FORTIS BC™

Energy at work

Corporate and Sustainability Report 2021

Contents

Cover photo taken at the Lulu Island Wastewater Treatment Plant (LIWWTP) in Richmond. Scott Gramm (left), senior manager of renewable and low carbon fuel development at FortisBC, Jenelle De La Cour (middle), account manager for RNG at FortisBC and Andrew Taverner (right), operations supervisor at the LIWWTP are touring the facility.

A message from the President and CEO

Roger Dall'Antonia, President and CEO of FortisBC.

FortisBC is transforming B.C.'s energy future and I'm impressed by how far we've come over the last year. As we look back at 2021, we stand as a company that is stronger, more resilient and bringing forward energy solutions that truly work for British Columbians. We understand there is more work to be done, which is why we're looking ahead at what we plan to achieve in the coming years. With the dedication of our employees and working together with British Columbians, I'm confident in our pathway to achieving a lower carbon energy future together.

To ensure we achieve long-term success, we must continue to embed sustainability in all we do. We reaffirmed our sustainability approach in 2021, by redefining our four areas of focus: People and culture; Energy transition and environment; Indigenous and local communities; and Operational performance and adaptation. Within each area, we developed goals and priorities that encompass what is important for our organization and our customers. It's important to me that we take actions today that will contribute to a lower carbon energy future for B.C.

Safely delivering energy to British Columbians

The safety of our employees and the public is always our top priority and we upheld this commitment throughout the unpredictable weather events we experienced in 2021. From a major storm in January that blew through the Kootenays, to summer wildfires across the province and unprecedented November rainfall leading to floods in B.C. communities, it was critical we kept our customers and employees safe while working tirelessly to maintain and restore energy services to impacted areas.

Our crews on the ground braved treacherous conditions and put their training into action as they planned and executed the necessary repairs to our electricity and natural gas systems. Whether rebuilding an electric transmission line burnt from the Nk'Mip Creek wildfire or restoring gas service to communities in the Interior following significant flooding, our crews brought energy back quickly and safely to communities hit by extreme weather. Our Emergency Operations Centre team supported our crews and worked to communicate with our customers, regulatory agencies and affected municipalities to keep them informed on our progress and the steps needed to ensure homes were safe if customers were returning from evacuations.

Our customers expect the delivery of safe, reliable and cost-effective energy to heat their homes and businesses. We met this expectation during a historic cold snap in December. Our gas and electricity systems met extreme energy demands, moving close to 1.53 petajoules (PJ) of gas and 777 megawatts (MW) of electricity respectively on their peak demand days.

Making progress toward climate action targets

Back in 2019, we set our 30BY30 target—our goal to reduce our customers' greenhouse gas (GHG) emissions by 30 per cent by the year 2030[1]—but this was only a starting point. We're focused on exceeding this target to meet the province's GHG reduction target of 40 per cent below 2007 levels by 2030, which was outlined in the updated CleanBC Roadmap released in October 2021. To do this, we're leading the way to bring more renewable and low carbon gas supply into our system. We've now signed 30 supply agreements with Renewable Natural Gas (RNG) suppliers, which collectively represent approximately 16 PJ[2] of RNG that will enter our system by 2025, the energy equivalent to heating around 190,000 homes for a year.

[3]FortisBC uses the term renewable and low carbon gas to refer collectively to the low carbon and carbon neutral gases or fuels that the utility can acquire under the Greenhouse Gas Reduction (Clean Energy) Regulation, which are: Renewable Natural Gas (RNG or biomethane), hydrogen, synthesis gas (from wood waste) and lignin. Depending on their source, all of these gases have differing levels of lifecycle carbon intensity. All gases would meet the proposed B.C. carbon intensity threshold for low-carbon gases of 36.4 g CO_2e per megajoule set out in the 2021 B.C. Hydrogen Strategy.

We're finding ways to make it easier for our customers to access renewable and low carbon gases.[3] In 2021, we submitted a proposal to our regulator, the British Columbia Utilities Commission (BCUC), where every newly constructed home connecting to the gas system would automatically receive 100 per cent renewable gas for the lifespan of the building—a regulatory first in North America. In addition, the application also proposed all existing residential natural gas customers will receive a proportionate blend of RNG starting in 2024 that could increase over time. If approved, this would significantly decrease GHG emissions in buildings.

While changing what moves through our gas system is one way to help us reach our climate action goals, reducing the amount of energy used in homes and buildings is another. We hit an energy efficiency milestone in 2021 by investing almost $120 million in our conservation and energy efficiency programs, helping even more customers upgrade to high efficiency natural gas and electricity equipment. I'm inspired by the work being done to advance energy efficiency including bringing innovative gas heat pumps into B.C. for our customers. This is the next-generation of high-efficiency space and water heating equipment and will help British Columbians lower energy use and GHG emissions.

As the adoption of zero-emission vehicles continues to grow, we are investing in electric vehicle (EV) charging stations throughout B.C.'s Southern Interior. At the end of 2021, we had 40 EV charging stations at 22 locations across B.C. and even hit an exciting milestone in September when we announced our EV direct current fast charge network passed 10,000 charges. With more and more electric vehicles on the road, we plan to surpass 20,000 charging events by the end of 2022.

Building relationships with Indigenous communities

We are expanding our efforts to collaborate with Indigenous Peoples by seeking to provide greater socio-economic opportunities for the Indigenous communities we serve. Through our major infrastructure projects, we sought out more Indigenous-owned businesses to work with and strengthen these relationships for mutual benefit. Through local projects, like the upgrades made to our substation in Salmo, we found ways to involve the community. We worked with the Town of Salmo who chose a Tl'azt'en artist, Damian John, to create a mural representing Truth and Reconciliation along the fence surrounding our substation, allowing all community members to enjoy this colourful and meaningful artwork.

With the tragic confirmation of the unmarked graves at a residential school site in Kamloops, we were reminded of how historical events like this continue to impact Indigenous Peoples today and how we need to continue on our journey of learning and uphold our commitment to Reconciliation. We worked with the BC Lions, BC Hydro and the provincial government to raise awareness around the history of residential schools where I joined a number of our employees in attending the September 24 BC Lions game to recognize residential school Survivors and give away 10,000 orange "Every Child Matters" T-shirts to the attendees.

I'm proud of our work with Indigenous Peoples across the province and look forward to broadening our understanding of Indigenous histories, cultures and traditions.

Our employees as the driving force

The dedication, tenacity and innovation from our employees is how we achieve all we set out to do—they are the driving force leading B.C.'s lower carbon energy future. To help our employees succeed, we continue to cultivate a working environment that is safe, inclusive and diverse for everyone.

In 2021, we created a Statement of Principles to share our vision of what it means to create and sustain an environment where all cultures, backgrounds and perspectives are acknowledged and accepted. Our work in creating an inclusive workforce is long-standing and rooted in a commitment to broadening our focus and creating sustainable change. These past several years, we've deepened our collective understanding of what inclusion, diversity and equity mean to us and how integral they are to our identity as an organization.

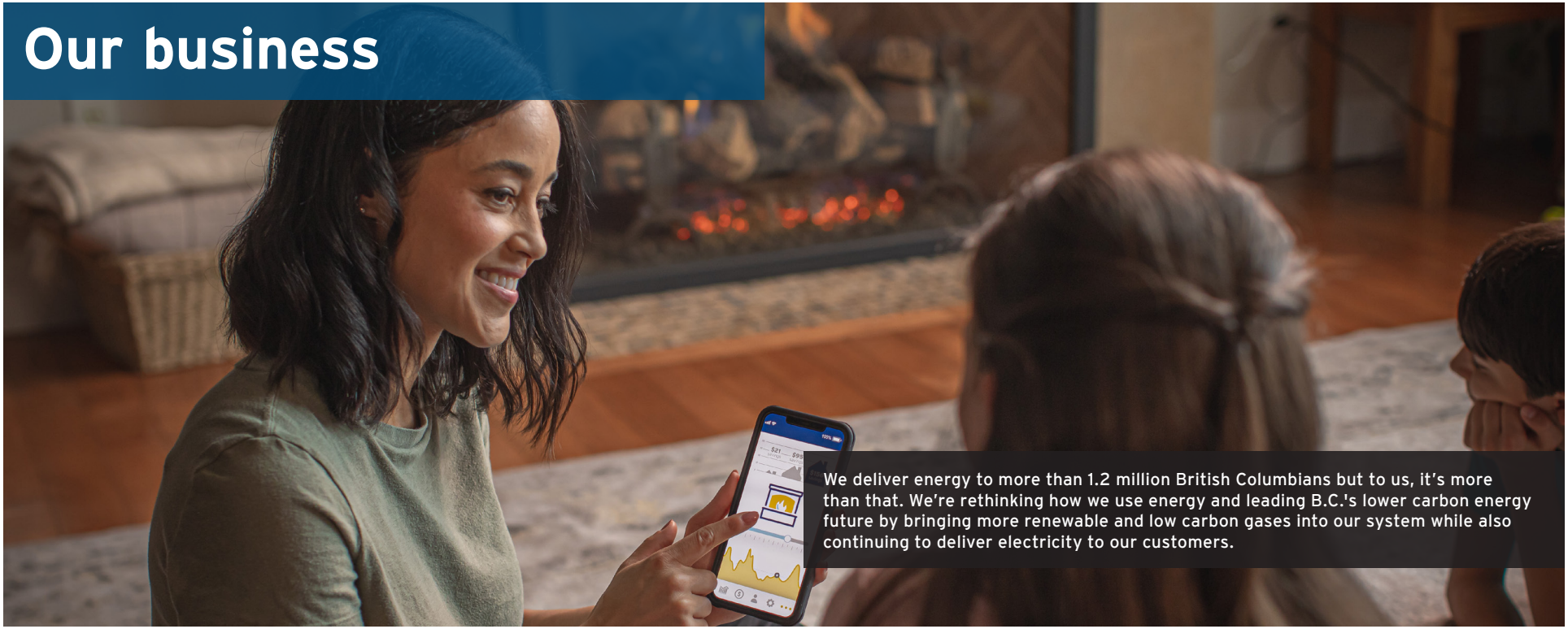
Our commitment to sustainability

I'm pleased to present to you our 2021 Corporate and Sustainability Report illustrating how FortisBC is upholding our commitment to sustainability, while leading B.C.'s transition to a lower carbon energy future.

Roger Dall'Antonia
President and CEO
FortisBC

*[3]FortisBC uses the term "renewable and low carbon gases" to refer collectively to the low carbon and carbon neutral gases or fuels that the utility can acquire under the **Greenhouse Gas Reduction (Clean Energy) Regulation**, which are: Renewable Natural Gas (RNG or biomethane), hydrogen, synthesis gas (from wood waste) and lignin.*

Our business



We deliver energy to more than 1.2 million British Columbians but to us, it's more than that. We're rethinking how we use energy and leading B.C.'s lower carbon energy future by bringing more renewable and low carbon gases into our system while also continuing to deliver electricity to our customers.

Our business is to deliver energy to our customers, but to us, it's more than that. We are leading the transition to a lower carbon energy future in B.C. and our vision is to ensure our customers have access to sustainable, reliable, safe and cost-effective energy for years to come. Through the delivery of electricity and increasing the supply of renewable and low carbon gases in the province, we're giving our customers options to help decarbonize their homes and buildings. Our more than 2,600 employees proudly serve approximately 1.2 million customers in 135 British Columbian communities and 58 First Nations communities across 150 Traditional Territories.

Additionally, we provide energy for transportation by installing electric vehicle (EV) charging stations and delivering energy for low-carbon transportation through compressed natural gas (CNG) and liquefied natural gas (LNG). From electric commuter vehicles to CNG buses and LNG ferries, FortisBC provides the energy to keep British Columbians moving.

We own and operate approximately 7,300 kilometres of electric transmission and distribution lines and approximately 50,500 kilometres of gas transmission and distribution lines. Our energy infrastructure assets also include four hydroelectric generating plants, two LNG storage facilities and B.C.'s largest underground natural gas storage facility.

FortisBC Inc. is a regulated utility focused on generating and delivering reliable electricity. FortisBC Energy Inc. is a regulated utility focused on delivering natural gas and decarbonizing the gas system with renewable and other low carbon gases. FortisBC Energy Inc. and FortisBC Inc. do business as FortisBC. We are indirectly, wholly owned by our parent company, Fortis Inc., a leader in the North American electricity and natural gas utility business. Through its subsidiaries, Fortis Inc. serves more than 3.4 million electricity and natural gas customers.

Looking back at 2021

Here is a look back at our 2021 performance, showing the amount of energy we delivered to our growing customer base along with how our business performed financially.

Performance
(asset base in millions)

FortisBC Energy Inc. Natural gas, renewable gas and piped propane	2020	2021
Peak day demand (TJ)	1,555	1,533
Gas volumes (PJ)	219	230

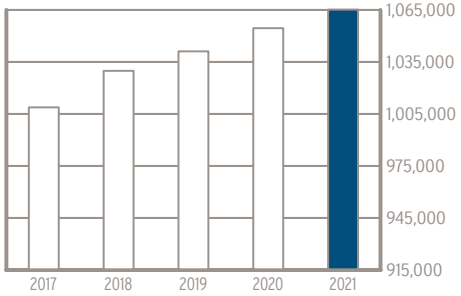
FortisBC Inc. Electricity	2020	2021
Generating capacity (MW)	225	225
Peak demand (MW)	740	777
Energy		
Regulated (GWh)	3,291	3,460
Net load growth (regulated)	-1.05%	5.14%

Financial performance
(in millions of dollars)

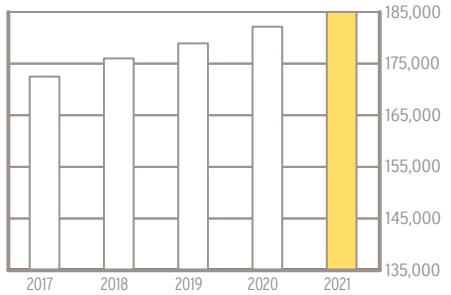
FortisBC Energy Inc. Natural gas, renewable gas and piped propane	2020[4]	2021
Net earnings	$189	$183
Revenues	$1,385	$1,714
Operating expenses	$340	$355
Capital expenditures[5]	$464	$468

FortisBC Inc. Electricity	2020[4]	2021
Net earnings	$53	$56
Revenues	$412	$454
Operating expenses	$108	$118
Capital expenditures[5]	$127	$126

FortisBC gas customers[6]
(Approximately 1,064,800 in 2021)

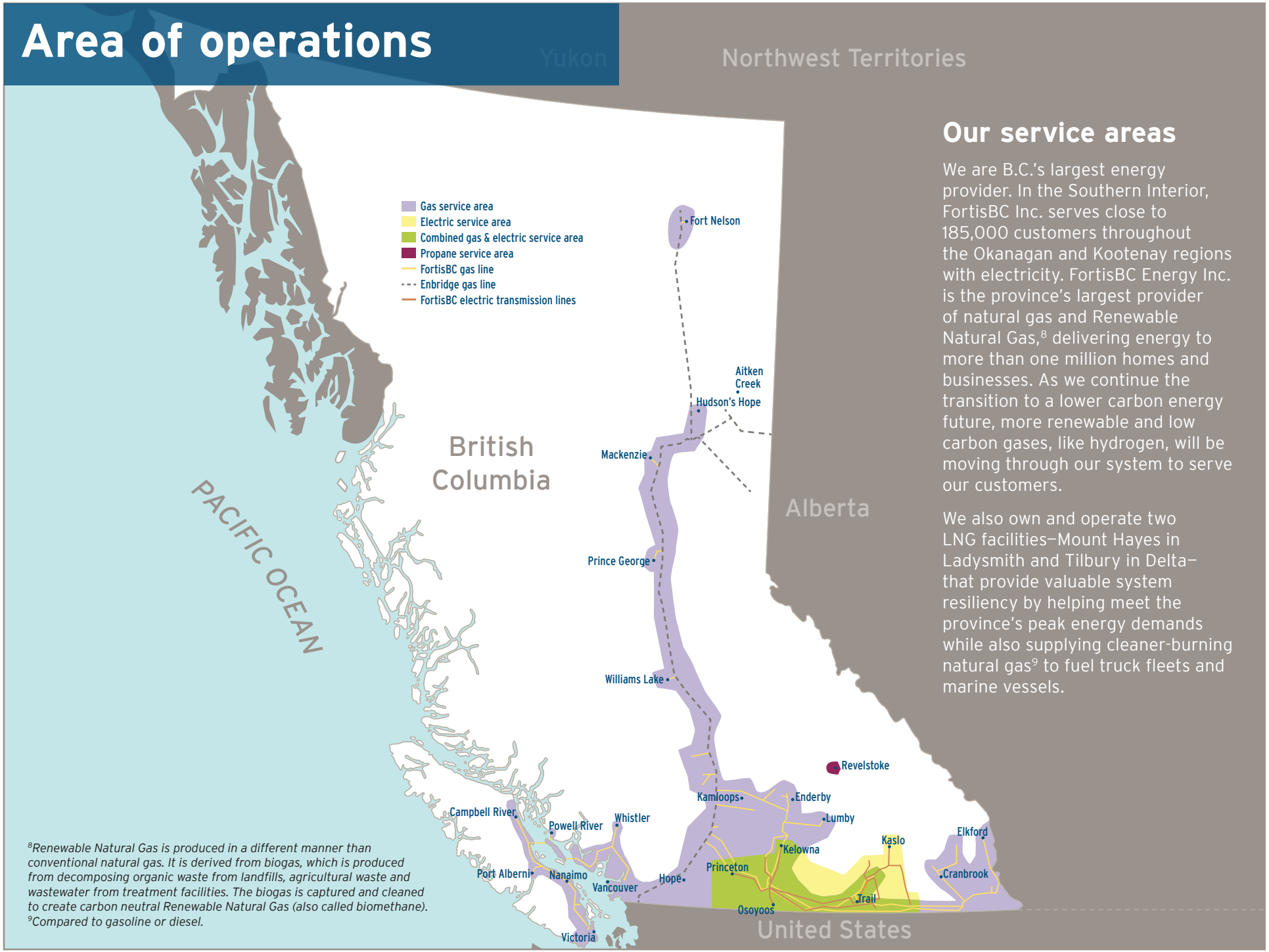


FortisBC electricity customers[7]
(Approximately 184,876 in 2021)



[4]Certain comparative figures have been classified to conform to the current year's presentation. [5]Capital expenditures before contributions in aid of construction and including cost of removal. [6]Includes piped propane customers. [7]Includes direct and indirect customers (customers who are served by utilities to which FortisBC provides wholesale energy or distribution service).

Area of operations



Our service areas

We are B.C.'s largest energy provider. In the Southern Interior, FortisBC Inc. serves close to 185,000 customers throughout the Okanagan and Kootenay regions with electricity. FortisBC Energy Inc. is the province's largest provider of natural gas and Renewable Natural Gas,[8] delivering energy to more than one million homes and businesses. As we continue the transition to a lower carbon energy future, more renewable and low carbon gases, like hydrogen, will be moving through our system to serve our customers.

We also own and operate two LNG facilities—Mount Hayes in Ladysmith and Tilbury in Delta—that provide valuable system resiliency by helping meet the province's peak energy demands while also supplying cleaner-burning natural gas[9] to fuel truck fleets and marine vessels.

[8]Renewable Natural Gas 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 carbon neutral Renewable Natural Gas (also called biomethane).
[9]Compared to gasoline or diesel.

Territorial acknowledgment

Lower Mainland

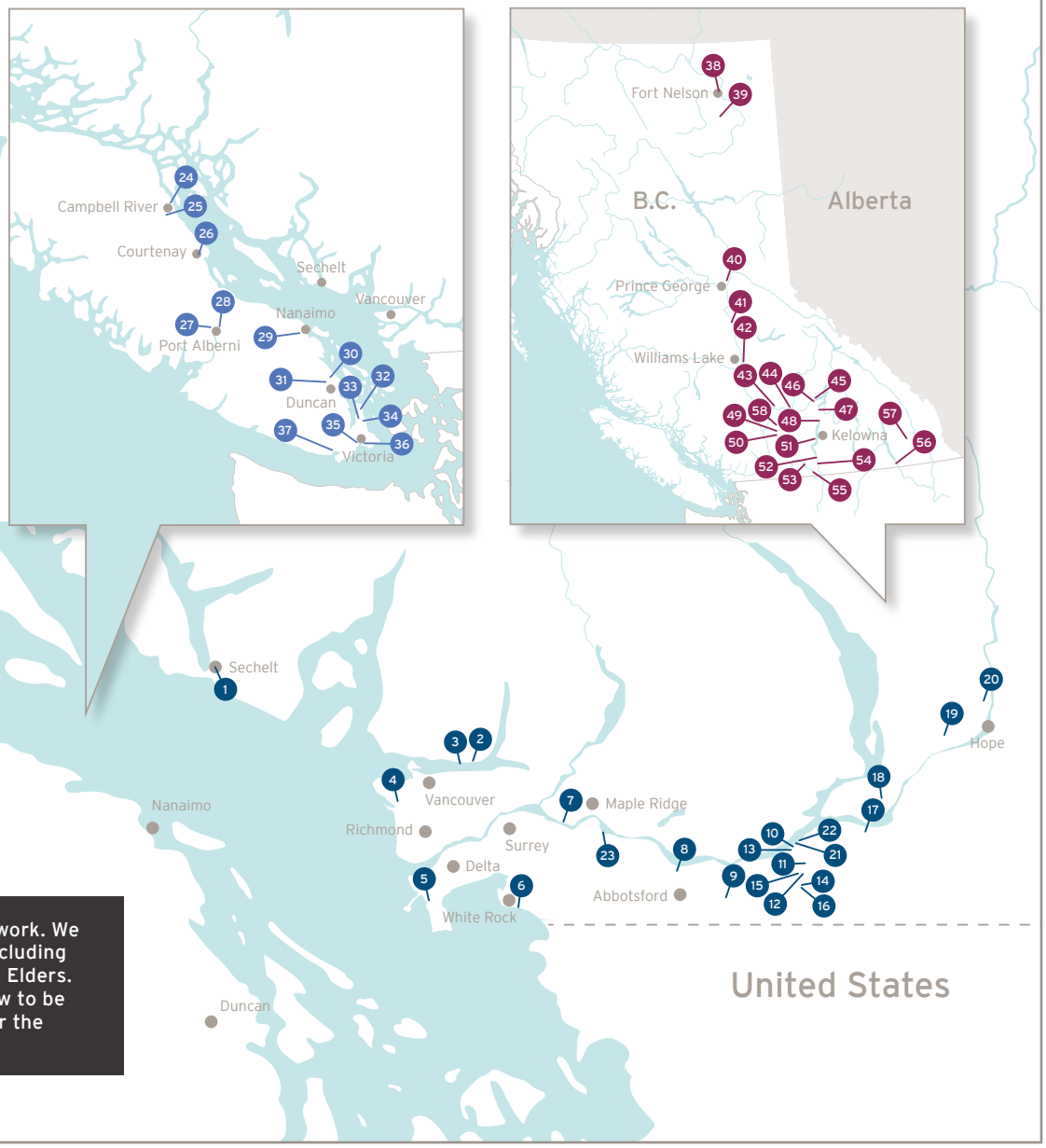
1. Shíshálh First Nation
2. Tsleil-Waututh Nation
3. Squamish Nation
4. Musqueam Indian Band
5. Tsawwassen First Nation
6. Semiahmoo First Nation
7. Katzie First Nation
8. Matsqui First Nation
9. Sumas First Nation
10. Aitchelitz First Nation
11. Skowkale First Nation
12. Yakweakwioose First Nation
13. Squiala First Nation
14. Tzeachten First Nation
15. Kwaw-Kwaw-Apilt First Nation
16. Soowahlie First Nation
17. Cheam First Nation
18. Seabird Island Band
19. Chawathil First Nation
20. Union Bar First Nation
21. Shxwhá:y Village
22. Skwah First Nation
23. Kwantlen First Nation

South Vancouver Island

24. Wei Wai Kum Nation
25. We Wai Kai Nation
26. K'ómoks First Nation
27. Tseshaht First Nation
28. Hupacasath First Nation
29. Snuneymuxw First Nation
30. Halalt First Nation
31. Cowichan Tribes
32. Tseycum First Nation
33. Tsartlip First Nation
34. Tsawout First Nation
35. Songhees Nation
36. Esquimalt Nation
37. T'Sou-ke 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. Williams Lake First Nation
43. Skeetchestn Indian Band
44. Tk'emlúps te Secwépemc
45. Adams Lake Indian Band
46. Neskonlith Indian Band
47. Splatsin First Nation
48. Okanagan Indian Band
49. Lower Nicola Indian Band
50. Coldwater Indian Band
51. Westbank First Nation
52. Penticton Indian Band
53. Upper Similkameen Indian Band
54. Osoyoos Indian Band
55. Lower Similkameen Indian Band
56. Lower Kootenay Band
57. ʔaq'am
58. Cook's Ferry First Nation



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

Our approach to sustainability

We've worked with Thompson Rivers University on an invasive species study in Kenna Cartwright Park, located on the unceded Traditional Territory of the Secwépemc and Nlaka'pamux Peoples and home of Tk'emlúps te Secwépemc. This work was part of our Inland Gas Line Upgrade project and when we completed construction, we restored the area by planting native species.

Sustainability is embedded in all we do and we continue to evolve our practices year-over-year. In 2021, we implemented goals and priorities within four areas of focus to ensure we continue to operate sustainability.

Our approach to sustainability

Sustainability for us is about leading the transition to a lower carbon energy future. This includes increasing our supply of renewable and low carbon energy as well as providing electricity to our customers in the Southern Interior, all while strengthening relationships with Indigenous Peoples as we work together to achieve provincial climate action targets. It's about providing affordable energy solutions for British Columbians today, and years from now while maintaining a resilient and reliable energy system. And it's about how we provide a broad range of job and career development opportunities and a safe, diverse and inclusive working environment for our employees.

Sustainability is embedded in all we do and we continue to evolve our practices. To do this successfully, we must continue to integrate sustainable business practices across our organization and ensure financial, environmental and social factors are all evaluated.

Since 2017, we have annually reported on sustainability performance indicators, which allow us to track our performance in key areas and compare how our organization is performing year-over-year.

Global frameworks inform our approach to sustainability reporting

In developing our approach to sustainability and reporting practices, we referenced global frameworks. Our sustainability performance indicators are guided by the Global Reporting Initiative (GRI), an international independent standards organization, and we use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards to disclose our GHG emissions.

Our parent company, Fortis Inc. supports the Task Force for Climate-Related Financial Disclosures (TCFD) and is committed to implementing the recommendations of the task force. As part of the TCFD commitment, four climate scenario analyses were conducted by Fortis Inc. to better understand the resiliency of the business' strategy to respond and mitigate climate-related risks.

As one of Fortis Inc.'s largest utilities, FortisBC participated in the climate-related scenario analysis work evaluating four climate change scenarios inclusive of low and high carbon scenarios. The Fortis Inc. TCFD report summarizes key climate-related risks and opportunities. Following the release of Fortis Inc.'s inaugural TCFD climate assessment report, Fortis Inc. announced a 2050 net-zero direct GHG emissions target that builds on their 75 per cent GHG reduction target by 2035.

We support the core elements of the TCFD and include climate action strategies in our business planning. We consider both physical and transitional climate risks and opportunities and integrate climate mitigation and adaptation strategies into our operations.

In addition, as the largest energy provider in B.C., FortisBC contributes to many of the 17 United Nations Sustainable Development Goals (UNSDGs). The UNSDGs are a series of interdependent global goals designed to be a blueprint to achieve a better and more sustainable future for all by addressing the world's most pressing economic, social and environmental issues. At the start of each section in this report, we have highlighted the UNSDGs that are relevant to our areas of focus areas.

Our sustainability governance

Our sustainability governance model is similar to that of our parent company, Fortis Inc.

Stakeholder	Responsibility
Board of directors	Provides oversight on the business' strategic priorities and has delegated oversight of sustainability at the Board level to the Governance Committee. The Board receives updates from the FortisBC CEO and executive leadership team on sustainability initiatives and strategies.
CEO and executive leadership team	Oversees the development and progression of the overarching business strategy and direction of the sustainability initiatives at FortisBC, risk management oversight and ensuring business is conducted to meet high standards of ethical, environmental and social responsibility. Monic Pratch, vice president, general counsel, corporate secretary and sustainability is responsible for FortisBC's sustainability strategy outlining the organization's vision.
Gas and electricity operations	Handles the operational aspects of sustainability, including the identification and development of initiatives that support and progress the FortisBC sustainability strategy and business priorities, as well as ensuring the safety, reliability and resiliency of our gas and electricity systems.
Sustainability business unit	Develops and supports sustainability initiatives such as the Innovation and Sustainability Ambassador Network and implementing energy management projects. In addition, this group consults with internal stakeholders on company initiatives to lead performance reporting practices and indicators.

Materiality assessment

In 2021, with support from an external advisory consultant, we identified and assessed material topics to inform FortisBC's sustainability reporting. Our Corporate and Sustainability Report now centres around four areas of focus that emerged from the materiality assessment and are aligned with our values and business strategy.

We engaged with more than 80 stakeholders comprised of internal business leaders and external groups including customers, municipalities, Indigenous and community partners, businesses and industry, government and regulators. Participants were asked to prioritize the most significant Environment, Social and Governance (ESG) issues and assess the impacts of these issues on our business, as well as FortisBC's ability to facilitate improved outcomes.

The analysis and assessment resulted in us identifying strategic material topics, emerging areas of focus for the business as well as foundational topics that require continuous focus.

The following strategic material topics represent key areas of focus that are driving the direction of our organization and areas where we can find opportunities.

- Energy transition and innovation
- GHG emission reductions and climate risk
- Energy access and affordability
- Indigenous engagement, economic opportunity and reconciliation
- Government relations and political advocacy
- Diversity, inclusion and equity
- Human capital development, retention and attraction
- ESG accountability

This photo was taken on the unceded Traditional Territory of the Coast Salish, səl̓ilwətaʔɬ təməxʷ (Tsleil-Waututh), Skwxwú7mesh-ulh Temíx̱w (Squamish) and šxʷməθkʷəy̓əmaʔɬ təməxʷ (Musqueam) Peoples. We respect Indigenous Peoples in this place we call Canada, on whose Traditional Territories we all live, work and play.

The following foundational material topics are core to our business and are areas that we will continue to advance.

- System reliability and resiliency
- Emergency preparedness and response
- Public health and safety
- Community engagement and investment
- Cybersecurity
- Environmental stewardship
- Customer experience and satisfaction
- Occupational health and safety
- Labour practices and workforce human rights
- Business ethics
- Supply chain availability and responsibility
- Corporate governance

Based on these strategic and foundational material topics, we created the following areas of focus that serve as the foundation for our sustainability practices and reporting. Within each area, we've outlined key priorities and goals we expect to achieve in the coming years to ensure we continue to operate sustainably.

Areas of focus	Priorities	Goals
People and culture	• Enhance our employees' safety, health, and well-being through learning, participation and collaboration. • Cultivate talent through skill enhancement and development opportunities. • Foster a culture of belonging through developing an inclusive, diverse and equitable employee experience.	• Achieve a 90 per cent Certificate of Recognition audit result annually to demonstrate commitment to Occupational Health and Safety Management. • All leaders complete Inclusive Leadership training. • All employees engage in Indigenous Awareness Training.
Energy transition and environment	• Demonstrate leadership and action in the clean energy transition. • Be a responsible steward by minimizing operational impacts on the environment. • Find innovative ways to help customers save energy, reduce energy costs and lower their GHG emissions. • Position B.C. as a vital domestic and international LNG provider to lower GHG emissions through fuel-switching.	• Achieve a 30 per cent reduction in customers' GHG emissions by 2030[10] in support of provincial emissions reduction targets. - Grow renewable and low carbon gas supply to 15 per cent by 2030.[11] - Pilot new technologies and deep energy retrofits that enable energy efficiency for customers. - Accelerate the expansion of low and zero carbon transportation. - Expansion plans at our Tilbury LNG facility, including increased liquefaction capacity and marine jetty suitable for bunkering, built and operational by the end of 2024.
Indigenous and local communities	• Enhance Indigenous relations through business development, employment opportunities and community engagement. • Innovate and collaborate with our customers, partners and communities for a more sustainable energy future. • Develop and strengthen partnerships in communities where we live and work.	• Achieve Bronze Progressive Aboriginal Relations certification. • Support community investments that demonstrate diversity of social giving and grassroots initiatives. • Continue to enable and invest in FortisBC's Climate Action Partner program to help municipalities and Indigenous communities achieve their climate action goals.
Operational performance and adaptation	• Deliver safe, reliable and cost-effective energy. • Enhance our customer engagement with timely, accessible and personalized experiences. • Maintain and modernize energy infrastructure for continued operational reliability and resiliency.	• Progress advanced gas meters to enhance system safety, resiliency and improve operational excellence. • Consider climate-related impacts in operational and planning decisions to safeguard infrastructure.

[10]Reduce customers' GHG emissions by 30 per cent relative to 2007 levels.
[11]To learn more about CleanBC, visit: https://cleanbc.gov.bc.ca.

People and culture

Mason Lau is one of our 2,600 dedicated employees. He's a plant engineer and part of the team growing our renewable and low carbon gas supply which is helping decarbonize our gas system.

The initiatives in this section align with the following UNSDGs:

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Our approach: We're committed to providing an inclusive workplace for our employees while offering career advancement opportunities that will help us reach our goals. With safety as a core value, we're also focusing on building an environment where employees are encouraged to develop and maintain operational safety practices through learning and education. This will further strengthen our organizational safety practices and enhance our safety performance. Looking forward, we're striving to attract a diversity of talent across every role and maintaining a working environment where all perspectives are welcome and valued.

We're here to support our more than 2,600 employees in the work they do every day by equipping them with the tools and resources they need to take on new opportunities. Whether it's a power line technician in Kelowna or a community relations liaison in Surrey, each and every one of our employees is critical to our success and it's vital we ensure they are all valued, included and respected.

Fostering an inclusive and diverse work environment

In 2021, we advanced our focus of fostering a culture of belonging within our workforce. To deliver on this, we started to look more closely at the composition of our workforce and assessing our recruiting practices to ensure our workforce reflects the diversity of the communities we serve. We promote a culture where employees can connect, belong and grow while prioritizing their physical and mental health through acceptance and providing support services. These are also important factors when we look at how we can attract, welcome and retain new employees to our company.

To affirm our commitment to inclusivity and diversity within our organization, we developed a Statement of Principles in 2021 that was released to our employees early in 2022. Built in alignment with our corporate values, these Principles clearly identify our long-term corporate commitments and the individual actions we are asking of each of our employees that will enhance our organizational culture.

Our vision is to facilitate a culture of belonging where employees can learn from each other to broaden their awareness of different backgrounds and ideas. By creating this environment, we hope our employees feel comfortable to be their authentic selves allowing them to collaborate and innovate together so we can continue to advance our business outcomes.

For example, in February 2021, a group of Indigenous employees came together in partnership with our people department to create an Indigenous Employee Circle (IEC). This employee network is a space where Indigenous and non-Indigenous employees can have genuine conversations that fosters inclusion, connectivity and knowledge sharing about Indigenous history and culture. Not all learning can be done through courses and training, so this is a way our employees can play an active role in integrating learnings into the culture of belonging we strive to build.

"The Indigenous Employee Circle (IEC) is a valuable place for employees to connect and learn. The feedback we've received highlighted how the IEC has been a safe and honest place to share stories, hear from interesting speakers and exchange knowledge. The Circle facilitates discussions to help employees understand what it means to be an ally to Indigenous People and these learnings are being applied outside this group. We feel like the Circle is naturally fostering a culture of belonging while providing opportunities for leadership and mentorship, furthering Reconciliation efforts on an individual-to-individual level."

- Members from the IEC

In June 2021, we came together as an organization to acknowledge the histories of Indigenous People for National Indigenous Peoples Month. This was a more somber month due to the confirmation of unmarked graves found at a former residential school in Kamloops. We found ways to help our employees broaden their knowledge of the histories and culture of Indigenous Peoples. This was a very difficult time and the knowledge these Indigenous leaders shared with us was appreciated.

Various virtual sessions were led by Indigenous leaders educating our workforce on topics such as Pow Wows, traditional storytelling, and employees could take part in drum making and cedar weaving workshops.

As an energy provider to 58 First Nations communities and whose infrastructure crosses 150 Traditional Territories, we have a responsibility to advance Reconciliation with Indigenous Peoples. As part of this, we are pursuing a certification in Progressive Aboriginal Relations (PAR) with the Canadian Council of Aboriginal Business (CCAB). PAR is a certification program that confirms corporate performance in Indigenous relations.

One of the areas in 2021 we looked to connect more with Indigenous Peoples was through our recruiting process by improving our engagement with Indigenous organizations, communities and post-secondary institutions. Our talent acquisition team led this effort by participating in training sessions on Indigenous recruitment and attending career fairs to build relationships with Indigenous Peoples to connect them with open positions within our organization. As a PAR committed member since 2019, this is just one of the ways we're working to strengthen relationships and build connections with Indigenous Peoples.

From our crews working in the field, like our power line technicians performing maintenance on our electricity system, to employees working in our offices, safety is always top of mind for us and we're here to ensure they have the tools, training and resources to safely complete their work.

Prioritizing the safety and wellness of our people

We continued to navigate through the COVID-19 pandemic in 2021, always keeping the safety of our employees and customers top of mind. Our organizational response to the pandemic was guided by direction from the provincial and federal health authorities.

In May, the provincial government announced its Restart Plan. In alignment with this plan, we continued with a conservative approach and began to slowly welcome employees, who had been working from home, back into our offices. To keep our employees safe, we maintained all COVID-19 safety protocols in our offices such as wearing masks, enhanced cleaning in common areas as well as having employees complete a daily health check form before entering any of our facilities.

The COVID-19 pandemic also highlighted how important it is for us to continue to prioritize the mental health and wellness of our employees. Every one of our employees is eligible to access the employee and family assistance program we offer that provides professional help through counselling, family support services and health coaching.

In addition, more than 600 employees participated in the mental health and resilience webinar series that were offered throughout the 2021 safety and health week, demonstrating the need to provide consistent services and support to employees.

Investing in our employees

Offering development and training programs for employees helps them retain their certifications, learn new skills and contributes to their career advancement. One of the programs we offer to all employees is Indigenous Awareness Training. In 2021, we hosted virtual sessions where more than 800 employees completed this three-part training program. We've received positive feedback from employees on how they are taking the lessons learned into their jobs and into their homes.

Another way employees were able to grow their skills was by participating in our Innovation and Sustainability Ambassador Network—a structured employee engagement initiative designed to facilitate grassroots change around innovation and sustainability in the workplace. This Network enables employees to cross pollinate their ideas in ways that are meaningful to our regional areas. In 2021, we had more than 30 employees participate where they worked in eight project teams to develop innovative initiatives focused on improving sustainability practices through the organization.

A member from one group, Ken Gerow, is a distribution service agent who came up with an idea to revise the current and conservative purging standard process—a procedure where gas is introduced into newly installed pipe and debris is cleared out by releasing gas. The group looked at changing this standard through the lens of how they could reduce GHG emissions. After consulting with operations managers and standard specialists within the company, they proposed to shorten the purging time, which reduced the release of gas by 80 per cent. This process was implemented in October 2021 and is expected to significantly reduce the amount of GHG emissions when performing service line installations.

Employees giving back to local communities

We're proud to support our dedicated employees who give back to the communities where they live and work. Every year, we collaborate with our two union partners, IBEW and MoveUP, to fundraise for the United Way campaign.

In 2021, our employees collectively raised more than $151,000 during the United Way campaign that went to support local organizations and communities. Hazel-Anne Vincent, an information systems junior project manager, had the opportunity to work with United Way for 16-weeks in 2021.

The Warm Hearts Charitable Foundation was founded by former FortisBC employees and continues to be funded and managed through the generosity of current employees. The Foundation, for example, made a donation to the Junior Lifeguard Club. The funds were distributed across five aquatic facilities to provide training in important life-saving skills to youth helping them build new skills that could help keep the public safe or even lead them to a future job.

FortisBC also looks for opportunities where we can stand with employees who support local charities. In April 2021, our Cranbrook team came together by fundraising for the Foundry Centre, operated by the Ktunaxa-Kinbasket Child and Family Service Society, to support mental health services for youth in the community. Nineteen of our employees hosted a burger fundraiser and silent auction to raise funds for the Centre and the company stood with them to support this important initiative. The group was able to raise just over $6,000 and the company topped this up to an even $10,000 that was donated to the Centre.

We praise our workforce for their generosity and, through our employee giving programs and initiatives like this one, we donated more than $143,000 to local charities throughout the province in 2021.

In 2021, our employees collectively raised more than

$151,000

during the United Way campaign, of which approximately

$60,000

was donated to flood response efforts in November to affected community members.

The Warm Hearts Charitable Foundation gave almost

$28,000

to local communities.

In total, we gave back to

161

local charities across British Columbia in 2021.

Energy transition and environment

Gary Bindra is an LNG operator at our Tilbury LNG plant and responsible for fuelling trucks with LNG. These trucks are driven onto Seaspan or BC Ferries to fuel the vessel with LNG, helping to lower GHG emissions in the marine transportation sector.

The initiatives in this section align with the following UNSDGs:

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Our approach: In 2019, we set an ambitious goal—our 30BY30 target—to reduce our customers' GHG emissions by 30 per cent by 2030[12] and we continue to make progress toward this target by rethinking how energy is used. To lead the way toward B.C.'s lower carbon energy future, we're decarbonizing our gas system with renewable and low carbon gases and investing in innovative ways our customers can use energy more efficiently. This is only possible when we collaborate with government, Indigenous Peoples, industry partners and customers to implement affordable and realistic actions helping to lower GHG emissions and advancing towards a cleaner energy future for B.C.

[12] *Reduce customers' GHG emissions by 30 per cent relative to 2007 levels.*

We've always taken our role in protecting the environment seriously whether that be helping customers reduce their GHG emissions, cutting emissions from our own operations or implementing ways to protect the natural environment around our operations. Climate change is top of mind for British Columbians and we see a path forward using both the gas and electricity systems together to achieve our 30BY30 target and the province's climate action goals.

Back in 2019, we announced four key areas where we saw opportunities to cut emissions: support the continued growth of renewable and low carbon gases; invest in low and zero carbon vehicles and infrastructure; increase investment in conservation and energy efficiency programs and position B.C. as a leading domestic and international LNG provider.

In 2021, we achieved progress towards 30BY30 by helping our customers reduce their GHG emissions by approximately 578,000 tonnes of carbon dioxide equivalent (CO_2e), the energy equivalent to removing about 177,000 gas-powered cars from the road for a year.

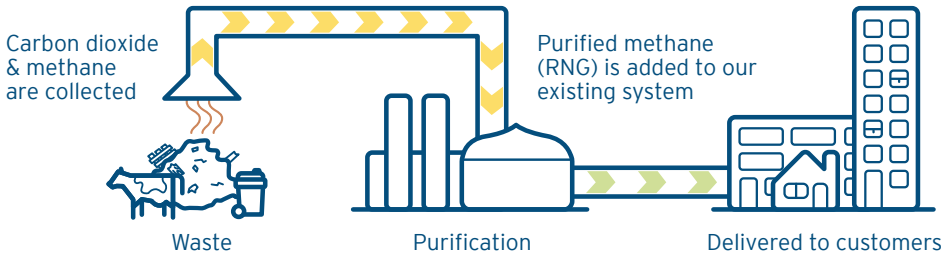
We're proud of the work we've done to this point but we're also looking beyond this target by building more aggressive targets to support a lower carbon energy future for B.C., and looking at how we can make an even bigger impact in the coming years to help achieve provincial climate action targets.

In October 2021, the province released their updated CleanBC Roadmap to 2030, introducing a series of new measures to achieve a 40 per cent reduction in provincial GHG emissions compared to 2007 levels by 2030. The measures we are taking to meet our initial 30BY30 target support the Roadmap, showing how we're all working towards the same end goal to significantly reduce GHG emissions. The Roadmap will help guide our path towards a lower carbon energy future and we will continue to collaborate with the provincial and federal governments along with industry partners and customers to help achieve these climate objectives.

Growing our renewable gas supply

The demand for renewable energy supply continues to increase and, in 2021, we made great strides in bringing more Renewable Natural Gas (RNG) supply into our system. A key milestone in our journey to acquire more RNG supply was in May when the province introduced amendments to the Greenhouse Gas Reduction (Clean Energy) Regulation. These changes allow us to increase the amount of renewable and low carbon gases in our system from five to fifteen per cent of our total annual supply. It also allows us to directly invest in the production of renewable and low carbon gases.

This regulatory change marks a new phase of renewable and low carbon energy development, giving us the opportunity to acquire more renewable and low carbon gas supply to further decrease GHG emissions, and support the achievement of federal and provincial climate action targets.



When bacteria break down organic waste from sources such as landfill sites, agricultural waste and wastewater from treatment facilities, it produces a biogas mostly made of methane. FortisBC works with local farms, landfills, green energy companies and municipalities to capture and purify this methane, which would otherwise escape into the atmosphere, to create RNG. As it's derived from organic sources, RNG does not contribute any net carbon dioxide into the atmosphere. It also mixes seamlessly into existing natural gas infrastructure, displacing conventional natural gas and lowering GHG emissions as a result.

In 2021, we helped our customers reduce their GHG emissions by approximately

578,000

tonnes of carbon dioxide equivalent (CO_2e), the energy equivalent to removing about

177,000

gas-powered cars from the road for a year.

Overall, in 2021, we increased our annual RNG supply by

184%

compared to our 2020 supply, marking the largest annual delivery in this program.

We're working with Metro Vancouver to purchase RNG from their Lulu Island wastewater treatment plant in Richmond. The amount of RNG produced at the facility will heat more than 600 homes and Metro Vancouver expects this will only increase as the population grows.

While this is a significant step forward, we also reflected back on how much growth we've seen in our RNG program. August 2021 marked the 10-year anniversary of the program and was the first time a utility in North America offered RNG to its customers. Over the last decade we've seen demand steadily increase for RNG, and to meet this demand, we've formed long-term partnerships with suppliers across the province, Canada and the United States.

"EverGen is proud to be a reliable supplier to FortisBC to provide RNG, a clean and carbon neutral energy option across multiple projects in Canada. Through increased production of carbon-negative biogas supply derived from organic and agricultural waste, we look forward to advancing the CleanBC Roadmap through existing and future projects."

- Chase Edgelow, CEO, EverGen

In 2021, we signed five new agreements with suppliers bringing our total up to 30 signed supply agreements. Since 2020, we have received approval for 25 of these agreements from the BCUC. Once all of these agreements come online, we expect to have approximately 16 PJs[13] of RNG flowing through our system by 2025, the energy equivalent to heating around 190,000 homes for a year.

To successfully build RNG supply, we can't do it alone. We must work with organizations, industry partners and local communities, leveraging their expertise to help us find more opportunities to produce RNG supply.

In 2021, we announced an exciting collaboration with Metro Vancouver to purchase RNG from their Lulu Island wastewater facility in Richmond. The facility will produce enough RNG supply to heat more than 600 homes and Metro Vancouver expects this will only increase as the population grows. This is just one example of how we can progress towards meeting climate action targets by working together with local communities.

We also formed local supply contracts with private companies like EverGen Infrastructure Corp. (EverGen), an investor in renewable gas infrastructure in the province. Together, we signed a 20-year agreement where FortisBC will purchase up to 173,000 gigajoules (GJ) of RNG annually from EverGen's future Net Zero Waste composting and organic processing facility in Abbotsford. Once the construction of the facility is complete, the project would convert municipal and commercial organic waste into RNG, meeting the annual energy needs of about 1,900 residential homes. EverGen also purchased one of our long-time RNG suppliers, Fraser Valley BioGas, giving us the opportunity to further strengthen our relationship with the organization.

While we're seeing the domestic industry for RNG continue to grow to meet the increasing demand, it's also necessary to look beyond our borders to bring on new supply to meet short-term demand. Late in 2021, we announced a new supply agreement with Shell Energy North America to bring RNG into our system from the United States—a first for FortisBC. This RNG acquisition shows how we're looking beyond B.C. to acquire new supply so we can continue to meet the growing demand for RNG while supporting the growth in domestic RNG production.

[13]The expected volume is the forecasted volume which the suppliers are most likely to deliver and is based on factors such as expected downtime, weather conditions, human errors, machine breakdown, lack of feedstock and delay in supply.

At the end of 2021, we had

10

active RNG suppliers that provided about

0.7 PJ

of RNG, the equivalent energy use to heating about

8,500

homes for a year.

These key relationships, formed within the past couple of years, allowed us to secure enough supply to reopen our RNG program to all of our natural gas customers in October 2021. Once again, customers were able to voluntarily sign up for the RNG program, where they can designate five to 100 per cent of their gas use to be RNG. Depending on the blend they choose, customers can receive a credit on the B.C. carbon tax on their monthly energy bill.

We're looking forward to inviting more customers to join our RNG program so they have options in choosing how they want to reduce their GHG emissions. We recognize none of this would be possible without the hard work and dedication from our employees, who secured these agreements, and the suppliers who are leading the way in RNG production and innovation.

Proposing a new era in renewable and low carbon gas programs

Later in 2021, we submitted a proposal—a first of its kind in North America—to help connect more of our customers with renewable and low carbon gases. Under a new proposal we submitted to the BCUC in December, every newly constructed residential building connected to the gas system would automatically receive 100 per cent renewable and low carbon gas for the lifespan of the building. In addition, the application also proposed existing residential natural gas customers would automatically receive a proportionate blend of RNG starting in 2024 that could increase over time. The approval of this proposal would mark a new era in the evolution of our company's renewable energy programs. We want to make it easier and more accessible for customers to receive renewable and low carbon gases and give them options to help decarbonize their homes. As different forms of renewable gas become available in B.C., more conventional natural gas will be displaced and replaced with renewable and low carbon gases like RNG and hydrogen. We look forward to the BCUC's decision as they will be reviewing this proposal throughout 2022.

Kelly Hawes is the CEO of one of our partners, ColdStar Solutions Inc., a grocery wholesaler transport company based in Victoria, that has been using CNG to power their fleet vehicles since 2014. The company is saving about 1,945 metric tonnes of CO_2e from switching part of their fleet to CNG, the energy equivalent to taking 596 gas-powered passenger vehicles off the road for one year.

Lowering emissions in the transportation sector with natural gas and RNG

At approximately 41 per cent of provincial GHG emissions, transportation accounts for the largest GHG emissions footprint in B.C.[14] With so much room for improvement, we can help fleet operators lower emissions by using compressed natural gas (CNG) or liquefied natural gas (LNG).

Natural gas vehicles emit up to 30 per cent less GHG emissions[15] compared to diesel or gasoline and customers can save up to 45 per cent in fuel costs.[16] Since the beginning of the program, we've provided support for more than 1,000 medium and heavy-duty vehicles so they can operate on CNG or LNG.

[14]Pathways for British Columbia to achieve its GHG reduction goals; Guidehouse, 2020–page 11. [15]Natural gas facts; Northwest Gas Association, 2021–page 15.
[16]Fuel costs based on FortisBC rates as of October 2020, and average cost of diesel per litre in B.C. as of October 2020.

We're proud to work with our marine customers, like Seaspan Ferries Corporation, to provide them with LNG used to power their marine vessels, helping them to lower their GHG emissions. Seaspan became the first Canadian marine company to pilot the use of RNG in one of their LNG-powered vessels in 2021, helping them to reduce even more GHG emissions.

Our efforts in this sector go beyond buses and delivery trucks and into marine vessels. We're working with organizations like BC Ferries and Seaspan Ferries Corporation (Seaspan) to fuel seven vessels with LNG. In 2021, we delivered more than 1,100 containers of LNG, through the process of refuelling tankers, to our domestic marine customers and this amount of LNG is the energy equivalent to removing more than 19,500 gasoline-powered cars from the road for a year.

Displacing other higher carbon intensity fuels with natural gas for transportation vehicles creates a pathway to help fleet operators lower emissions and supports the advancement of provincial climate action goals.

Seaspan uses LNG to power two of their marine vessels and in late 2021, they became the first Canadian marine company to pilot the use of RNG in one of their LNG-powered vessels, which will help to reduce GHG emissions even further. The significant amount of marine based emissions is a global issue and using LNG as a power source can greatly reduce this impact. Taking it one step further and using RNG provides a global industry with a renewable energy that can meet the high energy demands of the shipping industry.

Charging forward with electric vehicles

We're seeing more and more electric vehicles (EVs) on roads throughout B.C. and this means EV drivers need places to charge up. In 2021, we continued to add to the province's EV charging network opening 10 new stations across the Southern Interior. Ensuring British Columbians have access to the infrastructure they need is important to facilitate the adoption of this technology across B.C.

At the end of 2021 we had a total of

40

EV charging stations at

22

locations across British Columbia

Promoting cleaner transportation is part of how we will meet our 30BY30 target and we will continue to expand our growing network of EV charging stations across the Southern Interior.

We hit an exciting milestone in September when we announced our EV direct current fast charge network passed 10,000 charges. To reach this number, it took about three years but as the adoption of EV's continues to grow significantly, we expect to double this by the end of 2022, surpassing 20,000 charging events.

We're helping our customers charge up their electric vehicles by continuing to install charging stations across the Southern Interior helping more British Columbians adopt this technology.

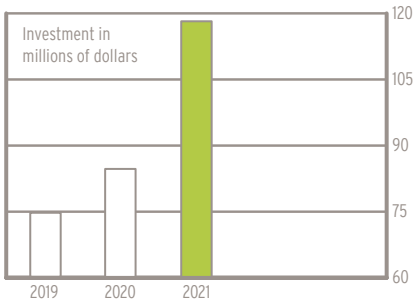
Working with our customers to advance energy efficiency

Improving energy efficiency in homes and buildings comes with many benefits including reduced operating costs through energy savings and lowering GHG emissions. When it comes to making energy efficiency upgrades, customers have a range of options that will continue to evolve in order to meet more stringent energy policies designed to reduce building emissions.

For example, as part of the CleanBC Roadmap, the province is committing to having all space and water heating equipment sold in the province to be at least 100 per cent efficient after 2030.[17] This is why we've already started to lead the way with testing ultra-efficient gas technologies to meet these future requirements. We're supporting our customers by piloting gas heat pumps with the goal of bringing them to commercialization as fast as possible and giving our customers another option to help decarbonize their homes and businesses.

The Roadmap also states a focus on improving building envelopes through insulation and upgrading windows, which is why we're starting to pilot deep energy retrofits in commercial buildings and residential homes to learn more about the ways we can help customers achieve even more energy savings.

Over the past three years, we've steadily increased our investment in our conservation and energy efficiency programs.



Through our conservation and energy efficiency programs, we expect to see a reduction of more than

750,000

tonnes[20] of CO_2e, the energy equivalent to removing almost

18,000

gas-powered cars from the road permanently.[21]

We continue to increase our investment in these programs and are here to help our customers find energy efficiency upgrades that work for them. In 2021, we reached a significant milestone as this was the first year we invested almost $120 million in our energy efficiency programs—close to $107 million invested in our natural gas efficiency programs and more than $12 million in our electricity programs. This continued investment supports British Columbians by helping them undertake energy efficiency upgrades that will lower their energy use and reduce GHG emissions.

In 2021, eleven organizations were recognized as our Efficiency in Action Award winners as they showed innovative and unique ways to significantly lower their energy use and GHG emissions and reduce their annual operating costs.

As we look back on 2021, we saw many customers make energy efficiency improvements by taking part in our conservation and energy efficiency programs. The measures our customers installed in 2021, from natural gas furnaces to upgrading insulation, is expected to save around 12 million GJ of natural gas[18] over their lifespan, which is the energy equivalent to heating about 1,500 homes over their lifetime.[19] This is a significant accomplishment yet we know with the addition of gas heat pumps and more stringent energy efficiency building policies, we expect to see even more energy savings in the coming years.

Among some of the top energy savers were our 2021 Efficiency in Action Award winners. These eleven organizations demonstrated their continued commitment to improving energy efficiency within their operations and saw significant reductions in energy use and GHG emissions.

Together, nine of the organizations collectively saved more than 63,000 GJ of natural gas use and reduced GHG emissions by more than 3,200 tonnes of CO_2e annually. The energy savings and GHG reductions equate to heating almost 740 homes and removing about 1,000 gas-powered cars from the road for a year respectively.

[17]CleanBC Roadmap to 2030; page 40-41. [18]Based on net present value of annual gas savings (GJ/yr). [19]Assuming the home has a lifespan of 100 years. [20]Based on the measure lifetime GHG emission reductions (tonnes CO_2e). Emission reduction value based on life cycle (well to burner tip) emission factor of 0.0598 tonnes CO_2e/GJ for natural gas. Annual emission reductions are just those attributed to the first year following measure implementation. Lifetime reductions are the total reductions that occur over the life of all measures implemented (based on NPV of gas savings). [21]Assuming the average lifespan of a car is 12 years.

One of our Efficiency in Action Award winners was Metro Vancouver Housing Corporation which provides affordable rental homes for British Columbians. They installed innovative commercial gas absorption heat pumps in one of their multi-unit buildings and saw 35 per cent reduction in annual natural gas use.

In the Southern Interior, the two winning organizations also took advantage of our energy efficiency programs. Together, they are saving more than 730,000 kilowatt hours annually, the equivalent energy needed to power about 70 homes for a year, allowing this electricity load to flow to other B.C. homes and businesses.

We've learned from First Nation communities about the challenges they face with inefficient homes leading to higher energy costs. Typically homes on reserve land were not built to meet the code requirements at the time and are therefore more inefficient than a typical home.

The Osoyoos Indian Band, another award winner, found a way to help their community members by undertaking a multi-year project to increase the energy efficiency in 170 community homes.

The Osoyoos Indian Band reduced household energy use by about

40%

by upgrading the insulation and air-sealing the home as well as installing high-efficiency natural gas and electric space and water heating systems.

Each community member is also saving

$1,500 to $2,500

per year on energy bills.

We're proud to support these award winners as they realize their energy efficiency goals and for many, this is only the beginning. We provided more than two million dollars in incentives to these organizations to help offset some of the costs of their energy efficiency upgrades. These partnerships and energy efficiency projects will continue to be part of how we will achieve the province's climate action goals.

While we celebrate those who have achieved significant energy savings, we understand that as a large organization with buildings across the province, we also have a responsibility to improve energy efficiency within our own operations.

In one of our main offices located in Surrey, we worked with a researcher from the British Columbia Institute of Technology to complete a thermal imaging drone scan that created a 3D thermal building model so we could better understand the energy performance of the building. The scan provided us with an image of where there are significant air leaks and heat loss so we could target these areas for improvement. The report findings will be assessed mid-2022 during our capital planning process and we would start any approved upgrades in 2023.

In addition to this, we performed seven energy audits in 2021 at our facilities to better understand the potential upgrades needed to improve energy efficiency and save energy. We're in the process of reviewing and prioritizing the recommendations which will be considered in our future capital planning processes. We also installed 12 level-two EV chargers for employee and fleet vehicles at our Surrey office, providing at-office charging and we continue to optimize our building operations through recommissioning to improve building performance.

Protecting the natural spaces around our operations

We also know how important it is to protect the natural spaces and biodiversity around our operations. Our Qualified Environmental Professionals (QEPs) undertake annual activities to help protect and monitor wildlife, aquatic species, and vegetation to ensure everything continues to thrive in their natural habitat.

The QEPs work closely with our operations teams to conduct environmental screenings and site visits for areas around our gas and electricity system where projects are being proposed. For example, each electricity pole is inspected prior to removal or replacement work to make sure there are no migratory birds living or nesting in it. If there are signs of wildlife, the team flags that pole to let the operations team know to minimize disturbance and reschedule the work until after the nesting period.

As an operator of hydroelectric dams in the Kootenay River system, we have a responsibility to ensure aquatic species around our operations are protected. In collaboration with the Columbia Operations Fisheries Advisory and BC Hydro, we undertake actions every year to minimize the potential for shoal spawning Kokanee to build redds and spawn in areas that may be above the water line in the spring.

Greg Edgelow (right), Indigenous relations manager, is in Burnaby with Caroline Astley (left), environment manager at FortisBC, who worked closely with our major projects team to develop and implement environmental protection plans for the new gas line in Burnaby as part of the Patullo Gas Line Upgrade project.

In fall 2021, we drew down the Kootenay Lake water levels in collaboration with other dam operators in the region so the Kokanee could build their redds and lay their eggs at lower elevations. This is always a joint effort and we closely follow all regulations to ensure the protection of these aquatic species.

Outside of these annual activities, we also look for opportunities to manage our environmental impact through projects in local communities. One of the environmental initiatives we undertook in 2021 was related to the Pattullo Gas Line Upgrade project that involves building a new gas line in the City of Burnaby.

One of our environmental managers was heavily involved in the assessment of the new gas line route, identifying the steps needed to prevent and minimize impact to the environment, knowing Burnaby has an abundance of watercourses winding their way through the city, which are home to a variety of sensitive fish and wildlife species.

With infrastructure crossing through many B.C. municipalities, towns and cities, we know it's important to protect the natural spaces and biodiversity around our operations. We have a team of Qualified Environment Professionals (QEP) who work to ensure we protect these natural spaces and even leave these spaces in better condition than before.

An environmental management plan was created to protect wetlands, greenspaces, at-risk species and their habitats during the construction process. During projects like this, we want to leave the natural environment in the same condition or better than we found it. Our restoration plan outlines initiatives we can do to make this happen including removing invasive species like Himalayan blackberry and Scotch broom during the vegetation clearing process and replanting native trees and shrubs in those areas. Part of this process includes working closely with the City of Burnaby and Metro Vancouver so we can include their site-specific restoration requirements in our plans.

As part of our commitment to protect the natural environment, we look for ways to increase the population of endangered species. In 2021, we worked with the Fraser River Sturgeon Conservation Society (FRSCS), a non-profit committed to monitoring and tagging White sturgeon that was founded by famed athlete Rick Hansen. The field data gathered through this program is used to generate annual estimates of White sturgeon abundance, growth rates and to forecast future abundance trends. One of FRSCS' projects involved protecting White sturgeon, a 175-million-year-old species at risk, from lost or abandoned gill nets by fisheries, also known as "ghost nets." These unmonitored ghost nets catch fish and increase the mortality rate for all types of fish, including sturgeon. With our donation to FRSCS' ghost gear removal program, they are helping protect White sturgeon and other aquatic species in the Fraser River.

Indigenous and local communities

The Kulture Kompass program was one of our Community Giving Award winners and their members were grateful for the additional funds that will help LGBTQI2+ artists bring their artwork into community spaces. (Kristie Adair, mural artist.)

The initiatives in this section align with the following UNSDGs:

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Our approach: We're proud to work together with municipalities and Indigenous communities across B.C. as we collectively make progress toward meeting provincial climate action goals, improving energy efficiency, strengthening grassroots initiatives, and providing economic opportunities for local and Indigenous businesses. We continue to give back to communities through donations and employee volunteer hours as well as completing the necessary actions to move us forward in receiving our Progressive Aboriginal Relations (PAR) certification.

We live and work in B.C. communities and are proud to collaborate with British Columbians, strengthening relationships and creating mutually beneficial partnerships, to help communities grow and prosper. We also acknowledge how important it is to connect with and learn from Indigenous Peoples as we work to advance Reconciliation. In our journey to receive our Progressive Aboriginal Relations (PAR) certification, we are seeing a shift in our organizational culture to better recognize and affirm the rights, histories and cultures of Indigenous Peoples.

Connecting with Indigenous communities

As part of our commitment to Reconciliation, we're working towards a goal of developing and maintaining strong, authentic, reciprocal relationships with Indigenous Peoples. We understand this is a process of growing and learning together and we will continue to engage and partner with Indigenous leaders, business partners and community members.

Through our major infrastructure projects, we're finding more opportunities to work with Indigenous Peoples. Randy Loski (left), Karen Barton (centre), owner of Proactive Safety and Shane Gravelle (right) are at a job site in Cranbrook for our Inland Gas Line Upgrade project. We worked with Proactive Safety to provide them with funding so they could put Shane, a member of the Ktunaxa First Nation, through training to become a paramedic.

As an organization, we've learned about the unique challenges these communities face and how we can work together to ensure our relationship benefits all those involved.

This past year marked 20 years since we adopted a Statement of Indigenous Principles which formalized our commitment to positive Indigenous relations. Developed with input and guidance from Indigenous leaders, our Principles define what it means to work respectfully with Indigenous Peoples and form the foundation of our Indigenous relations activities.

We understand every community is unique and we continue to work to implement these Principles to their full potential.

One of our goals is to improve access for Indigenous businesses to work with us through our major infrastructure projects. In 2021, we undertook a process to further develop our Indigenous contracting strategy. The involvement from Indigenous Peoples, who are connected with the land, is important to ensure the job is done respectfully.

Our work with Indigenous Peoples includes finding ways to engage with Indigenous youth. We recognize the younger generation can face

For example, through our Tilbury truck loading expansion project, we're working with

5

Indigenous contractors and

33%

of the local vendors are Indigenous businesses.

barriers when accessing programs and education they need to pursue employment in the trade industries. To help bring greater diversity into this sector, we funded six new scholarships for either women or Indigenous students—three at Okanagan College and three at Thompson Rivers University. Scholarships like this help students break down financial barriers and open up more opportunities to work towards a career they are passionate about.

As a PAR phase two Committed member, we submitted a report in 2021 detailing our action plans, efforts and samples of our work to date and received approval from CCAB to move to the phase three Committed stage in January 2022.

In the phase two Committed Report, we detailed how we're working with Indigenous leaders and consultants to advise us on our overall engagement strategy, including ways to hire, procure and engage with communities. This is an important step to help us better understand where we can grow in our communication and engagement efforts.

Charla Huber, a communications consultant and director of communications and Indigenous relations for the M'akola Housing Society which is B.C.'s largest Indigenous non-profit housing provider, provided advice and direction on how we can communicate more effectively with Indigenous Peoples.

We appreciate the advice Charla Huber, a communications consultant and director of communications and Indigenous relations for the M'akola Housing Society, provided to us, helping us improve our communication efforts with Indigenous Peoples.

She explained why it's important to add an "Indigenous lens" to our communications in order to consider Indigenous cultural values as well as the history of colonization when creating communication pieces. Charla's report outlined recommendations on tone, terminology, storytelling and historical context. We sincerely thank Charla for her expertise and are implementing her feedback to help shape our communications and engagement with Indigenous Peoples.

Our commitment to Reconciliation

Canadians were reminded about the tragic histories and colonization of Indigenous Peoples with the confirmation of unmarked graves found at former residential schools across the country. The federal government acknowledged the trauma this brought to Indigenous communities and recognized September 30 as the National Day for Truth and Reconciliation to build awareness of the long-standing impacts residential schools have on Indigenous communities.

In support of Indigenous Peoples and their community, we partnered with the BC Lions, BC Hydro and the provincial government, to give away orange "Every Child Matters" shirts to the first 10,000 fans attending the Lions versus the Saskatchewan Roughriders game on September 24. Funds from T-shirt purchases went directly to the Survivors of residential schools and players on both teams wore orange tape through the entire game to show their support. This was an opportunity to spread the message that Every Child Matters and bring further awareness about the history of residential schools. We also provided 350 tickets to residential school Survivors, families and local First Nations communities to attend the game.

When we first learned about the confirmation of the unmarked graves at the residential school in Kamloops, we extended our deepest sympathies and condolences to First Nation communities. While we can't imagine what they've had to go through and how these histories continue to impact Indigenous Peoples today, we wanted to ensure there were resources available such as counselling, court support, referrals and workshops

To acknowledge the inaugural National Truth and Reconciliation day, our employees, including our President and CEO Roger Dall'Antonia, attended a BC Lions game in collaboration with Premier John Horgan and BC Hydro. Before the game, our employees handed out orange "Every Child Matters" T-shirts to attendees to bring awareness to residential school Survivors.

Damian John (left), local Tl'azt'en artist, and D'Arcy Caron (right), FortisBC project manager are pictured in front of a mural Damian created along a fence surrounding our Salmo substation. The mural reflects the histories of Indigenous Peoples in the region and represents Truth and Reconciliation from the perspective of engagement and trust.

to those who needed it. The Indian Residential School Society provided these services to Survivors and our donation helped ensure the services would continue to be offered during this very difficult time.

Acknowledging the deep histories of Indigenous Peoples in the province, we asked the Town of Salmo if they would like to hire an Indigenous artist to paint a mural on a wall surrounding our substation. The town council selected Damian John, a Tl'azt'en artist who now resides in Ymir, to design and paint a mural along the wall around our substation that we were making significant upgrades to.

Damian is a self-taught artist who specializes in working with acrylic, digital and sculptural mediums. We thank Damian for creating this bright and colourful mural that reflects the histories of Indigenous Peoples and look forward to the second part of the installation coming in 2022.

We also offer energy efficiency programs to Indigenous communities. In 2021, we introduced new opportunities for Indigenous communities including more funding for the Indigenous New Home Program and made our Appliance Maintenance program available to First Nations communities.

In 2021, we provided funding to 21 First Nations communities through our conservation and energy efficiency programs with more than

$1 million

in incentives going to these communities helping their homes become more comfortable and energy efficient.

Safety is always a top priority

The safety of our customers and employees is always a top priority. It's our responsibility to ensure British Columbians understand how to stay safe around gas and electricity infrastructure and we do this by engaging with our customers so we can provide them information on how to stay prepared.

One of the most important ways to stay safe around gas lines is to always "click or call" BC 1 Call before doing any digging on a property. Without knowing what is below the ground, customers can accidently damage a gas line, electricity line, water lines and other utilities. In 2021, we held 20 ground disturbance sessions for contractors providing them with information and expertise to help them dig safely around utility infrastructure.

These activities, along with our annual public safety campaigns, are some of the ways we're trying to help prevent and mitigate the damage to our system. We saw more than 1,000 incidents of third-party damage to our gas lines in 2021, a six per cent increase from 2020.

In areas where we provide electricity to customers, we look to raise awareness about how to stay safe around power lines and electricity infrastructure. It is especially important for British Columbians to know that when they see a downed power line, due to heavy winds or storms, to keep 10 metres away.

Another way we engaged with our customers was through our vegetation management program speaking to residents in the Southern Interior about the importance of keeping our power lines clear from trees. When trees grow too close to our electricity infrastructure, it raises the risk of hitting the line and it can cause outages and potentially fires. Engaging with residents about this issue and providing solutions, like trimming the trees for them, is an annual priority to lower the risk of damage to our system and help keep communities safe.

Partnering with communities to advance climate action

Achieving organizational and provincial climate action targets is top of mind for many municipalities in B.C. To help support municipalities, we provide funding for senior energy specialist roles through our Climate Action Partners program. The individuals who work in these roles have a wealth of knowledge and expertise to implement innovative projects that can help reduce GHG emissions and operational costs. In 2021, we signed seven new agreements including ones with the Tsleil-Waututh Nation and the City of Burnaby, bringing our total number of active partnerships up to 21.

Among the efforts of senior energy specialists in our Climate Action Partners program, was the exciting work done by Wasel Rahman who works for the City of Abbotsford. To help the city achieve their GHG emissions reductions targets, Wasel focused on creating and managing relationships with builders and developers to provide them with knowledge and expertise needed to improve building efficiency. He is also working to advance the use of RNG within the city.

Investing in local communities

Every year, we're proud to give back to the communities where we live and work through our corporate investment program as well as responding to the significant events many British Columbians experienced last year including COVID-19, wildfire and floods.

In total, we gave

$3.8 million

to B.C. communities through corporate investment, employee donations and community engagement in 2021.

When we are working on a project, we look for ways to support local organizations and businesses within the communities where we are working. When construction was starting for our Inland Gas Line Upgrade (IGU) project, one of our community and Indigenous relations managers, Blair Weston, looked to find an impactful way to bring a little positivity to the Cranbrook community. He learned that the Cranbrook Community Forest (CCF) had recently completed its Padawan Green Flow Adaptive Trail, a five-kilometre loop that runs through a forest with views of the snow-capped peaks of the Rockies. The CCF had plans to expand this trail by an additional eight kilometres and we provided a donation to help them get this project started. The last two years have reminded us how important it is to have outdoor spaces like these in our communities.

The Watershed Watch Salmon Society, a 2021 Community Giving Awards winner, promotes the restoration of one of the most productive salmon rivers in the world. Funding from the Community Giving Awards was used to create in-person and online events that educate both government officials and the public about the importance of connecting waterways in the Lower Fraser watershed.

Beyond our community investment programs, we accept nominations from across the province every summer as a part of our annual Community Giving Awards. Three non-profit organizations each received a $15,000 donation from FortisBC, helping them advance projects within their communities.

The 2021 winners were the Watershed Watch Salmon Society, the Lower Similkameen Community Services Society and the Powell River Salmon Society. One winner, the Lower Similkameen Community Services Society's Kulture Kompass promotes local Indigenous, LGBTQI2+ and marginalized artists by showcasing their art in the community and along a hiking trail that links Keremeos to other communities in the Similkameen Valley. The donation they received will continue to help improve opportunities for these groups by building more art installations and developing a website to promote the project.

"For our community, the funding means so much more than meeting the practical needs of artists like purchasing supplies. For us, the funding creates spaces where young creative people can connect with one another, grow and receive crucial validation: from their craft, from their community, and most importantly, from themselves."

- Tristan Boisvert, project coordinator for Kulture Kompass

Building opportunities for local businesses

While we find ways to give back to local organizations, we also look to build relationships with local businesses, helping them grow and prosper in B.C.

Throughout 2021, we contracted work to

408

B.C.-based vendors across our major infrastructure projects and distributed

$116 million

across these B.C.-based businesses.

One of the ways we regularly work with B.C. businesses is through our local projects. Before we started construction on the IGU project, we engaged with local and Indigenous communities about the scope of the project and the work involved, as this project runs through many different B.C. communities. To help us show a visual picture of where the work would take place, we reached out to the McLeod Lake Indian Band for assistance.

They recommended using Hummingbird Drones, a Kamloops-based company offering drone technology services, to help us map out the gas line route for the project. The footage was extremely helpful when engaging with local and Indigenous communities as they could clearly see where we would be working and that our work was within our existing gas line right of ways.

We also work with local organizations in emergency situations when we need specialized equipment to help us repair third-party damage to our gas lines.

We've formed an ongoing relationship with Richmond-based McRae's Environmental Services over the years as they provide hydrovac equipment that is able to safely expose a gas line so our crews can gain access to the area and assess damage. Without their help, our crews wouldn't be able to perform the work in a timely manner and restore service to customers. We've also partnered with McRae's through our Tilbury LNG expansion project in Delta as their equipment is used to help us locate underground utilities.

Employing local businesses for this work is critical to provide steady, dependable work for these organizations and the British Columbians they employ.

Operational performance and adaptation

Our crews working in the field are critical to ensuring we can continue to deliver safe and reliable energy to our customers every day. They are the ones performing proactive maintenance on our system, working on major infrastructure upgrades and restoring energy to customers during extreme weather.

The initiatives in this section align with the following UNSDGs:

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Our approach: We invest in our transmission, distribution and generation systems to maintain reliable and resilient assets and mitigate climate-related risks. Our energy delivery systems are regularly maintained, improved and replaced, so we can continue providing our customers with reliable, safe and affordable energy solutions today and for years to come. We're also looking to modernize our gas system with advanced gas meters to help customers monitor their energy use and use energy more efficiently, further demonstrating the ways we support our customers and maintain the resiliency of our gas system.

British Columbians rely on the consistent and safe delivery of energy to run their homes and businesses while looking for opportunities to affordably reduce their carbon footprint. Investing in our infrastructure through major projects and maintenance allows us to maintain strong, resilient systems and further advance innovative, lower carbon energy solutions. It also allows us to maintain or restore service as quickly as possible when unforeseen weather events damage our gas or electricity infrastructure.

System resiliency and reliability

Advanced gas meters

As one way to modernize our gas system, we are looking to replace existing gas meters with advanced gas meters. The gas meters we have today use technology that hasn't fundamentally changed in more than 100 years and requires physical site visits and interaction for most monitoring tasks. Advanced meters send gas use readings over a wireless network, meaning customers can access daily updates on their energy use, which can help them better manage their consumption. The new meters will also offer additional safety features compared to our current meters including the ability to remotely detect and respond to emergencies, such as a leak or an earthquake, and then shutting off the flow of gas.

While we initiated consultations with communities about advanced gas meters back in 2019, we filed our application with the BCUC in May 2021 to upgrade all our meters. We expect a decision from the BCUC by the end of 2022 and if approved, we hope to begin installing advanced gas meters in 2023.

Our operations team found a new way to reduce GHG emissions when working on our IGU project as they started to use Zero Emission Vacuum and Compressor machines, a technology that captures gas from a depressurized line that would otherwise vent into the atmosphere. In total, the work completed in 2021 with these units saved about 2,900 tonnes of CO_2e, the energy equivalent of taking more than 880 passenger vehicles off the road for a year.

Inland Gas Line Upgrades

Upgrading areas of our gas system helps us maintain the service our customers expect and rely on every day. The Inland Gas Upgrades project (IGU) involves upgrading 29 sections of our existing gas lines through 18 communities to enhance our ability to carry out proactive maintenance. This ultimately contributes to our already excellent record for the safety and reliability of these lines.

Many of the upgrades will allow us to run more modern in-line inspection tools through our system and gather detailed information about the condition of our gas lines so we are able to better plan and manage maintenance. The main purpose of the planned construction is to upgrade existing gas lines by rounding out sharp bends and replacing some fittings so the inspection tools can travel unobstructed through each line from end-to-end.

In 2021, the second year of construction of the five-year project, we upgraded existing gas lines in seven communities across the province—two in the Northern Interior and five in the Kootenay region. In the Kootenay region, we worked at various locations along our gas lines in the Cranbrook, Kimberley, Elkford, Sparwood and Skookumchuck areas. In the Northern Interior, we returned to Mackenzie and started upgrades to our existing gas line in Prince George.

Upholding our commitment to improve the access for local groups and Indigenous Peoples to employment and contracting opportunities for our projects, we contracted 28 Indigenous vendors for the project. Of those, 15 Indigenous vendors were local to our project and comprised 66 per cent of the total local vendor expenditure.

During peak construction periods, we employed up to

300

people across all of our work locations—both directly and through our contractors.

Pattullo Gas Line Upgrade

Our existing gas line on the 85-year-old Pattullo Bridge is a vital part of our gas system, helping deliver energy to more than 35,000 homes and businesses in Burnaby, New Westminster and Coquitlam.

To help maximize the benefits in the local community, approximately

$32 million

of project procurement spending went to B.C. and Indigenous businesses in 2021.

This included

67

B.C.-based vendors and

11

Indigenous vendors.

The British Columbia Ministry of Transportation and Infrastructure is replacing the Pattullo Bridge so this gave us an opportunity to find a new route for a gas line that meets all current regulations and standards, to ensure our customers continue to receive the gas they need for their homes and businesses.

Throughout this project, we've worked closely with local and Indigenous communities as this is a critical part to successfully carrying out a major infrastructure project like this one. Construction for a new gas line in Burnaby began in 2021 and we expect the project to be complete and the line in operation later in 2022.

Eagle Mountain–Woodfibre Gas Pipeline project

The Eagle Mountain–Woodfibre Gas Pipeline project will be an expansion of our existing system to provide natural gas to the proposed Woodfibre LNG facility. The additional volume of natural gas supply from this project would strengthen our overall system and ensure reliable service to Woodfibre LNG and our existing customers across the Sea to Sky corridor, Sunshine Coast, and Vancouver Island during those peak periods when demand for energy is at its highest.

Significant upgrades continued in 2021 at our Corra Linn Dam, located along the Kootenay River that provides electricity to our customers in the Southern Interior. Replacing the aging spillway gates will ensure the dam remains operational for years to come and the project will be complete later in 2022.

Project planning and engagement with the local and Indigenous communities continued in 2021. In August, FortisBC received approval of its application to extend the project's Environmental Assessment Certificate (EAC) from the Environmental Assessment Office (EAO). This extension adds five years to the EAC, which was initially approved in 2016. The extension is independent of our application for several project amendments and we received approval from both the EAO and the Squamish Nation on these amendments. We will continue to engage residents, stakeholders and Indigenous groups at every key step as the project progresses.

Corra Linn Dam replacement project

As the demand for electricity continues to increase in B.C., we've invested in upgrades to our Corra Linn Dam located along the Kootenay River that was built in 1932. This has been an ongoing project over the past few years and the purpose of the upgrades is to improve and modernize the aging spillway gates as well as reinforcing the superstructure to meet B.C.'s updated dam safety requirements. In 2021, we upgraded an additional five spillway gates, bringing the total up to 11 spillway gates replaced. Three more will be replaced in 2022, which will mark the completion of the project.

East Kent Avenue gas line upgrade

We completed a shorter project in 2021 when we upgraded about 300 metres of 30-inch gas line on East Kent Avenue South in Vancouver to help improve its seismic resilience. This project was part of our work strengthening the system we use to deliver gas to more than 210,000 homes and businesses across the Lower Mainland.

Restoring energy to customers during extreme weather

No one could have predicted the storms and extreme weather events that led to a series of unprecedented challenges British Columbians faced in 2021—on top of navigating through the second year of a global pandemic. Our crews were instrumental in restoring gas and electricity service safely and as quickly as possible in adverse conditions, and as always, we appreciated the patience of our customers while we completed this work.

To start the year in January, a winter storm brought down hundreds of trees, damaged homes and took out power to more than 10,000 of our electricity customers in the Southern Interior. The damage to our system was extensive and among the most damaged were two major transmission lines that bring power to towns and rural homes in the Kootenays. These transmission lines needed to be cleared of any trees, some of which can be twice the height of our transmission structures, and repaired before we could start to repair smaller distribution lines and substations. Our crews braved the cold weather to access very difficult terrain by either snowcats or by helicopter to reach remote sections of our electricity system. Their dedication and tenacity resulted in us restoring power to most customers within just one day and all customers within three days. Despite the harsh conditions and the need to restore power quickly during one of the coldest times of the year, all our crews returned safely home to their families with no injuries or incidents.

From cold winter weather to hot dry temperatures, the summer also proved to be a challenging time for British Columbians in the Interior with wildfires spreading across the region. We worked with local emergency officials and carefully monitored all wildfires, especially those near our electricity system. As a proactive measure, our crews cut back grass and trees close to our transmission structures and treated poles with a fire retardant to prevent extensive damage to the system.

The Nk'mip Creek wildfire in Osoyoos started mid-July and rapidly grew to be around 19,000 hectares, destroying local infrastructure and forcing local residents to evacuate their homes. The fire damaged areas of our electricity infrastructure and there was a risk of losing power to the entire town. In response, we de-energized parts of our electricity system and made adjustments to reroute power ensuring electricity continued to flow to our customers. When the wildfire was contained, our crews assessed and repaired an entire transmission line with close to 50 structures across incredibly rugged terrain within weeks rather than months, as originally anticipated. Working together with the Osoyoos Indian Band was key in repairing our system so quickly because they shared their knowledge of the area helping us get our crews to the right areas to carry out the preventative work and make these repairs.

In the summer, wildfires spread across the province and by working with local First Nation communities who provided us with key information about the region, we were able to get our crews into areas of our system to carry out preventative maintenance such as spraying fire retardant onto electricity poles to prevent them from catching fire.

> "We've built a relationship with FortisBC over many years from working together on energy efficiency retrofit projects and installing electric vehicle charging stations to also coordinating on-the ground support for the Nk'Mip wildfire. The Osoyoos Indian Band Rez depends on FortisBC power and the wildfire damage caused some power outages that affected community members. We're grateful to FortisBC's staff and ground crews for protecting our access to electricity during the wildfire emergency period. It's through these relationships when we work together that we ensure we can continue to provide for our community members today and in the future."
>
> *- Chief Clarence Louie, Osoyoos Indian Band*

Major rainfall from atmospheric rivers in November caused flooding in many areas of B.C. resulting in significant damage to our gas and electricity systems. Our crews worked together to restore energy to customers in these difficult circumstances while upholding our commitment to safety.

While the wildfires subsided toward the end of the summer, the winter had more surprises in store. In November, we experienced an unprecedented amount of rainfall from atmospheric rivers in a short period of time, resulting in multiple flooding events across our service areas. There were multiple power outages in the Southern Interior and several crews worked around the clock to ensure the safety of our system and to carry out the necessary repairs. More than 17,000 customers in the Central Okanagan and more than 5,000 customers in the Kootenays lost power because of damage to our electricity system. With the quick organization and planning from our operations teams and the hard work of the crews in the field, power was restored to the majority of customers within a couple of days.

The rainfall caused areas of the ground around our gas infrastructure to wash away leaving our gas lines exposed and vulnerable. The weather led to significant damage to one of our gas distribution mains serving the town of Princeton, resulting in the loss of gas service to more than 1,200 customers. Four days later, our crews completed a temporary solution to get gas flowing and started to restore service to the impacted customers.

In Merritt, the extensive rainfall flooded many parts of the town forcing evacuations and exposing one of our transmission lines when the Coldwater River water levels rose and started to flow through the town.

Our crews worked closely with local emergency officials to ensure our customers continued to receive the energy they needed and restore service as quickly as possible during this trying time.

To end the year, in late December we experienced some of the coldest weather on record with temperatures dipping to -15 Celsius in the Lower Mainland and -34 Celsius in the Interior. In times like this, customers expect to have energy to heat their homes and businesses. On the peak energy use day, December 26, 2021, we delivered 1.53 PJ of natural gas, which is a 46 per cent increase over the average amount of gas flowing on a typical December day.

From December 26 to 28, 2021, we moved more than

4.5 PJ

of energy through our gas system, the energy equivalent to heating about

53,000

homes for a year.

For example, in the Lower Mainland alone, the gas system moved more than 42,000 GJ of energy between 7 a.m. and 8 a.m. on December 27, which is the equivalent energy output of about ten large hydroelectric dams.[22] This demonstrates the critical role the gas system plays in meeting B.C.'s energy needs and how much more energy the electricity system would need to generate and deliver to meet peak energy demands in a future where electricity is the primary energy source. It is during times like these where it reminds us how valuable it is to have access to both gas and electricity to meet the energy demands of the province.

On December 27, we also hit a new record on our electricity system and delivered

777 MW

of electricity to customers, which is

13 MW

above our previous peak demand record set during the heat dome earlier in the year on June 29, 2021.

[22]Comparison is solely based on units of energy. Large hydroelectric dam is characterized as a 1,100 MW, 5,100 GWh facility.

We're here to support our customers and one way we do this is by providing them with tools to help them manage their energy use and by making it easier for them to find the information they are looking for.

Enhancing our customer's experience

We deliver a significant amount of energy to our customers so we want to ensure they have the tools and resources to help them manage their energy use. Customers who better understand how they use energy in their homes can make informed decisions to reduce their energy use thereby helping to reduce GHG emissions and save money.

Because every customer uses energy differently, it's important that they have personalized information. Through Account Online, customers can access the My Energy Use portal that prompts them to fill out a questionnaire about their home, appliances and overall energy use which is then used to help them identify specific ways to reduce their energy use. In 2021, the feature became available to our electricity customers.

Through our online platforms, we continually learn what information our customers want to see more of. We made enhancements to our Talking Energy website that includes information about our major capital projects underway. We added a frequently asked questions section to the site in addition to a section where customers can submit their questions to us for a review and response in a timely manner.

We also made changes to our rebate webpages to make it easier for customers to find the information they are looking for when looking to upgrade to high-efficient equipment. We're listening to our customers feedback and finding ways to ensure they have access to the information they need in order to make informed decisions.

Our view to 2050

We're rethinking how energy is used so we're here for the long-term to serve our current and future customers. There is exciting work ahead for us as we work towards a lower carbon energy future for B.C.

As we reflect on the projects, milestones, innovations and accomplishments throughout 2021, we celebrate the progress we've made so far in advancing a lower carbon energy future for British Columbia, knowing there is still more exciting work to be done.

We're here to anticipate the needs of our customers and we know those needs will continue to evolve and grow. There's an expectation to help reduce GHG emissions while simultaneously keeping energy costs reasonable and affordable. We're here to rise to the challenge and demonstrate how we're leading B.C.'s energy transformation through improved energy efficiency, new state of the art technology and expanding our supply of renewable and low carbon gases.

Looking ahead, we see different pathways that will help us to reach our goals. With innovative ideas, technology advancements and policy changes, it allows us to be creative with our solutions and gives British Columbians options to choose how they can best reduce their emissions. Our approach is guided by leveraging both the gas and electricity systems together to achieve GHG emissions reductions while prioritizing affordable energy, flexible options and maintaining resilient and reliable systems to serve our customers.

This means we must look at how best to decarbonize our system, help our customers reduce GHG emissions in their homes and businesses and ensure British Columbians continue to receive the energy they depend on every day.

We see the gas and electricity systems working together to meet B.C.'s energy demands and it's necessary to collaborate with industry partners, all levels of government, Indigenous communities and our customers to achieve collective goals. We're relying on the expertise and dedication from our more than 2,600 employees to help us navigate down this pathway because they are the driving force behind how we will continue to drive our sustainability progress forward and help to achieve provincial climate action goals.

Using renewable and low carbon gases to reduce emissions

The last few years showed our success in increasing the amount of RNG supply in our system. To reach federal and provincial climate action targets, almost three quarters of the gas moving through our system will need to be renewable and low carbon, such as RNG or hydrogen. We expect a joint study to be released, commissioned by the Government of British Columbia, FortisBC and BC Bioenergy Network, in 2022 that will outline the potential that the province holds to domestically produce a

Jerry Keulen from Seabreeze Dairy Farm in Delta has been one of our RNG suppliers for a number of years. By growing our number of suppliers, we can continue to steadily increase our RNG supply, helping us decarbonize our gas system.

range of renewable and low carbon gases like RNG and different forms of hydrogen. We're looking forward to the results of this study to better understand how renewable and low carbon gases can be a reliable energy source for years to come helping to achieve climate action targets.

We expect the amount of RNG in our system to grow in 2022 as we continue to secure new supply agreements and expect seven supplier facilities to come online and start supplying us with RNG throughout the year. This will keep us on track to meet our energy transition goals and looking beyond this, we see the potential to have 75 per cent or more of the energy we deliver as renewable and low carbon by 2050.

Through our Clean Growth Innovation Fund—where we're committing almost five million dollars per year until 2024 to the Fund—we're investing in projects that will help us advance projects that are expected to help decarbonize our gas supply and accelerate climate action. One of the first projects we're investing in through this Fund is exploring the use of hydrogen in our gas system. We're continuing to work with the University of British Columbia's Okanagan campus on their research to better understand how to safely blend hydrogen, and other low carbon gases, into our system.

Mark Warren, director of business innovation, made a visit to the University of British Columbia's Okanagan campus where he's working with their team to better understand how we can safely blend hydrogen into our gas system to help us further reduce GHG emissions.

Changes to the Greenhouse Gas Reduction (Clean Energy) Regulation have empowered FortisBC to explore the potential of hydrogen as a pathway to achieve a lower carbon energy future. A dedicated hydrogen lab is being built, with an expected opening in 2022, that will allow researchers to start testing some of their theories in real-life applications. In addition, we're exploring the opportunity to advance new hydrogen pilot projects so we can test this form of energy in real-world settings.

Moving forward, we envision a province where renewable and low carbon gases fuel homes and businesses across B.C. The proposal we submitted to the BCUC was a regulatory first in North America and, if approved, would set a new precedent to make RNG the automatic and preferred choice for new building gas connections.

Leveraging energy efficiency to reduce emissions

Our energy efficiency programs connect customers with incentives for high-efficiency natural gas and electricity equipment and since 2019 we've steadily increased our investment in these programs. Looking ahead, we'll support our customers with incentives to help them achieve their energy efficiency goals while bringing in new high-efficient technologies into B.C. Our plans for the next four years and beyond will consider how we can support various energy efficiency activities. There will be more stringent building code standards coming into effect to account for energy efficiency and policy updates requiring space and water heating equipment be more than 100 per cent efficient by 2030.[23] We're focusing on bringing in gas heat pumps to meet these requirements and creating efficiency programs that will help our customers meet these standards.

Mila Barbour is a program manager who is part of the innovative technologies team who tested and vetted Robur gas absorption heat pump units in commercial buildings. As part of this pilot project, these units achieved more than 100 per cent efficiencies and we're excited to be offering our first rebate program on these units in 2022.

By mid-2022, we'll start to see gas heat pumps coming into the B.C. market as we plan to offer our first incentive program to commercial customers for gas absorption heat pumps. Reducing the barriers, especially financial, will help accelerate the adoption of this high-efficient technology and give businesses a way to signficantly reduce GHG emissions while still using gas. Tested in B.C. businesses, these units can achieve more than 100 per cent efficiencies, and customers can opt into our RNG program to designate up to 100 per cent of their gas use as carbon neutral RNG, helping to further reduce GHG emissions. We also anticipate the units will be able to run on gas-hydrogen blends in the future.

High-efficient technology is one area where customers can improve energy efficiency but further GHG emission reductions come from deep energy retrofits where we look at energy efficiency upgrades for an entire home or building. In 2022, we will launch a nine-million-dollar pilot program where 20 homes and three commercial buildings will receive extensive energy efficiency renovations, up to $100,000 each. This will provide homeowners with a more energy efficient home, allow us to better understand what it will take to meet higher energy efficiency standards, and inform a new generation of our rebate programs.

[23] *CleanBC roadmap to 2030; page 40-41*

Maintaining the reliability and resiliency of our system

As we work towards achieving the province's climate action goals, we must also consider the reliability of the energy systems and how we will continue to meet the growing energy needs of British Columbians, especially when demand is at its highest.

Pursuing a diversified pathway with the gas system working side-by-side with the electricity system, would allow gas to shoulder the load when energy demands spike. One of the advantages of the gas system is its ability to store energy affordably at natural gas storage facilities and at our LNG facilities that can be dispatched immediately to meet surging energy demand. The gas system is specifically designed to deliver energy to heat our homes and businesses affordably and reliably, especially during cold weather. If we were to use only the electricity system for our heating and transportation needs, we would need new electricity generating capacity. The equivalent of approximately eight new, large scale hydroelectric dams would be needed in B.C. to meet peak energy demand during cold weather periods as well as other demands.[24]

During a cold snap, the gas system in B.C. can deliver upwards of

60%

more energy than the electricity system.[25]

The projects we undertake to modernize and build the resiliency of our system will continue to be a focus in 2022 and into the future. We want to ensure our infrastructure will deliver renewable and low carbon energy to our customers safely, reliably and affordably. Investing in the expansion of our Tilbury LNG facility will help make our domestic energy supply more resilient while opening the door to supply more LNG to customers, stabilizing energy costs for marine and international customers. It's also important we improve our maintenance programs so our infrastructure is built to last and through our Inland Gas Line Upgrades project, we are using the latest technology to inspect pipes and address vital areas of our system.

We plan to invest in modernizing more than one million meters with advanced gas meters that will allow us to better manage our system while providing customers with real-time information about their gas use and help them make more educated decisions than ever before.

The major infrastructure projects that will continue in the coming years will allow us to maintain and upgrade our system with new technologies that will help us better monitor our system and provide additional benefits to our customers to help them manage their energy use so they can make informed decisions.

[24]Pathways for British Columbia to achieve its GHG reduction goals; Guidehouse, 2020.
[25]Pathways for British Columbia to achieve its GHG reduction goals; Guidehouse, 2020–page 12.

Rethinking our energy landscape

Together with British Columbians, we can work to achieve the province's climate action goals by 2050. We want to ensure all energy systems are used to their fullest potential while giving British Columbians options to decarbonize their homes and businesses.

Our electricity system already provides customers in the Southern Interior with renewable energy. We will continue to invest in upgrades to modernize our generation plants to ensure we can continue to deliver this energy to customers for years to come. Now we're seeking innovative ways we can decarbonize our gas system so we can leverage both electricity and gas together. The gas system brings many inherent benefits that play a critical role in B.C. including the ability to meet peak energy demands, its use in industrial processes and the resiliency of the system overall to withstand extreme weather events.

With our work to bring in more renewable and low carbon gases, the benefits only increase as the system will be able to transport renewable energy across the province to meet the needs and expectations of our customers.

It's not a matter of if we can do it but how we will do it and we know we can't do it alone. The partnerships we have formed and the ones we will create are going to be instrumental in achieving significant GHG emission reductions.

It will take all of us and a shared perspective that there is no one pathway that will allow us to achieve these goals. It's about working towards a lower carbon energy future by demonstrating leadership to implement solutions that challenge us to think outside of what is typically done and to take on new and innovative projects that will bring long-term benefits to our current and future customers, all the while driving toward a cleaner B.C. for everyone.

The ability to store large amounts of gas at Mount Hayes, one of our LNG facilities in Ladysmith, is a strength of the gas system and by taking a diversified pathway to reach climate action goals, we can continue to meet peak energy demands while working to decarbonize our gas system.

Reporting scope and boundaries

Our 2021 Corporate and Sustainability Report provides a balanced account of our sustainability performance and is intended to provide stakeholders, partners, our customers and communities with a better understanding of how FortisBC manages the opportunities and challenges associated with our business. FortisBC is committed to releasing an annual Corporate and Sustainability Report and to continuously improve reporting transparency and accountability of our sustainability disclosures. We've reported on our sustainability performance annually since 2017.

We have increased our sustainability disclosures and added the following to this year's report:

- New demographic information on FortisBC board of directors, executive, management and employees.
- Additional metrics related to employee turnover and retention, benefits, remuneration and labour management relations.
- Additional breakdown of Scope 1 GHG emissions and inclusion of customer-related Scope 3 GHG emissions.
- Additional breakdown of hazardous waste metrics and expanded metrics related to environmental compliance.

We are guided in our reporting by:

- The Global Reporting Initiative (GRI) sustainability reporting standards. The GRI index can be found on page 54.
- We continue to use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards to disclose GHG emissions.
- Our parent company's, Fortis Inc., commitment to implement the recommendations of the Task Force for Climate-Related Financial Disclosure.
- Members of FortisBC's Executive Team, Board of Directors Governance Committee and relevant leaders review our annual sustainability report.

The terms FortisBC, our, we, our organization, and the company, refer to FortisBC Energy Inc. and FortisBC Inc. collectively.

Our most recent previous FortisBC Corporate and Sustainability Report was released in June 2021 and reflects operations as of December 31, 2020.

This report communicates our sustainability performance from January 1, 2021, to December 31, 2021, as well as other significant events in 2021.

Our Sustainability Performance Summary includes historical data trends for the three years ending December 31, 2021, unless otherwise noted, for FortisBC.

All dollar amounts are expressed in Canadian dollars and data is reported using the metric system, unless otherwise stated.

Leadership team

Roger A. Dall'Antonia

President and CEO

Mr. Dall'Antonia is President and Chief Executive Officer for FortisBC Inc. and FortisBC Energy Inc., overseeing electricity and natural gas business operations. With more than 25 years of experience in the energy industry, he has been trusted in numerous leadership roles throughout the organization, including executive oversight of customer service and technology, regulatory affairs, strategic planning and corporate development, finance and treasury. Mr. Dall'Antonia serves on the board of directors of the Canadian Gas Association, Electricity Canada and Western Energy Institute, as well as the Board of Governors for the BC Business Council. He is also a board member for the FortisBC group of companies and Central Hudson Gas & Electric Corp. and has previously served on the board of the Down Syndrome Research Foundation and Resource Centre. Mr. Dall'Antonia holds a BBA from Simon Fraser University and an MBA from the Ivey School of Business at the University of Western Ontario and is a Chartered Financial Analyst.

Andrea Cadogan

Vice President, People

Ms. Cadogan has more than 25 years of experience in leading a broad range of human resources functions, across both private and public sectors. She joined FortisBC in 2009 in the role of director, employee services, and most recently held the position of director, human resources. She holds a bachelor of arts in economics from Simon Fraser University and a post-baccalaureate diploma in human resources management from the British Columbia Institute of Technology.

Michael Leclair

Vice President, Major Projects and LNG

Mr. Leclair has more than 19 years of experience with FortisBC and its predecessor companies, holding leadership roles including director, generation and compression, manager, generation, and manager, engineering. He holds a master's degree in business administration from Athabasca University and a professional engineering designation from the University of Victoria.

Ian Lorimer

Vice President, Finance and Chief Financial Officer

Mr. Lorimer brings 21 years of experience in regulated utility finance roles, including vice president, finance and chief financial officer for FortisAlberta and manager, treasury and corporate reporting and manager, financial reporting and treasury for FortisBC and FortisAlberta (and predecessor companies). Previously, he held finance roles including senior manager at Smythe Ratcliffe Chartered Accountants in Vancouver. Mr. Lorimer holds a Bachelor of Commerce degree from the University of British Columbia, is a Chartered Accountant and member of the Institutes of Chartered Accountants of Alberta and British Columbia.

Joe Mazza

Vice President, Energy Supply and Resource Development

Mr. Mazza leads energy supply and resource development functions, including strategic and commercial oversight for gas, power, renewable energy, as well as energy solutions for FortisBC customers. He brings 24 years of experience in the energy industry, including a background in energy supply, operations, engineering, business development, major projects, safety and environmental management, as well as stakeholder and Indigenous relations. Most recently, Mr. Mazza was SVP, operations and engineering at PNG and director, Global Infrastructure Advisory at KPMG. Previously, he spent more than 12 years with FortisBC in successive management roles. He started his career at Husky Energy in an engineering capacity. Mr. Mazza is a professional engineer, holding a B.A.Sc. in Chemical Engineering from the University of British Columbia and an MBA from Royal Roads University. He is also an active board member of the Northwest Gas Association and is a member of the United Way of British Columbia Cabinet.

Dawn Mehrer

Vice President, Customer and Corporate Services

Ms. Mehrer has more than 20 years of experience in customer service and project management for FortisBC, FortisAlberta and previously in the telecommunications industry. She previously held the position of director, customer service for FortisBC. She has a Bachelor of Commerce degree from the University of Victoria and project management diploma from the University of British Columbia.

Monic Pratch

Vice President, General Counsel, Corporate Secretary and Sustainability

Ms. Pratch joined the FortisBC legal department in 2010 and has held the positions of senior counsel, privacy officer, corporate secretary and most recently director of governance and corporate compliance. She holds a law degree and a Master of Business Administration from the University of Alberta, a Bachelor of Arts in Political Science and International Development Studies from Dalhousie University, and is called to the bar in both British Columbia and Alberta.

Diane Roy

Vice President, Regulatory Affairs

As vice president of regulatory affairs at FortisBC, Ms. Roy ensures all regulatory and energy conservation applications and strategies are aligned with the future needs of FortisBC and its customers. She successfully moves FortisBC forward with innovative regulatory approaches, and guides investments that support British Columbia's CleanBC plan. Ms. Roy has 18 years of experience with FortisBC and its predecessor companies, holding leadership roles in both regulatory and finance. Previously she held finance roles with the Overwaitea Food Group, TELUS and Deloitte and Touche. Ms. Roy holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant.

Doyle Sam

Executive Vice President, Operations and Engineering

Mr. Sam has worked in the energy industry since 1989 and for FortisBC and its predecessors since 2003. He has operated in a variety of engineering, planning, operations and senior management roles in both electricity and gas utilities. Mr. Sam holds a Bachelor of Science degree in Civil Engineering from the University of Alberta and a Masters of Business Administration from Queens University.

Doug Slater

Vice President, External and Indigenous Relations

Mr. Slater joined the FortisBC family in 2010 and has led various parts of the business, including labour and employee relations, disability management, pensions, FortisBC Alternative Energy Services Inc. and regulatory affairs. He holds a Master of Business Administration from the University of Victoria, a Bachelor of Science in Forestry from UBC and is a Registered Professional Forester, a Chartered Professional Accountant as well as a Certified Human Resources Professional.

Board of directors

Tracey C. Ball

Ms. Ball (FCPA, FCA, ICD.D) is the Chair of the Governance Committee of the Board of Directors of FortisBC Energy Inc. and FortisBC Inc. She is a corporate director and the former Executive Vice President and CFO of Canadian Western Bank. She currently serves as a member of the Board of Directors of Fortis Inc. and as a member of its Audit Committee and its Governance and Sustainability Committee. She previously served as both Board Chair and Audit Committee Chair of FortisAlberta. She serves on the Advisory Committee of Novacap's Private Equity Financial Services Fund and has additionally served on several private and public sector boards including Canadian Direct Insurance, Canadian Western Trust Company, the Audit Committee of the Province of Alberta, the CA School of Business and Financial Executives Institute Canada.

Peter Blake

Mr. Blake (FCPA, FCA) is the Chair of the Audit Committee of the Board of Directors of FortisBC Energy Inc. and FortisBC Inc. He is a corporate director and the former CEO (2004-2014), CFO (1997-2004) and Director (1997-2014) of Ritchie Bros Auctioneers Inc., a leading global industrial auctioneer. He also held the position of CEO of WesternOne Inc. from 2014-2018. He currently serves as a member of the Board of Directors of Toromont Industries Ltd., Adam's Apples Foundation, and as Board Chair of West Point Grey Academy. He is a former director of several other not-for profit Boards.

Dr. Michelle Corfield

Dr. Michelle Corfield is a corporate director and the CEO of Corfield & Associates, a provider of consulting and project management services to First Nations and organizations working with First Nations. She is the past Chair of the Nanaimo Port Authority Board of Directors, and has previously served on the Ucluelet First Nation Settlement Trust, and Nuu-chah-nulth Economic Development Board, and as a board member of the College of Physicians and Surgeons of BC. Prior to this, she was the Chair of the Legislature of the Ucluelet First Nation and has held numerous executive, committee and council roles throughout BC.

Roger A. Dall'Antonia

Mr. Dall'Antonia is President and Chief Executive Officer for FortisBC Inc. and FortisBC Energy Inc., overseeing electricity and natural gas business operations. With more than 25 years of experience in the energy industry, he has been trusted in numerous leadership roles throughout the organization, including executive oversight of customer service and technology, regulatory affairs, strategic planning and corporate development, finance and treasury. Mr. Dall'Antonia serves on the board of directors of the Canadian Gas Association, Electricity Canada and Western Energy Institute, as well as the Board of Governors for the BC Business Council. He is also a board member for the FortisBC group of companies and Central Hudson Gas & Electric Corp. and has previously served on the board of the Down Syndrome Research Foundation and Resource Centre. Mr. Dall'Antonia holds a BBA from Simon Fraser University and an MBA from the Ivey School of Business at the University of Western Ontario and is a Chartered Financial Analyst.

Nora M. Duke

Ms. Duke is Executive Vice President, Sustainability and Chief Human Resource Officer, of Fortis Inc. Her career with the Fortis group spans over 35 years. She was previously President and Chief Executive Officer of Fortis Properties; Vice President of Hospitality Services of Fortis Properties; and Vice President of Customer and Corporate Services of Newfoundland Power. She holds the ICD.D designation from the Institute of Corporate Directors and additionally serves on the Board of UNS Energy, also a Fortis utility. Ms. Duke is a member of the International Women's Foundation (IWF) where she uses her experience to promote women in all sectors, including energy. She has volunteered extensively in several areas including healthcare, entrepreneurship and helping at-risk youth.

David G. Hutchens

Mr. Hutchens is the President and Chief Executive Officer of Fortis Inc. His career in the energy sector spans more than 25 years, having held a variety of positions at Fortis electric and gas utilities in Arizona as well as with Fortis Inc. Mr. Hutchens was most recently Chief Operating Officer of Fortis as well as Chief Executive Officer of UNS Energy Corporation in Arizona. Prior to that, he was Executive Vice President of Western Utility Operations of Fortis while also maintaining his responsibilities as President and CEO of UNS Energy Corporation. Mr. Hutchens earned a Bachelor of Aerospace Engineering and a Master of Business Administration from the University of Arizona and is a former nuclear submarine officer in the U.S. Navy. In addition to the Fortis Inc. and FortisBC Boards, he also serves on the Boards of ITC Holdings and FortisAlberta, both Fortis utilities. He is a member of the Edison Electric Institute's Board of Directors and several other charitable and civic organizations.

Tracy Medve

Ms. Medve is the Chair of the Board of Directors of FortisBC Energy Inc. and FortisBC Inc. She is President and CEO of KF Aerospace Group of Companies in Kelowna BC, with an executive career in the Canadian aviation industry dating back to 1985. She was previously the Chair of the Air Transport Association of Canada and is currently a Member of the Transportation Appeal Tribunal of Canada. She has a Bachelor of Arts and a law degree from the University of Saskatchewan, an Aviation MBA from Concordia University and is a member of Beta Gamma Sigma, the international honor society for collegiate schools of business.

Douglas G. Pearce

Mr. Pearce (ICD-D) is a corporate director and former CEO/CIO of the British Columbia Investment Management Corporation, a global pension fund investor. Mr. Pearce has been Chair of the Canadian Coalition for Good Governance (CCGG), the Pacific Pension Institute (PPI), and the Pension Investment Association of Canada (PIAC). He currently serves as a member of the board of directors of the Alzheimer's Society of B.C., and is a Guardian of the New Zealand Superannuation Fund.

Jocelyn H. Perry

Ms. Perry is the Executive Vice President, Chief Financial Officer of Fortis Inc. She has an extensive career in the utility business, having worked at Newfoundland Power for 13 years in a variety of capacities, including Chief Financial Officer, Chief Operating Officer and President and Chief Executive Officer. She is a prior Director of Finance at Fortis in the early 2000s, and previously served in other financial capacities in the private sector. She is a Fellow Chartered Professional Accountant (2018), completed a Bachelor of Commerce (Honours) at Memorial University and received her Chartered Accountant Designation in the early 1990s. Ms. Perry has considerable community and professional board and volunteer experience in Newfoundland and Labrador, including the Healthcare Foundation and C-CORE. In addition to the FortisBC Board, she currently serves on the Boards of UNS Energy and ITC Holdings, both Fortis utilities.

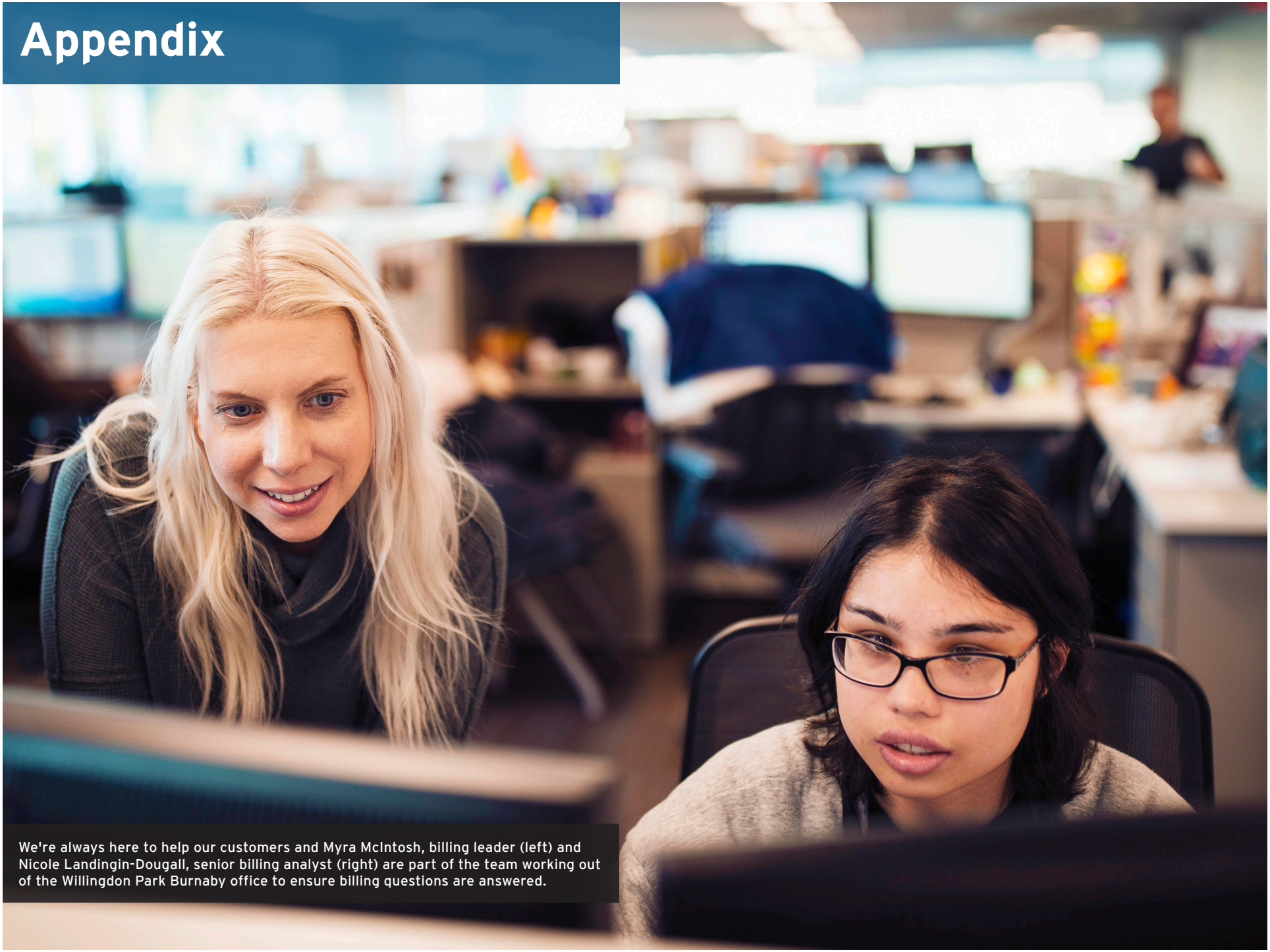
Janine Sullivan

Ms. Sullivan (CPA, CA) is a corporate director and the President and Chief Executive Officer of FortisAlberta Inc. Prior to this, she held the position of Executive Vice President and Chief Financial Officer of FortisAlberta and held continuously progressively Executive and Director positions with FortisAlberta and at Fortis utility Newfoundland Power. Ms. Sullivan serves on the board of directors of Electricity Canada and Western Energy Institute. She holds a Bachelor of Commerce (Honours)degree from Memorial University and is a member of the Institutes of Chartered Professional Accountants of Alberta and Newfoundland and Labrador.

Susan L. Yurkovich

Ms. Yurkovich (BA, MBA, ICD.D) serves as President of the BC Lumber Trade Council. Born and raised in British Columbia, Ms. Yurkovich has worked in the natural resources sector for more than 25 years. She is currently a Director of Centerra Gold, Director of Vancouver College, and a member of the Faculty Advisory Board at UBC's Sauder School of Business. She is a past Governor of the University of British Columbia and the Business Council of BC, and a Director of Vancouver General Hospital and the UBC Hospital Foundation, Pharmasave Drugs (National), Vancouver Coastal Health Authority and the Vancouver Board of Trade.

Appendix



We're always here to help our customers and Myra McIntosh, billing leader (left) and Nicole Landingin-Dougall, senior billing analyst (right) are part of the team working out of the Willingdon Park Burnaby office to ensure billing questions are answered.

Key performance indicator summary

Please use the following tables for comparative purposes as historical data has been updated in some instances.

People and culture[26]

Indicator	2021	2020	2019
Number			
Total number of employees	2631	2549	2447
Demographics			
Employees:			
• Percentage of male employees	65%	65%	66%
• Percentage of female employees	35%	35%	34%
• Percentage of employees under 30	10%	8%	6%
• Percentage of employees 30-50	58%	54%	52%
• Percentage of employees over 50	32%	38%	42%
• Average age of employees	44.6	45.0	46.1
Management:[27]			
• Percentage of male management	68%	63%	64%
• Percentage of female management	32%	37%	36%
• Percentage of management under 30	2%	1%	1%
• Percentage of management 30-50	58%	55%	50%
• Percentage of management over 50	40%	44%	49%
Executives:			
• Percentage of male executives	67%	67%	67%
• Percentage of female executives	33%	33%	33%
• Percentage of executives 30-50	56%	33%	33%
• Percentage of executives over 50	44%	67%	67%
Board of directors:			
• Percentage of males on the board of directors	36%	58%	60%
• Percentage of females on the board of directors	64%	42%	40%

Note: FortisBC is focused on advancing its Culture of Belonging initiative through efforts to increase awareness and understanding on the value of inclusion and diversity and taking action to advance inclusion. Diversity performance indicators are under review.

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

[26]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, 2021.

[27]Employees who hold the position of Manager or Director who have direct reports.

Indicator	2021	2020	2019
Freedom of Association			
Percentage of total workforce – unionized (%)[28]	62%	62%	64%
Hiring			
Percentage of job vacancies filled by existing employees (%)	56%	64%	55%
Percentage of job vacancies filled by new employees (%)	44%	37%[29]	44%
Turnover and retention			
Voluntary turnover rate (%)[30]	5.9%	3.0%	4.4%
Annual retirement rate (as a % of total full-time workforce)	2.4%	1.9%	2.0%
Average years of employment for full-time employees	11.7	12.1	13.3
Benefits			
Percentage of full-time employees that are eligible to receive Employee and Family Assistance (%)	100%	100%	100%
Percentage of employees who have access to Indigenous Awareness Training (%)	100%	100%	*
Percentage of management who have access to Inclusive Leadership Training (%)	100%	*	*
Remuneration			
Percentage of full-time employees whose basic salary is above the local minimum wage (%)	100%	100%	100%
Labour Management Relations			
Total number of stoppages	0	0	0
Employees, health, safety and wellness			
All injury frequency rate (AIFR)[31]	1.77 injuries/ 100 workers	1.27 injuries/ 100 workers	1.53 injuries/ 100 workers
Number of fatalities	0	0	0
Serious Injuries and fatalities (SIF)*	0.09	*	*
Discrimination incidents[32]	0	0	0
Respect in the workplace incidents[33]	3	2	7

[28]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.

[29]In 2020 we saw a lower than normal number of new employees/external hires due to the COVID-19 pandemic and the hiring freeze that occurred as a result.

[30]Excludes retirements. The voluntary turnover rate includes high turnover departments such as customer service, not present in other industry comparators. Values are aligned with industry comparators. The data includes regulated and non-regulated companies as well as temporary employees. Employees on long-term disability are excluded.

[31]AIFR per 100 workers is for a combined gas and electricity result (annual).

[32]Number reflects the substantiated discrimination and harassment complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.

[33]Number reflects the substantiated Respect in the Workplace complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.

Energy transition and environment[34]

Indicator	2021	2020	2019
Emissions (in tonnes of CO_2 equivalent)			
Scope 1 GHG emissions (in tonnes CO_2 equivalent):			
• From natural gas operations (combustion, flaring, venting, fugitive)	125,000	112,000	133,200
• From third party gas line damage incidents[35]	13,500	9,500	12,000
• From SF6 fugitive emissions	96[36]	1,700	1,300
• From owned vehicle emissions	8,900	8,500	8,200
• From natural gas for comfort heating	1,500	1,700	2,900
Total Scope 1 GHG emissions	149,000[37]	133,000	158,000
Scope 2 GHG emissions[38]	6,100[39]	6,300	7,000
Scope 3 GHG emissions (in tonnes CO_2 equivalent):			
• Related to natural gas transmitted and delivered under certain third-party market contracts	3,800,000	3,640,000	4,500,000
• Related to FEI-supplied natural gas used by customers[40]	7,900,000	7,530,000	7,100,000
Combined Natural Gas Customer Scope 3 GHG emissions[41]	11,700,000	11,200,000	11,600,000

[34]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, 2021.

[35]GHG emissions released from gas line damages caused by parties that are unrelated to FortisBC.

[36]New operational procedure implemented in 2021 resulted in reduced overall GHG emissions from SF6.

[37]Scope 1 GHG emissions, as defined under the Greenhouse Gas Protocol, are direct emissions from owned or controlled sources. For 2021, this includes externally verified Scope 1 GHG emissions as reported to the BC Ministry of Environment of 129,963 tCO_2e and 8,477 tCO_2e for FEI and LNG operations, respectively.

[38]Scope 2 GHG 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 in 2021 of approximately 21,613 tCO_2e.

[39]As per Minister of Environment Greenhouse Gas Industrial Reporting and Control Act Bulletin 022, the revised methodology to calculate the 2021 B.C. Integrated Grid Factor was adopted.

[40]Customers include the built environment, industry and transportation sectors.

[41]Combined Natural Gas Customer Scope 3 GHG emissions are based on the amount of energy delivered by FEI multiplied by the WCI combustion emission factor.

Indicator	2021	2020	2019
Environmental benefits from FortisBC energy solutions			
Avoided GHG emissions from the use of LNG in marine bunkering (in tonnes CO_2 equivalent)	39,300	38,800	34,200
Avoided GHG emissions from natural gas used for transportation[42] (in tonnes CO_2 equivalent)	43,400	36,400	37,100
Avoided GHG emissions from the use of RNG[43] (in tonnes CO_2 equivalent)	59,700	19,100	17,200
Measure Lifetime GHG emission reductions from Conservation & Energy Management programs[44] (in tonnes CO_2 equivalent)	754,000	493,000	483,000
Reduction in criteria air contaminants (CAC) released to the environment through the use of LNG and CNG by customers[45] (in tonnes)	364	365	294
Environmental compliance			
Number of environmental fines and penalties	0	0	0
Emergency spill response plan	✓	✓	✓
Environmental management programs aligned with ISO 14001	✓	✓	✓
Number of Class 3 spills[46] by FortisBC	0	1	0
Number of Class 3 spills by contractors	1	0	0
Waste management (in tonnes)			
Total amount of hazardous waste manifested for disposal[47]	56	70	138
Total amount of recycled hazardous waste	128	178	79
Total amount of hazardous waste generated and manifested (in tonnes)	184	248	217

[42]Value differs from the compliance credits as determined by the Renewable and Low Carbon Fuel Requirements Regulation due to designated allowable limits as determined by the BC Government for the purposes of reporting under that regulation.

[43]Renewable Natural Gas 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 carbon neutral Renewable Natural Gas (also called biomethane).

[44]Measure Lifetime GHG emission reductions (historically named Lifetime energy saved) is based on the net present value (NPV) estimates on energy savings from gas and electric programs that commenced in the reporting year as published in FortisBC's conservation and energy management filings to the British Columbia Utilities Commission (BCUC) as well as lifecycle GHG emission factor for gas using models adopted by the BC Government.

[45]The CAC value includes nitrogen oxides (NOx) and sulphur oxides (SOx) but excludes particulate matter. The formation of particulate matter is related to the concentration of NOx and SOx in the exhaust. Given the decrease in NOx and SOx emissions for the use of natural gas versus diesel, a decrease in particulate matter is expected.

[46]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.

[47]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 Hazardous Waste Regulation.

Indigenous and local communities[48]

Indicator	2021	2020	2019
Economic			
Community events participated in[49]	180[50]	325	332
Communities that received investment	74	74	76
Economic value generated[51] (in millions of dollars)	$2,168	$1,797	$1,734
Economic value distributed (in millions of dollars):			
• Operating costs	$211	$222	$200
• Employee wages and benefits	$346	$323	$299
• Payments to providers of capital	$399	$449	$454
• Payment to government	$485	$439	$401
• Community investment[52]	$3.8	$3.4	$2.5
Indigenous[53]			
Taxes paid when on reserve land (gas and electricity in millions of dollars)[54]	$2.6	$2.5	$2.3
Progressive Aboriginal Relations (PAR) Committed Member	✓	✓	✓
Safety			
Number of emergency exercises[55]	32	20	20

[48]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, 2021.

[49]A FortisBC event or activity open to members of the public (inclusive of virtual activities) where a FortisBC employee is present to answer questions and share information about the company.

[50]COVID-19 restrictions impacted FortisBC's ability to host events.

[51]Revenues as reported per external financial statements for FEI and FBC.

[52]Includes investments into the communities including donations, in-kind contributions and sponsorships.

[53]Progressive Aboriginal Relations targets are under development as part of the PAR certification framework.

[54]For taxes paid on FortisBC land, infrastructure and other taxable real property situated on reserve or treaty lands of any First Nation that has opted to exercise optional legislative powers to implement a property taxation system.

[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, regulatory, community request, etc. Annually, more or fewer exercises are not indicative of safety performance.

Operational performance and adaptation[56]

Indicator	2021	2020	2019
Natural gas and electricity transmission and distribution			
Total length of natural gas transmission and distribution lines (km)	50,500	50,200	50,000
Total length of electricity transmission and distribution lines (km)	7,300	7,300	7,300
Operational safety and system reliability			
Number of incidents with significant safety, environment, or service disruption consequences (gas)[57]	0	0	0
Number of confirmed BC Mandatory Reliability Standards violations with penalty (electricity)[58]	0	0	0
Gas line damage incidents by all parties working around the FortisBC gas system (total number)	1,034	972	1,069
Energy use			
Amount of energy delivered – electricity (in GWh)	3,460	3,291	3,326
Amount of energy delivered – electricity (in petajoules (PJ))	12	12	12
Amount of energy delivered – gas (PJ)	230	219	227
Total amount of energy delivered – electricity and gas (PJ)	242[59]	231	238
Customers			
Number of customers – gas	1,064,800	1,054,100	1,040,000
Number of customers – electricity	184,800	182,000	179,000
Customer satisfaction index – gas[60]	8.7	8.7	8.7
Customer satisfaction index – electricity[61]	8.4	8.5	8.5
Number of cybersecurity incidents[62]	0	0	0
Economic, customer service			
FortisBC investment in conservation and energy management programs (in millions of dollars)	$119.5	$86.0	$74.6
Emergency calls responded to within one hour – gas	97.7%	97.7%	97.9%
Emergency calls responded to within two hours – electricity	94%	92%	92%
System average interruption duration index (SAIDI)[63]	4.27[64]	3.17	2.42
System average interruption frequency index (SAIFI)[65]	2.08[66]	1.64	1.20
Customers who achieve resolution in one contact with our customer contact centres	79%	81%	81%

[56]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, 2021.

[57]Number of incidents with significant safety, environment, or service disruption consequences in accordance with the FEI Integrity Management Policy.

[58]Number of confirmed BC Mandatory Reliability Standards violations with penalty in accordance with the British Columbia Utilities Commission (BCUC) Rules of Procedure.

[59]Total amount of natural gas and electricity delivered to FortisBC customers, excluding energy exports and upstream usage, amounts to 56 per cent of energy provided by public utilities in B.C. in 2021.

[60]As reported to the BCUC.

[61]As reported to the BCUC.

[62]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.

[63]SAIDI depicts the average outage duration for each customer served, indicated in hours per customer.

[64]Extreme weather events impacted SAIDI.

[65]SAIFI depicts the average number of interruptions that a customer would experience, indicated in units of interruptions per customer.

[66]Extreme weather events impacted SAIFI.

Global Reporting Initiative content index

This document references how FortisBC Energy Inc. and FortisBC Inc. (FortisBC) disclose against Global Reporting Initiative (GRI) Standards for the 2021 reporting year. FortisBC does not purport to report in relation to other frameworks and standards. For more information on the Global Reporting Initiative (GRI), please visit: www.globalreporting.org. FortisBC does not purport to meet the reporting requirements of the GRI and other frameworks and standards.

This material references Disclosures 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-9, 102-10, 102-12, 102-13, 102-14, 102-18, 102-20, 102-22, 102-23, 102-25, 102-32, 102-40, 102-41, 102-42, 102-43, 102-45, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-55 and 102-56 from GRI 102: General Disclosures 2016; Disclosures 103-1, 103-2 and 103-3 from GRI 103: Management Approach 2016; Disclosure 201-1 from GRI 201: Economic Performance 2016; Disclosures 202-2 from GRI 202: Market Presence 2016; Disclosures 205-3 from GRI 205: Anti-Corruption 2016; Disclosures 302-2 from GRI 302: Energy 2016; Disclosures 305- 1, 305-2, 305-5 and 305-7 from GRI 305: Emissions 2016; Disclosure 307-1 from GRI 307: Environmental Compliance 2016; Disclosure 401-1 from GRI 401: Employment 2016; Disclosure 403-9 from GRI 403: Occupational Health and Safety 2018; Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016; Disclosure 406-1 from GRI 406: Non-Discrimination.

Standard reference	Disclosure	Content	Source
GRI 100–Universal standards			
GRI 102–General disclosures 2016			
Organizational profile			
102-1	Name of the organization	Gas: 2021 Annual Information Form, Name and Incorporation (page 5). Electricity: 2021 Annual Information Form, Name and Incorporation (page 6).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-2	Activities, brands, products and services	Gas: 2021 Annual Information Form, Name and Incorporation (page 5), The Business of FortisBC Energy Ltd. (page 5-6). Electricity: 2021 Annual Information Form, Name and Incorporation (page 6), The Business of FortisBC Inc. (page 6-7).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-3	Location of headquarters	Gas: 2021 Annual Information Form, Name and Incorporation (page 5). Electricity: 2021 Annual Information Form, Name and Incorporation (page 6).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2

Standard reference	Disclosure	Content	Source
102-4	Location of operations	Gas: 2021 Annual Information Form, The Business of FortisBC Energy Inc. (page 5-6). Electricity: 2021 Annual Information Form, The Business of FortisBC Inc. (page 6-7).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-5	Ownership and legal form	Gas: 2021 Annual Information Form, Name and Incorporation (page 5). Electricity: 2021 Annual Information Form, Name and Incorporation (page 6).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-6	Markets served	Gas: 2021 Annual Information Form, The Business of FortisBC Energy Inc. (page 5-6), Operations (page 7-8), Electricity: 2021 Annual Information Form, The Business of FortisBC Inc. (page 6-7), Operations (page 9). FortisBC.com, About us, Corporate information, Our service areas	Gas: fei-aif-2021-c2-pb-sedar.pdf (fortisbc.com) https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: fbc-aif-2021-c2-pb-sedar.pdf (fortisbc.com) https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-7	Scale of the organization	Gas: 2021 Annual Information Form, The Business of FortisBC Energy Inc. (page 5-6), Operations (page 7-8), Capital structure (page 13) Electricity: 2021 Annual Information Form, The Business of FortisBC Inc. (page 6-7). Operations (page 9), Capital structure (page 15-16)	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2 2021 Corporate and Sustainability Report (People and culture table)

Standard reference	Disclosure	Content	Source
102-8	Information on employees and other workers	Gas: 2021 Annual Information Form, Other Material Corporate Issues (page 8-9). Electricity: 2021 Annual Information Form, Other Material Corporate Issues (page 10-11). 2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2 2021 Corporate and Sustainability Report (People and culture table)
102-9	Supply chain	Gas: 2021 Annual Information Form, Gas Purchase, Storage and Off-sales Agreements (page 6). Electricity: 2021 Annual Information Form, Generation and Power Supply (page 7-9).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2
102-10	Significant changes to the organization and its supply chain	No significant changes have occurred to the organization and its supply chain over the 2021 reporting year	
102-12	External initiatives	2021 Corporate and Sustainability Report, Protecting the natural spaces around our operations, Investing in local communities. External initiatives FortisBC also participates in include: • Osprey Management Program • Invasive Mussel Program • Nature Conservancy Canada (Darkwoods Conservation Area funding)	2021 Corporate & Sustainability Report (Protecting the natural spaces around our operations) Osprey https://www.fortisbc.com/about-us/climate-leadership/environment/osprey-management-program Invasive mussels https://www.fortisbc.com/news-events/media-centre-details/2017/03/30/fortisbc-helps-fund-the-provincial-invasive-mussel-program Darkwoods Conservation Area Nature Conservancy Canada (FortisBC funding) - https://www.natureconservancy.ca/en/where-we-work/british-columbia/news/this-is-big-next-creek-announcement.html Environmental protection https://www.fortisbc.com/about-us/climate-leadership/environment

Standard reference	Disclosure	Content	Source
102-13	Membership of associations	A list of the main memberships maintained by FortisBC at the organizational level can be found in the 2021 Corporate and Sustainability Report, Our Sustainability Performance, Engagement with stakeholders and Indigenous communities.	2021 Corporate and Sustainability Report (Engagement with stakeholders and Indigenous communities)
Strategy			
102-14	Statement from senior decision maker	A Message from Roger Dall'Antonia, president and CEO.	2021 Corporate and Sustainability Report (Message from Roger Dall'Antonia, president and CEO)
Ethics and integrity governance			
102-18	Governance structure	FortisBC.com, Corporate information, Board of directors FortisBC.com, Corporate information, FortisBC executive leadership	https://www.fortisbc.com/about-us/corporate-information/board-of-directors https://www.fortisbc.com/about-us/corporate-information/fortisbc-leadership-team
102-20	Executive-level responsibility for economic, environmental and social topics	Monic Pratch is the vice president, general counsel, corporate secretary and sustainability, reporting to Roger Dall'Antonia, president and CEO. Monic Pratch is responsible for overseeing various departments within FortisBC including the legal, privacy, lands, procurement, environment, governance and sustainability portfolios. She is responsible for FortisBC's sustainability strategy outlining the organization's vision and measurable objectives with respect to sustainable business practices.	
102-22	Composition of the highest governance body and its committees	FortisBC.com, Corporate information, Board of directors FortisBC.com, Corporate information, FortisBC executive leadership	https://www.fortisbc.com/about-us/corporate-information/board-of-directors https://www.fortisbc.com/about-us/corporate-information/fortisbc-leadership-team
102-23	Chair of the highest governance body	Tracey Ball is the chair of the board of director's governance committee which is the highest governance body of FortisBC Energy Inc. and FortisBC Inc. The governance committee chair is external and is not an executive officer of the organization.	

Standard reference	Disclosure	Content	Source
102-25	Conflicts of interest	FortisBC has a code of conduct that sets out the high standard of conduct we expect of everyone at FortisBC, and the principles and concepts in this code apply across the entire FortisBC organization. The code applies to FortisBC employees, officers and directors and, wherever feasible, to consultants, contractors and representatives of FortisBC. Everyone must comply with the law, rules and regulations that apply to us, and the meaning and spirit of the code. The code of conduct is available internally for reference.	
102-32	Highest governance body's role in sustainability reporting	FortisBC's 2021 Corporate and Sustainability Report was reviewed by executive leadership, inclusive of the performance indicators and narratives, prior to publication. Executive review is also obtained on our annual information form and management discussion and analysis.	
102-40	List of stakeholder groups	FortisBC engages with various stakeholders, including but not limited to: Indigenous communities, employees, customers, contractors, suppliers, local municipalities and community members, regulatory agencies, government and community organizations. 2021 Corporate and Sustainability Report, engagement with stakeholders and Indigenous communities	2021 Corporate and Sustainability Report (Engagement with stakeholders and Indigenous communities)
102-41	Collective bargaining agreements	In 2021, FortisBC had: Sixty-two per cent of total employees covered by collective bargaining agreements. 2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	2021 Corporate and Sustainability Report (People and culture table)
102-42	Identifying and selecting stakeholders	FortisBC has identified and selected stakeholders through extensive consultation, community partnerships and liaison, input from regulators, direct requests from stakeholders and other means.	

Standard reference	Disclosure	Content	Source
102-43	Approach to stakeholder engagement	FortisBC engages stakeholders extensively. For a more comprehensive list of stakeholders and activities, please refer to the Engagement with stakeholders and Indigenous communities table. Stakeholder engagement includes, but is not limited to: • Customer surveys • Reputation and Sustainability Indices • TalkingEnergy.ca • Major projects (townhalls, notices, consultations, etc.) • Indigenous relations, see FortisBC's (Gas) Management Discussion & Analysis (page 18) and FortisBC's (Electricity) Management Discussion & Analysis (page 13) for a statement about Indigenous engagement • Statement of Indigenous Principles • Long-Term Gas Resource Plan – Resource Planning Advisory Group (LTGRP RPAG) • Long-Term Electricity Resource Plan – Resource Planning Advisory Group (LTERP RPAG) • Demand Side Management– Energy Efficiency & Conservation Advisory Group (DSM EECAG) • Conservation Potential Review – Technical Advisory Council (CPR TAC)	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fortisbc-gas-mda-q4-2021-d2-pa-sedar.pdf?sfvrsn=9f170962_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fortisbc-electric-mda-q4-2021-d2-pa-sedar.pdf?sfvrsn=67c53fd8_2 2021 Corporate and Sustainability Report (Engagement with stakeholders and Indigenous communities)
102-45	Entities included in the consolidated financial statements	Gas: 2021 Management Discussion and Analysis, Consolidated Results of Operations (page 4-7), Consolidated Financial Position (page 8-9). Electricity: 2021 Management Discussion and Analysis, Consolidated Results of Operations (page 3-5), Consolidated Financial Position (page 6).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fortisbc-gas-mda-q4-2021-d2-pa-sedar.pdf?sfvrsn=9f170962_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fortisbc-electric-mda-q4-2021-d2-pa-sedar.pdf?sfvrsn=67c53fd8_2

Standard reference	Disclosure	Content	Source
102-47	List of material topics	The strategic material topics represent key areas of focus that are driving the direction of our organization and areas where we can find opportunities to learn and improve. 2021 Corporate and Sustainability Report, Materiality assessment	2021 Corporate and Sustainability Report (Materiality assessment)
102-48	Restatements of information	2021 Corporate and Sustainability Report, Reporting scope and boundaries, New additions to our reporting.	2021 Corporate and Sustainability Report (Reporting scope and boundaries - new additions to our reporting)
102-49	Changes in reporting	Renewed materiality assessment was undertaken in 2021, and the material topics are reflective of the 2021 assessment.	
102-50	Reporting period	This report provides information up to and including the 2021 calendar year.	
102-51	Date of most recent report	The most recent report is the 2021 Corporate and Sustainability Report. The most recent previous report was FortisBC's 2020 Corporate and Sustainability Report.	2021 Corporate and Sustainability Report (Reporting scope and boundaries) 2020 Corporate and Sustainability Report
102-52	Reporting cycle	FortisBC plans to report its sustainability key performance indicators and narratives annually within our Corporate and Sustainability Report.	
102-53	Contact point for questions regarding the report	FortisBC Energy Inc. 16705 Fraser Highway Surrey, BC V4N 0E8 www.fortisbc.com 1-604-576-7000 (Local)	
102-55	GRI content index	2021 Corporate and Sustainability Report, GRI content index	2021 Corporate and Sustainability Report (GRI content index)
102-56	External assurance	a. External assurances have not been obtained and there is no formal policy with seeking external assurances for the report. b. This disclosure requirement is not applicable as no external assurances on the report were made.	

Standard reference	Disclosure	Content	Source
GRI 103–Management approach 2016			
103-1	Explanation of the material topic and its boundary	FortisBC 2021 Corporate and Sustainability Report, Materiality assessment	2021 Corporate and Sustainability Report (Materiality assessment)
103-2	The management approach and its components	FortisBC 2021 Corporate and Sustainability Report, Our approach section, at the beginning of each chapter	2021 Corporate and Sustainability Report (People and culture, section 7)
103-3	Evaluation of the management approach	FortisBC 2021 Corporate and Sustainability Report, Our approach section, at the beginning of each chapter	2021 Corporate and Sustainability Report (People and culture, section 7)
GRI 200–Economic standard series 2016			
GRI 201–Economic performance 2016			
201-1	Direct economic value generated and distributed	2021 Corporate and Sustainability Report, Performance indicators table, Indigenous and local communities	2021 Corporate and Sustainability Report (Indigenous and local communities table)
GRI 202–Market presence 2016			
202-2	Proportion of senior management hired from the local community	a. FortisBC hires all (100 per cent) of senior management at significant locations from the local community. b. Senior management is defined as executive leadership. c. Local refers to the province of British Columbia. d. Significant locations of operations refers to all FortisBC locations within the province of British Columbia.	

Standard reference	Disclosure	Content	Source
GRI 205: Anti-Corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	In the 2021 calendar year, FortisBC had: a. Zero (0) confirmed incidents of corruption. b. Zero (0) confirmed incidents in which employees were dismissed or disciplined for corruption. c. Zero (0) confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Zero (0) public legal cases regarding corruption brought against the organization or its employees during the reporting period. There have been no outcomes of such cases as a result.	
GRI 300–Environmental standard series 2016			
GRI 302–Energy 2016			
302-2	Energy consumption outside of the organization	2021 Corporate and Sustainability Report, Performance indicator table, Energy transition and environment.	2021 Corporate and Sustainability Report (Energy transition and environment table)
GRI 305–Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	2021 Corporate and Sustainability Report, Performance indicator table, Energy transition and environment, Scope 1 emissions	2021 Corporate and Sustainability Report (Energy transition and environment table)
305-2	Energy indirect (Scope 2) GHG emissions	2021 Corporate and Sustainability Report, Performance indicator table, Energy transition and environment, Scope 2 emissions	2021 Corporate and Sustainability Report (Energy transition and environment table)
305-5	Reduction of GHG emissions	2021 Corporate and Sustainability Report, Performance indicator table, Energy transition and environment, Our view to 2050	2021 Corporate and Sustainability Report (Energy transition and environment table)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Gas: 2021 Annual Information Form, Air Emissions Management and Policy (page 12- 13). Electricity: 2021 Annual Information Form, Air Emissions Management and Policy (page 14-15).	Gas: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fei-aif-2021-c2-pb-sedar.pdf?sfvrsn=88a2f81b_2 Electricity: https://www.cdn.fortisbc.com/libraries/docs/default-source/about-us-documents/fbc-aif-2021-c2-pb-sedar.pdf?sfvrsn=6a874cda_2

Standard reference	Disclosure	Content	Source
GRI 307–Environmental compliance 2016			
307-1	Non-compliance with environmental laws and regulations	a. In 2021, FortisBC received zero (0) significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines ii. total number of non-monetary sanctions iii. cases brought through dispute resolution mechanisms b. In 2021, FortisBC did not identify any non-compliance with environmental laws and/or regulations. 2021 Corporate and Sustainability Report, Performance indicator table, Penalties.	2021 Corporate and Sustainability Report (Energy transition and environment table)
GRI 400–Social standard series			
GRI 401–Employment 2016			
401-1	New employee hires and employee turnover	2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	2021 Corporate and Sustainability Report (People and culture table)
GRI 403–Occupational health and safety 2018			
403-9	Work-related injuries	2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	2021 Corporate and Sustainability Report (People and culture table)
GRI 405–Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	2021 Corporate and Sustainability Report (People and culture table)
GRI 406–Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	FortisBC did not record any incidents of discrimination during the reporting period. There are no incidents being reviewed, there are no remediation plans being implemented, or remediation plans that have been implemented with results being reviewed, and there are no incidents subject to action. 2021 Corporate and Sustainability Report, Performance indicator table, People and culture.	2021 Corporate and Sustainability Report (People and culture table)

Engagement with stakeholders and Indigenous communities

We are consistently looking for new ways to grow and operate more sustainably. We rely on conversations with our stakeholders and Indigenous communities to understand their energy needs and expectations to move forward as an organization. Below provides examples of who we engage with and how we approach engagements with each group.

Who we engage with	How we approach engagements
Local communities	• charitable donations and sponsorships • charitable activities and events • partnerships with educational institutions • community and project consultation programs • membership and participation in local Boards of Trade and Chambers of Commerce • employees serving on non-profit boards • employee volunteerism • active economic participation
Indigenous communities	• activities and events • partnerships with educational institutions and mentorship, internship and scholarship programs • resource planning workshops • donations and sponsorships • community and project consultation programs • membership and participation in local Indigenous trades and training organizations • participation as a member of the Canadian Council for Aboriginal Businesses and maintaining our status as a Progressive Aboriginal Relations Committed Member • active economic participation
Customers	• energy efficiency programs • customer service delivery • community outreach and events through our Street Team • community education programs—school and public safety • customer bills, bill inserts and emails • Energy Moment monthly newsletter • customer surveys • websites • social media

Who we engage with	How we approach engagements
Employees	• departmental and team meetings • monthly CEO updates • various leadership connections • employee-run groups and committees • corporate campaigns and events • formal process for complaints • training • union relations • regular internal communications • employee safety perception survey • employee development plans • cross-utility working groups
Unions	• IBEW 213 • MoveUP

Utility industry	• Participation in industry associations, including:
	  • Alliance for Transportation Electrification
	  • Canadian Electricity Association
	  • Canadian Energy Partnership for Environmental Innovation, a subgroup of the Canadian Gas Association
	  • Canada Energy Pipeline Association
	  • Western Energy Institute
	  • Pacific Northwest Gas Consortium
	  • BC Business Council
	  • Canadian Urban Transit Research and Innovation Consortium
	  • Electric Mobility Canada
	  • Electric Power Research Institute's Incubatenergy Labs

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 efficiency and conservation will lead to lowered energy requirements and emissions; FortisBC's expectation to enter into new supply agreements and increase the amount of Renewable Natural Gas in its system; FortisBC's plans to reduce greenhouse gas emissions by 30 per cent by the year 2030; FortisBC's investments in conservation and efficiency programs and related energy savings; FortisBC's efforts to invite more customers to join the Renewable Natural Gas program to help reduce customers' greenhouse gas emissions; innovations and investments in advanced gas meters, the supply of renewable and low carbon gases, efficient gas technologies, low carbon vehicles and marine vessels, electrification of transportation and hydrogen blending into the natural gas system; use of liquefied natural gas; FortisBC's expected expansion of its liquefied natural gas facility; 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 the FortisBC's management. Although FortisBC believes that the forward-looking statements are based on information and assumptions which 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 the 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.

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Energy at work

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2021 Corporate Sustainability Report (22-030.7 07/2022)