees go above and beyond to exceed our customers' expectations.

Affordability

Continuing economic uncertainty, persistent inflation and monetary policy all contribute to cost-of-living concerns for customers. FortisAlberta is committed to ensuring that its rates remain affordable and that its customers receive excellent value for the rates that they pay.

FortisAlberta's Performance Based Regulation (PBR) ratemaking plan annually adjusts its customers' rates by an amount that is less than the prevailing inflation rate. This PBR mechanism strongly incents the Company to closely manage its costs, find efficiencies, and increase its productivity for the benefit of customers throughout its 5-year PBR term.

In 2023, targeted enhancements to the Company's procurement processes resulted in cost savings and contributed to ongoing affordability. FortisAlberta also leveraged its control center technologies to automate various restoration activities, reducing outage management costs.

Thoughtful innovation will be key in ensuring that the energy transition remains affordable for our customers. FortisAlberta's 'smart follower' philosophy uses the local piloting of proven technologies in areas of greatest benefit to ensure that customers are receiving the best value from related investments.

Governance

FortisAlberta is a wholly-owned subsidiary of Fortis Inc. (NYSE: FTS; XTSE: FTS); a Canadian company headquartered in St. John's, Newfoundland and Labrador. The Fortis Inc. group of companies is comprised of 10 operating subsidiaries located in Canada, the United States of America and the Caribbean.

The Fortis Inc. corporate governance model is substantially autonomous at the operating company level. However, FortisAlberta and other subsidiaries maintain alignment with several regulatory- and compliance-related governance policies of Fortis Inc. The Board of Directors of FortisAlberta is currently comprised of 10 directors, six of whom are independent. In 2023, one-half of the company's directors self-identified as female.



Code of Conduct

FortisAlberta is committed to the highest standard of professional conduct and operation. Our Code of Conduct guides the organization in maintaining an ethical and professional standard of behaviour, providing broad yet comprehensive expectations for our Board of Directors, executives, employees and contractors. Following the Code of Conduct is mandatory and each employee has a duty to report incidents of non-compliance.

Customer Service

At FortisAlberta, customer service is at the forefront of everything we do. At our Airdrie-based Customer Care Centre, highly trained representatives take calls day and night, helping solve problems and answering questions. Technology helps us serve our customers better too. A webchat service offers customers one more way to connect with us, while the FortisAlberta Service Estimator creates high-level estimates for basic new services.

To track customer satisfaction, we work with a third-party agency to distribute a survey each quarter. Customers are offered an opportunity to provide feedback on several metrics, including our responsiveness, knowledge, timeliness and professionalism. The results are shared with the entire organization, which keeps us accountable and on-track with our customer service goals.

80%
customer care centre
first call resolution (%)

87.2%
customer satisfaction
index (%)



Economic Developers Alberta Partnership Recognition

Recently, our dedication to working with municipalities was recognized at the Economic Developers Alberta (EDA) Annual Xperience Conference, where FortisAlberta received the EDA P3 of the Year Award. This award celebrates our successful public-private partnerships, emphasizing the integral role we play in meeting the infrastructure and service needs of our communities.

Interviewing Key Customers

Each year, we conduct in-depth interviews with some of our key customers. These include municipalities, First Nations, large commercial businesses, and oil and gas sites. Through in-person discussions, we receive valuable feedback about what is working well and where we can improve.

Once the feedback is compiled and analyzed, we identify opportunities to improve over the next year. These initiatives drive positive change, ensuring that we continue to deliver exceptional service to our valued customers.

“The complexities of communities are always increasing. The energy transition is forcing us to create an IQ with energy. In the past, we vetted the franchise agreement and just signed it. This is a [two-way] agreement. How can we best utilize power to benefit our municipality? We have strategic needs, we are pushing on energy, we have a vision focus, we have development opportunity.”
- Municipal customer



Waterton Lakes National Park – Battery Energy Storage System

FortisAlberta’s battery energy storage system (BESS), located in Waterton Lakes National Park, is a unique reliability solution to meet the needs of the Town of Waterton and the hundreds of thousands of tourists who visit the area each year.

Alberta’s geographic and environmental diversity is a treasured part of the province’s natural heritage, but it can pose challenges for those who live in remote areas, as well as to the utilities that work to provide them with energy year-round. For those living in Waterton, the fact that these lines pass over environmentally sensitive areas can make the use of traditional outage restoration methods even more complex.

The Waterton facility, which combines a battery energy storage system with solar photovoltaic (PV) renewable generation operated by Parks Canada, will leverage the Company’s existing advanced distribution control system to provide customers with up to four hours of backup power during peak periods. It reduces the environmental footprint within this National Park as the alternative solution would have been to build a second 70-kilometre line through the park to the nearest substation.

Watch a video on the BESS project [here](#).

The logo for Fortis Alberta, featuring the word "FORTIS" in a large, white, serif font above the word "ALBERTA" in a smaller, white, serif font. A stylized yellow and white wave icon is integrated into the letter "O" of "FORTIS".

FORTIS ALBERTA

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