FORTIS BC™

Energy for a better B.C.

FortisBC 2024 Sustainability Report

Table of contents

Front cover: Operations crew members monitor stringing of FortisBC electrical transmission lines in Princeton, B.C. This work supports the reliability and integrity of our energy systems.

2024 sustainability highlights

Energy transition and environment

saw a

43% increase

in electric vehicle (EV) charging events over 2023

acquired approximately

2.8 petajoules (PJ)

of natural gas designated as Renewable Natural Gas[1] (RNG)

invested a record

$172.8 million

in demand side management (DSM) initiatives

Indigenous and local communities

supported Reconciliation by maintaining our

PAIR Silver

designation (Partnership Accreditation in Indigenous Relations)

invested

$214 million

in local[2] economies through our major projects

worked with

436 local vendors

on our major projects

Operational performance and adaptation

on the coldest day of the year our gas system **delivered nearly**

2X the energy

of B.C.'s electricity systems

met customer needs by **delivering**

3,513 gigawatt hours (GWh)

of electricity and 220 PJ of gas

began upgrading about

1.1 million

gas meters that will provide safety improvements and help customers make cost-effective energy choices

People and culture

recognized as one of

BC's Top Employers[3]

for the second year in a row

demonstrated strong safety performance with the

lowest all-injury frequency rate in **4 years**

implemented more than

10 culture of belonging initiatives

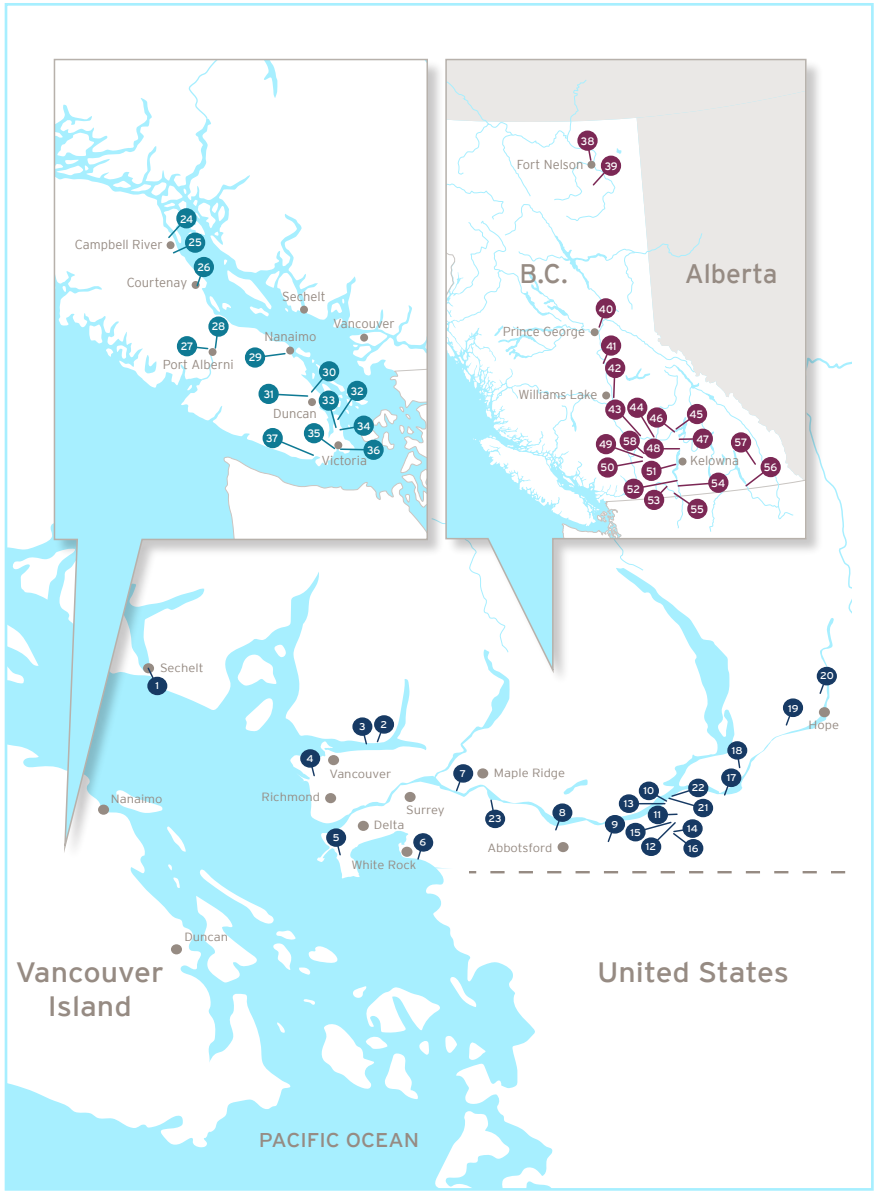
to support our employees

[1]Renewable Natural Gas (also called RNG or biomethane) is produced in a different manner than conventional natural gas. It is derived from biogas, which is produced from decomposing organic waste from landfills, agricultural waste and wastewater from treatment facilities. The biogas is captured and cleaned to create RNG. When RNG is added to North America's natural gas system, it mixes with conventional natural gas. This means we're unable to direct RNG to a specific customer. But the more RNG is added to the gas system, the less conventional natural gas is needed, thereby reducing the use of fossil fuels and overall greenhouse gas emissions. [2]Local is defined as residents of and businesses located in the municipality or other geographical area in which the major project is located and work is undertaken. [3]Annual "Top 100" rankings are conducted by Mediacorp Canada Inc.

About us

Territorial acknowledgment

We acknowledge and respect Indigenous Peoples on whose Traditional Territories we all live and work. We are grateful for the wisdom shared with us by Indigenous Peoples, including Elders, community members, employees, economic partners and corporate trainers. It is through our relationships that we have learned and continue to learn to be a good partner, reliable energy provider and employer to Indigenous Peoples. We are thankful for the opportunity to live and learn on these Territories.



Lower Mainland

1. Shíshálh (Sechelt First Nation)
2. səlilwətaɬ (Tsleil-Waututh Nation)
3. Sḵwx̱wú7mesh Úxwumixw (Squamish Nation)
4. xʷməθkʷəy̓əm (Musqueam Indian Band)
5. sc̓əwaθən məsteyəxʷ (Tsawwassen First Nation)
6. Semiahmoo First Nation
7. q̓ic̓əy̓ (Katzie First Nation)
8. Màthxwi (Matsqui First Nation)
9. Semá:th (Sumas First Nation)
10. Áthelets (Aitchelitz First Nation)
11. Sq'ewqeyl (Skowkale First Nation)
12. Yeqwyeqwí:ws (Yakweakwioose First Nation)
13. Sxwoyehálá (Squiala First Nation)
14. Chi'yaqtel (Tzeachten First Nation)
15. Kwaw-Kwaw-Apilt First Nation
16. Soowahlie First Nation
17. Xwchíyò:m (Cheam First Nation)
18. Sq'éwqel (Seabird Island Band)
19. Chawathil First Nation
20. Iwówes (Union Bar First Nation)
21. Shxwhá:y Village (Skway)
22. Sqwa (Skwah First Nation)
23. Kwantlen First Nation

Vancouver Island

24. Wei Wai Kum First Nation (Campbell River First Nation)
25. Wei Wai Kai Nation
26. K'ómoks First Nation (Comox First Nation)
27. c̓išaaʔatḥ (Tseshaht First Nation)
28. Hupačasath First Nation
29. Snuneymuxw First Nation
30. Halalt First Nation
31. Cowichan Tribes
32. Tseycum First Nation
33. WJOŁEŁP (Tsartlip First Nation)
34. Sc̓áutw (Tsawout First Nation)
35. ləkʷəŋən (Songhees First Nation)
36. Xwsepsum (Esquimalt Nation)
37. T'Sou-ke First Nation

Interior B.C.

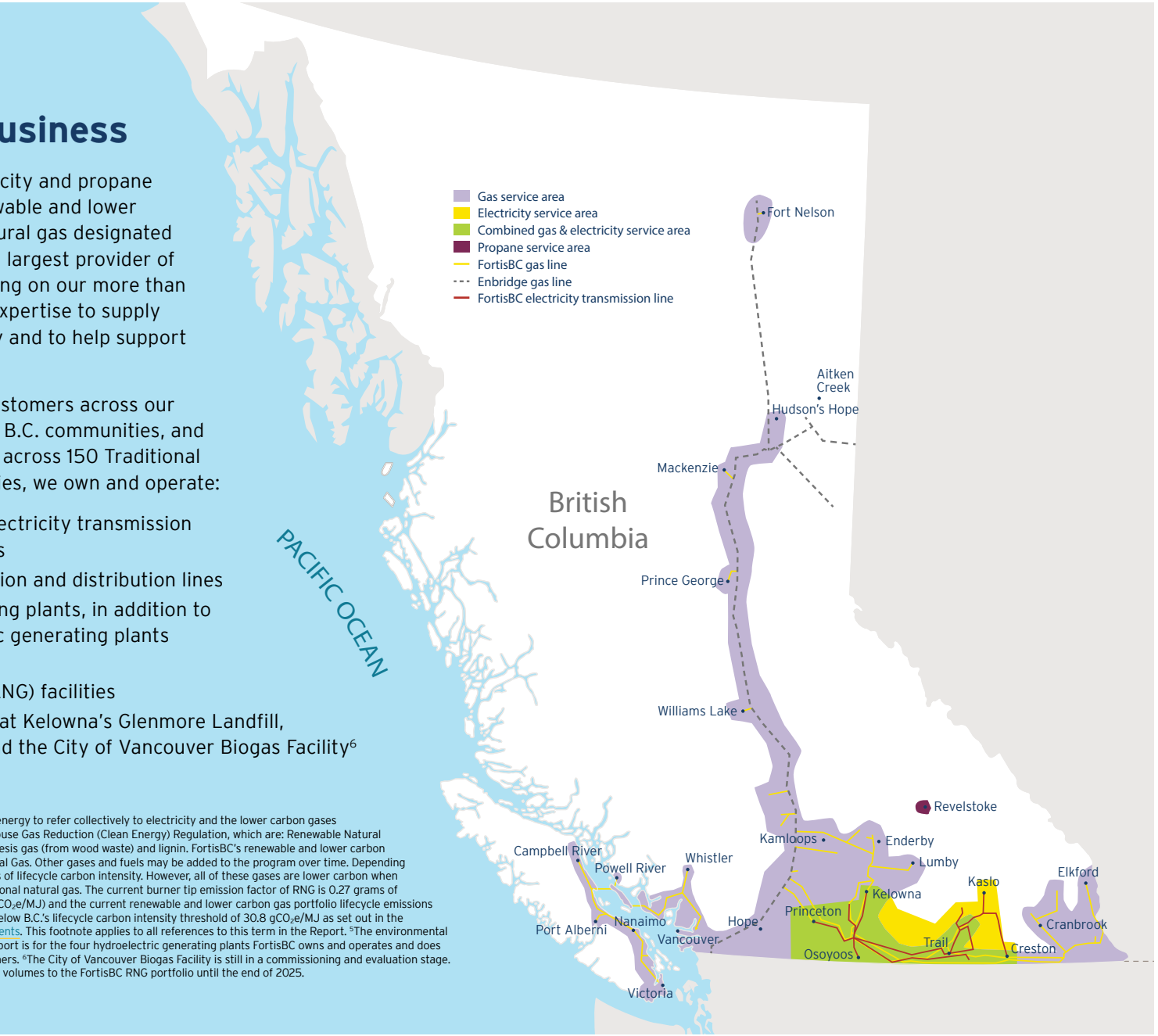
38. Prophet River First Nation
39. Fort Nelson First Nation
40. Lheidli T'enneh First Nation
41. Lhtako Dené Nation
42. T'exelcemc (Williams Lake Nation People)
43. Skeetchestn Indian Band
44. Tk'emlúps te Secwépemc (Kamloops Indian Band)
45. Adams Lake Indian Band
46. Neskonlith Indian Band
47. Splatsin First Nation
48. Okanagan Indian Band
49. Lower Nicola Indian Band
50. C'eletkwmx (Coldwater Indian Band)
51. Westbank First Nation
52. SnPink'tn (Penticton Indian Band)
53. Upper Similkameen Indian Band
54. Osoyoos Indian Band
55. Smelqmix (Lower Similkameen Indian Band)
56. Yaqan nukiy (Lower Kootenay Band)
57. ʔaq'qm
58. Nlaka'pamux Nation (Cook's Ferry Indian Band)

A look at our business

We deliver natural gas, electricity and propane and continue to acquire renewable and lower carbon energy,[4] including natural gas designated as RNG. We are the province's largest provider of critical energy services, drawing on our more than 100 years of knowledge and expertise to supply reliable and affordable energy and to help support the energy transition.

We serve almost 1.3 million customers across our service areas that include 135 B.C. communities, and 58 First Nations communities across 150 Traditional Territories. As regulated utilities, we own and operate:

- 7,350 kilometres (km) of electricity transmission and distribution power lines
- 51,700 km of gas transmission and distribution lines
- four hydroelectric generating plants, in addition to operating five hydroelectric generating plants that are owned by others[5]
- two liquefied natural gas (LNG) facilities
- RNG upgrading equipment at Kelowna's Glenmore Landfill, the Salmon Arm Landfill and the City of Vancouver Biogas Facility[6]



[4]FortisBC uses the term renewable and lower carbon energy to refer collectively to electricity and the lower carbon gases or fuels that the utility can acquire under the Greenhouse Gas Reduction (Clean Energy) Regulation, which are: Renewable Natural Gas (also called RNG or biomethane), hydrogen, synthesis gas (from wood waste) and lignin. FortisBC's renewable and lower carbon gas portfolio currently includes only Renewable Natural Gas. Other gases and fuels may be added to the program over time. Depending on their source, all of these gases have differing levels of lifecycle carbon intensity. However, all of these gases are lower carbon when compared to the lifecycle carbon intensity of conventional natural gas. The current burner tip emission factor of RNG is 0.27 grams of carbon dioxide equivalent per megajoule of energy (gCO_2e/MJ) and the current renewable and lower carbon gas portfolio lifecycle emissions for stationary combustion are -22 gCO_2e/MJ. This is below B.C.'s lifecycle carbon intensity threshold of 30.8 gCO_2e/MJ as set out in the 2024 Greenhouse Gas Reduction Regulation amendments. This footnote applies to all references to this term in the Report. [5]The environmental performance data provided in the appendix of this Report is for the four hydroelectric generating plants FortisBC owns and operates and does not include the five plants we operate on behalf of others. [6]The City of Vancouver Biogas Facility is still in a commissioning and evaluation stage. Therefore, it is not expected to contribute appreciable volumes to the FortisBC RNG portfolio until the end of 2025.

Our approach to sustainability

We operate critical energy infrastructure delivering gas and electricity to homes and businesses across B.C. In this work, we are guided by our values that help shape our approach to sustainability. Sustainability underlies how we invest in, operate and continuously improve our business, while providing the energy our customers need, safely, affordably and reliably.

Our values

Safe: We put safety first.
Customer centric: We value the customers' business.
Collaborative: We work as one company, one team with shared success.
Respectful: We are respectful, honest and ethical.
Progressive: We seek better ways.

Our approach to sustainability focuses on four areas:

1. supporting the energy transition
2. building strong relationships and partnerships with Indigenous and local communities
3. helping support operational performance and adaptation
4. supporting our people and building an inclusive culture

In 2024, we established sustainability targets and commitments to communicate our sustainability performance and to report on our achievements annually. These targets and commitments help advance our sustainability areas of focus.

The Corra Linn Dam is one of four hydroelectric generating plants we own and operate on the Kootenay River.

The terms FortisBC, our, we, us, our organization and the company refer to FortisBC Energy Inc. and FortisBC Inc. collectively. FortisBC Inc. (also FBC) and FortisBC Energy Inc. (also FEI), both regulated utilities, do business as FortisBC. Throughout this report, we use the terms FortisBC, our, we, us, our organization and the company interchangeably to refer collectively to FortisBC Energy Inc. (our gas utility) and FortisBC Inc. (our electricity utility).

FortisBC is indirectly and wholly owned by Fortis Inc., a leader in the North American regulated electricity and gas utility industry. Fortis Inc. is primarily an energy provider, with gas and electricity utilities serving approximately 3.5 million customers across North America and the Caribbean. Our sustainability targets and performance help support Fortis Inc.'s emissions reduction targets and are featured in its reporting.

Sustainability governance and oversight

Strong governance is important and that is why we work to consider and embed sustainability principles throughout the business. We have a governance structure that includes an executive advisory group and sustainability advisory committee to oversee governance related to sustainability reporting and compliance and to address risk. This structure supports our work to advance sustainability throughout our organization and achieve our sustainability targets and commitments. In addition, our enterprise risk management program is responsible for assessing and reporting on risks in consideration of our long-term business strategy. Complementing our governance structure is a corporate compliance program to ensure that all employees and contractors follow all applicable laws, regulations and policies.

Snapshot: FortisBC board of directors

- FortisBC has a majority independent board of directors.
- The chair of the board and each of the committees is independent.
- At every meeting, the board and committees have an opportunity to meet without FortisBC management present.
- We maintain board member term limits to promote independence, diversity of views and fresh insight. Regular rotation of chairs is conducted as part of the board's succession planning processes.
- In 2024, 50 per cent of board members were female and 50 per cent were male.

Sustainability oversight	Responsibility
Board of directors	• supports a strategic planning process that considers the opportunities and risks to the business • sets and supports corporate values and priorities, including sustainability • composed of the audit committee and the governance and sustainability committee
Governance and sustainability committee	• oversees our governance practices and reviews and approves our key sustainability disclosures • provides direction on our sustainability strategy and objectives • advises the board on progress in meeting our sustainability objectives and strategic planning to improve performance
CEO and executive leadership team	• oversees the development and progression of the overarching business strategy and direction of the sustainability initiatives • helps drive improvement by developing and overseeing our business and sustainability strategies and targets
Executive advisory group	• oversees progress toward sustainability targets and commitments
Scope 1 emissions committee	• identifies and advances emissions reduction opportunities, including providing strategic direction on reduction initiatives
Sustainability advisory committee	• supports advancement toward and reporting on sustainability targets and commitments • identifies areas for future target and commitment development

2024 sustainability target performance

In 2024, we communicated a set of sustainability targets and commitments within our four sustainability areas of focus. We achieved several of our annual targets in 2024 and made meaningful progress on our DSM longer-term targets. Detailed performance updates for the targets and commitments are included in each of the corresponding sections of the report.

Longer-term DSM targets

Supporting the energy transition and reducing greenhouse gas (GHG) emissions

Target: reduce customers' GHG emissions by 200,000 tonnes[7] through participation in our DSM[8] initiatives by the end of 2027.

109,123 tonnes of carbon dioxide equivalent (tCO_2e)

- In 2024, participation in our gas program initiatives resulted in achieving 55 per cent of our four-year target.

Target: invest $690 million to help customers save 3.8 million gigajoules (GJ) of gas and 115 GWh of electricity by the end of 2027.[9]

FEI and FBC investment combined
$172.8 million

FEI energy savings
1,604,752 GJ

FBC energy savings
34.1 GWh

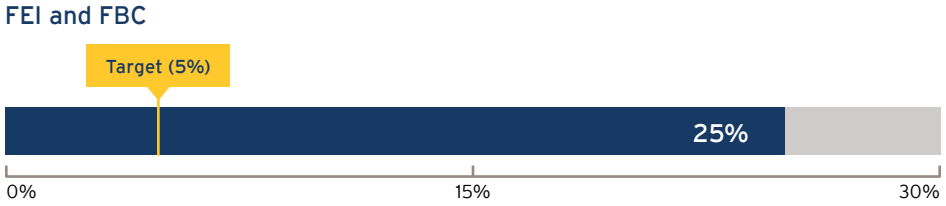
[7]As footnoted in our FEI 2024-2027 DSM Expenditures Plan, incremental annual gas GHG emissions reductions in tCO_2e/yr. GHG emissions reductions are based on the long run combustion emission factor of 0.0516 tCO_2e/GJ for natural gas from the Ministry of Environment and Climate Change Strategy. [8]GHG emissions savings and energy savings from our energy-efficiency incentives derived from FEI's Demand-Side Management plan annual report. As outlined in the FEI 2024-2027 DSM Expenditures Plan Application. [9]Net incremental gas and electricity savings are after consideration of free ridership and spillover.

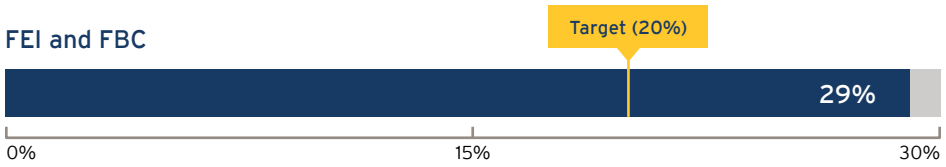
Annual targets

Building strong relationships with Indigenous businesses and communities

Target: allocate a minimum of five per cent of the total annual contracting expenditures for major projects in the design-execution stage to Indigenous-owned and affiliated businesses.

Target: invest 20 per cent of our community investment funding annually in Indigenous community investment initiatives.

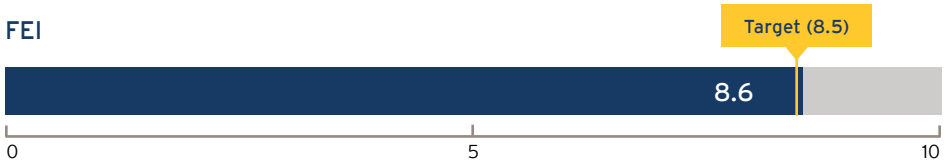


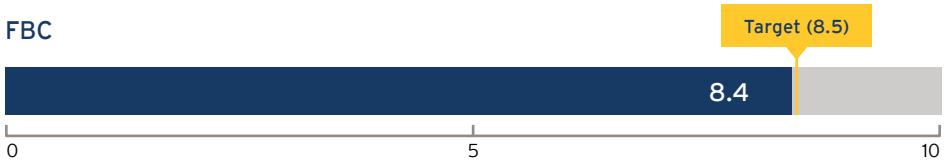


Ensuring energy infrastructure is resilient and reliable while delivering high-value customer experiences

Target: achieve annual customer satisfaction index scores of 8.5 out of 10.

Commitment: further plan for extreme weather events in our asset investment and operational planning decision-making. For more information, see page 27.

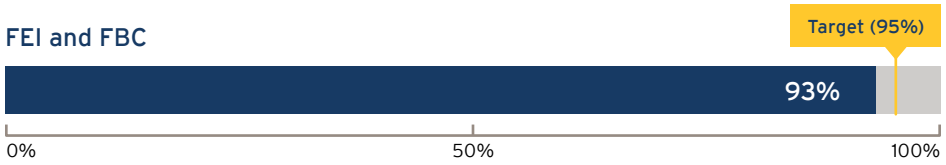




Supporting our people and building an inclusive culture

Target: maintain leading health and safety practices, ensuring that every employee feels secure and cared for. Achieve an on-time safety improvement rate of 95 per cent annually.

Commitment: develop and implement an annual action plan to enhance our culture of belonging by fostering a diverse, inclusive, equitable and community-oriented work environment. For more information, see page 33.



Energy transition and environment

Supporting the energy transition

Advancing the energy transition toward a lower carbon energy future for British Columbians requires:

- innovation in the way energy is used
- supportive government policies
- investment in energy efficiency, lower carbon energy and infrastructure to support the energy transition
- technological advancement

The energy transition offers an opportunity to harness innovation and to adopt new technologies in the energy sector.

Our Clean Growth Innovation Fund (CGIF) is an important mechanism that supports the CleanBC goal of lowering carbon emissions by advancing innovative technologies that can help our customers lower overall emissions and support the transition to a lower carbon economy. During the initial four-year term of the CGIF, which ended on December 31, 2024, we approved approximately $20 million in grants to 65 projects.

In 2024, through the CGIF, we:

- signed a funding agreement with VulcanX Energy Corp. to support the development of low-cost hydrogen pyrolysis technology that produces lower emission hydrogen and solid carbon in B.C.
- supported the development of gas absorption heat pump technology that offers greater than 100 per cent efficiency[10]
- collaborated with industry groups that support lowering emissions from the energy sector, including using grant funding through the Canadian Gas Association's Natural Gas Innovation Fund and the Electric Power Research Institute's Low-Carbon Resource Initiative
- supported relationships with the University of British Columbia's Vancouver and Okanagan campuses, the University of Victoria and Simon Fraser University (SFU) to advance lower carbon energy research, including support for SFU's Clean Hydrogen Hub to advance technology for lower-cost hydrogen electrolysis production

FortisBC's president and CEO, Roger Dall'Antonia, (second from left) at the SFU Clean Hydrogen Hub with, from left, Sarah Goodman, president and CEO of the B.C. Centre for Innovation and Clean Energy, City of Burnaby Coun. Daniel Tetrault, Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation, Terry Beech, Minister of Citizens' Services, Joy Johnson, SFU president and vice-chancellor, Steven Holdcroft, scientific director of the SFU Clean Hydrogen Hub and Canada Research Chair and Simon Cassegrain, senior research and development polymer chemist at Ionomr.

[10]Coefficient of performance (COP) and gas usage efficiency (GUE) results of more than 1.0 were achieved in a Robur A gas absorption heat pump system with dynamic controls, as recorded by Building Energy Solutions (BES) Ltd. in its measurement and verification report for the gas absorption heat pump pilot, phases three and four, September 9, 2021.

FortisBC and provincial policy objectives

FortisBC works to inform and align with local, provincial and national priorities to lower emissions in homes, buildings, transportation and industry.

Federal, provincial, local and Indigenous community emissions reduction policies	How FortisBC is working to ensure alignment with government policies
Powering our Future: BC's Clean Energy Strategy[11]	• expanding our renewable and lower carbon energy portfolio, including supporting research into potential hydrogen supply • automatically having a portion of gas customers' natural gas designated as RNG, known as designated RNG blend • making energy efficiency a priority and encouraging innovation, customer energy savings and resulting emissions reduction in our DSM plans, referenced in the energy transition and environment section • issuing a Request for Expressions of Interest for additional electricity with a focus on developing lower carbon and renewable energy sources to meet our customers' growing energy needs • developing meaningful relationships with First Nations to advance Reconciliation and share the benefits related to energy projects • advancing dual fuel heating systems, which helps integrate the gas and electricity systems for affordable GHG emissions reductions
Buildings: BC Energy Step Code, Zero Carbon Step Code and Demand-Side Measures Regulation	• piloting and expanding deep energy retrofits and offering dual fuel heating system rebates • aligning New Home Program incentives with the BC Energy Step Code • encouraging energy efficiency through the adoption of technologies such as air source heat pumps with rebates up to $5,000 for income-qualified households • supporting our Climate Action Partners Program for local and Indigenous communities to improve energy efficiency, health and safety in buildings
Transportation: Greenhouse Gas Reduction Regulation (GGRR), B.C. Low Carbon Fuel Standard (LCFS) and zero-emission vehicles mandate	• offering our customers lower carbon fuel options - as compared with diesel[12] - like compressed natural gas (CNG) and RNG[13] for existing CNG and LNG customers • expanding marine fuelling infrastructure • investing in public EV charging infrastructure and providing customers with rebates for EV charging stations for homes, multi-unit residential buildings and workplaces
Industrial: B.C. Output-Based Pricing System (OBPS), Net-Zero New Industry (NZNI) Policy, Demand-Side Measures Regulation and GGRR	• enabling industrial customers to use RNG to meet their OBPS performance benchmarks • providing energy-efficiency programs to help reduce industrial energy consumption and emissions, as outlined in the 2024 FEI Natural Gas Demand-Side Management Annual Report and the 2024 FBC Electricity Demand-Side Management Annual Report • developing credible net-zero plans for the Tilbury expansion projects that fall under the NZNI policy, which will include utilizing electrification, where possible

[11] Powering our Future: BC's Clean Energy Strategy published in June 2024 by the Ministry of Energy and Climate Solutions (formerly the Ministry of Energy and Low Carbon Innovation). [12] FortisBC's 2023 Low Carbon Fuel Standard (LCFS) compliance submission specifies a baseline CNG carbon intensity of 63.64 gCO_2e/MJ. The B.C. LCFS 2023 diesel carbon intensity threshold is 81.86 gCO_2e/MJ. [13] The burner tip emission factor of FortisBC's current RNG portfolio is 0.27 gCO_2e/MJ. The B.C. LCFS 2023 diesel carbon intensity threshold is 81.86 gCO_2e/MJ.

Expanding investments in energy efficiency and improving affordability

We continue to offer energy-efficiency programs for homes and businesses, providing ways for our customers to lower their bills, save energy and reduce carbon emissions.

Target

Invest $690 million to help customers save 3.8 million GJ of gas and 115 GWh of electricity by the end of 2027.

Why do we measure this?

Measurement aids our commitment to supporting provincial emissions reduction goals.

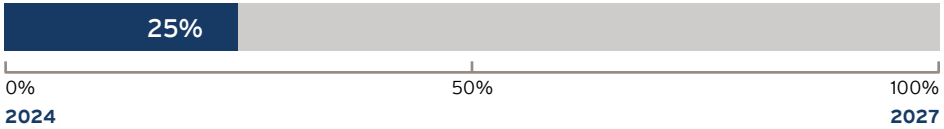
Our performance

In 2024, we invested a record amount in our DSM initiatives. These investments support energy savings for our customers, helping to lower energy bills.

We attend home shows across British Columbia. Our booth invites customers to ask questions and learn how to improve the energy efficiency of their homes.

FEI and FBC investment combined

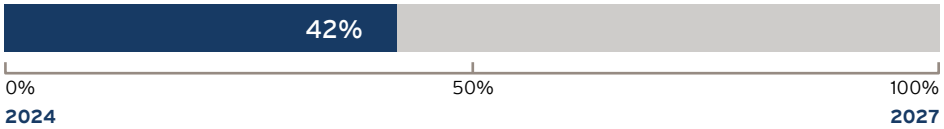
$172.8 million



These investments achieved energy savings that were due in part to customers participating in larger program initiatives such as the energy efficiency for rental apartments and accommodations program.

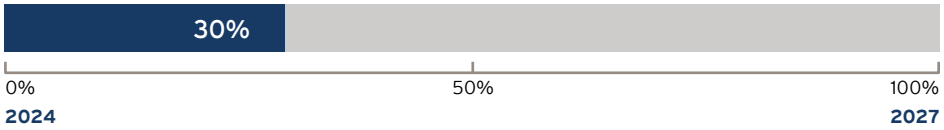
FEI energy savings

1,604,752 GJ



FBC energy savings

34.1 GWh



Target

Reduce customers' GHG emissions by 200,000 tonnes through participation in our DSM initiatives by the end of 2027.

Why do we measure this?

Measuring this supports our commitment to the energy transition and to help our customers reduce their emissions.

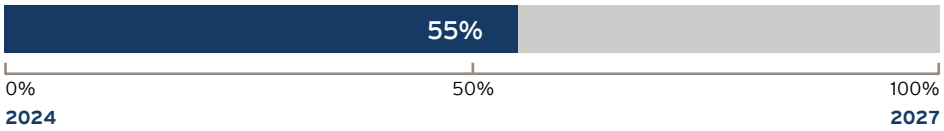
We will support emissions reductions from our gas customers through our DSM initiatives, using 2024 as a baseline year.

Our performance

Our investments in DSM initiatives, and the energy savings these investments have supported, help keep us on track to achieving our energy-efficiency targets.

Reduction in customers' GHG emissions from DSM participation

109,123 tCO_2e



FortisBC executives and project leads gather near rooftop gas absorption heat pumps at the deep energy retrofit location at the Forte building in Vancouver.

A deep dive into deep energy retrofits

We invested nearly $24 million in deep energy retrofit pilots in 2024.

Deep energy retrofits aim to improve the energy performance of buildings by upgrading the building envelope (including walls, windows, doors, insulation and airtightness) and mechanical systems (heating, hot water and ventilation). The goal is to reduce whole-building energy consumption by at least 50 per cent when retrofits at all locations are completed.

Our pilots provided funding for energy-efficiency upgrades for 20 single family homes and four multi-unit residential buildings across the province. The planned retrofits for all of the single family homes and three multi-unit residential buildings were completed in 2024 with operational data being collected in 2025. A 58 per cent reduction in energy consumption was forecast at Forte, a 13-storey residential community in Vancouver, through the installation of gas absorption heat pumps, new in-suite ductless ventilation systems and triple-glazed fiberglass windows—to name a few upgrades.

Supporting gas and electricity integration with dual fuel heating systems

Our gas and electricity systems provide safe, reliable and affordable service to customers throughout the year, including during times of peak energy demand in the winter and summer.

In 2024, we began offering a dual fuel heating system rebate for customers interested in a higher-efficiency heating and cooling system to replace an aging gas furnace, helping to reduce their energy use and associated emissions. The rebate helps offset the cost of installing a new electric heat pump combined with a new, high-efficiency gas furnace.

Installation of a high-efficiency gas furnace as part of a dual fuel heating system.

Dual fuel systems can provide customers access to a reliable and efficient heating system to keep their homes warm and comfortable, even on the coldest days, while benefiting from high-efficiency cooling on hot days. These systems can also help reduce household energy use and associated emissions.[14]

Customer participation in the new rebate exceeded expectations, with more than 3,000 adopting dual fuel heating systems and saving more than 66,500 GJ of gas annually.[15]

A high-efficiency gas furnace can be paired with a new electric heat pump for higher-efficiency heating and cooling. In 2024, we invested close to $35 million in rebates[16] for dual fuel systems.

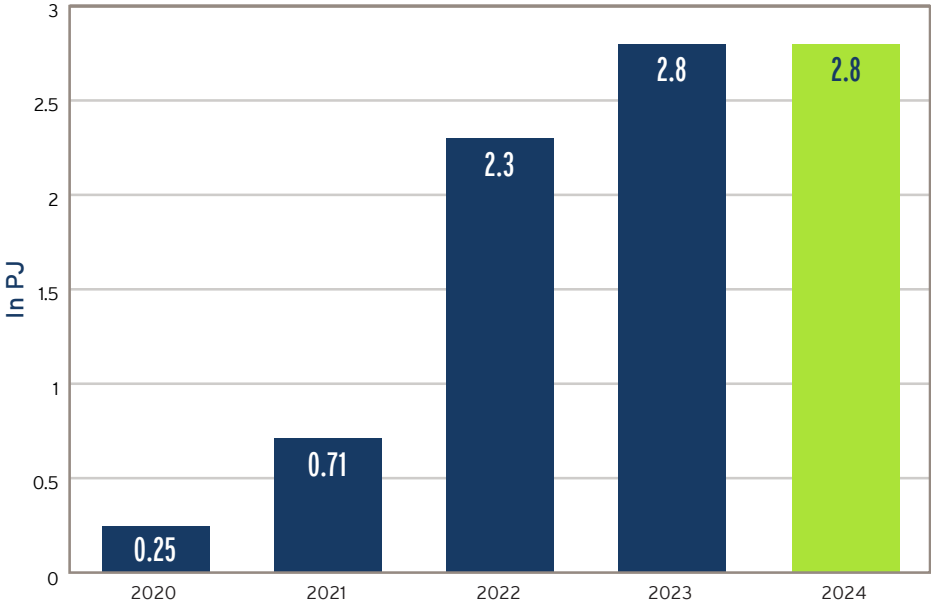
[14]When compared to standard efficiency, 80 per cent annual fuel utilization efficiency gas furnaces and boilers. [15]Source: FortisBC Energy Inc. Natural Gas Demand-Side Management Programs 2024 Annual Report, March 31, 2025. [16]Includes rebates through the Home Renovation Rebate Program and the income-qualified rebate program for dual fuel systems.

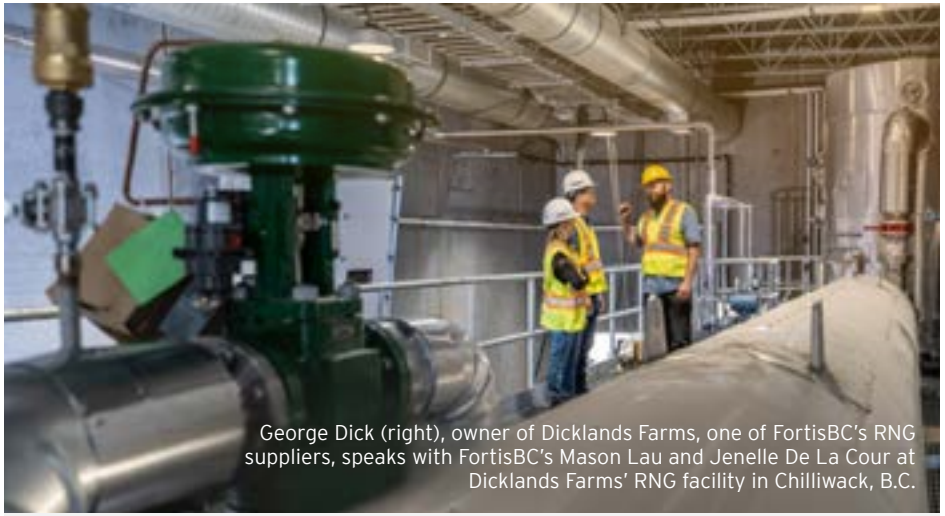
Renewable and lower carbon gases[17]

In 2024, we acquired 2.8 PJ of RNG for our customers, which is enough energy for more than 31,000 homes for a year.[18] The natural gas designated as RNG sold to customers in 2024 helped to reduce Scope 3 - Category 11 (use of sold products) customer emissions from the use of natural gas designated as RNG in comparison with conventional natural gas by approximately 121,000 tCO_2e.

We are making progress towards acquiring RNG from new projects, including the FortisBC-owned biogas facility at the Vancouver Landfill. These projects are anticipated to add at least one PJ of RNG annually to our gas system when fully operational. Projects like these expand the supply of renewable energy in B.C. and support the province's GHG emissions reduction goals.

Annual volume of RNG acquired for customers





George Dick (right), owner of Dicklands Farms, one of FortisBC's RNG suppliers, speaks with FortisBC's Mason Lau and Jenelle De La Cour at Dicklands Farms' RNG facility in Chilliwack, B.C.

Lowering the carbon intensity of the gas system with designated RNG blend

In March 2024, the British Columbia Utilities Commissions (BCUC) approved key elements of our revised RNG application, enabling FortisBC to automatically designate a portion of our gas customers' natural gas as RNG, known as designated RNG blend. Starting on July 1, 2024, specified gas customers had one per cent of their gas automatically designated as RNG, and in January 2025, this increased to two per cent.

RNG is a lower carbon[19] substitute for conventional natural gas. We acquire RNG from across B.C. and North America and designate a portion of that supply to most of our residential and business customers. When RNG is added to North America's gas system, it mixes with conventional natural gas. The more RNG that is added to the gas system, the less conventional natural gas is needed, thereby reducing the use of fossil fuels and overall GHG emissions.

[17]FortisBC uses the term renewable and lower carbon gas to refer collectively to the lower carbon gases or fuels that the utility can acquire under the Greenhouse Gas Reduction (Clean Energy) Regulation, which are: Renewable Natural Gas (also called RNG or biomethane), hydrogen, synthesis gas (from wood waste) and lignin. FortisBC's renewable and lower carbon gas portfolio currently includes only Renewable Natural Gas. Other gases and fuels may be added to the program over time. Depending on their source, all of these gases have differing levels of lifecycle carbon intensity. However, all of these gases are lower carbon when compared to the lifecycle carbon intensity of conventional natural gas. The current burner tip emission factor of RNG is 0.27 grams of carbon dioxide equivalent per megajoule of energy (gCO_2e/MJ) and the current renewable and lower carbon gas portfolio lifecycle emissions for stationary combustion are -22 gCO_2e/MJ. This is below B.C.'s lifecycle carbon intensity threshold of 30.8 gCO_2e/MJ as set out in the 2024 Greenhouse Gas Reduction Regulation amendments. This footnote applies to all references to this term in the Report. [18]Based on a typical residential gas customer with an average annual consumption of 90 GJ. [19]When compared to the lifecycle carbon intensity of conventional natural gas. The burner tip emission factor of FortisBC's current Renewable Natural Gas (also called RNG or biomethane) portfolio is 0.27 grams of carbon dioxide equivalent per megajoule of energy (gCO_2e/MJ). FortisBC's current RNG portfolio lifecycle emissions for stationary combustion are -22 gCO_2e/MJ. This is below B.C.'s lifecycle carbon intensity threshold of 30.8 gCO_2e/MJ as set out in the 2024 Greenhouse Gas Reduction Regulation amendments. This footnote applies to all references to this term in the Report.


FortisBC and Hazer Group Limited tour the Hazer Pilot Project in Kitchener, B.C.

Innovations in hydrogen development

We believe that hydrogen has the potential to play a role in a lower carbon energy future and can help advance the goals of the province's CleanBC strategy. We have been assessing technology development through various research and pilot projects to explore the potential of hydrogen as a sizable new source of lower carbon energy and diversify our lower carbon fuel supply.

We have collaborated with Australia's Hazer Group to explore the development of a methane pyrolysis commercial demonstration plant that will make hydrogen from natural gas. This project is an opportunity to build a hands-on understanding of hydrogen's potential in reducing emissions as well as test an innovative technology that explores methane pyrolysis to produce hydrogen and graphite—a first in Canada. This innovative technology, called the HAZER® Process provides a unique solution for capturing carbon—storing it in solid form as graphite, a material with several potential uses in industrial processes and manufacturing, such as iron and steel manufacturing, asphalt and concrete production and water purification.

A pilot rig was built in late 2024 and early 2025 in Kitchener, B.C., to test important design factors and mimic key aspects of the HAZER Process associated with the commercial demonstration project. This pilot rig development and testing was also enabled by funding from the Province of B.C.'s CleanBC Industry Fund.

Driving lower carbon transportation

The transportation sector accounts for 41 per cent[20] of total GHG emissions in B.C., making it a priority area to provide lower carbon solutions. We offer our customers EV charging infrastructure and lower carbon fuel options like CNG and RNG for existing CNG and LNG customers to support lowering emissions from this sector. These fuel sources are lower carbon alternatives when compared to diesel.

LNG fuel provided for use in the transportation sector

2.07 PJ

CNG fuel provided for use in the transportation sector

1.65 PJ

For information on our emissions methodology, see Appendix section GHG emissions data evaluation criteria.

Our investment in and the installation of EV chargers and infrastructure across the Southern Interior of B.C. supports lowering transportation sector emissions. We own and operate 42 Direct Current Fast Charging stations at 22 sites in 20 communities within our electricity service area.

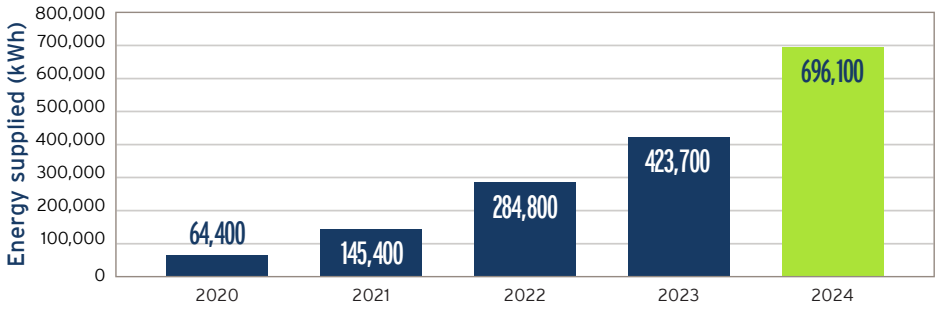
EV charging station in Kelowna, B.C.

[20] *Source: Pathways for British Columbia to achieve its GHG reduction goals; Guidehouse, 2020, page 11.*

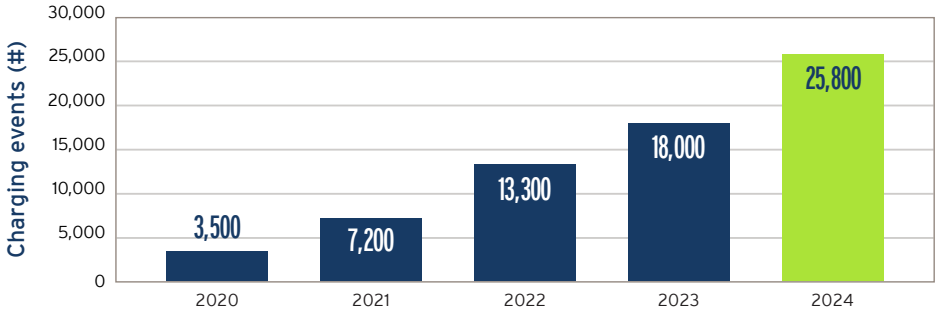
As demand for our EV charging network continues to grow, additional investment in the system will be necessary to provide future upgrades and expansions. The use of our infrastructure will balance investment costs for higher-powered fast charging stations, as the investment costs are offset by the charging fees paid by EV drivers using the system.

In 2024, drivers used our charging infrastructure 43 per cent more often than in 2023. We saw just over 25,800 charging events, and we supplied 696,100 kilowatt hours (kWh) in 2024 compared with 423,700 kWh of energy to vehicles in 2023.

Energy supplied to EVs from FortisBC's charging stations



Number of charging events

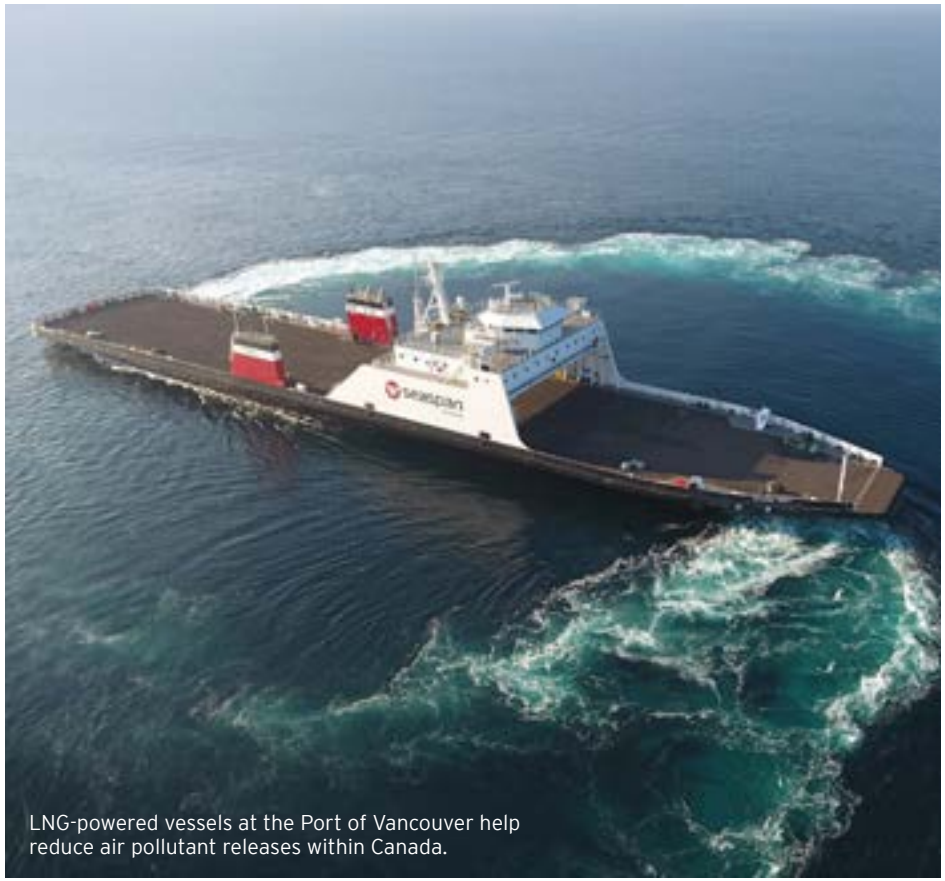


We continued to help companies reduce emissions through the adoption of vehicles powered by CNG and compressed RNG in 2024. To date, we have supported the conversion of more than 1,100 commercial vehicles in B.C. to CNG. FortisBC's natural gas has a carbon intensity 22 per cent lower than the diesel carbon intensity threshold under the B.C. LCFS.[21] RNG originating in B.C. from FortisBC has a carbon intensity nearly 100 per cent lower than the LCFS's diesel carbon intensity threshold.[22]

LNG for marine fuelling

We're helping marine transportation customers reduce emissions by expanding access to LNG.[23] According to the 2025 study by Affinity, substituting the use of marine gas oil with LNG at the Port of Vancouver helps to reduce air pollutant releases from vessels within Canada.

For information on our emissions methodology, see Appendix section GHG emissions data evaluation criteria.



LNG-powered vessels at the Port of Vancouver help reduce air pollutant releases within Canada.

[21]FortisBC's 2023 LCFS compliance submission specifies a baseline CNG carbon intensity of 63.64 grams of carbon dioxide equivalent per megajoule of energy (gCO_2e/MJ). The B.C. LCFS 2023 diesel carbon intensity threshold is 81.86 gCO_2e/MJ. [22]The burner tip emission factor of FortisBC's current RNG portfolio is 0.27 grams of carbon dioxide equivalent per megajoule of energy (gCO_2e/MJ). The B.C. LCFS 2023 diesel carbon intensity threshold is 81.86 gCO_2e/MJ. [23]Source: LNG Bunkering 2024: A market on the move, Affinity, 2025.

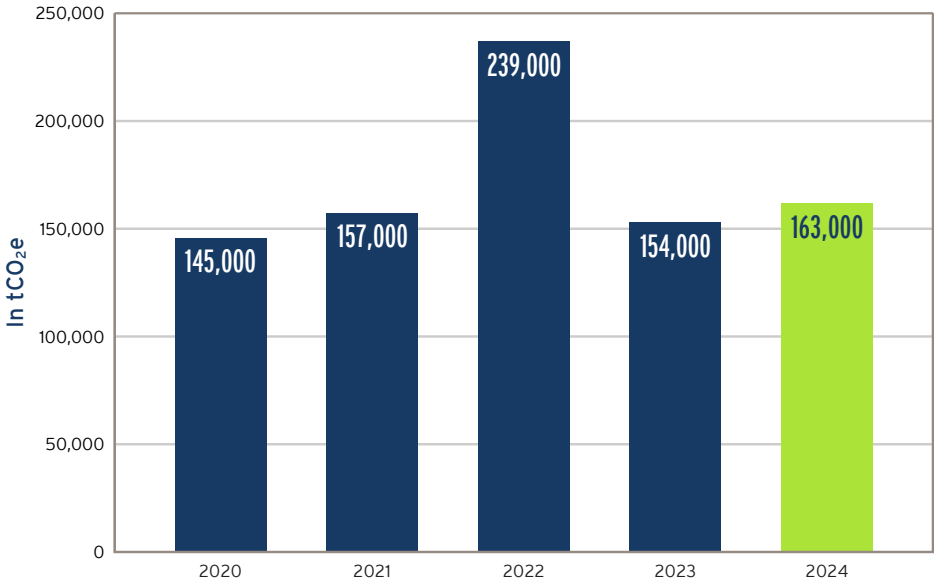
FortisBC's GHG emissions

We calculate our absolute Scope 1 GHG emissions from our gas operations (combustion, flaring, venting and fugitive emissions), third-party gas line damage incidents, RNG processing facilities, sulfur hexafluoride (SF_6) fugitive emissions, FortisBC fleet vehicles and from gas for comfort heating.[24] Annual variations are linked to overall gas delivered to our customers due to variations in weather and other factors including methane releases.

Members of FortisBC's Innovation and Sustainability Ambassadors Network tour the Tilbury LNG facility in Delta, B.C.

Scope 1 emissions are subject to factors such as methane releases, which can be both planned and unplanned. In 2024, there was an unplanned release of gas from a compressor station. This release did not pose a public safety risk, and the BC Energy Regulator was notified of this event. This event was the main contributor to the increase in emissions in 2024.

Scope 1 GHG emissions



We are identifying ways to improve the operations of our infrastructure and facilities, like our plan to help lower associated emissions from our compressor stations and fleet vehicles to support emissions reductions, and the implementation of energy-efficiency opportunities.

[24] *Natural gas for comfort heating is the gas used to heat facilities occupied by employees to an appropriate temperature.*

Increased measurement and monitoring of methane emissions from our gas system

We continue evaluating opportunities for emissions reductions. Methane emissions from our system's operation are from vented methane from gas compression, fugitive methane from transmission and distribution gas lines and equipment and fugitive methane from third-party line hits to our infrastructure.

Actions we undertook in 2024 include:

- investing more than $5 million in capital improvements in methane reduction technologies at our compressor stations
- piloting new technology on our gas infrastructure, including a zero-combustion drawdown compressor with a higher capacity to maintain system reliability for our customers while continuing to reduce vented emissions from gas lines
- conducting a pilot in North and West Vancouver using satellites to provide leak measuring data from approximately 93,000 assets[25] with key successes that include below-grade leak detection and leak detection in heavily commercial and industrial areas. Further activities are scheduled in 2025

FortisBC installed one of the first integrated-seal gas and slow-blowdown capture and re-injection systems in Canada at two of our compressor stations. These systems allow us to reduce methane emissions without the use of a flare.

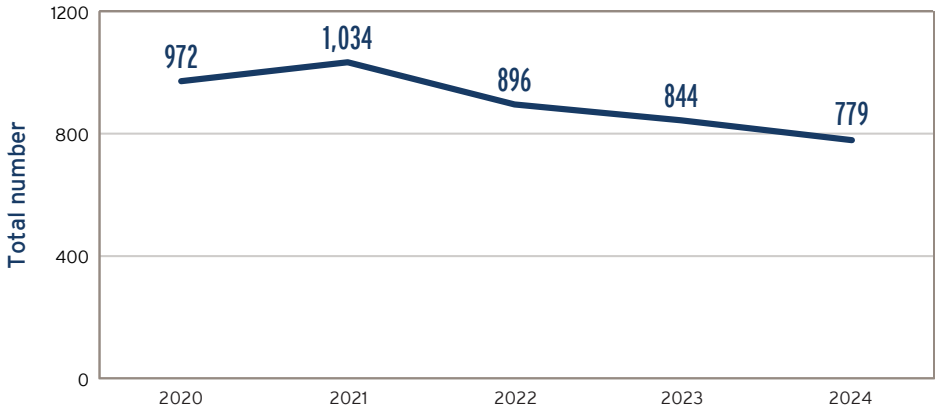
[25]Includes kilometres of main, services and number of meter sets. Main is in reference to the distribution main lines that run outside of a property along streets or roads throughout the area and/or community, and services are the individual distribution service lines to a premise or building.

Supporting safe digging practices through public outreach

Our public safety initiatives educate British Columbians on ways to stay safe around our gas and electricity infrastructure, including using leading practices for safe digging around our gas lines. Reducing gas line damages prevents the release of fugitive methane.

A record high 169,425 BC 1 Call location requests were processed in 2024, and incidents of gas line damage by third parties fell nearly eight per cent in 2024 from the prior year.

Gas line damage incidents by all parties working around FortisBC's gas system



Scope 3 GHG emissions from customer end use

We continue to report Scope 3 GHG emissions from our gas utility. Scope 3 emissions are a category of emissions that we do not directly control but are related to the energy we deliver. We currently report on Category 11 - use of sold products - for our gas utility, including the use of sold products for our customers, our transport customers[26] and for natural gas designated as RNG. FortisBC's Scope 3 - Category 11 GHG emissions increased in 2024. This increase is attributed to changes in gas volumes due to greater customer demand.

The natural gas designated as RNG that was sold to customers in 2024 helped to reduce Scope 3 - Category 11 customer emissions from the use of natural gas designated as RNG in comparison with conventional natural gas by approximately 121,000 tCO_2e.

As we continue to evaluate data from third-party sources and gain access to available methodologies and data, additional Scope 3 GHG emissions categories may be included in future reporting to improve the comprehensiveness and completeness of our GHG emissions inventory. We recognize that additional categories may be material in the context of Scope 3 GHG emissions and as data availability improves, we expect to enhance our inventory.

	2024
Emissions (tCO_2e)[27]	
Scope 3 – Category 11 GHG emissions – gas:	
Category 11 – use of sold products (customers)	7,920,000
Category 11 – use of sold products (transport customers)	3,020,000
Category 11 – use of sold products (RNG)	650
Biogenic CO_2 emissions from customer use of RNG (tCO_2)[28]	121,000

[26]FEI's customers include all customers on FortisBC rate schedules for whom FEI acquires gas for delivery. This does not include our transportation service (transport) customers who procure their own gas from other sources and deliver that gas to one of FEI's interconnection points with upstream pipelines. FEI does not control where these users procure their gas, from whom they procure it, nor the carbon intensity of that gas; additionally, FEI does not take any financial possession of their gas. We charge the transport customers, through various rate schedules, for the service we provide of 'transporting' their gas through our distribution system. [27]Scope 1 and 3 GHG emissions are calculated using the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5) Global Warming Potential values. Scope 2 GHG emission calculations use approved emission factors as provided by the Province of British Columbia. [28]Biogenic carbon dioxide emissions are not additive to overall GHG emissions per B.C.'s GHG methodology handbook and guidance by the IPCC.

Supporting the natural environment

We're committed to planning for, monitoring and responding to the environmental impacts of our projects and operations through a risk-based approach that includes:

- conducting project screenings and assessments to identify environmental sensitivities, including potential effects on fish and wildlife, sensitive ecosystems, species at risk and critical habitat
- using the mitigation hierarchy, where we take steps to help avoid, minimize or offset environmental impacts in planning and implementing our work
- developing environmental management plans and implementing mitigation measures for our projects that outline project-specific environmental protection and include, but are not limited to, water management, erosion and sediment control and fish and wildlife habitat protection

A FortisBC electricity right of way in the Southern Interior.

Native seed mixes enhancing biodiversity on rights of way

When there is ground disturbance on our rights of way and facility sites, regionally appropriate native grass seed mixes are used to promote the establishment of native plants and minimize the risk of invasive species. Native plants are more resilient to drought and wildfire and help to increase biodiversity by providing habitat diversity for wildlife and insects.

Indian River Crossing installations work.

Indian River Crossing

The Eagle Mountain - Woodfibre LNG project requires construction of a 47-km gas pipeline including the installation of the Indian River Crossing. In July and August 2024, approximately 200 metres of 24-inch diameter gas line was installed across the Indian River in isolation of stream flow. Fish salvage operations, water quality monitoring and environmental monitoring occurred throughout construction. Upon completion of the installation, the bed and banks of the river were reconstructed to improve resistance to erosion. Large woody debris and boulder clusters were placed in the bed and bank of the channel to diversify the fish habitat features at the crossing location.

The Indian River Crossing was executed in compliance with all regulatory requirements and in alignment with leading management practices. It was also executed in collaboration with səlilwətaɬ (Tsleil-Waututh Nation), including the development of the Indian River Crossing design, mitigation measures and reconstruction plan.

Indigenous and local communities

Indigenous relations

Our Reconciliation journey is guided by our Statement of Indigenous Principles that have been in place for nearly 25 years. These principles help facilitate meaningful engagement and strategies for Reconciliation in support of respectful, responsible and reciprocal working relationships with Indigenous Peoples across our service areas.

We are also guided by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Truth and Reconciliation Commission of Canada: Calls to Action and the 231 Calls for Justice in the final report from the National Inquiry into Missing and Murdered Indigenous Women and Girls.

CANADIAN COUNCIL FOR INDIGENOUS BUSINESS | PAIR PARTNERSHIP ACCREDITATION IN INDIGENOUS RELATIONS

In 2024, FortisBC maintained Silver-level certification in Indigenous relations from the Canadian Council for Indigenous Business's PAIR program. PAIR certification is a multi-year process of implementing plans and meeting targets in business development, leadership actions, employment and community relationships. This designation represents our commitment to improvement in Indigenous relations.

Eagle Mountain - Woodfibre LNG gender and cultural awareness training

In 2024, we collaborated with the Sḵwx̱wú7mesh Úxwumixw (Squamish Nation) to develop and deliver **mandatory gender and cultural safety training** to build employees' awareness and understanding of the risks related to the violence faced by Indigenous women and girls and Indigenous people with diverse gender identity or expressions. More than 520 workers on the project completed the in-person gender and cultural safety training.

Partnering with Indigenous communities to support economic Reconciliation

As part of our commitment to Reconciliation, we collaborate with Indigenous communities to build relationships and partnerships that deliver long-term benefits to Indigenous communities. In 2024, we implemented agreements for our Eagle Mountain - Woodfibre and Tilbury LNG projects. These agreements create a framework that respects Indigenous rights, acknowledges potential impacts and represents a commitment to share benefits with communities. Through these agreements we also support Indigenous communities through education, training and employment opportunities.

Shannon (Seli'xwelut) Henderson, of Sḵwx̱wú7mesh Úxwumixw (Squamish Nation), past president and current chief operating officer of Orange Shirt Day Society, board member of the Indian Residential School Survivors Society and a Sixties Scoop survivor with Tanya Laing Gahr, community and Indigenous relations manager at FortisBC.

Supplier inclusiveness

In supporting mutually beneficial relationships with Indigenous Peoples, we are committed to providing opportunities for Indigenous contractors and supporting local, Indigenous-owned and Indigenous-affiliated businesses.

- In 2024, there were 436 local vendors working on our major projects, representing $214 million in local spending and approximately 333,000 local employment hours.
- Our Eagle Mountain - Woodfibre Gas Pipeline Project included more than 55 Indigenous-affiliated vendors, representing eight First Nations and total spending of $130 million during early construction to install a new gas pipeline between Coquitlam and Squamish.
- Our Inland Gas Upgrades Project included 36 Indigenous-affiliated vendors, representing 22 First Nations and total spending of $5.4 million during the work to upgrade our gas infrastructure to improve safety and resiliency.
- Our Coastal Transmission System's Transmission Integrity Maintenance Capabilities Project involved 28 Indigenous vendors, representing 15 local First Nations. The project had contracts with Indigenous businesses worth $5.2 million, or 12 per cent of its supply chain spending.

Target

Allocate a minimum of five per cent of the total annual contracting expenditures for major projects in the design-execution stage to Indigenous-owned and affiliated businesses.

Why do we measure this?

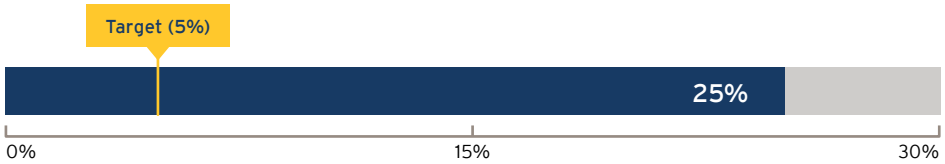
It supports our commitment to advancing economic Reconciliation with Indigenous communities and businesses.

Our performance

Nearly 25 per cent, or $140.7 million, of the total annual contracting expenditures for major projects in the design-execution stage was awarded to Indigenous-owned and affiliated businesses, exceeding our target performance minimum of five per cent in 2024.

FEI and FBC

$140.7 million



We host or participate in at least four business-to-business events each year to support Indigenous supply chain activities. These events help to reduce barriers for Indigenous businesses to access opportunities at FortisBC and aim to further facilitate collaboration and partnership opportunities between Indigenous contracting businesses and FortisBC project managers. In 2024, we participated in nine business-to-business activities.

FortisBC, in partnership with the Okanagan Nation Alliance, hosted a business engagement session.

Local communities

In 2024, FortisBC invested a total of $5.6 million in local communities. These investments come from our Community Investment Program, donations and sponsorships.

Target

Invest 20 per cent of our community investment funding annually in Indigenous community investment initiatives.

Why do we measure this?

We are proud to contribute to programs that support Indigenous initiatives and participate in community events that align with our core values.

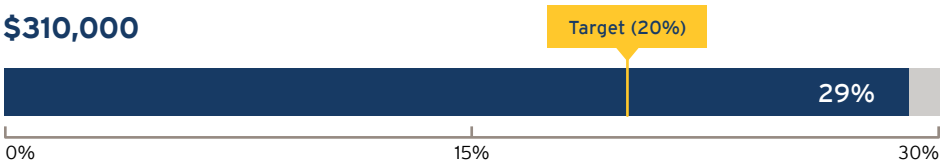
The Community Investment Program forms part of our total investment in local communities and represents a portion of our annual budget as per our regulatory filings with the BCUC.

Our performance

Our investments in Indigenous communities represented about 29 per cent, or $310,000, of our total annual Community Investment Program funding in 2024.

FEI and FBC

$310,000



Our Community Investment Program focuses on four key areas that support local community growth, including safety, education, Indigenous initiatives and the environment. Through the program in 2024, we supported more than 300 grassroots initiatives in 76 B.C. communities.

Jennifer Datchkoff, community and Indigenous relations liaison, joins the ONA fry release. The event is part of the Fish in Schools program dedicated to education and the environment.

FinS up for fry

We are honoured to support and fund local initiatives like the Okanagan Nation Alliance's (ONA) Fish in School (FinS) program to help students continue to receive hands-on education about the environment. This program has been successfully delivered since 2003 and empowers students to learn about the lifecycle of salmon–notably sockeye–and their habitat. ONA provides classrooms with the resources and equipment required to raise salmon from eggs before students release the fry at the annual ONA sockeye fry release. In 2024, 60 schools in the Okanagan and Upper Columbia regions participated in the program.

Supporting British Columbians through FortisBC's Community Giving Days

We host Community Giving Days in local communities throughout our service areas. In 2024, this included the Comox Valley Ground Search and Rescue. To support those who selflessly give their time to protect communities and the environment, we donated funds toward the purchase of new safety equipment for volunteers, including mountain rescue packs, rope equipment and upgraded first aid gear. Providing this funding helps those who want to give back to their community by volunteering but find the cost of purchasing advanced safety gear a financial barrier.

Operational performance and adaptation

Asset management and investment

Our integrity management program sets out the ways we keep our gas system assets safe, reliable and affordable throughout their lifecycles. This includes planned maintenance programs and ensuring compliance with applicable legislation. Our commitment to invest $4.8 billion in our gas and electricity infrastructure from 2025 to 2029 will support the reliability and integrity of our energy systems.

Our integrity management program and investments in our major integrity projects help to support energy reliability, a core component within our sustainability area of focus of operational performance and adaptation. Capital investment in major integrity projects includes upgrading our gas customers' meters to wireless advanced gas meters through our Gas Advanced Metering Infrastructure (AMI) Project. This is a crucial update that modernizes our metering technology, which hasn't fundamentally changed in more than 100 years.

Getting smarter with our meters

We're evolving our infrastructure to current technology by upgrading our gas meters.

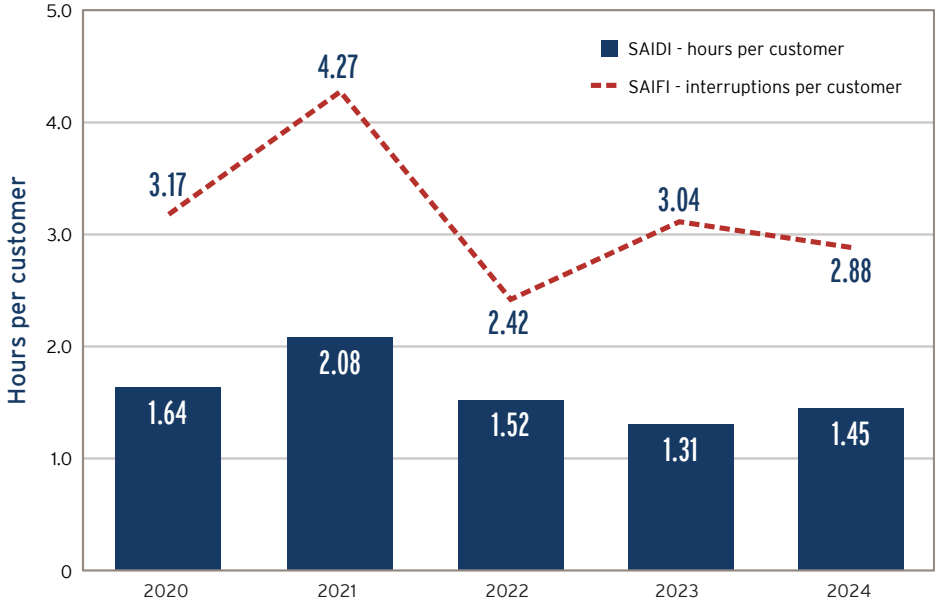
Through our Gas AMI Project, we're upgrading about 1.1 million gas meters across the province, modernizing our gas network. Some of the future benefits of the project include:

- helping our customers make cost-effective energy choices by giving them access to their daily gas use data
- enhancing safety with the ability to remotely shut off gas, if necessary, in the event we're made aware of an emergency, such as a gas leak or earthquake

Advanced gas meters are modernizing our metering technology.

Reliability standards for our electricity system are regulated by provincial Mandatory Reliability Standards and measured by the system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI).

Electricity outage response

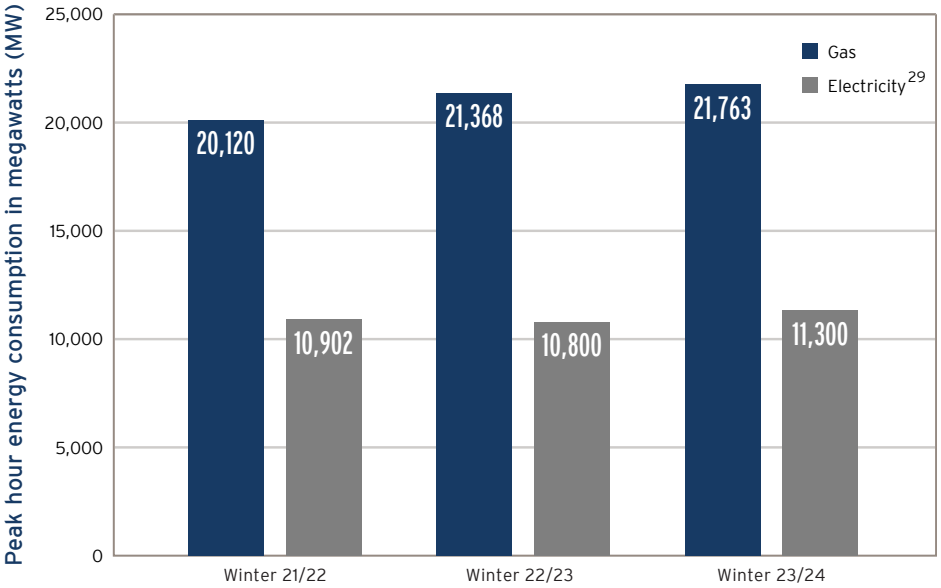


Providing energy when our customers need it

Peak demand—the highest amount of energy needed at a certain time—seen across both our utilities reflects the impacts of weather events and customer load growth and demonstrates the rising need to invest in the reliability of our systems.

Our customers rely on our energy systems to deliver energy at peak winter heating times. In 2024, our gas system delivered approximately twice the energy of the province-wide electricity systems on the coldest day of the year, setting a new peak demand record.

Peak demand in B.C. (total provincial electricity)



From left, Cole Sayers, of Hupačasath First Nation, executive director of Clean Energy BC, with Joe Mazza and Tania Specogna of FortisBC, announcing our request for new power generation projects to meet customers' growing needs.

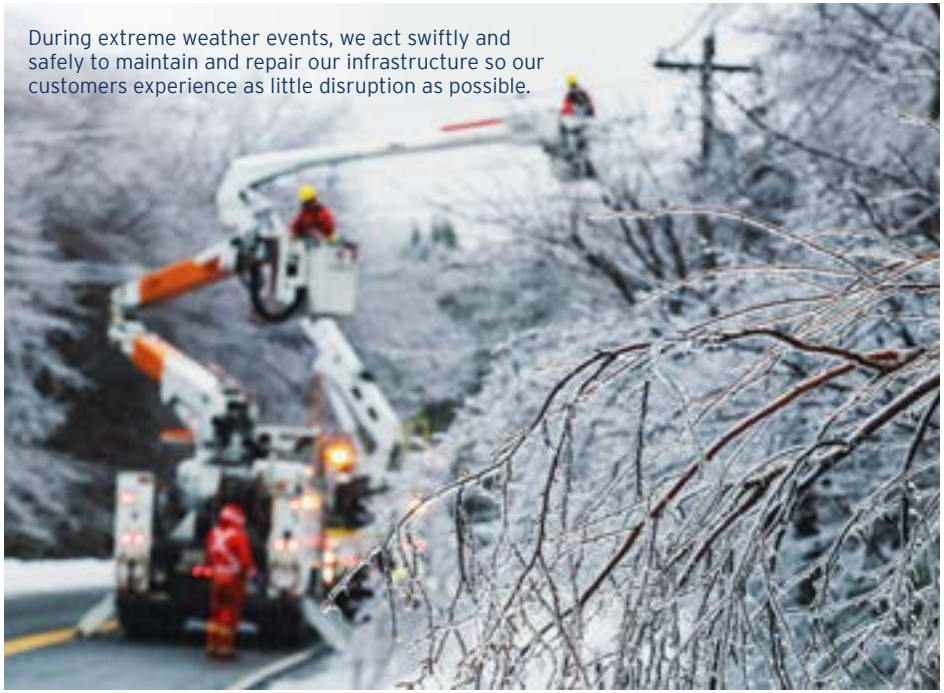
We're taking action to increase our supply of energy so we can continue to reliably meet our customers' needs. In 2024, our electricity utility issued a Request for Expressions of Interest for additional renewable and lower carbon energy projects as we explore renewable energy potential in our electricity service area.

We are seeking approval[30] from the BCUC to invest up to $157 million over the next three years in additional electricity infrastructure including new transformers and upgrades to substations and transmission lines in the Southern Interior. FortisBC's 2021 Long-Term Electric Resource Plan (LTERP) also proposed new infrastructure projects for the region, including the 2023 upgrades to our F.A. Lee Terminal Station and the addition of transformers to other substations in Kelowna. We anticipate filing a new LTERP in 2026 that will include further investments in electricity infrastructure projects throughout the Southern Interior.

[29] *This includes the province-wide electricity systems.* [30] 2025-2027 Rate Setting Framework (FEI and FBC).

Emergency preparedness and response

We make a significant proactive effort to prepare for and respond to emergencies including extreme weather events. Our business continuity programs and emergency response plans help maintain our utilities' emergency readiness for and resilience to extreme weather events. We work with all levels of government, emergency services, Indigenous communities and other stakeholders on emergency planning. We completed 28 emergency exercises in 2024, including some large-scale emergency simulations, to practice and improve our response in these types of situations.



During extreme weather events, we act swiftly and safely to maintain and repair our infrastructure so our customers experience as little disruption as possible.

Extreme weather

We evaluate risks from extreme weather events, including wildfires, floods, sea-level rise, windstorms, heat domes, polar vortexes, landslides, lightning and freeze-thaw events.

Commitment

Further plan for extreme weather events in our asset investment and operational planning decision-making.

Incorporating ongoing extreme weather event risk assessments into our asset investment and operational planning decision-making helps us proactively address potential impacts and risks.

Our performance

FortisBC's climate change operational adaptation plan work continues to evaluate the risk of climate-related events to our energy infrastructure.

Results of 2024's initial risk assessment will:

- inform our next steps in determining the risk associated with these events at specific assets
- identify areas of unacceptable risk
- develop mitigation plans to address unacceptable risks
- better prepare assets to plan for and respond to extreme weather events

Wildfire mitigation and response

Wildfire risk assessment in B.C. has emphasized the importance of prevention and rapid response to mitigate damage to our infrastructure and safely restore service to our customers. We work with the BC Wildfire Service to share knowledge and training with other external stakeholders and utilities to help with their wildfire response.

FortisBC field crew spraying an electricity power pole with fire retardant gel.

In 2024, we created a wildfire mitigation steering committee as part of our planning and risk mitigation activities. This committee looks to align wildfire mitigation activities with a governance structure that provides oversight of the planning and execution of programs throughout the company. A climate change risk assessment was completed in 2024 as part of our climate adaptation commitment and identified the highest potential climate risks to our gas and electricity utilities, including an increased wildfire risk. Studies will continue in 2025 to identify which assets may need additional consideration to address elevated risks posed by climate change.

Our wildfire mitigation and response efforts include:

- using fire suppression materials and fire blankets around infrastructure facing potential risks
- implementing our vegetation management plans to effectively maintain the safety and reliability of our gas transmission and intermediate pressure assets and our electricity transmission and distribution assets
- creating contingency plans and monitoring assets to maintain service in the event of damage
- putting into effect enhanced power line safety settings that increase the sensitivity of our equipment to reduce the risk of wildfires
- developing a new, precautionary measure that was implemented on July 1, 2025 called Public Safety Power Shutoffs, where, as a last resort, we proactively shut off power in areas that have been identified as having the greatest wildfire risk during extreme weather conditions to reduce potential ignition sources

Cybersecurity

We work to ensure our systems respond to new and emerging threats.

We actively manage and mitigate risks to cybersecurity and physical security to protect our infrastructure and customers' data. We do so by:

- complying with B.C.'s Personal Information Protection Act to support correct handling of our customers' data and all other personal information under our management
- employing rigorous security protocols that are integrated into enterprise risk management and emergency management programs
- providing employee training to support preparedness for changing cybersecurity risks
- participating in regular third-party security audits and assessments

Energy affordability

As an operator of critical energy infrastructure, we remain focused on providing safe, reliable and affordable energy. FortisBC recognizes that energy costs are an important consideration for the many households and businesses we serve. We operate efficiently to help keep rates manageable for customers, utilizing the strengths of our gas and electricity systems and putting to use our established infrastructure.

Our rates are reviewed by the BCUC to ensure the charges we pass on to our customers appropriately recover the costs of providing safe and reliable energy and making investments in infrastructure to ensure ongoing system integrity and reliability. The rates our customers pay play an important role in covering the ongoing costs associated with building and maintaining our energy systems for the benefit of the homes and businesses we serve.

- Our customer service teams work with customers to provide information on energy-saving tips, answer any billing questions and offer personalized solutions to help customers manage their energy use. Our Equal Payment Plan helps customers avoid seasonal fluctuations and brings greater predictability to their bills.
- When possible and to help reduce costs for our customers, we purchase natural gas in the summer when prices are lower and store it so that natural gas is available to our customers in winter months when they need it. We sell surplus natural gas back to the market to further offset costs and pass those savings on to our customers.
- We offer information on low- and no-cost ways customers can reduce their energy use. Taking steps to improve energy efficiency can help to reduce energy bills.
- We invest in energy-efficiency programs to help customers reduce their energy use. This includes programs focused on income-qualified customers. In 2024, we invested more than $13 million in programs to help income-qualified customers save energy, lower monthly bills and reduce associated emissions. This included distributing more than 10,000 free Energy Saving Kits.

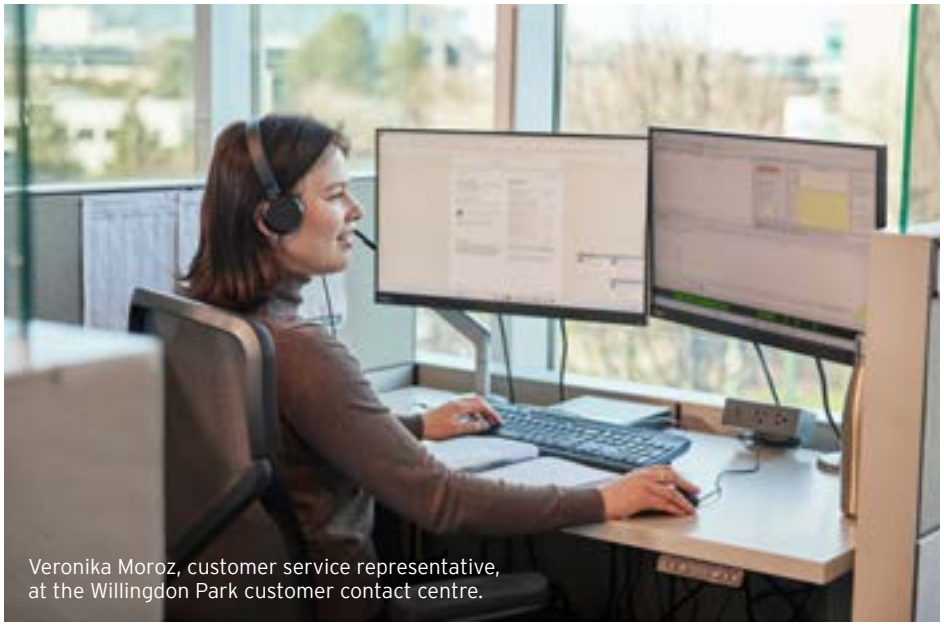
The Energy Saving Kit is filled with easy-to-install products, such as faucet aerators, weatherstripping and LED bulbs, to help our customers save on space and water heating and lighting at home.

Customer experience and satisfaction

We strive to make our customers feel valued every day, and we design experiences for our customers with them in mind.

Target

Deliver high-value customer experiences by achieving annual customer satisfaction index scores of 8.5 out of 10.



Veronika Moroz, customer service representative, at the Willingdon Park customer contact centre.

Why do we measure this?

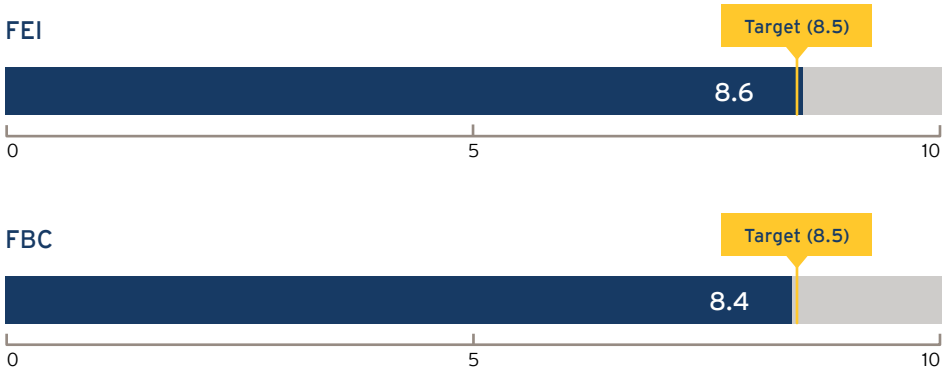
We're committed to delivering high-value customer experiences.

In 2024, we set a target to deliver high-value customer experiences by achieving annual customer satisfaction index scores of 8.5 out of 10. This is measured through our customer satisfaction index, a survey designed to measure satisfaction with contact centre services, field services, meter reading, energy conservation information and overall customer service.

Our performance

Our gas and electricity utilities performed well in the customer satisfaction index, in part due to:

- the reliability of our electricity supply resulting in a low frequency and short average duration of power outages
- efficient and friendly service by customer service representatives who provided timely and complete responses to customer queries
- the professionalism and knowledge of our service technicians



People and culture

Our more than 2,700 skilled, resilient and hardworking employees are the cornerstone of our reputation for providing reliable energy to our customers today and in the future. We continue to build upon our cultures of safety and belonging in our workplaces. We encourage employees to participate in developing and maintaining operational safety practices and invest in empowering our employees to succeed professionally.

Our BC's Top Employers designation

We were recognized by Mediacorp Canada Inc. for the second year in a row as one of BC's Top Employers for 2025. To achieve this designation, organizations across the province are evaluated against various criteria, including workplace, work atmosphere and social; health, financial and benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement. We are proud that our workplace is recognized for providing excellence in these areas.

Employee safety

We are committed to maintaining leading health and safety practices for our employees, helping employees feel secure and cared for. All FortisBC employees (excluding contractors) are covered under our safety management system.

We continue to be recognized by WorkSafeBC's Certificate of Recognition Program as a top performer, which means our efforts to support workplace health and safety exceed minimum requirements.

We achieved an all-injury frequency rate (AIFR) of 1.46 in 2024, our lowest rate in four years. The AIFR is an indicator of the health and safety at a workplace, and our continued reduction of the AIFR is a testament to the protocols and strategies employed to reduce workplace risks.

In support of our ongoing goal of promoting and strengthening our safety management system, we set an annual target in 2024 of achieving an on-time safety improvement rate of 95 per cent annually for our gas and electricity utilities combined. This is an ambitious target that we strive to attain through developing and actioning safety initiatives on or before assigned deadlines.

Target

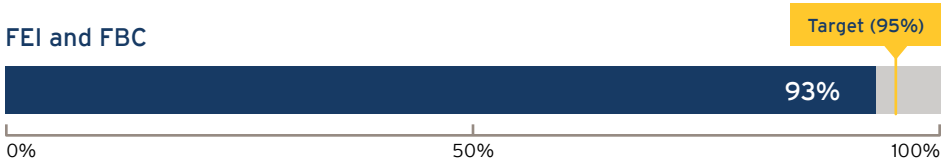
Maintain leading health and safety practices, ensuring that every employee feels secure and cared for. Achieve an on-time safety improvement rate of 95 per cent annually.

Why do we measure this?

It supports initiatives that encourage employees to participate in developing and maintaining operationally sound safety practices.

Our performance

We delivered an on-time safety improvement performance rate of 93 per cent in 2024.



Our progress

Our performance approached our 95 per cent target, achieving a rate reflective of our high standards for safety performance. We are committed to working towards improving our performance through various safety initiatives:

- In 2025, we will introduce our safety leadership in action training and update our existing safety learning and engagement program. These initiatives will focus on employee engagement to enhance safe work practices through proactive identification of hazards.
- Informing and engaging with employees about the importance of on-time safety reporting will help to improve our overall safety performance.

Kristopher Nyberg, pipeline technician 2 at FortisBC, uses a robotic exoskeleton.

Improving safety through technology: robotic exoskeleton pilot

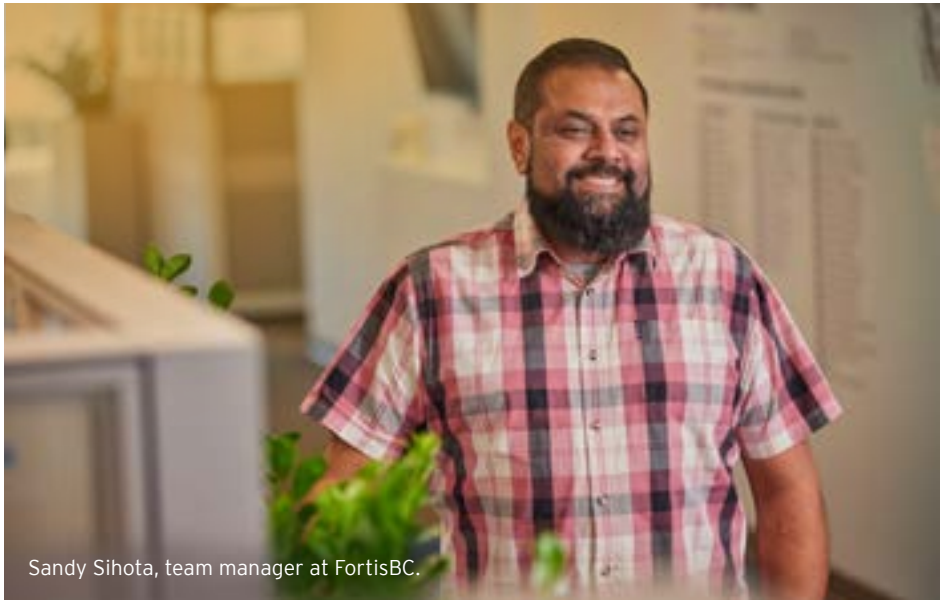
FortisBC launched a robotic exoskeleton pilot in 2024. These are devices employees wear that support and assist movement, helping to prevent injuries. Musculoskeletal injuries are the most common injuries in the workplace. FortisBC is testing and evaluating the devices for specific use cases:

- shoulder support for employees, such as electricians, making repairs that require overhead lifting
- posture support for employees, such as mechanics and customer service technicians, working in awkward or confined spaces

Derek Piche, operations manager, Dan Heinricks and others at the Ktunaxa archaeological site near Cranbrook, B.C.

A culture of belonging

We are dedicated to advancing our culture of belonging where our workforce can reflect the diversity of the communities we serve and our employees can connect, belong and grow. We focus on five key areas: the diversity of our workplace, equity in employee experience, inclusive leadership, workforce well-being and community well-being.



Sandy Sihota, team manager at FortisBC.

Commitment

Develop and implement an annual action plan to enhance our culture of belonging by fostering a diverse, inclusive, equitable and community-oriented work environment.

This action plan supports our commitment to our people and to building a culture that supports a skilled, resilient and inclusive workforce.

Our performance

We developed our 2024 culture of belonging action plan and implemented more than 10 initiatives, including:

- developing action plans to strengthen employee engagement based on results from the 2023 Fortis Employee Engagement and Inclusion Survey
- measuring the effectiveness of our efforts to communicate the results of the 2023 Fortis Employee Engagement and Inclusion Survey and related action plans through an employee engagement pulse survey
- raising more than $93,000 to support the United Way and empowering employees to give back to communities through our employee giving programs
- cultivating talent across all levels of the organization with 18 of our top leaders completing the intensive year-long, Advancing Leadership Development Program, an employee leadership program that started in 2022

We also released our first pay equity report in alignment with B.C.'s Pay Transparency Act. Pay equity promotes job satisfaction and helps embed equity and inclusion in our decision-making around talent attraction and employee career growth and promotion.

Percentage of job vacancies filled by existing employees

57%

For further data on our people, see Appendix section Key performance indicator summary.

Our approach to reporting

Our sustainability reporting follows Global Reporting Initiative (GRI) standards. We use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards to calculate our GHG emissions.

Sustainability key performance indicators are included in the Appendix and are dated as of December 31, 2024, except as otherwise noted. Please use this document for comparative purposes, as historical data has been updated in some instances. Where data has been updated, it has been noted. This report was published on August 13, 2025.

FortisBC generation operations manager Paul Matteucci on the job.

Celeste Arrieta, executive assistant, customer service.

Additional FortisBC disclosures

Gas utility management discussion and analysis

Electricity utility management discussion and analysis

Gas utility annual information form

Electricity utility annual information form

Data verification and report review

FortisBC has internal quality controls for data collection processes. This report is also reviewed by the FortisBC executive leadership team, the governance and sustainability committee and the board of directors. Reasonable assurance is completed in accordance with the Government of British Columbia's Greenhouse Gas Industrial Reporting and Control Act and is required for FortisBC Energy Inc.'s gas operations (combustion, flaring, venting and fugitive emissions) and FortisBC Inc.'s imported electricity.

Appendix

Key performance indicator summary

Please use this document for comparative purposes as historical data has been updated in some instances. The asterisks ("*") in the tables indicate new metrics.

Energy transition and environment[31]

Indicator	2024	2023	2022	2021	2020
Emissions (tCO_2e)[32]					
Scope 1 GHG emissions:[33]					
from natural gas operations (combustion, flaring, venting, fugitive)	141,000	130,000	205,500	132,000	118,000
from third-party gas line damage incidents[34]	11,300	14,200	23,300	15,000	11,000
from RNG processing facilities*	940	-	-	-	-
from SF_6 fugitive emissions	221	62	263	99	1,800
from owned vehicle emissions	8,100	8,200	8,200	8,200	8,000
from natural gas for comfort heating	1,500	1,600	1,700	1,500	1,600
Total Scope 1 GHG emissions	**163,000**	**154,000**	**239,000**	**157,000**	**140,000**
Scope 2 GHG emissions[35]	10,400	8,800	7,200	6,100	6,300
Scope 3 – Category 11 GHG emissions – gas:					
Category 11 – use of sold products (customers)	7,920,000	7,170,000[36]	8,060,000	7,700,000	7,400,000
Category 11 – use of sold products (transport customers)	3,020,000	3,400,000	3,550,000	3,800,000	3,640,000
Category 11 – use of sold products (RNG)*	650	749	618	192	68
Biogenic CO_2 emissions from customer use of RNG (tCO_2)*[37]	121,000	-	-	-	-

[31]This summary table reports on sustainability data for FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (FEI and FBC collectively, FortisBC) as of December 31, 2024. For information on our emissions methodology, see Appendix section GHG emissions data evaluation criteria. [32]Scope 1 and 3 GHG emissions are calculated using the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5) Global Warming Potential values. Scope 2 GHG emission calculations use approved emission factors as provided by the Province of British Columbia. [33]Scope 1 emissions, as defined under the Greenhouse Gas Protocol, are direct emissions from owned or controlled sources. For 2024, this includes externally verified Scope 1 GHG emissions as reported to the BC Ministry of Environment and Parks of 143,000 tCO_2e and 9,030 tCO_2e for FEI and LNG operations, respectively. [34]GHG emissions released from gas line damages caused by parties that are unrelated to FortisBC.[35]Scope 2 emissions, as defined under the Greenhouse Gas Protocol, are indirect emissions from the generation of purchased electricity for own use. Not included are externally verified Scope 3 GHG emissions for FBC as reported to the BC Ministry of Environment and Parks in 2024 of 114,000 tCO_2e. [36]Values from 2023 and earlier include the use of sold products (RNG). [37]Biogenic carbon dioxide emissions are not additive to overall GHG emissions per B.C.'s GHG methodology handbook and guidance by the IPCC.

Indicator	2024	2023	2022	2021	2020
FortisBC energy solutions					
LNG fuel provided for use in the transportation sector (PJ)*	2.07	1.53	1.57	1.37	1.45
CNG fuel provided for use in the transportation sector (PJ)*	1.65	1.59	1.51	1.29	0.96
Reduction in Scope 3 – Category 11 GHG emissions for customers from the use of natural gas designated as RNG in comparison to conventional natural gas (tCO_2e)*[38]	121,000	139,000	115,000	35,800	12,600
Customer energy investments and savings					
Expenditure through gas DSM initiatives ($ millions)*	$158.9	$124.2	$108.1	$106.8	$75.8
Expenditure through electric DSM initiatives ($ millions)*	$13.9	$11.7	$10.6	$12.7	$10.2
Total investment in DSM initiatives ($ millions)	**$172.8**	**$135.9**	**$118.7**	**$119.5**	**$86.0**
Energy savings from gas DSM (GJ)*	1,604,752	1,420,903	1,169,837	1,142,533	1,032,721
Energy savings from electric DSM (GWh)*	34.1	31.4	35.9	29.7	26.2
Total customers' GHG emissions reduction through participation in gas DSM initiatives (tCO_2e)[39]	109,123	96,621	69,956	68,323	61,757
Environmental compliance					
Number of environmental fines and penalties	0	0	0	0	0
Emergency spill response plan	✓	✓	✓	✓	✓
Environmental management programs aligned with ISO 14001	✓	✓	✓	✓	✓
Number of Class 3 spills[40] by FortisBC	0	0	2	0	1
Number of Class 3 spills by contractors	0	0	2	1	0
Waste management (in tonnes)					
Total amount of hazardous waste manifested for disposal[41]	130	97	228	56	70
Total amount of recycled hazardous waste	102	140	133	128	178
Total amount of hazardous waste generated and manifested	**232**	**237**	**361**	**184**	**248**

[38]Based on RNG sales of 2.4 PJ. Total acquired RNG in 2024 was 2.8 PJ with a lifecycle GHG emissions saving of 222,900 tCO_2e. [39]As reported to the BCUC. [40]A Class 3 spill is defined as an event that results in significant damage that includes large spills in waterways, spills that significantly exceed externally reportable thresholds, a regulatory non-compliance investigation by regulator and/or a fire that may cause damage more than $100,000. [41]Hazardous waste as reported on the movement document/manifest form that is required for the movement of all hazardous waste by the BC Ministry of Environment and Parks Hazardous Waste Regulation. The majority of the hazardous waste disposed in 2024 can be attributed from day-to-day operations on both electricity and gas utilities.

Indigenous and local communities[42]

Indicator	2024	2023	2022	2021	2020
Economic					
Economic value generated[43] ($ millions)	$2,173	$2,450	$2,557	$2,168	$1,797
Economic value distributed ($ millions):					
operating costs	$250	$242	$231	$211	$222
employee wages and benefits	$365	$350	$342	$346	$323
payments to providers of capital	$573	$496	$411	$399	$449
payment to government	$677	$764	$622	$485	$439
community investment[44]	$5.6	$6.7	$4.5	$3.8	$3.4
Indigenous					
Partnership Accreditation in Indigenous Relations (PAIR) Silver-level Certified[45]	✓	✓	✓	✓	✓
Invest 20 per cent of our community investment funding annually in Indigenous community investment initiatives*	29% ($310,000)	-	-	-	-
Allocate a minimum of five per cent of the total annual contracting expenditures for major projects in the design-execution stage to Indigenous-owned and affiliated businesses*	25% ($140.7 million)	-	-	-	-

[42]This summary table reports on sustainability data for FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (FEI and FBC collectively, FortisBC) as of December 31, 2024. [43]Revenues as reported per external financial statements for FEI and FBC. [44]Includes investments into the communities including donations, in-kind contributions and sponsorships. [45]FortisBC maintained PAIR Silver-level certification in 2024.

Operational performance and adaptation[46]

Indicator	2024	2023	2022	2021	2020
Gas and electricity transmission and distribution (km)					
Total length of gas transmission and distribution lines	51,700	51,600	51,200	50,500	50,200
Total length of electricity transmission and distribution lines	7,350	7,300	7,300	7,300	7,300
Energy deliveries					
Amount of energy delivered – electricity (GWh)	3,513	3,478	3,542	3,460	3,291
Amount of energy delivered – electricity (PJ)	12.6	12.5	12.8	12	12
Amount of energy delivered – natural gas (PJ)	220	213	231	230	219
Annual natural gas designated as RNG volume acquired for customers (PJ)[47]	2.8	2.8	2.3	0.71	0.25
Electricity reliability performance					
System average interruption duration index (SAIDI)[48]	2.88	3.04	2.42	4.27	3.17
System average interruption frequency index (SAIFI)[49]	1.45	1.31	1.52	2.08	1.64
Number of confirmed BC Mandatory Reliability Standards violations with penalty (electricity)[50]	0	0	0	0	0
Gas reliability performance					
Gas line damage incidents by all parties working around the FortisBC gas system (total number)	779	844	896	1,034	972
Number of incidents (gas) with material outcomes, including safety or other consequences and releases of service fluid exceeding established thresholds[51]	1	0	1	0	0

[46]This summary table reports on sustainability data for FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (FEI and FBC collectively, FortisBC) as of December 31, 2024. [47]Value is inclusive of sold volumes to customers and stored volumes for future use. [48]SAIDI depicts the average outage duration for each customer served, indicated in hours per customer. [49]SAIFI depicts the average number of interruptions that a customer would experience, indicated in units of interruptions per customer. [50]Number of confirmed BC Mandatory Reliability Standards violations with penalty in accordance with the British Columbia Utilities Commission (BCUC) Rules of Procedure. [51]Number of incidents with significant safety, environment or service disruption consequences in accordance with the FEI Integrity Management Policy. Materiality of outcomes is determined in consideration of industry practices, regulatory expectations and company specific measures. FEI references the national consensus standard, CSA Z260 "Pipeline system safety metrics" and ANSI/API RP 754 "Process Safety Performance Indicators for the Refining and Petrochemical Industries."

Indicator	2024	2023	2022	2021	2020
Customer safety and satisfaction					
Emergency calls responded to within one hour – gas	97.5%	97.5%	97.7%	97.7%	97.7%
Emergency calls responded to within two hours – electricity	89.3%	92.5%	93%	94%	92%
Customers who achieve resolution in one contact with our customer contact centres	80%	77%	77%	79%	81%
Customer satisfaction index – gas[52]	8.6	8.5	8.6	8.7	8.7
Customer satisfaction index – electricity[53]	8.4	8.4	8.4	8.4	8.5
Number of cybersecurity incidents[54]	0	0	0	0	0
Number of emergency exercises[55]	28	30	26	32	20
Customer information					
Number of customers – gas	**1,098,400**	**1,086,500**	**1,075,600**	**1,064,800**	**1,054,100**
percentage of residential customers*	90.6%	90.7%	90.7%	90.7%	90.6%
percentage of commercial customers*	9.2%	9.1%	9.1%	9.1%	9.2%
percentage of industrial customers*	0.1%	0.1%	0.1%	0.1%	0.1%
percentage of other customers*[56]	0.1%	0.1%	0.1%	0.1%	0.1%
Number of customers – electricity	**195,300**	**190,600**	**187,900**	**184,800**	**182,000**
percentage of residential customers*	69%	68.9%	68.7%	68.5%	68.7%
percentage of commercial customers (general service/ industrial/wholesale)*	8.8%	8.9%	9%	9%	8.9%
percentage of other customers*[57]	22.2%	22.2%	22.3%	22.5%	22.4%

[52]As reported to the BCUC. [53]As reported to the BCUC. [54]A cybersecurity incident is defined as an incident where digital systems are compromised materially, or data is lost or stolen and that is reportable to the BCUC. [55]FortisBC defines an emergency exercise as a simulated emergency in which participants carry out roles, actions, functions and responsibilities that would be expected of them in a real emergency. The number of emergency exercises is driven by several factors such as due diligence, business need and regulatory and community request. Annually, more or fewer exercises are not indicative of safety performance. [56]Gas: other customers include transportation and transportation fixed contracts. [57]Electricity: other customers include indirect customers and lighting and irrigation customers. Indirect customers are those customers served by FBC's wholesale municipal customers (for whom we also provide DSM services); namely, the cities of Penticton, Summerland, Grand Forks and Nelson.

People and culture[58]

Indicator	2024	2023	2022	2021	2020
Number					
Total number of employees	2,743	2,714	2,653	2,631	2,549
Demographics					
Employees:					
percentage of male employees	64%	64%	65%	65%	65%
percentage of female employees	36%	36%	35%	35%	35%
percentage of employees under 30	10%	12%	11%	10%	8%
percentage of employees 30-50	61%	60%	59%	58%	54%
percentage of employees over 50	29%	28%	30%	32%	38%
Average age of employees	43.8	43.6	44.7	44.6	45
Management:[59]					
percentage of male management	64%	65%	67%	68%	63%
percentage of female management	36%	35%	33%	32%	37%
percentage of management under 30	1%	1%	2%	2%	1%
percentage of management 30-50	65%	61%	61%	58%	55%
percentage of management over 50	34%	38%	37%	40%	44%
Executives:					
percentage of male executives	60%	60%	60%	67%	67%
percentage of female executives	40%	40%	40%	33%	33%
percentage of executives 30-50	40%	60%	60%	56%	33%
percentage of executives over 50	60%	40%	40%	44%	67%
Board of directors:					
percentage of males on the board of directors	50%	50%	40%	36%	58%
percentage of females on the board of directors	50%	50%	60%	64%	42%
Freedom of association					
Percentage of total workforce – unionized[60]	60%	61%	63%	62%	62%

[58]This summary table reports on sustainability data for FortisBC Energy Inc. (FEI) and FortisBC Inc. (FBC) (FEI and FBC collectively, FortisBC), and non-regulated FortisBC companies, as of December 31, 2024. [59]Includes all employees in a leadership role who have direct reports. Excludes: executives, dependent contractors and long-term disability. [60]Employees covered by a collective agreement between the company and a union. The data includes regulated and non-regulated companies as well as temporary employees. Employees on long-term disability are excluded.

Indicator	2024	2023	2022	2021	2020
Hiring					
Percentage of job vacancies filled by existing employees	57%	52%	57%	56%	64%
Percentage of job vacancies filled by new employees	43%	48%	43%	44%	36%
Turnover and retention					
Voluntary turnover rate[61]	4.5%	4.8%	4.1%	3.0%	1.6%
Annual retirement rate (as a % of total full-time workforce)	2%	1.8%	1.8%	2.4%	1.9%
Average years of employment for full-time employees	11	11	11.4	11.7	12.1
Benefits					
Percentage of full-time employees who are eligible to receive employee and family assistance	100%	100%	100%	100%	100%
Percentage of employees who have access to Indigenous awareness training	100%	100%	100%	100%	100%
Percentage of management who have access to inclusive leadership training	100%	100%	100%	100%	*
Remuneration					
Percentage of full-time employees whose basic salary is above the local minimum wage	100%	100%	100%	100%	100%
Labour management relations					
Total number of work stoppages	0	0	0	0	0
Employees, health, safety and wellness					
All injury frequency rate[62] (AIFR)	1.46	1.48	1.62	1.77	1.27
Serious injuries and fatalities (SIF)	0	0	0	0.09	*
Discrimination incidents[63]	1	1	0	0	0
Respect in the workplace incidents[64]	1	1	2	3	2
Annual on-time safety improvement rate*	93%	-	-	-	-

[61]Voluntary turnover includes an employee who leaves the company voluntarily. Temporary employees and employees on long-term disability are excluded. [62]AIFR per 100 workers is for a combined gas and electricity result (annual). [63]Number reflects the substantiated discrimination and harassment complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation. [64]Number reflects the substantiated respect in the workplace complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.

GHG emissions data evaluation criteria

Context

This appendix provides an overview of methodologies applied to disclose GHG emissions for the January 1, 2024 to December 31, 2024 reporting year in accordance with:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, (WBCSD/WRI, 2015) (the "GHG Protocol")
- GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard (the "GHG Scope 2 Guidance")
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard (the "GHG Scope 3 Guidance")

Scope and boundaries

FortisBC has selected the financial control approach when consolidating GHG emissions within its organizational boundary, as defined by the GHG Protocol.

FortisBC's operational boundaries comprise FortisBC Inc. (FBC), a regulated electricity utility, and FortisBC Energy Inc. (FEI), a regulated gas utility. The two companies operate in British Columbia as FortisBC.

FortisBC reports GHG emissions generated from all known material sources associated with its facilities and operations that it exercises financial control over. For sources that can be quantified, FortisBC uses a materiality threshold of five per cent. For sources that cannot be quantified, a qualitative assessment is conducted to estimate the probable magnitude of GHG emissions to determine materiality.

FortisBC includes Scope 1 (direct) GHG emissions, Scope 2 (indirect) GHG emissions from electricity consumption and Scope 3 (other indirect) GHG emissions in the emissions inventory.

FortisBC uses the term renewable and lower carbon energy to refer collectively to electricity and the lower carbon gases or fuels that the utility can acquire under the Greenhouse Gas Reduction (Clean Energy) Regulation, which are:

Renewable Natural Gas (also called RNG or biomethane), hydrogen, synthesis gas (from wood waste) and lignin. FortisBC's renewable and lower carbon gas portfolio currently includes only Renewable Natural Gas. Other gases and fuels may be added to the program over time. Depending on their source, all of these gases have differing levels of lifecycle carbon intensity. However, all of these gases are lower carbon when compared to the lifecycle carbon intensity of conventional natural gas.

GHG emissions

FortisBC reports on emissions from CO_2, CH_4, N_2O and SF_6 greenhouse gases. FortisBC has excluded hydrofluorocarbons (HFCs) as the extent of these emissions are limited to building HVAC cooling systems and are immaterial to the inventory. There are no operational activities that result in perfluorocarbons (PFCs) gases.

Global warming potential factors have been sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) and align with Global Warming Potentials (GWPs) associated with U.S. Environmental Protection Agency (EPA), Environment and Climate Change Canada and United Nations Framework Convention on Climate Change (UNFCCC) reporting requirements.

Greenhouse gas	Formula	5th Assessment
Carbon dioxide	CO_2	1
Methane	CH_4	28
Nitrous oxide	N_2O	265
Sulphur hexafluoride	SF_6	23,500

Total Scope 1 GHG emissions (tCO_2e)

Definition

The majority of FortisBC's Scope 1 (direct) emissions occur from stationary combustion of gas-driven compressors used in natural gas operations. Vented, fugitive and flared emissions are also included.

As a regulated utility in British Columbia, operational GHG emissions are reported as part of regulatory reporting following the 2011 Western Climate Initiative (WCI) quantification methods in combination with 2012 and 2013 amendments. As a default, FortisBC applies calculation methodologies, engineering estimates and emission factors specified by regulation and aligned with the GHG Protocol.

In addition to GHG emissions subject to regulatory reporting, FortisBC includes GHG emissions from owned vehicles in Scope 1, RNG processing facilities we own and operate and facility comfort heating.

Units

Metric tonnes of CO_2 equivalent (tCO_2e).

Calculation methodology

Scope 1 GHG emissions are calculated based on activity data (e.g. natural gas consumption data, flaring metered records, system reports and fuel usage) and emission factors sourced from the following:

- 2011 WCI (with 2012 and 2013 amendments)
- equipment manufacturers
- Canadian Energy Partnership for Environmental Innovation (CEPEI), Estimation of Air Emissions from the Canadian Natural Gas Transmission, Storage and Distribution System Methodology Manual
- B.C. Best Practices Methodology for 2020

Total Scope 2 GHG emissions (tCO_2e)

Definition

Scope 2 (indirect) emissions represent a small source of GHG emissions for FortisBC. The majority of these emissions relate to line loss associated with the electricity utility.

The GHG Scope 2 Guidance specifies that Scope 2 emissions should be calculated and reported following the location-based and market-based method if FortisBC has operations in markets providing product or supplier-specific data.

For 2024, FortisBC will only report following the location-based method. This is due to there being no market-based emission factors and no Renewable Energy Certificates (RECs) purchased in the period.

Units

Metric tonnes of CO_2 equivalent (tCO_2e).

Calculation methodology

Scope 2 emissions are calculated based on activity data (e.g. electricity consumption data, invoices, power purchase agreements and bills) and emission factors sourced from the following:

- actual 2024 FortisBC grid factors
- B.C.'s integrated grid electricity GHG emission intensity factor
- Greenhouse Gas Industrial Reporting and Control Act (GGIRCA) Bulletin Energy Factor (EF) of 0.454 (generic US grid factor), which is required for regulatory purposes
- line loss value in accordance with FortisBC's 2020-2024 multi-year rate plan as submitted to the BCUC

Note: the value adopted for the calculation of Scope 2 follows the provincial methodology as required under GGIRCA as well as the B.C. Government's published integrated grid electricity GHG emission intensity factor.

Total Scope 3 GHG emissions (tCO_2e)

Definition

Scope 3 emissions include indirect emissions that are a consequence of FortisBC's activities but occur outside of sources owned and controlled by FortisBC.

FortisBC is in the process of performing a formal evaluation to assess the significance of each Scope 3 emissions category to the total inventory. Currently, FortisBC reports on Category 11: use of sold product only.

Units

Metric tonnes of CO_2 equivalent (tCO_2e).

Calculation methodology - Category 11

Category 11 emissions relate to use of sold products. GHG emissions are calculated using primary activity data obtained based on actual consumption and monthly meter readings.

The emission factors are sourced from WCI. For natural gas designated as RNG, as the CO_2 emissions from customer usage are considered biogenic, only the N_2O and CH_4 emissions from combustion are considered a source of Scope 3 GHG emissions.

Biogenic CO_2 emissions from customer use of natural gas designated as RNG (tCO_2)

Definition

Biogenic CO_2 emissions are emissions related to the natural carbon cycle and are not considered a net contributor to climate change. For FEI, biogenic CO_2 emissions represent GHG emissions from the customer usage of natural gas designated as RNG and are reported separately from Scope 1, 2 and 3 emissions in alignment with the GHG Protocol.

Units

Metric tonnes of CO_2 (tCO_2).

Calculation methodology

Biogenic GHG emissions are calculated using customer use of natural gas designated as RNG and a CO_2 emission factor sourced from WCI.

Environmental benefits

Introduction

This report provides the quantity of LNG and CNG provided to the transportation sector as well as reduction in Scope 3 – Category 11 GHG emissions for customers from the use of natural gas designated as RNG. This section describes the methods FortisBC uses to calculate the reduction in Scope 3 – Category 11 GHG emissions by activity type. Where applicable, FortisBC uses methodologies required by provincial or federal regulations.

Renewable Natural Gas

The reduction in Scope 3 – Category 11 GHG emissions for customers from the use of natural gas designated as RNG in comparison to conventional natural gas is based on the volume of RNG multiplied by the CO_2 emission factor as sourced from the WCI.

Pursuant to Order in Council 302, Section 8.2.2., the carbon intensity of RNG is determined on a supply-specific basis using GHGenius, which is a lifecycle analysis model referenced in the Greenhouse Gas Reduction Regulation. The emissions for the assessed product are determined by multiplying the carbon intensities by the volumes of natural gas designated as RNG acquired from specific suppliers. The reference product is determined by using the same corresponding volume multiplied by the lifecycle emission factor of natural gas as published in Environment and Climate Change Canada's Clean Fuel Regulation—openLCA library. Lifecycle GHG emissions savings associated with total supply is calculated as the differential between the assessed and reference products. This value is published as a footnote in the 2024 Sustainability Report's performance data table.

LNG and CNG fuel provided for use in the transportation sector

Volume of fuel for CNG and LNG provided for use in the transportation sector is measured through a Measurement Canada certified meter. This includes volume measurements for LNG in the marine sector as well as CNG and LNG in the on-road transportation sector.

Dicklands Farms' RNG generating facility in Chilliwack, B.C., produces RNG from organic waste.

Forward-looking information

Certain statements contained in this report contain forward-looking information within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation.

The forward-looking information in this report includes, but is not limited to, FortisBC's expectation that DSM initiatives have led to otherwise lower energy consumption and emissions, FortisBC's expectation to increase the supply of Renewable Natural Gas (RNG) and renewable and lower carbon gases in its system, including the expected timeframe and effect of completion of commissioning of the City of Vancouver Biogas Facility and the anticipated effect of acquisitions of RNG from new projects; FortisBC's investments in DSM and related energy savings and its plan to invest $4.8 billion[65] in gas and electricity infrastructure from 2025 to 2029 including metering system modernization; innovations and investments in the supply of renewable and lower carbon gases, reliability and integrity projects, efficient gas technologies, hydrogen technologies, lower carbon vehicles and infrastructures, electrification of transportation and hydrogen blending into the natural gas system; use of LNG; FortisBC's relationship with Indigenous Peoples; FortisBC's intention to maintain and strengthen the diversity of FortisBC's workforce and FortisBC's safety practices.

The forward-looking information reflects management's current beliefs and is based on assumptions developed using information currently available to FortisBC's management. Although FortisBC believes that the forward-looking statements are based on information and assumptions that are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect FortisBC, reference should be made to FortisBC's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in FortisBC's annual and quarterly management discussion and analysis. Except as required by law, FortisBC undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

All forward-looking information in this report and the information incorporated in this report by reference is qualified in its entirety by this cautionary statement.

[65] *Figures represent the combined five-year capital total in each year's FEI and FBC five-year business plan.*

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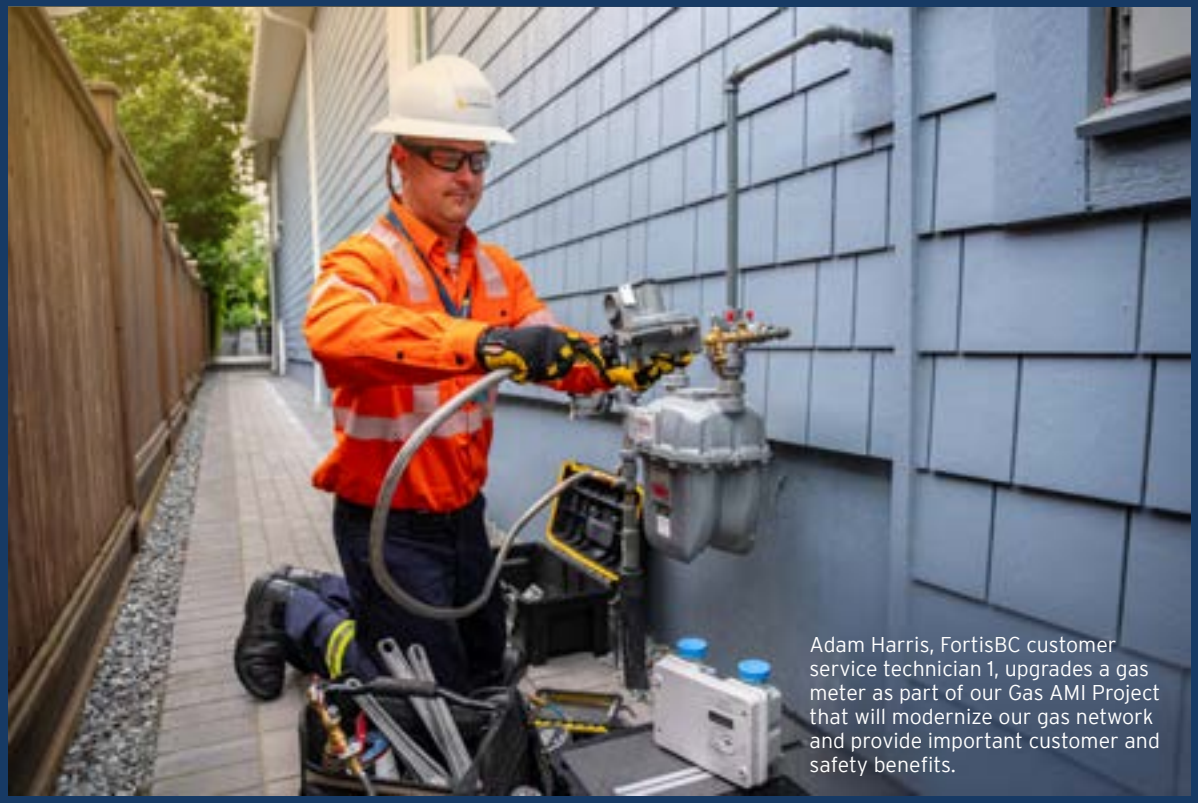

Adam Harris, FortisBC customer service technician 1, upgrades a gas meter as part of our Gas AMI Project that will modernize our gas network and provide important customer and safety benefits.

FortisBC 2024 Sustainability Report (25-038.2 06/2025)

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