FORTIS BC™

Leading B.C.'s clean energy transformation

FortisBC 2022 Sustainability Report

July 2023

A message from president and CEO, Roger Dall'Antonia

As we look back at 2022, I'm tremendously proud of what we've accomplished. Backed by our single greatest resource, our people, we've marked important firsts and broken new ground in our ongoing pursuit of being a leader in British Columbia's energy transformation.

And we have done so without compromising our roots as an energy provider: delivering reliable energy at affordable rates to help our customers run their homes and businesses. This year and every year, we strive to set a direction that achieves this while remaining resolute in our commitment to environmental progress. Ensuring we keep all these factors top of mind in our work every day is how we can chart our path towards a sustainable energy future.

Ensuring reliability

As a company that delivers both gas and electricity in the province, our primary responsibility is always the safe and reliable delivery of energy to our customers. That reliability can be tested by extreme weather. For the second year in a row, FortisBC set new records for both gas and electricity use during a winter storm in late December. And through it all, we kept British Columbians warm and lights on across both our service areas.

A key part of maintaining reliability is the continual investment we make in our infrastructure. In 2022, we made important progress on infrastructure upgrades across both our gas and electricity systems that improved maintenance, increased resiliency and upgraded energy capacity.

Striving to keep energy bills lower

We know affordability is an ongoing concern for our customers. In 2022, that concern was amplified by volatile world energy markets combined with record inflation that spurred dramatic cost-of-living increases. Our continued focus on supporting our customers in reducing their energy use and costs was heightened in 2022 with a combined investment of nearly $119 million in conservation and energy management initiatives—helping them improve the energy efficiency of their homes and businesses.

Leading B.C.'s energy transformation

In 2019, we introduced our Clean Growth Pathway strategy, identifying four significant ways to help reduce our customers' greenhouse gas (GHG) emissions and support provincial climate action targets: investing in energy efficiency, increasing our supply of renewable and low-carbon gases,[1] advancing low- and no-carbon transportation and establishing B.C. as a liquefied natural gas (LNG) centre to help displace higher-carbon fuels locally and globally.

We've been tracking our progress and I'm pleased to share that our approach is working. In 2022, we helped our customers avoid more than 776,000 tonnes of carbon dioxide equivalent (tCO_2e)–the equivalent annual emissions of roughly 238,000 gasoline-powered automobiles. This sets a new high point for avoided emissions since we began tracking our Clean Growth Pathway progress in 2020, representing a 34 per cent improvement from 2021. Actions we're taking are yielding significant GHG emissions reductions today and we're finding new and better ways to help reduce customers' GHG emissions that fit their individual circumstances, budgets and preferences.

Our commitment to sustainability

Transforming British Columbia's energy future will not happen overnight, and it will not be easy. It requires continual progress on an emissions reduction path that is ambitious and considers our core purpose as an energy provider—to deliver reliable and affordable energy that our customers need every day. This will lead to a lower-carbon future that is both attainable and sustainable—and we're making meaningful progress towards helping make this future a reality.

I'm pleased to present to you our 2022 Sustainability Report, illustrating how we are upholding our commitment to sustainability and leading B.C.'s transformation to a lower-carbon energy future.

Roger Dall'Antonia,
President and CEO of FortisBC

[1]FortisBC uses the term renewable and low-carbon gas to refer collectively to the low-carbon 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. FortisBC's renewable and low-carbon gas portfolio currently includes only Renewable Natural Gas. Other gases and fuels may be added to the program over time. Depending on their source, all of these gases have differing levels of lifecycle carbon intensity. However, all of these gases are low-carbon when compared to the lifecycle carbon intensity of conventional natural gas. The current burner tip carbon intensity of RNG is 0.29gCO_2e/MJ and the current RNG portfolio lifecycle emissions are -22gCO_2e/MJ. This is below B.C.'s carbon intensity threshold for low-carbon gases of 36.4 gCO_2e/MJ set out in the 2021 B.C. Hydrogen Strategy.

A message from vice president, general counsel, corporate secretary and sustainability, Monic Pratch

Sustainability is a commitment—a commitment to operate in a way that supports the planet, our customers, our employees and our broader community as a whole, with the long term in mind. It is not something we do, but is deeply embedded in *everything* we do.

In our 2022 Sustainability Report, we share our approach to embedding sustainability throughout our business and our business processes. From our field operations to supporting our organizational culture, we have collected examples of how we embody our values in our work to better meet British Columbians' needs every day.

Ensuring diversity and inclusion is among our most important sustainability initiatives. We strive to create a culture of belonging where every employee feels comfortable bringing their full and complete selves to work every day. Our management acts as a catalyst to this, having undertaken diversity and inclusion training to lead by example and set a positive tone for their teams and the organization overall. We have also made supporting diversity and inclusion a priority externally, lending our support to underrepresented and marginalized groups in the communities we serve.

It's essential that we deliver energy reliably and safely to our customers each and every day. To do this successfully, we continually invest in the resiliency of our infrastructure through regular maintenance and upgrades. From regular vegetation management and upgrading substations to restoring service after storms or wildfires, our people work tirelessly to ensure our customers always have the energy they need when they need it.

Sustainability also requires adaptation. Whether that is adopting the latest energy-efficient technology or new ways for our people to work more effectively, FortisBC continually seeks to do better. In an evolving energy landscape that can have conflicting interests of lower emissions versus lower costs, we believe our customers deserve both. We are driven to provide our customers with energy options that work best for their circumstances, their budgets and their preferences. We acknowledge that energy systems are changing to advance a lower-carbon B.C. and we recognize the opportunity we have to be a leader in the clean energy transformation by providing multiple pathways to decarbonization.

We align our sustainability efforts with four sustainability initiatives: energy transition and environment, Indigenous and local communities, operational performance and adaptation and people and culture. These initiatives are aligned with several reporting frameworks and provide us with opportunities to make a true impact.

The annual release of our Sustainability Report allows us to reflect on our journey to date. When we began this report, I wanted to ensure we focused on telling our story and describing our journey to lead B.C.'s clean energy transformation. I'm proud of our progress in 2022. With the help of our customers, employees and partners in communities and government, we'll continue to deliver on our commitment to take the right steps forward and provide the energy for a better B.C.

Monic Pratch,
Vice president, general counsel, corporate secretary and sustainability, FortisBC

B.C.'s leader in the clean energy transformation

It takes a diverse team of dedicated employees to lead the transition to a lower-carbon energy future. As the province's largest energy provider, we're putting more than 100 years of knowledge and experience into practice on our path to achieve provincial climate action goals by 2030 and our long-term vision to 2050. To help us get there, we developed the FortisBC Clean Growth Pathway, which establishes our vision of a lower-carbon—yet resilient and cost-effective—provincial energy system.

Through this report, we're sharing sustainability milestones, celebrating achievements and offering stakeholders a clear view of sustainability at FortisBC today—and into the future.

This report is organized around our four areas of focus:

- **Energy transition and environment**
- **Indigenous and local communities**
- **Operational performance and adaptation**
- **People and culture**

Our values

To be B.C.'s leader in the clean energy transformation, we're guided by our values of being:

Safe – We put safety first.

Customer centric – We value the customers' business.

Collaborative – We work as one company, one team with shared success.

Respectful – We are respectful, honest and ethical.

Progressive – We seek better ways.

2022 highlights at a glance

Energy transition and environment

avoided

43,400

tCO_2e GHG emissions by using LNG in marine bunkering[2]

avoided

31,100

tCO_2e GHG emissions by using natural gas for transportation[3]

avoided

213,500

tCO_2e GHG emissions from the use of Renewable Natural Gas (RNG)[4,5]

Indigenous and local communities

completed our

3rd

year of the Committed level of Progressive Aboriginal Relations (PAR) certification requirements

invested

$4.5 million

in B.C. communities

Operational performance and adaptation

met customer needs by reliably delivering

3,542

gigawatts (GWh) of electricity

and

231

petajoules (PJ) of gas

performed scheduled maintenance and upgrades to our system in

12

areas provincewide

People and culture

maintained representation among our executive

and our board of directors

saw

100%

of our leadership team members attend inclusive leadership training

[2]Avoided GHG emissions are the difference between GHG emissions that occurred from LNG in marine bunkering and GHG emissions that would have occurred if conventional marine fuel (diesel) had been used instead.
[3]Avoided GHG emissions are the difference between GHG emissions that occurred from the use of natural gas in transportation (CNG and LNG) and GHG emissions that would have occurred if diesel had been used instead.
[4]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 low-carbon Renewable Natural Gas (also called biomethane).
[5]Avoided GHG emissions are the difference between RNG and conventional natural gas lifecycle carbon intensities multiplied by the 2022 RNG volume.

Contents

About us

Environment

Communities

Operations

Our people

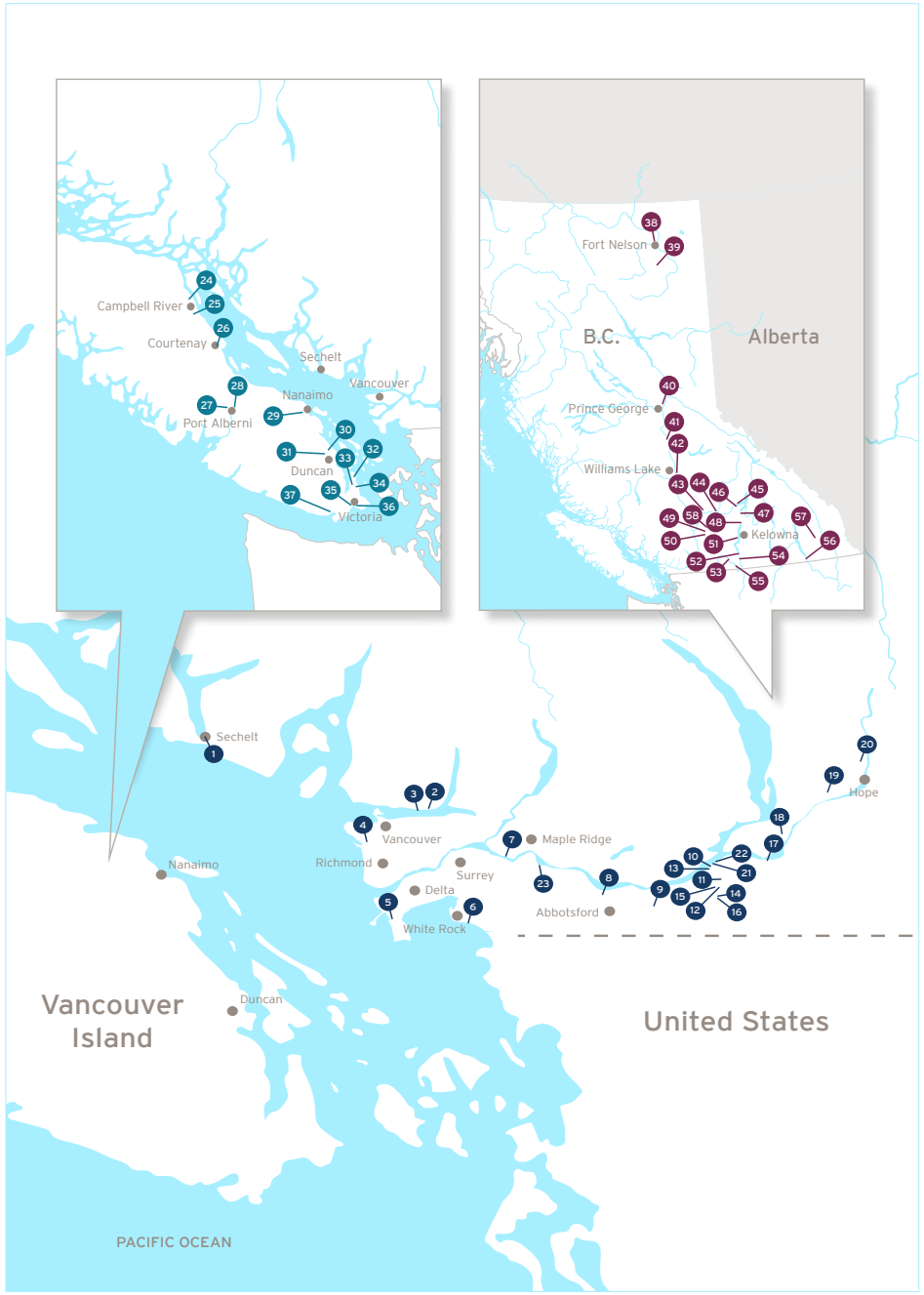
Appendix

About us

Dave Lauer (left), pipeline technician and Dustin Livingston (right), operations supervisor with FortisBC in the Kootenay region, on the Traditional Territory of the Ktunaxa Nation.

Territorial acknowledgment

We acknowledge and respect Indigenous Peoples on whose traditional territories we all 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 to be a good partner, reliable energy provider and employer to Indigenous Peoples. We extend our appreciation for the opportunity to live and learn on these territories.



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. Wei 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

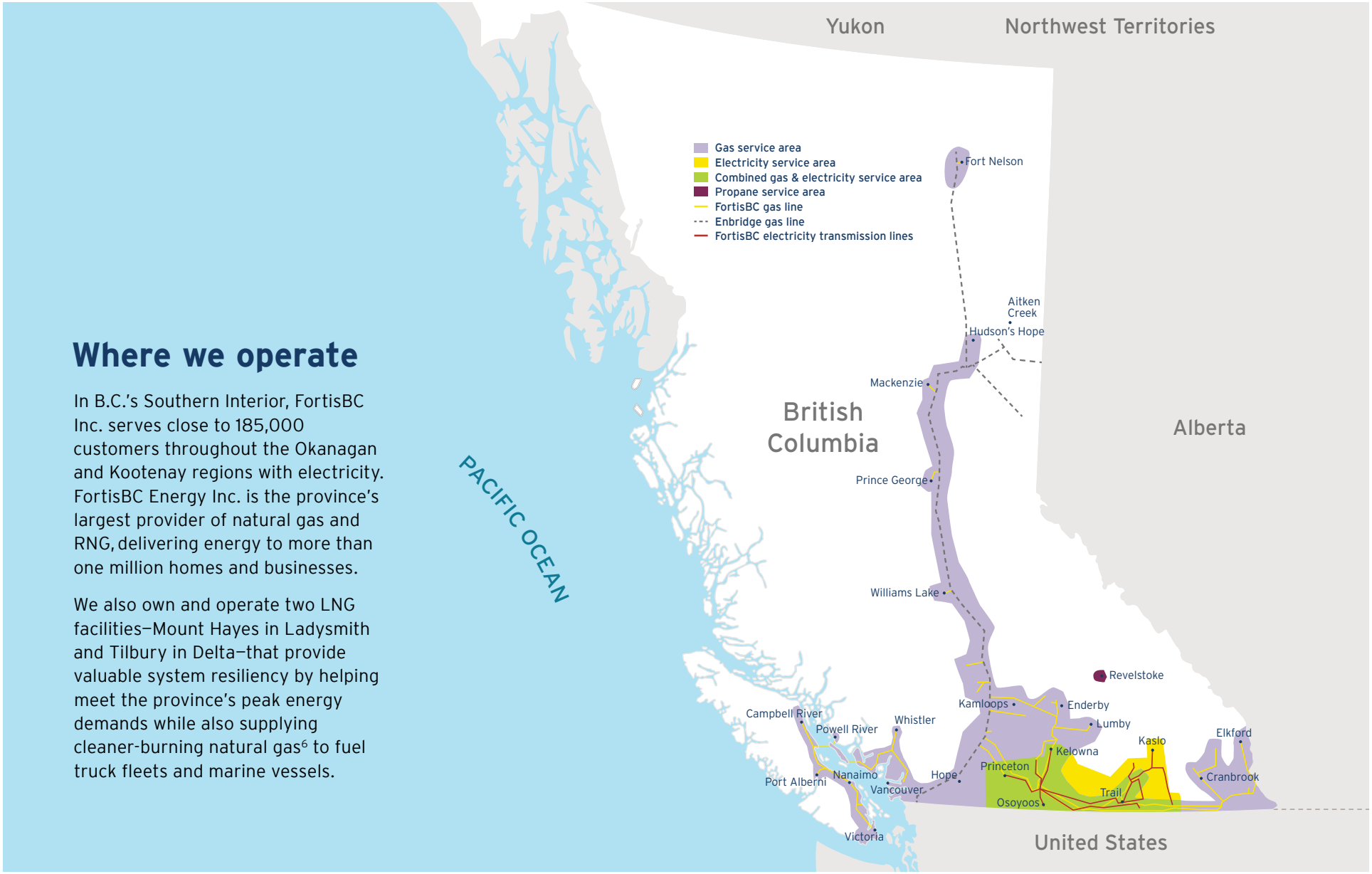
Interior B.C.

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

Where we operate

In B.C.'s 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 RNG, delivering energy to more than one million homes and businesses.

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[6] to fuel truck fleets and marine vessels.



[6]*Compared to gasoline or diesel.*

A look at our business

Corporate information

We're in the business of delivering energy solutions that contribute to a better B.C. Together, our more than 2,600 employees proudly deliver safe, reliable and affordable natural gas, electricity and propane—as well as renewable and low-carbon gases—to 1.2 million customers across the province.

We serve 135 B.C. cities and towns, and 58 First Nations communities, across 150 Traditional Territories. As regulated utilities, we own and operate:

- 7,316 kilometres (km) of electricity transmission and distribution power lines
- 51,174 km of natural gas lines
- four hydroelectric generating plants
- two LNG facilities

FortisBC Inc. and FortisBC Energy Inc., both regulated utilities, do business as FortisBC, and are focused on providing safe and reliable energy, including natural gas, electricity, RNG and propane.

FortisBC is indirectly, wholly owned by Fortis Inc., a leader in the North American regulated electricity and gas utility industry.

George Dick (left), owner of Dickland's Farms, one of our new RNG suppliers, leads Mason Lau (middle), senior engineer and Jenelle De La Cour (right), manager, renewable gas accounts on a tour of the facility in Chilliwack, B.C.

FortisBC's Clean Growth Pathway

Developing the FortisBC Clean Growth Pathway in 2019 was an important step in our commitment to support the building of a climate-aligned economy. This framework helps us connect the ways we're activating our sustainability vision, making progress and supporting the Province of B.C.'s climate targets.

We're working with customers, community groups, Indigenous communities, governments and industries to lead B.C.'s transition to a lower-carbon energy future. To get there, we're making significant progress in displacing conventional natural gas in our gas system with renewable and low-carbon gases, providing clean hydroelectricity to B.C.'s Southern Interior and helping customers reduce GHG emissions and overall energy use.

In 2022, we helped our customers avoid approximately 776,000 tCO_2e—the annual emissions equivalent to almost 238,000 gasoline-powered automobiles being removed from local roads. This sets a new high point for avoided emissions since we began tracking our progress towards achieving our Clean Growth Pathway to 2050 plan in 2020 and represents a 34 per cent improvement from 2021. Here are some of the ways we achieved the avoided emissions.

Demand-side management (DSM):

Tripling our investment between 2019 and 2022 to improve energy efficiency in the buildings where people live and work and developing innovative energy projects in B.C.'s communities.

This includes annual natural gas savings of 1.2 million gigajoules (GJ) as a result of energy-efficiency activities in 2022. These energy savings resulted in carbon emission reductions of almost 70,000 tCO_2e in 2022 and total reductions[7] of 646,480 tCO_2e over the life of all measures installed or undertaken in 2022.

Electricity savings from conservation and energy management initiatives totalling 35.9 GWh in 2022, an increase of 6.2 GWh compared to 2021 was also achieved.

Zero- and low-carbon transportation:

We're making significant investments in both low- and zero-carbon vehicles and infrastructure in the transportation sector.

This includes delivering energy for lower-carbon transportation through compressed natural gas (CNG) and LNG. There are now more than 1,000 natural gas-powered commercial vehicles on B.C. roads and 19 natural gas fuelling stations (17 CNG stations, two LNG stations).

We're also encouraging lower-carbon and electric vehicle (EV) transportation by installing, owning and operating 42 direct charge fast charging (DCFC) stations across 22 sites in southern B.C.

Renewable and low-carbon gases:

Continuing to increase our supply of RNG and exploring the potential of other low-carbon gases (such as hydrogen).

We're increasing contracted annual RNG supply drastically. At maximum contracted volume, our 12 suppliers could deliver almost 12 million GJ of RNG. That's just over five per cent of the total natural gas in our system, and enough energy to meet the natural gas needs of more than 130,000 homes in B.C. (based on average annual consumption of 90 GJ per year).

LNG for marine fuelling and global markets:

Lowering global GHG emissions by positioning B.C. as a substantial domestic and international LNG provider. This includes 10 marine vessels powered by LNG.

[7]Emission reduction value based on life cycle (well to burner tip) emission factor of 0.0598 tCO_2e/GJ for natural gas. Annual emission reductions are 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 net present value (NPV) of gas savings).

Water cascades down the Lower Bonnington dam overflow section on the Kootenay River.

Meeting future energy needs

Transitioning to a lower-carbon energy future requires planning 20 years or more into the future. From outlining how we'll tackle the province's climate action targets to identifying the need for major capital projects, our long term resource plans are guided by our Clean Growth Pathway and look to the future from the viewpoint of our operations today and are critical to the sustainability of our business. Our two plans include:

1. **The Long Term Electric Resource Plan (LTERP):** This plan evaluates the state of electricity markets, long-term supplier contracts (such as those with BC Hydro) and energy management programs. The LTERP also incorporates wind, solar, hydro and other supply-side resource options. Accepted by the British Columbia Utilities Commission (BCUC) in 2022, the LTERP lays out how we'll meet our customers' electricity needs, helping them to reduce consumption and costs.

2. **The Long Term Gas Resource Plan (LTGRP):** This plan provides our perspective on the transition to renewable and low-carbon energy supply and how we're going to address provincial GHG emissions targets while also meeting our customers' needs and expectations. We're awaiting a decision from the BCUC to come in 2023.

Customers, Colleen and Shane with their family, in their Kelowna, B.C. home.

About this report

We continuously improve our sustainability reporting to be transparent and accountable. We are committed to providing our partners and stakeholders with a better understanding of how we manage the opportunities and challenges associated with our business. This includes having clear reporting frameworks, sustainable finance and sustainability governance.

What are our reporting frameworks?

At FortisBC, our sustainability reporting is informed by the Global Reporting Initiative (GRI) standards. We use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards to disclose our GHG emissions. We also support our parent company, Fortis Inc., in the reporting of climate change disclosure aligned to the Task Force for Climate-related Financial Disclosure (TCFD) (refer to TCFD and Climate Assessment report) and the Sustainability Accounting Standards Board (SASB) industry standards for the electricity utilities and power generators and gas utilities and distributors sectors (refer to Fortis Sustainability 2022 Report).

Our complete list of Key Performance Indicators, and the GRI context index can be found in the Appendix. This report also shows the ways we're implementing the United Nations Sustainable Development Goals (UNSDGs) through our sustainability efforts.

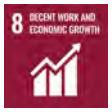
Our commitment to the UNSDGs

At FortisBC, our sustainability vision and areas of focus are aligned with six UNSDGs where we believe our organization can make the greatest impact.

We support the achievement of the interdependent global goals included in the UNSDGs. Adopted in all United Nations Member States in 2015 and intended to be achieved by 2030, these objectives represent a blueprint to creating a better, more sustainable future for all by addressing the world's most pressing economic, social and environmental issues.

Goal 5:
Gender equality

Goal 7:
Affordable and clean energy



Goal 8:
Decent work and economic growth

Goal 9:
Industry, innovation and infrastructure

Goal 11:
Sustainable cities and communities

Goal 13:
Climate action

A few notes to keep in mind:

- Throughout this report, we use the terms FortisBC, our, we, us, our organization and the company interchangeably to refer collectively to FortisBC Energy Inc. (our gas utility) and FortisBC Inc. (our electricity utility).
- Unless otherwise stated, this report communicates our sustainability performance from January 1 to December 31, 2022. We've also included other significant events from 2022.
- All dollar amounts are expressed in Canadian dollars.
- Unless otherwise stated, all data is reported using the metric system.

Sustainable finance

How are we leveraging sustainable finance?

We have developed a dedicated Green Bond Framework that follows similar fundamental principles as our Clean Growth Pathway. Our latest Green Bond Impact Report 2021 provides more insight into how 2020 green bond proceeds were allocated and the environmental benefits associated with the green bond-funded projects.

In November 2022, we issued a second green bond of $150 million. We'll be disclosing the final allocation and environmental benefits in the next Green Bond Impact Report, due in November 2023.

As we continue progressing our business to sustainability principles, we've also incorporated sustainability-linked performance targets to establish a Sustainability-linked Credit Facility (SLL Credit Facility) at FortisBC Energy Inc. The SLL Credit Facility allows FortisBC Energy Inc. to adjust fees based on our performance in two key strategic areas:

- annual GHG emissions reduced through renewable and low-carbon gases displacing conventional natural gas volumes and lowering customers' GHG emissions
- increased focus on projects with Indigenous participation

What stands out?

This is the first time a Canadian natural gas utility has incorporated a Scope 3 customer emissions target into its SLL Credit Facility. It's also the first time an Indigenous Sustainability Performance Target (SPT) has been set on a project basis in Canada.

George Dick (left), owner of Dickland's Farms and FortisBC employees Jenelle De La Cour (middle) and Mason Lau (right) inspect the digester used to generate RNG at the facility.

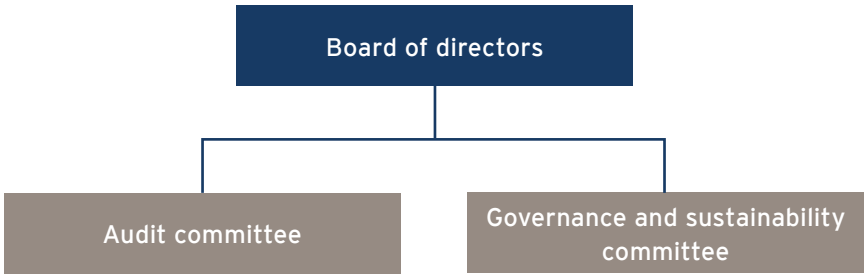
Sustainability governance

How do we oversee sustainability?

Sustainability vision and progress are discussed as part of each regularly scheduled committee and board meeting, and at the annual strategic session. Our board also holds director education sessions on sustainability-related topics. At FortisBC, we:

- **provide clear mandates:** Each of the committees and the board has a written mandate that is regularly reviewed to ensure they capture industry best practices and applicable regulatory requirements.
- **prioritize sustainability at the top of the organization:** Our CEO and the executive leadership team develop and oversee our business strategy and sustainability commitments. They provide risk management oversight to make sure FortisBC conducts business while meeting high standards of ethical, environmental and social responsibility. The vice president, general counsel, corporate secretary and sustainability, is responsible for FortisBC's sustainability vision and initiatives.
- **operationalize sustainability throughout our organization:**
  - Our gas and electricity operations teams oversee the operational aspects of sustainability. That includes identifying and developing initiatives that activate our vision, while ensuring the safety, reliability and resiliency of our infrastructure.
  - Our corporate sustainability business unit develops and supports sustainability initiatives across the business. This group also leads the sustainability reporting practice.
  - Our organization-wide Sustainability Advisory Group connects a diverse team of cross-functional leaders to integrate sustainability practices within our corporate culture.

The board of directors has two committees:



Snapshot: FortisBC board of directors

- FortisBC has independent board and committee chairs. The roles of the chairs and CEO are separate.
- At every meeting, the board and committees have an opportunity to meet without management of FortisBC present.
- We maintain board member term limits to help ensure independence, diversity of views and fresh insight.
- In 2022, 60 per cent of board members were female and 40 per cent were male.

Brandon Vatne (left), construction manager and Kevin Chartres (right), project manager with FortisBC examine a polymer cutout from our distribution system.

Does sustainability performance influence compensation?

In 2022, we added sustainability performance as one of our corporate scorecard categories.

Our corporate scorecard serves as an incentive compensation structure for participating employees, including our management and exempt employees.

We regularly assess performance metrics in our corporate scorecard to improve and ensure we're meeting business objectives.

How are compliance and core policies implemented?

Our corporate-wide compliance framework underpins our commitment to the high standards of ethical business conduct. We expect our employees to comply with all applicable laws, regulations and policies exhibiting a strong culture of compliance and ethics. We promote compliance and ethics with employees annually to build framework awareness and reinforce ethical behaviour.

FortisBC's Code of Conduct is the foundation of our compliance framework. This is a broad, principles-based document that establishes the ethical expectations for our company and our employees. Besides our FortisBC Code of Conduct, we also have a number of other corporate policies to support compliance and governance, including policies related to privacy, political engagement and anti-corruption. All new employees must acknowledge they have read the code and complete several courses covering the Code of Conduct and other corporate policies when first hired and ongoing throughout their employment.

Materiality assessment

We work with stakeholders to identify the sustainability issues that matter most to them. We carried out our most recent materiality assessment in 2021. See our last year's report for more details of our materiality assessment process and findings.

Which material topics are included here?

On the right, we show the alignment between the material topics that were identified through the materiality assessment and the areas of focus we have identified to implement our sustainability commitment.

Material topics	Areas of focus
• energy transition and innovation • GHG emissions and climate risk • energy access and affordability • natural environment management	Energy transition and environment
• community engagement and investment • Indigenous engagement, economic opportunity and Reconciliation	Indigenous and local communities
• system reliability and resiliency • supply chain availability and responsibility • customer experience satisfaction • emergency preparedness and response	Operational performance and adaptation
• occupational health, safety and wellness • diversity, inclusion and equity • labour practices and workforce human rights • human capital development, retention and attraction	People and culture

These material topics are reflected in the initiatives within the areas of focus identified on the following pages.

Energy transition and environment

We're investing in renewable and low-carbon energy to be delivered through our gas and electricity systems to make a positive contribution towards B.C.'s climate action goals now and in the future.

Field operations in the B.C. Kootenay region, on the Traditional Territory of the Ktunaxa Nation.

We are:

- displacing conventional natural gas with renewable and low-carbon gases to lower our customers' GHG emissions
- producing and purchasing clean hydroelectricity to help power B.C. homes and businesses
- using energy-efficient technologies
- advancing low- and zero-carbon transportation including CNG and LNG as replacement fuel for heavy-carbon transport fuels

At FortisBC, we've always worked to protect the environment—whether by helping customers reduce their GHG emissions, progressing initiatives to lower our own operational GHG emissions or implementing new environmental protections. We're using both our gas and electricity systems to progress towards a lower-carbon energy future in line with B.C.'s climate action goals.

Aligned with our materiality assessment, we have identified three energy transition and environment initiatives within this area of focus:

- advancing the clean energy transition and driving innovation
- reducing GHG emissions and mitigating climate risk
- expanding energy access and improving affordability

To take action on these initiatives in 2022, we:

helped our customers avoid

43,400 tCO_2e

GHG emissions by using LNG in marine bunkering[8]

31,100 tCO_2e

GHG emissions by using natural gas for transportation[9]

213,500 tCO_2e

GHG emissions from the use of RNG[10]

increased contracted annual RNG supply. At maximum contracted volume, our 12 suppliers could deliver almost

12 million GJ

of RNG

recorded annual natural gas savings of

1.2 million GJ

in carbon emission reductions[11] of almost **70,000 tCO_2e** in 2022 and total reductions of **646,480 tCO_2e** over the life of all measures installed or undertaken in 2022

achieved electricity savings from conservation and energy management initiatives totalling

35.9 GWh

an increase of 6.2 GWh compared to 2021

[8]Avoided GHG emissions are the difference between GHG emissions that occurred from LNG in marine bunkering and GHG emissions that would have occurred if conventional marine fuel (diesel) had been used instead.
[9]Avoided GHG emissions are the difference between GHG emissions that occurred from the use of natural gas in transportation (CNG and LNG) and GHG emissions that would have occurred if diesel had been used instead.
[10]Avoided GHG emissions are the difference between RNG and conventional natural gas lifecycle carbon intensities multiplied by the 2022 RNG volume.
[11]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 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).

Performance trend:

GHG emissions in our operations (2020-2022)

GHG emissions (in tonnes CO_2 equivalent)	2022	2021	2020
Scope 1[12]	239,000	149,000	133,000
Scope 2[13]	7,200	6,100[14]	6,300
Scope 3[15] (combined natural gas customer Scope 3 GHG emissions)	11,610,000	11,700,000	11,200,000

For a detailed breakdown of GHG emissions (2020–2022), see our Appendix Key performance indicator summary.

Why did Scope 1 emissions increase in 2022?

Our Scope 1 natural gas operations emissions increased in 2022 for a number of reasons:

Our transmission system experienced four natural gas releases.

We reported these releases to the Oil and Gas Commission, now the BC Energy Regulator (BCER) and Emergency Management BC (EMBC). This is in compliance with the reporting requirements of the Spill Reporting Regulation under the *Environmental Management Act*. FortisBC has classified these releases as Class 3[16] spills (two related to FortisBC, two related to an external contractor). Specifically:

- The FortisBC spills were as a result of transmission system leaks contributing approximately 60,000 tCO_2e to our Scope 1 GHG emissions.
- The contractor spills were as a result of the contractor damaging gas lines on our Interior Gas Upgrade Project.

Natural gas use in our distribution line heaters increased.

These heating devices maintain the pressure and temperature of the natural gas arriving in customers' homes to ensure peak performance of appliances. Increasing our use of distribution line heaters drove a corresponding increase in our emissions.

GHG emissions associated with third-party distribution gas line damage incidents increased.

Although the overall number of third-party gas line damages decreased by more than 10 per cent in 2022 compared to 2021, the GHG emissions associated with these incidents increased due to impacts occurring on larger diameter gas lines.

Increased measurement of methane emissions.

Measurement frequency has increased as part of our leak detection and repair program. This is generating more robust estimations of methane emissions from our compressor stations.

We also look for ways to reduce our GHG emissions across our organization. For example, we're changing the way our compressor stations run to reduce methane emissions. In addition, we invest tens of millions of dollars annually in the integrity of our gas system. Through inspections, repairs, upgrades and pipeline replacements, we can ensure our system remains safe and efficient.

Why did Scope 2 emissions increase in 2022?

The overall increase of Scope 2 GHG emissions associated with electricity usage is due to an increase in the electricity emission intensity factor[17] from BC Hydro. This includes electricity FortisBC purchases on behalf of our customers. The electricity emission intensity factor for FortisBC went up from 18.27 to 21.13 tCO_2e/GWh due to power purchases from BC Hydro whose grid intensity went up from 9.7 to 11.5 tCO_2e/GWh. Our purchased electricity and our line loss volumes have remained similar year over year.

[12] *Scope 1 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, are direct emissions from owned or controlled sources. For 2022, this includes externally verified Scope 1 GHG emissions as reported to the BC Ministry of Environment of 221,000 tCO_2e and 8,030 tCO_2e for FortisBC Energy Inc. and LNG operations, respectively.*

[13] *Scope 2 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, are indirect emissions from the generation of purchased electricity for own use. Not included are externally verified Scope 3 GHG emissions for FortisBC Inc. as reported to the BC Ministry of Environment in 2022 of 69,000 tCO_2e.*

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

[15] *Scope 3 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, are other indirect GHG emissions. We calculated category 11–use of sold products.*

[16] *A FortisBC 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.*

[17] *An electricity emission intensity factor refers to a CO_2 emission factor (tCO_2e/GWh) that will be associated with each unit of electricity provided by an electricity system.*

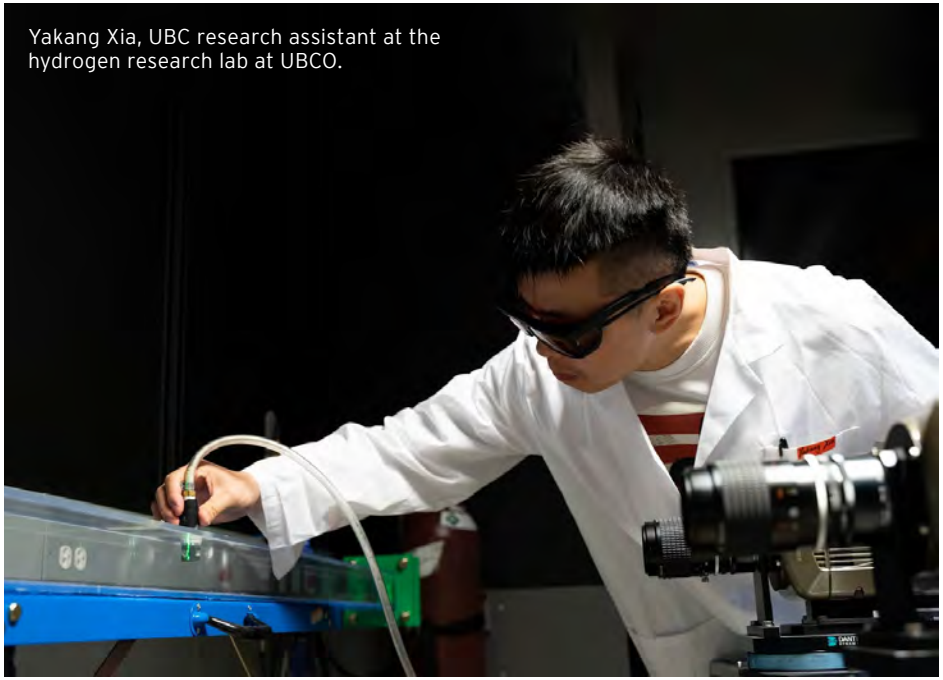
Initiative 1:

Advancing the energy transition and driving innovation

We've established key relationships across government, academia and industry to accelerate technological innovation, and bring more energy-efficient solutions to our customers.

Partnering with universities to reimagine gas systems

In 2020, we invested $500,000 to study how to further reduce emissions from the natural gas supply by delivering hydrogen (a carbon-free energy) through our distribution network. This study has progressed and the University of British Columbia's School of Engineering at its Okanagan campus (UBCO) is currently using these funds to study how to blend hydrogen, safely and reliably, with natural gas within FortisBC's existing system. We hope to leverage the findings from the study to build new capabilities within our distribution systems.



Yakang Xia, UBC research assistant at the hydrogen research lab at UBCO.

"FortisBC is transforming B.C.'s energy future. While we're in the early stages of an exciting energy transformation with hydrogen, innovative partnerships like this will help accelerate that change. Renewable and low-carbon gases, like hydrogen, are instrumental in reducing greenhouse gas emissions effectively and affordably while ensuring we have a resilient and diversified energy system for British Columbians."

Roger Dall'Antonia,
President and CEO, FortisBC

Collaborating on next generation homes to improve efficiency

Teaming up with Wilden Living Lab, UBCO, Okanagan College, the Wilden Group and AuthenTech Homes Ltd., we're investing in more energy-efficient housing. Since 2016, this collaborative group has tested the energy efficiency of two identical homes, built side-by-side to different standards. Comparative results over a three-year period showed the Home of Tomorrow (built to the highest level of the B.C. Energy Step Code) used 67 per cent less energy and generated 99.6 per cent fewer GHG emissions than the Home of Today (built to standard code). This important research is empowering us to shape next-generation homes with a more sustainable future in mind. Together, we've channelled our key learnings into designing an ultra-efficient Next Generation Home. The house itself has been conceived to achieve net-zero energy consumption. That means through the use of solar panels and renewable energy, the house will produce as much energy as it uses—every single year. This can benefit the builder—developer community, city planners and other stakeholders as we explore how best to build energy-efficient homes in the future.

Supporting new possibilities for hydrogen transport and blending

In partnership with Plug Power, Certarus and Rockpoint Gas Storage Canada, we've signed on to produce, transport and burn hydrogen in a small-scale natural gas storage facility pilot project.

Through this partnership, we're closely monitoring and tracking real data on hydrogen transport and blending.

"FortisBC continues to aggressively decarbonize the natural gas system by expanding its renewable and low-carbon gas supply. This partnership with industry leaders is a great step for us to expand our understanding of hydrogen before safely delivering it to our customers."

Joe Mazza,
Vice president, energy supply and resource development, FortisBC

Photo taken inside the hydrogen processing trailer at Rockpoint's Suffield gas storage facility site.

Dana Wong (left), senior manager, renewable and low carbon fuel strategy at FortisBC at Rockpoint's Suffield facility to observe the hydrogen storage pilot program with Rockpoint employees Kaitlyn Gammon (middle) and Sherie Doell (right).

Initiative 2:

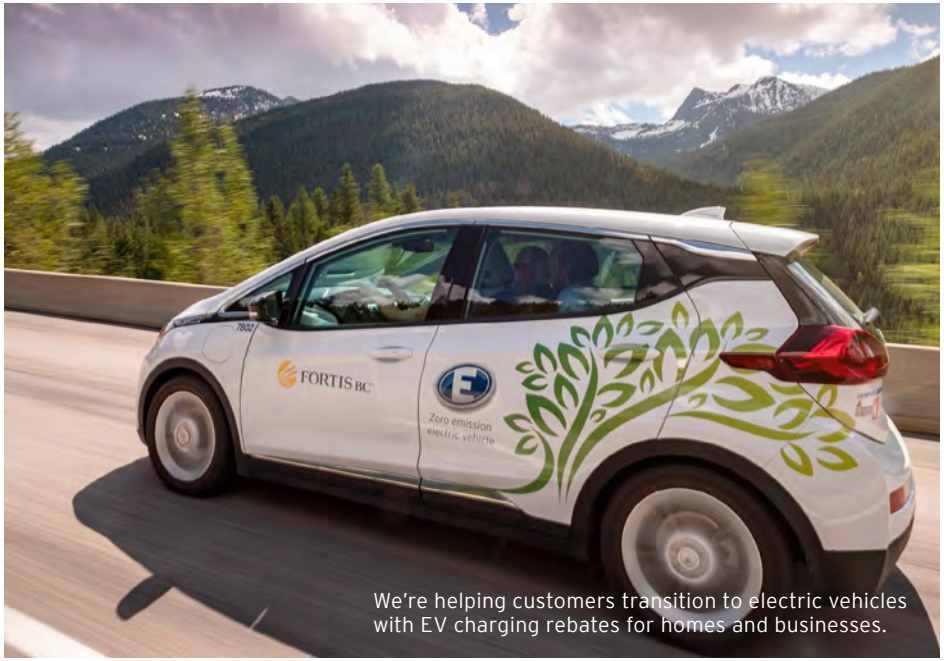
Reducing GHG emissions and mitigating climate risk

We seek out ways to evolve our business practices and support our customers in reaching emissions reduction goals.

This includes joining forces with the Province of B.C. and the B.C. Bioenergy Network to study the domestic supply potential for different renewable and low-carbon gases (including RNG). We also work closely with and listen to our customers. This helps us learn about their concerns—from increasing energy bills to using reliable and clean energy. We know that rising inflation, energy resiliency and the need for lower-carbon solutions are all top-of-mind.

We are committed to displacing conventional natural gas in our gas system with renewable and low-carbon gases and are working with the evolving regulatory and market landscape and our customers to accomplish this. That's why we filed an innovative RNG application in 2021. Under our proposed plan, we're working to find alternative energy solutions that address environmental and customer concerns. Our application has been moving through the regulatory approval process in 2022. Under our proposed plan, if approved:

- new homes connecting to the gas system would automatically be signed up for a 100 per cent RNG allocation
- all existing residential and small commercial customers would start to receive a percentage of their gas as RNG, which will increase over time
- interested existing customers could continue to voluntarily increase the level of RNG in their portfolio



We're helping customers transition to electric vehicles with EV charging rebates for homes and businesses.

Aligning with organizations and communities to decarbonize transportation and marine bunkering

Decarbonizing transportation through EV use

Working together with logistics service providers, we've avoided a total of 31,100 tCO_2e to support the decarbonization of the transportation sector.

By the end of 2022, FortisBC had established 42 DCFC stations available to the public at 22 sites in 20 communities, including: Kelowna, Penticton, Osoyoos, Oliver, Beaverdell, Rock Creek, Greenwood, Christina Lake, Rossland, Nelson, Kaslo, Kootenay Bay, Trail, Castlegar, Salmo, Creston, New Denver, Naramata, Grand Forks and Nakusp. These stations are well-used by the travelling public. We've now had 30,000 successful charging events.

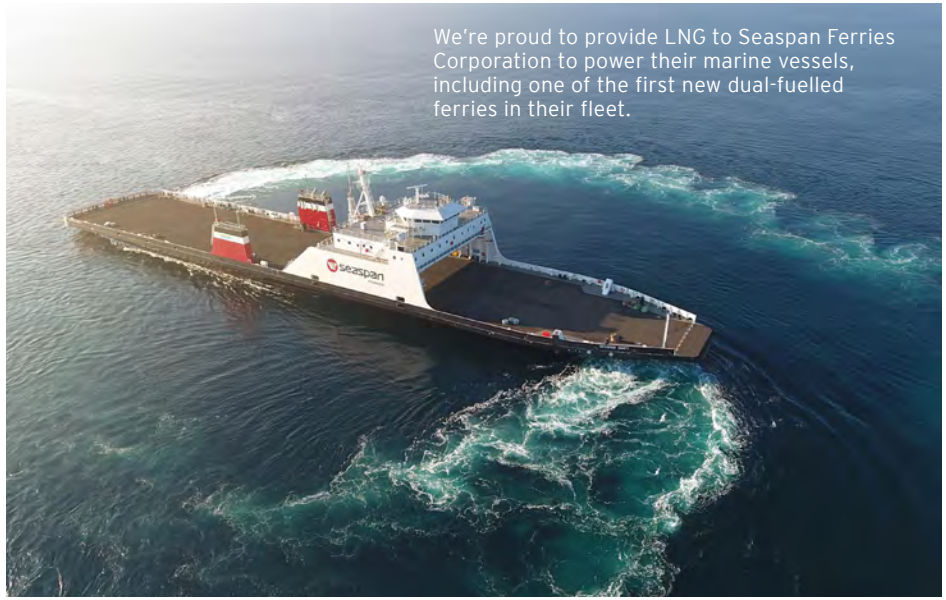
Reducing GHGs through cleaner alternative fuel

Collaborating with Return-It, we've helped compact 150 million plastic bottles and saved 69 metric tonnes of GHG emissions per vehicle, annually, since 2020.

In a significant step towards creating a greener beverage container recycling system in B.C., Return-It and its partners launched a Canadian first in September 2020: a pilot program for specialized CNG-electric hybrid compaction trucks, with FortisBC proudly providing that CNG fuel.

From that first truck hitting the road in September 2020 through to September 2022, approximately 150 million plastic bottles have been compacted. Given the pilot's success, Return-It is making the program permanent, and expanding the fleet to four CNG-electric hybrid trucks and three compaction trailers. The company has received and added three new trucks to its dedicated transportation network, which will help lower GHG emissions from beverage container transportation by up to 25 per cent. At the same time, this initiative will reduce the number of transport vehicles on the road. Through the use of cleaner alternative fuel, the program saves 69 metric tonnes of GHG emissions, per CNG-electric hybrid vehicle on an annual basis.

Georgina Wheatcroft, account manager, low carbon transportation with FortisBC at the Return-It CNG event to announce the expansion of its CNG hybrid-electric compaction truck fleet.

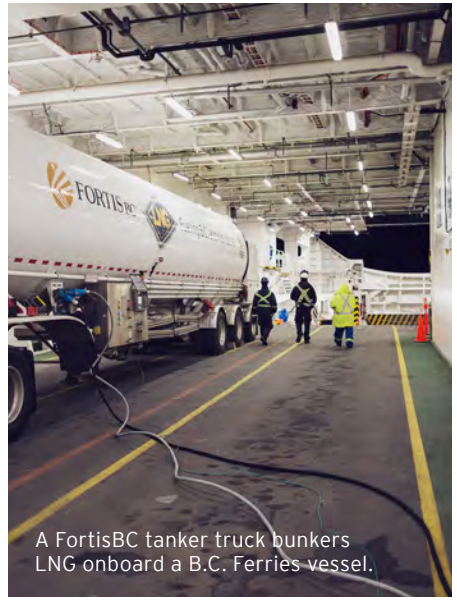


We're proud to provide LNG to Seaspan Ferries Corporation to power their marine vessels, including one of the first new dual-fuelled ferries in their fleet.

Decarbonizing marine bunkering

We've avoided a total of 43,400 tCO_2e from the use of LNG in marine bunkering.

BC Ferries and Seaspan have worked with us to develop custom LNG bunkering systems for their fleets. Through our Tilbury LNG facility—originally geared to store LNG and ensure customers have necessary energy during high winter demand—we now produce LNG for transportation. This includes marine bunkering. Our Tilbury LNG facility is powered by renewable hydroelectricity, creating safe, lower-carbon LNG.



A FortisBC tanker truck bunkers LNG onboard a B.C. Ferries vessel.

Initiative 3:

Expanding energy access and improving affordability

Working through various relationships, alliances and networks allows us to make it easier, and more affordable, for industries, businesses and residential homes to reduce GHG emissions.

Between 2018 and 2022, we invested $396 million in energy efficiency and conservation programs for our customers.

We measured lifetime GHG emission reductions from conservation and energy management programs: 753,000[18] GHG emissions (in tCO_2e). For example, we enabled that progress through some of our rebate programs (issuing heat pump loans and rebates).

Installing the first gas heat pumps in B.C. homes

New gas absorption heat pump technology can contribute to a lower-carbon future in B.C. Through our pilot program, we've installed first-of-its-kind, high-efficiency space and water heating equipment in 20 homes across B.C.'s Lower Mainland and Southern Interior.

Gas absorption heat pumps capture heat from ambient, outdoor air—transferring that air indoors for space and water heating. These heat pumps use half the natural gas needed by traditional heating systems, while providing homeowners with the same level of comfort. Customers who install these units could save up to 40 GJ of natural gas every year. That represents about the average amount a typical household would use in approximately six months. This can lower energy bills by up to $500 annually and reduce household GHG emissions by up to two tCO_2e (compared to standard-efficiency natural gas furnaces and water heaters).

What stands out?

Customers who participated in FortisBC's energy efficiency and conservation programs between 2019-2022 will collectively save an estimated 4.2 million GJ of natural gas per year over the life of these measures, the equivalent energy use of more than 86,000 passenger vehicles. During the same period, our electricity customers conserved approximately 118 GWh of electricity, the equivalent annual electricity use of more than 10,000 homes.

"We're excited to be testing gas heat pumps in residential customers' homes. These heat pumps will give our customers the ability to upgrade to the next generation of high-efficiency gas equipment, helping them lower their energy use and GHG emissions."

Danielle Wensink,
Director, conservation and energy management, FortisBC

[18] *Measure lifetime GHG emission reductions (historically named lifetime energy saved) is based on the 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 BCUC as well as lifecycle GHG emission factor for gas using models adopted by Environment and Climate Change Canada.*

Indigenous and local communities

Greg Edgelow (left), FortisBC Indigenous relations manager with Chief Willie Sellars (right) from the Williams Lake First Nation.

We're strengthening relationships and creating mutually beneficial partnerships that help B.C. communities to grow and prosper. We acknowledge how important it is to connect with, and learn from, Indigenous Peoples as we work together to advance Reconciliation. Through our current progress to obtain PAR certification, we're evolving our organizational culture to better understand and respect the rights, histories and cultures of Indigenous Peoples. Together, we're supporting projects that address climate change as well as environmental protection and stewardship of the land—and creating a more inclusive B.C.

Aligned with our materiality assessment, we have identified two Indigenous and local community initiatives within this area of focus:

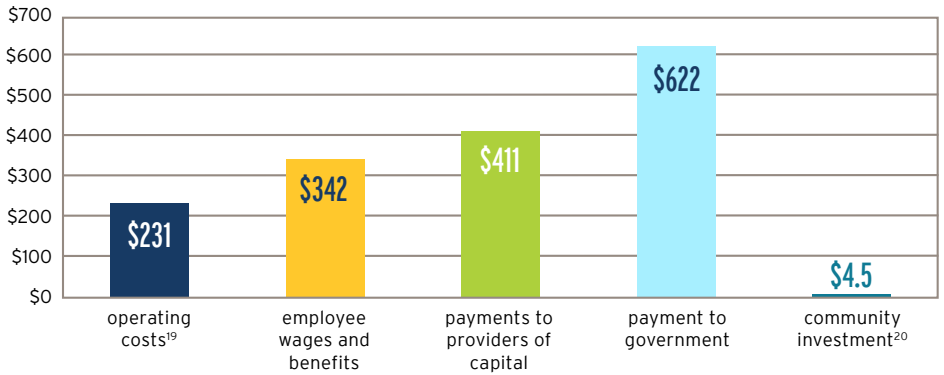
- establishing meaningful community partnerships
- prioritizing Indigenous communities on multiple fronts

To take action on these initiatives in 2022, we:

- participated in 322 local and Indigenous community events
- donated over $230,000 to the United Way
- donated to the Okanagan Nation Alliance Fish in Schools program
- awarded three $15,000 Community Giving Awards
- completed our third year of the Committed level of PAR certification requirements
- funded the Climate Action Partners Program that supports local and Indigenous communities advance climate action
- signed a key agreement (subject to certain conditions and regulations being met) with the Musqueam Indian Band (xʷməθkʷəy̓əm) establishing a framework for sharing benefits associated with the Tilbury LNG expansion projects
- distributed 687 Energy Saving Kits through 20 events in 16 unique communities (Delta, Vancouver, Burnaby, Prince George, Kelowna, Nanaimo, Port Coquitlam, Osoyoos, Summerland, Coquitlam, Agassiz, Surrey, Hope, Richmond, Langley and Port Moody)
- increased support for local organizations and direct community benefits by visiting 27 farmers' markets across the province to discuss sustainable energy, and how FortisBC is innovating and collaborating to achieve a lower-carbon energy future (communities included Richmond, Vancouver, Maple Ridge, Penticton, Osoyoos, Armstrong, Lake Country, Port Coquitlam, Pitt Meadows and more)
- supported the second Ktunaxa Business Showcase, the National Aboriginal Business Opportunities conference in Osoyoos and the Indigenous Partnerships' Success Showcase event in Vancouver (an annual event responding to the growing demand for practical guidance on how First Nations, Métis and Inuit communities and their enterprise partners can work together across B.C. towards shared success)

2022 data on economic value distributed

Economic value distributed (in millions of dollars):



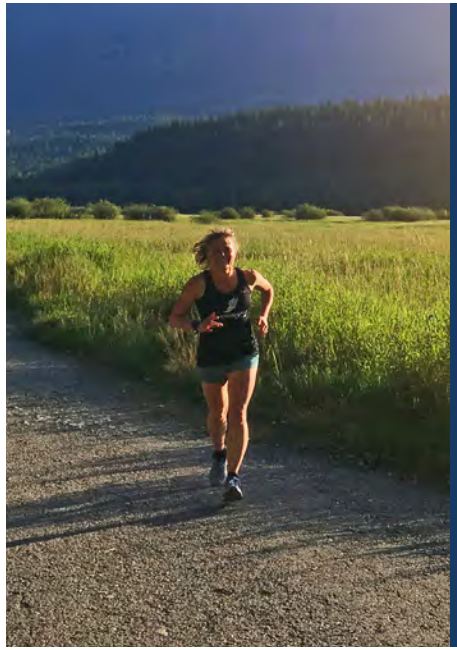
For a detailed breakdown of economic indicators, and trending between 2020–2022, see Appendix section Key performance indicator summary.

[19] *Operating costs such as cash payments made outside the organization for materials, product components, facilities and services purchased.*
[20] *Includes investments into the communities including donations, in-kind contributions and sponsorships.*

Initiative 1:

Establishing meaningful community relationships

Collaborating with community members to mitigate climate change expands our sustainability impact. It also nurtures inclusion and creates more equitable and sustainable opportunities.



"FortisBC and the provincial and federal government are providing funding and support to advance this work, and I've got a tremendous amount of support from my fellow climate action partners as well. That's the real benefit to this program. Municipalities can be short on resources and the Climate Action Partners Program provides the ability to leverage additional resources. It's difficult for municipalities to implement climate action without funding, but you also need expertise at the table. You need to learn from those who have done it before to help you get started, avoid challenges and help fast-track your learning. Collaboration is key to successful, pragmatic and affordable climate action initiatives."

Penny Page-Brittin
Community energy specialist, City of Delta

Deploying our FortisBC Climate Action Partners Program

Through our FortisBC Climate Action Partners Program, we support 16 municipalities and four Indigenous communities, including communities within: the Okanagan Nation Alliance, Musqueam Indian Band (xʷməθkʷəy̓əm), Tsleil Waututh Nation (səlilwətaɬ) and First Nations Energy and Mining Council.

Some of our climate action partners include:

Ehsan Haghi, community energy specialist, Musqueam Indian Band (xʷməθkʷəy̓əm). Ehsan works with the housing and public works departments to improve energy efficiency in Musqueam Indian Band homes and band-owned, on-reserve buildings. This also encompasses community events that improve energy efficiency awareness.

Penny Page-Brittin, community energy specialist, City of Delta. Penny is updating Delta's community energy and emissions plans, to determine what must happen to reduce emissions quickly, affordably and safely. This spans the way citizens and the municipality use energy.

Jeremy Dresner,[21] senior energy specialist, Regional District of Okanagan-Similkameen (RDOS). Jeremy uncovers emissions reduction and energy efficiency opportunities at the regional and community levels. This covers energy use assessments at 15 commercial buildings, the installation of EV charging stations and two major projects to improve energy efficiency at a wastewater treatment plant.

Freya Phillips, senior energy specialist, Regional District of Kootenay Boundary (RDKB). Freya increases equity and energy access in the community while making residences safer and improving energy efficiency across buildings. This extends to eliminating regional barriers that hold residents back from taking individual climate action (e.g. socio-economic factors).

[21] *As of 2023, Jeremy Dresner is now the energy and climate resilience supervisor at RDOS.*

Encouraging community action through financial awards

Every year, we invite local governments to nominate a B.C. charity or non-profit for our Community Giving Awards. Nominations focus on projects that promote safety, education, the environment and Indigenous initiatives.

We recognize and celebrate progress made by awarding recipients with $15,000 grants to further their progress. By contributing financially and shining the spotlight on their remarkable work, we encourage others to actively engage with these community action leaders and join the mission.

In 2022, we presented three Community Giving Awards on the opening day of the 2022 Union of B.C. Municipalities Convention, in Whistler. We proudly recognized:

- Bridge Youth & Family Services
- Elk River Alliance
- Friends in Need Food Bank

Extending our impact through employee giving

Since 1994, our employee-driven Warm Hearts charitable foundation has donated more than $1 million to worthy community organizations in B.C. Together with our employees, we've also raised more than $2.7 million for the United Way over the last two decades.

By supporting grassroots and company-wide fundraising, we're proudly living our values and building more sustainable communities. In 2021 and 2022, beneficiaries included:

- Kootenay Boundary Regional Hospital
- Langley Memorial Hospital
- Okanagan Chinese Canadian Association (OCCA)
- Paws for Hope Animal Foundation
- Food Banks B.C.

Community Giving Award recipient Chuck Griffith from the Friends in Need Food Bank.


Community Giving Award recipient Vesper Parkinson (left) from the Youth Bridge & Family Services with Shelley Martens (middle), FortisBC community and Indigenous relations manager and award nominator Loyal Wooldridge (right), Kelowna City Council member.

Initiative 2:

Prioritizing Indigenous communities on multiple fronts

Advancing Reconciliation is an important objective for us and we're working together with Indigenous communities to build a better B.C. for all.

Advancing equity ownership agreements with Indigenous communities

In 2022, we signed an agreement that lays the groundwork for sharing of benefits associated with the Tilbury LNG expansion projects with the Musqueam Indian Band (xʷməθkʷəy̓əm). This agreement provides the Musqueam Indian Band with an option, subject to regulatory approvals and certain conditions precedent, to acquire equity ownership in the proposed Tilbury LNG expansion projects.

> "Musqueam is looking forward to being an equity partner with FortisBC at Tilbury, on the shore of the Fraser River, in the heart of Musqueam territory."
>
> **Chief Wayne Sparrow**
> xʷ?mə?θkʷəy̓əm (Musqueam) Indian Band


Tilbury LNG facility in Delta, B.C.

Working together to protect local lands

We engage with Indigenous communities before starting new projects. This gives us an understanding of local impacts and perspectives. For example, we connected with the Kwikwetlem First Nation (kʷikʷəƛ̓əm) in the initial stages of developing our Pattullo Gas Line Replacement Project in Burnaby and throughout the duration of the project. Through those discussions, the Kwikwetlem First Nation requested that we use the community's Guardian Environmental Monitoring Program and archaeological monitors to evaluate the project's impact during construction.

What's unique about this initiative? This program audits our project from both an environmental protection and cultural significance standpoint. It provides a holistic view of the land, beyond what we would typically audit for regulatory and compliance purposes.

Working together in this way helped us to protect the lands, waters and resources within the First Nations' traditional territory during construction. The guardian monitor was also able to report back to the Indigenous community directly from the field, as construction unfolded.

> "Elders from every First Nation agree–it's unspoken: First Nation territories and the resources within them overlap. What happens in a waterway above will affect what's down below. What our guardian monitors do on projects today is having a positive impact on watersheds further down the line and for the future."
>
> **Councilor George Chaffee**
> kʷikʷəƛ̓əm (Kwikwetlem) First Nation

Local Tl'azt'en artist Damian John (left) stands with FortisBC project manager D'Arcy Caron (right) in front of his mural at our substation in Salmo, B.C.

Pursuing PAR certification

Companies certified through the PAR program must maintain or improve upon key performance indicators (KPIs) in Indigenous employment, business development, leadership and community relations. This matters to us. Since 2019, we've completed progressive steps toward PAR certification.

In 2022, we completed the third year of the program certification requirements for PAR Committed level. At this stage, we developed targets and actions aligned to PAR drivers. This helps us review and further improve the way we operate, to align with best practices, guidelines and targets recommended by Indigenous business leadership and established social responsibility standards.

Certification also opens the door to even closer relationships with Indigenous communities. This helps us create more equitable access to procurement, jobs, training and educational opportunities within our organization. In 2023, we have applied for full PAR certification to deepen our commitment to Indigenous engagement.

Recognizing, celebrating and amplifying Indigenous history

Creating greater awareness and understanding of Indigenous Peoples is fundamental to our values. We're actively creating opportunities for internal and external audiences to learn more about the experience of Indigenous Peoples. That means creating connections, hosting corporate celebrations, featuring Indigenous artwork and supporting learning opportunities. In 2022, we:

- recognized National Day for Truth and Reconciliation by distributing 500 orange shirts to employees and inviting all our people to virtual talks with guests from the Orange Shirt Society and the Indian Residential School Survivors Society
- sponsored the BC Lions Orange Shirt Day game, helping fund 10,000 orange shirts, 300 tickets for residential school survivors and a $20,000 donation to the Orange Shirt Society. Our employees also volunteered at the game and provided on-site support for the Indigenous Youth Skills Camp Sponsorship
- brought together First Nation Knowledge Keepers and young students, eager to learn about Indigenous cultural traditions
- funded "The New Energy" web documentary series showcasing First Nations' economic, energy and cultural success stories across B.C.
- worked with a local Indigenous artist, who created a stunning mural on the nine-foot concrete fence surrounding our Salmo substation revamp project

donated

$20,000

to the Orange Shirt Society

enabled

30 students

from Burnaby North Secondary School in B.C.'s Lower Mainland to come together on National Indigenous Peoples Day and help harvest cedar logs, while learning about its importance to local First Nations

Connecting with Indigenous communities

Lasting relationships and partnerships don't happen overnight. To endure, they must be built on mutual respect and collaboration. By connecting Indigenous communities to our gas and electricity systems and strengthening relationships, we hope to build a B.C. that's more sustainable for everyone. In 2022, we made progress by:

Alex Wells from the Lil'wat Nation performing a hoop dance at the Four Fires Festival.

Connecting the We Wai Kai Nation, just south of Campbell River on Vancouver Island, to our gas distribution system

This means we're now supplying

58

Indigenous communities with a source of reliable energy to drive local growth.

Working together to support the construction of new homes on the Yaqan Nukiy in accordance with B.C.'s Energy Step Code

We invested

$6,500

in the integrated design process, and

$28,500

to upgrade the homes in accordance with the B.C. Energy Step Code.

This has created more affordable, energy-efficient homes that generate much lower energy bills.

Investing $438,000 to support Indigenous communities, cultural events and Indigenous initiatives

For example, we donated

$20,000

to the Okanagan Nation Alliance Fish in Schools program—one of the key sockeye salmon education programs for youth in the Kootenay and Okanagan regions.

We also sponsored the resurgence of the canoe races with a $10,000 donation to the Four Fires Festival. Organized by Canoe Cultures at False Creek, the area hadn't seen canoe races in more than 100 years.

Supporting the Prince George Nechako Aboriginal Employment and Training Association (PGNAETA) Agreement

Our active memorandum of understanding with PGNAETA is helping to ease trade shortages, supporting skill-building and advancing Indigenous Peoples within the labour market. This initiative includes a number of different activities, including a job shadow day for students. Attendees spent a day surveying fieldwork on our Inland Gas Upgrade Project in Mackenzie, B.C.

Operational performance and adaptation

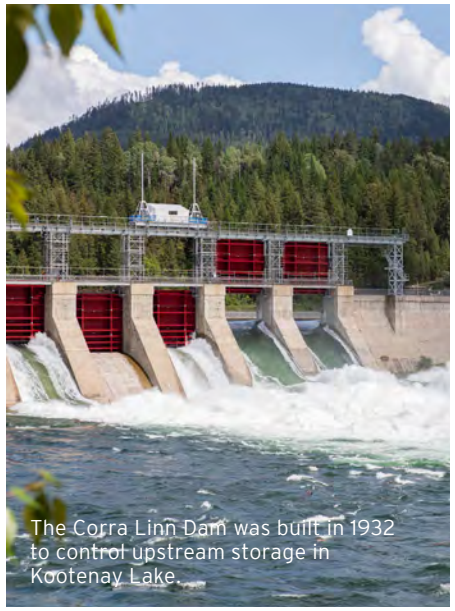
Adrian Alva, distribution service agent with FortisBC.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Investing in our infrastructure through major projects and maintenance allows us to uphold reliable, resilient, safe and affordable systems and further advance innovative, lower-carbon energy solutions.

Aligned with our materiality assessment, we have identified three operational performance and adaptation initiatives within this area of focus:

- strengthening system reliability and resiliency
- ensuring emergency preparedness and response
- evolving customer experience and satisfaction



The Corra Linn Dam was built in 1932 to control upstream storage in Kootenay Lake.

Power line technicians performing routine maintenance on our electricity system in South Slocan, B.C.

To take action on these initiatives in 2022, we:

marked the

125 year

anniversary of our first hydroelectric power facilities, where we continue to conduct upgrades and refurbishing to ensure the integrity of our infrastructure

met customer needs by reliably delivering

3,542 GWh

of electricity and

231 PJ

of gas

performed scheduled maintenance and upgrades to our system in

12 areas

provincewide

Candice Braun, customer service billing analyst at FortisBC.

provided high quality customer service, responding to

97.7%

of gas emergency calls within

30 seconds

or less, and from there, responded in the field within one hour. Some 93 per cent of electricity emergency calls were attended to in the field within two hours

Initiative 1:

Strengthening system reliability and resiliency

Upholding our customer promise requires us to invest in the reliability and resiliency of our energy delivery systems. We assess our current state and identify new ways to meet our customers' evolving energy needs.

Maintaining infrastructure integrity over the long term

2022 marked the 125th anniversary of FortisBC Inc.'s first hydroelectric power facilities built on the Kootenay River. What started as a single-dam venture expanded to four as the local mining industry (and population) flourished. Through regular maintenance and upgrades, these historic facilities now house the modern technology needed to provide electricity across the region.

Upgrading dams, facilities and other aspects of our infrastructure ensures customers can count on us for reliable electricity supply. Our recently upgraded Upper Bonnington Generating Plant is a prime example. Originally commissioned in the early 1900s, the dam was inducted into the Hydro Hall of Fame in 2018. From 2017 to 2021, we doubled down to bring the generation plant up to cutting-edge standards that meet and exceed dam safety requirements.

We are also in the process of upgrading our Corra Linn Dam. We've improved and modernized 14 aging spillway gates to reinforce the dam's superstructure, replacing the last three spillway gates in 2022. We expect to complete the project in 2023.

Increasing capacity in line with electricity load growth

From EV charging stations to the growing electrification of space and water heating, we're forecasting considerable load growth in B.C. These electricity loads tend to occur during times that coincide with our existing system peak.

As customer and government interest in electrifying residential and commercial buildings grows, new opportunities and challenges are emerging. Unmitigated load growth will challenge the electrical system due to peak capacity and supply, transmission and distribution constraints. We're exploring many ways to address these issues. For example, we're currently piloting 22 residential DSM programs focused on electric heating, air conditioning, pool pumps, electric domestic water heating and EV charging loads. We're also exploring solutions that use both gas and electricity systems (like hybrid heating) that would allow customers to make the most of energy-efficient electric heat pumps, while still relying on natural gas heating when temperatures drop.

We're helping customers transition to electric vehicles with a network of 42 public EV charging stations across B.C.'s Southern Interior.

Diversifying systems to handle extreme load circumstances

During a cold snap in December 2022, we set a new electricity system record at

835 megawatts (MW).

That was 58 MW (or seven per cent) above the previous system peak, set in December 2021—and 89 MW beyond the prior peak of 746 MW set in December 2008.

During that 2022 cold snap, our gas system also hit its peak hour system-wide delivery. FortisBC's gas system moved the approximate equivalent of more than 21,386 MW of energy—roughly double the amount of energy moved by BC Hydro's electrical system during that peak hour.

Scenarios like these remind us just how reliant our customers are on the gas system, especially during peak winter months. The capacity of the gas system to provide large volumes of energy to British Columbians at a time when they need it most reinforces how important it is for the gas and electricity systems to work together for the benefit of British Columbians.

Planning ahead to maintain gas service

When the British Columbia Ministry of Transportation and Infrastructure announced plans to replace the Pattullo Bridge, we began planning how to maintain gas services for our customers once the existing gas line (on the bridge) was decommissioned. Design standards wouldn't permit a gas line on the new bridge, so with that in mind, we evaluated community and environmental impacts, safety, costs and scheduling to select a new gas line route. At every stage, we engaged with local stakeholders and communities to understand environmental and archaeological impacts as well as other sensitivities. These community engagements informed our environmental management plan, protecting watercourses, green spaces, fish and wildlife along the new route. We also partnered with the City of Burnaby to design and build a cycling and walking path along the route.

Restoring areas to their natural state after construction activities wrap up is part of how we operate.

Pattullo Bridge over the Fraser River in New Westminster, B.C. on the unceded Traditional Territory of the Halkomelem speaking peoples.

We work to protect migratory bird species and raptors around our operations.

Upgrading systems efficiently and effectively

Any time we upgrade our systems, it's our responsibility to manage the environmental impacts effectively. That's why our system upgrade plans always begin with an environmental assessment.

When our Inland Gas Upgrades Project required us to carry out infrastructure improvements in 12 B.C. communities, we started by performing field surveys on potential worksites. This allowed us to locate ospreys and other wildlife living in the area—and protect them by building nesting platforms to deter the birds from nesting on top of power poles. We also established buffer zones around nesting ospreys for as long as nesting chicks would be in residence. We took a similar approach when rehabilitating our Lower Bonnington Dam on the Kootenay River. We protected flora and fauna by isolating our worksite to prevent concrete or other materials from entering the waterways.

Initiative 2:

Ensuring emergency preparedness and response

We ensure the safety of the people, communities and environments where we operate by developing emergency preparedness plans that allow us to react quickly when the unexpected happens. In 2022, we completed 26 emergency preparedness exercises.

Tanya Kowalenko (right), public safety program manager at FortisBC presents Mark Seggie (left), president of Granby Bobcat Service Ltd. with the Call Before You Dig Safety Award.

Supporting restoration efforts nationally

Hurricane Fiona caused major power failures when it struck Prince Edward Island in 2022. The local electricity system sustained considerable damage. As part of its emergency response protocols, Maritime Electric Company put out a call for support from other electricity utilities across Canada.

With Maritime Electric being a subsidiary of Fortis Inc., 12 power line technicians and two operations supervisors from FortisBC headed east. They joined 240 crew members from other Fortis companies across Canada to help.

Celebrating best-in-class safety records

Safety education is a key part of safeguarding our infrastructure, as well as the customers and communities we serve. We hold learning events and develop educational material to teach people about the importance of safe digging around gas lines and other underground infrastructure. We see signs that these efforts are making a difference.

In 2022, we processed 157,174 BC 1 Call requests, our third highest volume ever—showing ground disturbance activities didn't slow down after pandemic restrictions eased. During this time, our system sustained 896 incidents of damage. That represents a 20-year low. Still, there's more work to be done. That's why we:

- continue to collaborate with external agencies such as WorkSafeBC and BC 1 Call to seek ways to best ensure British Columbians understand safe digging practices
- enhance our safety outreach with the general public to ensure they understand to call before you dig
- recognize companies with stellar safe digging track records by hosting the Excavation Safety Awards. In 2022, Mr. Service, Granby Bobcat Service and Hexcel Construction were recognized

Performance trend: Operational safety and system reliability in our operations

Operational safety and system reliability	2022	2021	2020
Number of incidents with significant safety, environment or service disruption consequences (gas)[22]	1	0	0
Number of confirmed BC Mandatory Reliability Standards violations with penalty (electricity)[23]	0	0	0
Gas line damage incidents by all parties working around the FortisBC gas system (total number)	896	1,034	972

[22]Number of incidents with significant safety, environment or service disruption consequences in accordance with the FortisBC Energy Inc. Integrity Management Policy.
[23]Number of confirmed BC Mandatory Reliability Standards violations with penalty in accordance with the BCUC Rules of Procedure.

Initiative 3:

Evolving customer experience and satisfaction

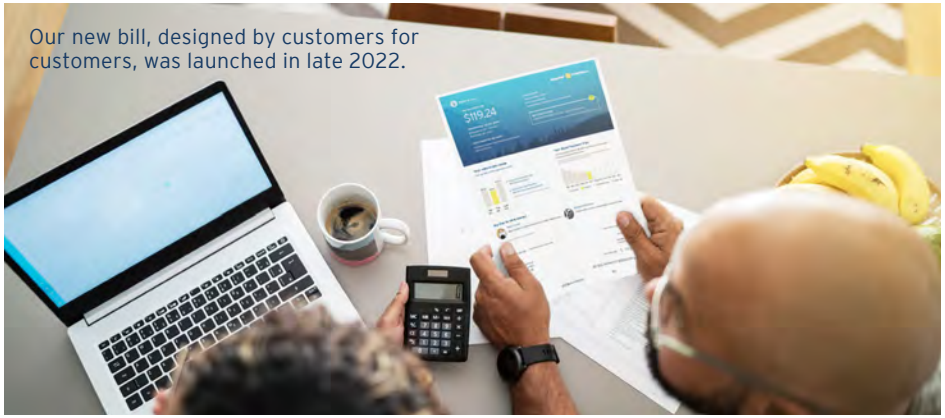
At FortisBC, we work with customers and communities to understand how their needs are changing and use that insight to improve customer experience and drive satisfaction.

Enhancing customer experience with their bills

Surveying 1,400 energy customers (including homeowners, renters, small and large business owners and others) has helped us better understand what people want to see in their energy bills. Simpler design, easy-to-find information and more data or tips to help save energy all emerged as top customer priorities. With that in mind, we redesigned our energy bills and launched a new and improved version in 2022.

Our new bills help customers quickly spot the information most relevant to them. The language we use is now less technical, and easier to understand. We also incorporated visuals to illustrate information more clearly. This is helping our customers understand how they're using energy and when, so they can adjust habits and usage to become more energy efficient.

We're also using this format to incorporate insights and tips that help our customers improve energy efficiency, reduce use and costs and explore new products or services (e.g. RNG or rebates for heating systems and appliances).



Our new bill, designed by customers for customers, was launched in late 2022.

Performance trend: Customer satisfaction

Customers sit at the heart of our decision-making process. We focus on building strong relationships with customers, and continually invest in projects and opportunities to enhance their FortisBC experience.

Customers	2022	2021	2020
Customer satisfaction index (out of 10)–gas[24]	8.6	8.7	8.7
Customer satisfaction index (out of 10)–electricity[25]	8.4	8.4	8.5

Performance trend: Outage response

Outage response	2022	2021	2020
System average interruption duration index (SAIDI)[26]	2.42	4.27[27]	3.17
System average interruption frequency index (SAIFI)[28]	1.52	2.08[29]	1.64

[24,25] *As reported to the BCUC.*
[26] *SAIDI depicts the average outage duration for each customer served, indicated in hours per customer.*
[27] *Extreme weather events impacted SAIDI.*
[28] *SAIFI depicts the average number of interruptions that a customer would experience, indicated in units of interruptions per customer.*
[29] *Extreme weather events impacted SAIFI.*

People and culture

Advancing our culture of belonging means seeking to understand and respecting different cultures, backgrounds, identities, ideas, approaches and perspectives. We're committed to providing an inclusive workplace where our employees can be their authentic selves at work, and are celebrated for the diverse perspectives, skillsets and abilities they bring. Because safety is also a core value for us, we're building an environment where employees are encouraged to develop and maintain operational safety practices. We are striving to attract a diversity of talent across every role and maintain a safe working environment where all perspectives are welcomed and valued.

FortisBC employees, including our president and CEO Roger Dall'Antonia, wear orange shirts in recognition of the National Day for Truth and Reconciliation. Photo taken at Surrey operations on the Traditional Territories of the Semiahmoo, Katzie, Kwikwetlem, Kwantlen, Qayqayt and Tsawwassen First Nations.

Our community and Indigenous relations team and president and CEO Roger Dall'Antonia stand alongside Chief Willie Sellars of Williams Lake First Nation (middle) and Simon Baker of Squamish Nation (right) at one of our employee Indigenous speaker sessions.

Aligned with our materiality assessment, we have identified two people and culture initiatives within this area of focus:

- cultivating diversity, equity and inclusion (DEI)
- emphasizing occupational health, safety and wellness

To take action on these initiatives in 2022, we:

saw

100%

of our leadership team members attend inclusive leadership training

supported career growth and progression, with

57%

of job vacancies filled by existing employees

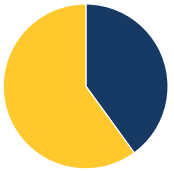
encouraged continued employee participation in Indigenous awareness training, which has been attended by

94%

of employees since inception in 2020

maintained representation among our executive

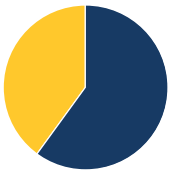
60% Male



40% Female

and our board of directors

40% Male



60% Female

- partnered (through our parent company, Fortis Inc.) with the Canadian Centre for Diversity and Inclusion to carry out our first internal DEI survey
- made employee and family assistance programs available to all employees and their eligible dependents
- added Indigenous counsellors to our employee and family assistance program

Initiative 1:

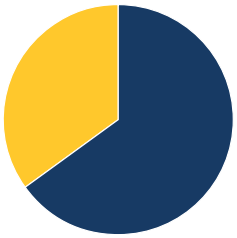
Cultivating DEI

At FortisBC, we work to create a strong sense of belonging by focusing on diversity of the workforce, equity in employee experience, inclusive leadership, workforce well-being and community well-being.

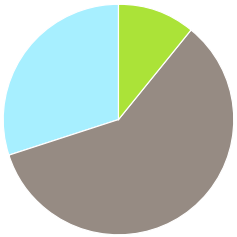
Performance trend: 2022 workforce detail

People and culture[30]

Employees



- 65% - male
- 35% - female

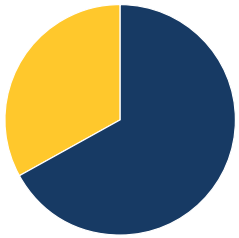


- 59% - employees 30-50
- 30% - employees over 50
- 11% - employees under 30

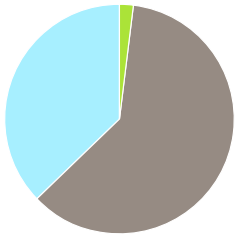
Average age of employees

44 years

Management[31]

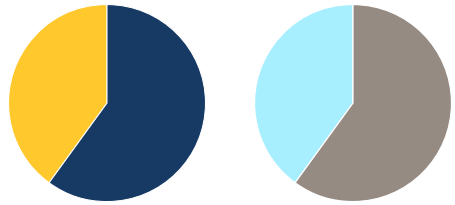


- 67% - male
- 33% - female



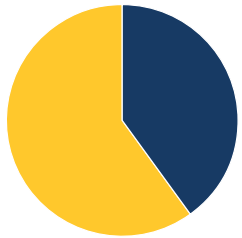
- 61% - management 30-50
- 37% - management over 50
- 2% - management under 30

Executives



- 60% - male
- 40% - female
- 60% - executives 30-50
- 40% - executives over 50

Board of directors



- 60% - female
- 40% - male

For further data on our people (e.g. freedom of association, hiring, turnover and retention, benefits and remuneration), see Appendix section Key performance indicator summary.

[30] *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, 2022.*
[31] *Employees who hold the position of manager or director who have direct reports.*

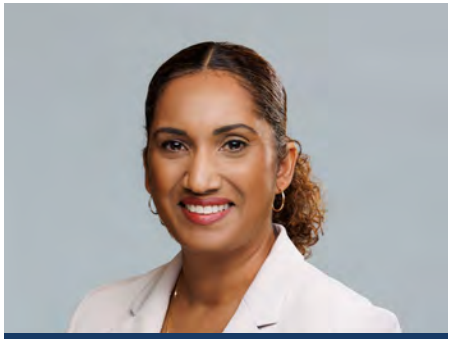
Building a culture of belonging

Our DEI action plan reflects the steps we're taking to build a culture of belonging that is safe and supportive for all.

With an overarching annual strategy in place, we can align our progress with the evolving social landscape, employee expectations and business needs. To guide our efforts, we've structured this plan around five key pillars through which we're intentionally and effectively dismantling system barriers to inclusion:

- diversity of our workforce
- equity in employee experience
- inclusive leadership
- workforce well-being
- community well-being

We've brought together senior leaders from across the business to form a DEI guidance committee. This committee will champion inclusion by empowering employees to help shape our growing culture.



"For years now our DEI approach has been based on the fact that true progress is only achievable if we integrate DEI into the fabric of our organization. This is why we've taken an ecosystem approach and made significant strides in weaving DEI into our leadership strategy, our structure and environment, metrics and reporting and lastly our processes and systems."

Andrea Cadogan
Vice president, people, FortisBC

Introducing an Indigenous speaker series

We've introduced an Indigenous speaker series for our employees, inviting high-profile Indigenous Leaders, Chiefs and Traditional Knowledge Keepers to connect with our employees.

Each session is a chance for our people to learn about the cultural nuances of communication, build relationships with Indigenous Peoples and understand the role we play in supporting Reconciliation. Through this series, we're learning about topics and community projects through a unique lens.

In 2022, we held 10 cultural learning events for our employees. We also bring people together through our Indigenous Employee Circle. This grassroots program creates opportunities for employees to come together and share knowledge. By encouraging Indigenous and non-Indigenous employees to speak from the heart, we're strengthening relationships. This open and safe space allows everyone to learn from Indigenous perspectives, and then integrate that knowledge into the inclusive culture we're striving to build at FortisBC.

Left to right: Charla Huber, Dr. Elder Shirley Alphonse, Cowichan Tribes, Chief Russ Chipps, Scia'new First Nation, Carmen Leblanc, FortisBC, and Brother Rick Peter, Cowichan Tribes at the Indigenous speaker series in Langford, B.C.

In 2022, we held

10

cultural learning events for our employees.

Since launching in 2021, the Indigenous Employee Circle has grown to include

70

members and counting from a variety of departments.

Initiative 2:

Emphasizing occupational health, safety and wellness

We're focused on supporting the physical and psychological safety of our teams. We want our people to thrive, and we invest in resources, tools and programs to support their safety overall.

In 2022, we:

- experienced no serious injuries or fatalities (SIFs), as part of our enduring commitment to eliminating SIFs from our business through high-standard safe work planning and control of high energy hazards
- launched the Digital Hazard Identification and Risk Assessment Platform, to enable more efficient and higher quality work safety planning
- introduced an injury prevention specialist. This specialist is a certified athletic therapist who provides services related to early intervention, including treatment (in-person or virtually, and tailored to individual concerns)
- completed leadership sessions on creating and sustaining psychological safety in the workplace, facilitated by an internationally renowned speaker

Performance trend: Employees' health, safety and wellness

Employees' health, safety and wellness	2022	2021	2020
All injury frequency rate (AIFR)[32]	1.62 injuries	1.77 injuries	1.27 injuries
Number of fatalities	0	0	0
Serious injuries and fatalities (SIFs)*	0	0.09	*
Discrimination incidents[33]	0	0	0
Respect in the workplace incidents[34]	2	3	2

Strengthening our safety strategy and philosophy

We track safety incidents and monitor outcomes. In addition, we proactively implement accident prevention and aim to minimize accident severity when incidents occur.

By adopting this new safety classification and learning (SCL) program, we can now focus on managing high risks to prevent severe outcomes (e.g. consequences, accidents or even death).

This shift also means we now emphasize a Human and Organizational Performance (HOP) approach to safety. This approach reinforces that:

- errors are normal
- blame fixes nothing
- context drives behaviour
- learning and improving is vital
- management's response to safety events matters

The asterisks ("") in the table indicate metrics added in recent years and historical data is not available.*
[32]AIFR per 100 workers is for a combined gas and electricity result (annual).
[33]Number reflects the substantiated discrimination and harassment complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.
[34]Number reflects the substantiated Respect in the Workplace complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.

Refreshed our Safety Management System (SMS) manual and strategy safety team (SST) framework

We've updated our SMS manual in line with the five core HOP principles. We also refocused our SST framework around the leadership of specific safety areas, including high-risk operations, contractor safety, low-risk SST and road/driver safety.

In support of our ongoing commitment to safety, in 2022 we once again verified our compliance with the WorkSafeBC Certificate of Recognition Program.

We've maintained above a 90 per cent rating on this program for the last 10 years.

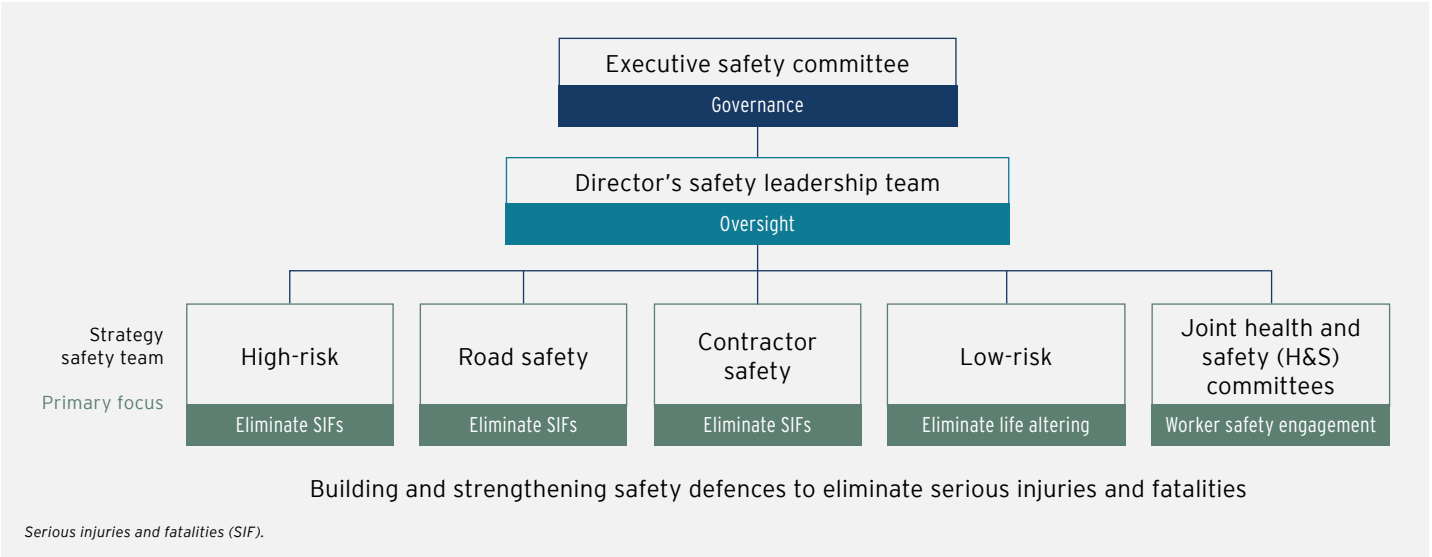
Maintaining those results matters to us a great deal. We have the processes in place to keep our people safe; and we continue evaluating and improving them annually.

Across FortisBC, we're also communicating to bring these principles to life with our people. Safety isn't only physical. It's also psychological.

In our culture of belonging, we're creating more opportunities to talk about safety, share concerns about the work environment and feel confident doing so.

To operationalize our SST framework, we have established a safety governance structure:

Safety governance structure



Serious injuries and fatalities (SIF).

Emphasizing employee wellness

Good health requires us to maintain a strong balance between physical and mental wellness.

To support that goal, we encourage our people to make the most of our well-being events and activities throughout the year. New in 2022, we launched our Way to Wellness Challenge. Participants downloaded challenge tracking sheets and participated in a range of physical and mental wellness activities.

Since launching our Way to Wellness Challenge, we've expanded our focus to Wellness Wednesdays. Every week, employees share stories about their wellness journey with each other via the employee intranet. We also ran a pilot program on psychological safety in 2022. From mindfulness to stress management to exercise: we're opening up channels for people to learn from one another and embrace good health.

Building on the above, our Code of Conduct, Respect in the Workplace Policy and additional human resources policies outline requirements for all our employees to behave respectfully, collaboratively and in ways that are consistent with our business priorities and values.

Appendix

Tammy Grant, low carbon transportation and LNG compliance advisor with FortisBC conducting a live demonstration on LNG safety.

Key performance indicator summary

Energy transition and environment[35]

Indicator	2022	2021	2020
Emissions (in tCO_2e)[36]			
Scope 1 GHG emissions:			
from natural gas operations (combustion, flaring, venting, fugitive)	205,500	125,000	112,000
from third-party gas line damage incidents[37]	23,300	13,500	9,500
from Sulphur Hexafluoride (SF_6) fugitive emissions	263	96	1,700
from owned vehicle emissions	8,200	8,900	8,500
from natural gas for comfort heating	1,700	1,500	1,700
Total Scope 1 GHG emissions	239,000[38]	149,000	133,000
Scope 2 GHG emissions[39]	7,200	6,100[40]	6,300
Scope 3 GHG emissions (in tCO_2e)[41]			
related to natural gas transmitted and delivered under certain third-party market contracts	3,550,000	3,800,000	3,640,000
related to FortisBC Energy Inc.-supplied natural gas used by customers[42]	8,060,000	7,900,000	7,530,000
Combined natural gas customer Scope 3 GHG emissions[43]	11,610,000	11,700,000	11,200,000
Environmental benefits from FortisBC energy solutions			
Avoided GHG emissions from the use of LNG in marine bunkering (in tCO_2e)	43,400	39,300	38,800
Avoided GHG emissions from natural gas used for transportation (in tCO_2e)	31,100	43,400	36,400

[35]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, 2022.
[36]The methodology used to calculate GHG emissions is adapted from the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards. For Scope 2 we used GHG Protocol Scope 2 Guidance. For Scope 3 we used GHG Protocol Corporate Value Chain, GHG Protocol Technical Guidance for Calculating Scope 3 emissions.
[37]GHG emissions released from gas line damages caused by parties that are unrelated to FortisBC.
[38]Scope 1 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, are direct emissions from owned or controlled sources. For 2022, this includes externally verified Scope 1 GHG emissions as reported to the BC Ministry of Environment of 221,000 tCO_2e and 8,030 tCO_2e for FEI and LNG operations, respectively.
[39]Scope 2 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, 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 2022 of 69,000 tCO_2e.
[40]As per Minister of Environment Greenhouse Gas Industrial Reporting and Control Act Bulletin 022, the revised methodology to calculate the B.C. Integrated Grid Factor was adopted in 2021.
[41]Scope 3 emissions, as defined under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standards, are other indirect GHG emissions. We calculated category 11–use of sold products.
[42]Customers include the built environment, industry and transportation sectors.
[43]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	2022	2021	2020
Avoided GHG emissions from the use of RNG (in tCO_2e)	213,500	56,700[44]	19,100
Measure lifetime GHG emissions reductions from conservation and energy management programs[45] (in tCO_2e)	753,000	754,000	493,000
Reduction in criteria air contaminants (CAC) released to the environment through the use of LNG and CNG by customers[46] (in tonnes)	422	364	365
Environmental compliance			
Number of environmental fines and penalties	0	0	0
Emergency spill response plan[47]	✓	✓	✓
Environmental management programs aligned with ISO 14001	✓	✓	✓
Number of Class 3 spills[48] by FortisBC	2[49]	0	1
Number of Class 3 spills by contractors	2[50]	1	0
Waste management (in tonnes)			
Total amount of hazardous waste manifested for disposal[51]	228[52]	56	70
Total amount of recycled hazardous waste	133	128	178
Total amount of hazardous waste generated and manifested	361	184	248

[44]Avoided GHG emissions from the use of RNG are restated for 2021. Carbon intensity assessments were completed after the publication of the 2021 Corporate and Sustainability Report.
[45]Measure lifetime GHG emissions reductions (historically named lifetime energy saved) is based on the 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 BCUC as well as lifecycle GHG emissions factor for gas using models adopted by Environment and Climate Change Canada.
[46]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.
[47]We have a spill response standard specific to spills and how to respond to spills. The Spill Reporting and Response Clean Up Standard outlines the procedures to respond to and cleanup a spill, including requirements for internal reporting and external reporting to regulatory agencies.
[48]A FortisBC 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.
[49]The two natural gas releases categorized as FortisBC Class 3 spills were due to leaks on our transmission system, one due to a circumferential stress corrosion crack and the other due to corrosion.
[50]The two natural gas releases categorized as Contractor Class 3 spills were due to contractor caused gas line damages on our Interior Gas Upgrades Project.
[51]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.
[52]The higher amount of the hazardous waste disposed in 2022 can be attributed from different FBC projects on the electricity side of the business. This includes the Corra Linn Spillway Gate Upgrade Project, Arrow Lakes Hydro Facility Transformer Oil Water Separator Vault Project, Waneta Unit 3 Unit Life Expectancy Project and continuation of the PCB Changeout program at Warfield Hazardous Waste Facility.

Indigenous and local communities[53]

Indicator	2022	2021	2020
Economic			
Community events participated in[54]	322	180[55]	325
Communities that received investment	65	74	74
Economic value generated[56] (in millions of dollars)	$2,557	$2,168	$1,797
Economic value distributed (in millions of dollars):			
operating costs[57]	$231	$211	$222
employee wages and benefits	$342	$346	$323
payments to providers of capital	$411	$399	$449
payment to government	$622	$485	$439
community investment[58]	$4.5	$3.8	$3.4
Indigenous[59]			
Taxes paid when on reserve land (gas and electricity)[60] (in millions of dollars)	$3.2	$2.6	$2.5
Progressive Aboriginal Relations (PAR) Committed member	✓	✓	✓
Safety			
Number of emergency exercises[61]	26	32	20

[53]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, 2022.
[54]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.
[55]COVID-19 restrictions impacted FortisBC's ability to host events.
[56]Revenues as reported per external financial statements for FEI and FBC.
[57]Operating costs such as cash payments made outside the organization for materials, product components, facilities and services purchased.
[58]Includes investments into the communities including donations, in-kind contributions and sponsorships.
[59]Progressive Aboriginal Relations targets have been set as part of the 2022 PAR certification framework.
[60]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.
[61]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 and community request. Annually, more or fewer exercises are not indicative of safety performance.

Operational performance and adaptation[62]

Indicator	2022	2021	2020
Natural gas and electricity transmission and distribution			
Total length of natural gas transmission and distribution lines (km)	51,200	50,500	50,200
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)[63]	1	0	0
Number of confirmed BC Mandatory Reliability Standards violations with penalty (electricity)[64]	0	0	0
Gas line damage incidents by all parties working around the FortisBC gas system (total number)	896	1,034	972
Energy use			
Amount of energy delivered–electricity (in GWh)	3,542	3,460	3,291
Amount of energy delivered–electricity (in PJ)	13	12	12
Amount of energy delivered–gas (PJ)	231	230	219
Total amount of energy delivered–electricity and gas (PJ)	244	242	231
Customers			
Number of customers–gas	1,075,600	1,064,800	1,054,100
Number of customers–electricity	187,900	184,800	182,000
Customer satisfaction index–gas[65]	8.6	8.7	8.7
Customer satisfaction index–electricity[66]	8.4	8.4	8.5
Number of cybersecurity incidents[67]	0	0	0

[62] *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, 2022.*
[63] *Number of incidents with significant safety, environment or service disruption consequences in accordance with the FEI Integrity Management Policy.*
[64] *Number of confirmed BC Mandatory Reliability Standards violations with penalty in accordance with the BCUC Rules of Procedure.*
[65, 66] *As reported to the BCUC.*
[67] *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.*

Indicator	2022	2021	2020
Economic, customer service			
FortisBC investment in conservation and energy management programs (in millions of dollars)	$118.7	$119.5	$86.0
Emergency calls responded to within one hour–gas	97.7%	97.7%	97.7%
Emergency calls responded to within two hours–electricity	93%	94%	92%
System average interruption duration index (SAIDI)[68]	2.42[69]	4.27	3.17
System average interruption frequency index (SAIFI)[70]	1.52[71]	2.08	1.64
Customers who achieve resolution in one contact with our customer contact centres	77%	79%	81%

[68] *SAIDI depicts the average outage duration for each customer served, indicated in hours per customer.*
[69] *2022 SAIDI performance improved mainly due to favourable weather and environmental conditions.*
[70] *SAIFI depicts the average number of interruptions that a customer would experience, indicated in units of interruptions per customer.*
[71] *2022 SAIFI performance improved mainly due to favourable weather and environmental conditions.*

People and culture[72]

Indicator	2022	2021	2020
Number			
Total number of employees	2,653	2,631	2,549
Demographics			
Employees:			
percentage of male employees	65%	65%	65%
percentage of female employees	35%	35%	35%
percentage of employees under 30	11%	10%	8%
percentage of employees 30-50	59%	58%	54%
percentage of employees over 50	30%	32%	38%
average age of employees	43.8	44.6	45.0
Management:[73]			
percentage of male management	67%	68%	63%
percentage of female management	33%	32%	37%
percentage of management under 30	2%	2%	1%
percentage of management 30-50	61%	58%	55%
percentage of management over 50	37%	40%	44%
Executives:			
percentage of male executives	60%	67%	67%
percentage of female executives	40%	33%	33%
percentage of executives 30-50	60%	56%	33%
percentage of executives over 50	40%	44%	67%
Board of directors:			
percentage of males on the board of directors	40%	36%	58%
percentage of females on the board of directors	60%	64%	42%

[72] *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, 2022.*
[73] *Includes all employees in a leadership role who have direct reports.*

Indicator	2022	2021	2020
Freedom of association			
Percentage of total workforce–unionized[74]	63%	62%	62%
Hiring			
Percentage of job vacancies filled by existing employees	57%	56%	64%
Percentage of job vacancies filled by new employees	43%	44%	37%
Turnover and retention			
Voluntary turnover rate[75]	7.7%	5.9%	3.0%
Annual retirement rate (as a % of total full-time workforce)	1.8%	2.4%	1.9%
Average years of employment for full-time employees	11.4	11.7	12.1
Benefits			
Percentage of full-time employees who are eligible to receive employee and family assistance	100%	100%	100%
Percentage of employees who have access to Indigenous awareness training	100%	100%	100%
Percentage of management who have access to inclusive leadership training	100%	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[76])	1.62 injuries/100 workers	1.77 injuries/100 workers	1.27 injuries/100 workers
Number of fatalities	0	0	0
Serious injuries and fatalities (SIF)*	0	0.09	*
Discrimination incidents[77]	0	0	0
Respect in the workplace incidents[78]	2	3	2

[74]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.
[75]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.
The asterisks ("") in the table indicate metrics added in recent years and historical data is not available.*
[76]AIFR per 100 workers is for a combined FEI and FBC result (annual).
[77]Number reflects the substantiated discrimination and harassment complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.
[78]Number reflects the substantiated Respect in the workplace complaints that resulted from a policy breach. Policy includes compliance with all applicable legislation.

GRI content index[79,80]

GRI standard	Disclosure	Response
GRI 2: General disclosures 2021	2-1 Organizational details	Gas: 2022 Annual Information Form, Name, Address and Incorporation (Page 4), The Business of FortisBC Energy Inc. (Page 4-5)
		Electricity: 2022 Annual Information Form, Name, Address and Incorporation (Page 5), The Business of FortisBC Inc. (Page 5-6)
	2-2 Entities included in the organization's sustainability reporting	Gas: 2022 Management Discussion and Analysis, Consolidated Results of Operations (Page 4-7), Consolidated Financial Position (Page 8-9)
		Electricity: 2022 Management Discussion and Analysis, Consolidated Results of Operations (Page 3-5), Consolidated Financial Position (Page 6)
	2-3 Reporting period, frequency and contact point	2022 Sustainability Report (Page 1 and 13)
		FortisBC Energy Inc. 16705 Fraser Highway, Surrey, BC V4N 0E8 www.fortisbc.com 1-604-576-7000 (Local)
		FortisBC Inc. Suite 100, 1975 Springfield Road, Kelowna, BC V1Y 7V7 www.fortisbc.com 1-866-436-7847
	2-4 Restatements of information	2022 Sustainability Report (Page 47)
	2-5 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.
	2-6 Activities, value chain and other business relationships	Gas: 2022 Annual Information Form, Name and Incorporation (Page 4), The Business of FortisBC Energy Inc. (Page 4-5), Gas Purchase, Storage and Off-sales Agreements (Page 5), Operations (Page 6-7), Capital structure (Page 12-13)
		Electricity: 2022 Annual Information Form, Name and Incorporation (Page 5), The Business of FortisBC Inc. (Page 5-6), Generation and Power Supply (Page 6-8), Operations (Page 8)
		FortisBC.com, About us, Corporate information, Our service areas

[79]This table references how FortisBC Energy Inc. and FortisBC Inc. (FortisBC) disclose against Global Reporting Initiative (GRI) Standards for the 2022 reporting year. FortisBC does not purport to report in relation to other frameworks and standards. For more information on the GRI, please visit: www.globalreporting.org. FortisBC does not purport to meet the reporting requirements of the GRI and other frameworks and standards.
[80]This material references Disclosures 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-7, 2-9, 2-11, 2-13, 2-14, 2-15, 2-22, 2-26, 2-27, 2-28, 2-29 and 2-30 from GRI 2: General Disclosures 2021; Disclosures 3-2 and 3-3 from GRI 3: Material Topics 2021; 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 305-1, 305-2 and 305-5 from GRI 305: Emissions 2016; Disclosure 401-1 from GRI 401: Employment 2016; Disclosures 403-1, 403-4, 403-5, 403-6 and 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 2016.

GRI standard	Disclosure	Response
GRI 2: General disclosures 2021	2-7 Employees	Gas: 2022 Annual Information Form, Other Material Corporate Issues (Page 9-10).
		Electricity: 2022 Annual Information Form, Other Material Corporate Issues (Page 10-11).
		2022 Sustainability Report (Page 41)
	2-9 Governance structure and composition	FortisBC.com, Corporate information, FortisBC executive leadership
		FortisBC.com, Corporate information, Board of directors
		2022 Sustainability Report (Page 15)
	2-11 Chair of the highest governance body	FortisBC.com, Corporate information, Board of directors
		2022 Sustainability Report (Page 15)
	2-13 Delegation of responsibility for managing impacts	The vice president, general counsel, corporate secretary and sustainability, reports to the president and CEO. They are responsible for overseeing various departments within FortisBC including the legal, privacy, lands, procurement, environment, governance and sustainability portfolios. They are responsible for FortisBC's sustainability strategy outlining the organization's vision and measurable objectives with respect to sustainable business practices.
		2022 Sustainability Report (Page 15)
	2-14 Role of the highest governance body in sustainability reporting	FortisBC's 2022 Sustainability Report was reviewed and approved by the executive team and the governance and sustainability committee, prior to publication. Executive review is also obtained on our annual information form and management discussion and analysis.
		2022 Sustainability Report (Page 15)
	2-15 Conflicts of interest	FortisBC Code of Conduct
	2-22 Statement on sustainable development strategy	2022 Sustainability Report (Page 2-3)
	2-26 Mechanisms for seeking advice and raising concerns	FortisBC Code of Conduct (Page 3)
	2-27 Compliance with laws and regulations	a. In 2022, 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
		2022 Sustainability Report (Page 47)

GRI standard	Disclosure	Response
GRI 2: General disclosures 2021	2-28 Membership associations	2022 Sustainability Report (Page 56)
	2-29 Approach to stakeholder engagement	2022 Sustainability Report (Page 57-58)
	2-30 Collective bargaining agreements	2022 Sustainability Report (Page 52)
GRI 3: Material topics 2021	3-2 List of material topics	2022 Sustainability Report (Page 17)
	3-3 Management of material topics	2022 Sustainability Report (Page 17)
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2022 Sustainability Report (Page 27)
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 team. 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.
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents reported in 2022.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2022 Sustainability Report (Page 20)
	305-2 Energy indirect (Scope 2) GHG emissions	2022 Sustainability Report (Page 20)
	305-5 Reduction of GHG emissions	2022 Sustainability Report (Page 20)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	FortisBC considers all employees to be in the same region (British Columbia). 2022 Sustainability Report (Page 52)
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	2022 Sustainability Report (Page 44)
	403-4 Worker participation, consultation and communication on occupational health and safety	2022 Sustainability Report (Page 44)
	403-5 Worker training on occupational health and safety	2022 Sustainability Report (Page 44)
	403-6 Promotion of worker health	2022 Sustainability Report (Page 44)
	403-9 Work-related injuries	2022 Sustainability Report (Page 43)

GRI standard	Disclosure	Response
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	2022 Sustainability Report (Page 41)
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. There are no incidents resulting in policy breaches. 2022 Sustainability Report (Page 52)

Memberships and partnerships

Heidi Taylor, Indigenous relations manager at FortisBC speaks with community members at the Eagle Mountain-Woodfibre Pipeline Project community open house.

At FortisBC, we maintain memberships and partnerships with three broad groups spanning industry associations, academia and commitments. These relationships help us to make progress against our goals and make a positive impact in the communities where we operate. Read more about our memberships and partnerships.

Engaging with stakeholders

We're always looking for new ways to grow and operate more sustainably. And we make the most of stakeholder conversations to inform those plans. Connecting with Indigenous communities and others helps us understand diverse and unique energy needs. It also allows us to explore their expectations on how we move forward as an organization. What does that look like in practice?

Who we engage with	How we approach engagements	Key concerns raised	How we address stakeholder concerns
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	• increased community inclusion during project development • increased support for local organizations and direct community benefits • collaboration with community partners • low-income households	• Innovate and collaborate with our communities for a more sustainable energy future. • Develop and strengthen partnerships in communities where we live and work. • Positive socioeconomic impact through educational opportunities and community investment. • Collaborate with municipal government to identify opportunities to benefit communities. • Enhance local community development through employee giving programs and charitable donations.
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 • Indigenous awareness training	• employment barriers • low-income households • respecting Indigenous cultures and communities • access to education opportunities • business development opportunities • capacity constraints	• Enhance Indigenous relations through business development, employment opportunities and community engagement. • Innovate and collaborate with our communities for a more sustainable energy future. • Positive socioeconomic impact through educational opportunities and community investment. • Enhance local community development through charitable donations and sponsorships.

Who we engage with	How we approach engagements	Key concerns raised	How we address stakeholder concerns
Customers	• energy efficiency programs • customer service delivery • community outreach and Street team • community education programs—school and public safety • customer bills, bill inserts and emails • Energy Moment monthly newsletter • customer surveys • websites • social media	• low-income household needs • communications to customers • alternative energy options • rates and pricing • increased community involvement • customer service improvements • fixed-income household needs	• Find innovative ways to help customers save energy, reduce energy costs and lower their GHG emissions. • Enhance our customer engagement with timely, accessible and personalized experiences. • Maintain and modernize energy infrastructure for continued operational reliability and resiliency. • Enhance customer experience by providing flexible payment options and rebate opportunities. • Strengthen customer relationships by ongoing employee development and training.
Employees	• departmental and team meetings • various leadership connections • employee-run groups and committees • corporate campaigns and events • formal process for concerns • union relations (IBEW local 213, MoveUP local 378) • employee and leadership development programs and offerings • cross-utility working groups • safety meetings and safety moments • performance management discussions, including succession planning • employee communications (CEO updates and safety newsletter)	• engagement while addressing constant change • career development and professional growth • belonging, connection and staying authentic	• Support our employees' safety, health and well-being through prioritizing open discussions, learning opportunities and a range of employee wellness, health and safety programs and offerings and benefits offerings. • Cultivate talent through skill enhancement and development opportunities. • Foster a culture of belonging through advancing an inclusive, diverse and equitable employee experience.
Regulatory and government	• focus on constructive regulatory relationships • participation in public policy and legislative consultations • providing responses to general industry requests from regulators • regular regulatory and government outreach • participate in industry associations and advisory groups	• energy reliability • customer safety • impacts to the environment • climate action • affordable energy • enabling the deployment of renewable energy	• Deliver safe, reliable and cost-effective energy. • Maintain and modernize energy infrastructure for continued operational reliability and resiliency. • Demonstrate leadership and action in the clean energy transition. • Position B.C. as a vital domestic and international LNG provider to lower GHG emissions through fuel-switching. • Be a responsible steward by minimizing operational impacts on the environment.

Mapping initiatives to the United Nations Sustainable Development Goals (UNSDGs)

Goal 5: Gender equality

FortisBC values gender equality and having an inclusive, safe and healthy work environment. Our Code of Conduct is central to our values and sets the tone for a respectful, ethical and transparent workplace. We're committed to providing an inclusive workplace for our employees that offers career advancement opportunities and as part of our sustainability performance, report on the percentage of females in the workplace, in senior management and on the board of directors.

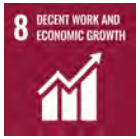
Sub target	FortisBC initiatives
5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.	a. In 2022, employee and family assistance programs were made available to all full-time employees. Please refer to page 40 and 52.
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	a. As part of our Key Performance Indicators, gender ratios are disclosed at an employee, management and board of directors level. In 2022, females represented 60 per cent of the board of directors. For more information on our DEI metrics, please refer to page 41. a. In 2022, through our parent company Fortis Inc., we partnered with the Canadian Centre for Diversity and Inclusion to carry out our first internal DEI survey. This insight is helping us better understand our collective diversity and take steps to address our workforce's unique needs. Please refer to page 40.

Goal 7: Affordable and clean energy

As the largest energy provider in the province, we deliver energy to more than 1.2 million customers in 135 B.C. communities and 58 First Nations communities across 150 Traditional Territories. We are investing in innovative energy-efficiency technologies, expanding our supply of renewable and low-carbon gases and investigating opportunities to safely integrate hydrogen into our existing gas lines. We also buy some of our power from B.C. Hydro, delivering electricity through the generation of hydroelectricity from four dams that we own and operate.

Sub target	FortisBC initiatives
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	a. By the end of 2022, we increased contracted annual RNG supply to just over five per cent of the total natural gas in our system. Please refer to page 11. a. In 2022, our Long Term Electric Resource Plan (LTERP) was accepted by the BCUC. The LTERP evaluates electricity markets, long-term supplier contracts (such as BC Hydro) and energy management programs to incorporate wind, solar, hydro and other supply-side resource options. For more information about LTERP, please refer to page 12.
7.3 By 2030, double the global rate of improvement in energy efficiency.	a. In 2022, we invested $118.7 million in conservation and energy management programs. For more information about energy conservation and energy management programs, please refer to page 50. a. In 2022, we piloted the first gas heat pumps in B.C. homes. We installed high-efficiency space and water heating equipment in 20 homes across B.C. that can achieve energy efficiencies of more than 100 per cent, further decarbonizing B.C. homes and businesses. For more information about the pilot program, please refer to page 25.
7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology and promote investment in energy infrastructure and clean energy technology.	a. In 2022, we established key strategic relationships across government, academia and industry. For example, we are collaborating with UBCO to study how to blend hydrogen, safely and reliably, with natural gas within our existing system to further reduce emissions. We hope to leverage the findings to build new capabilities within our distribution systems. For more information about our initiatives and partnerships, please refer to page 21. a. Through our FortisBC Climate Action Partners Program, we support 16 municipalities and four Indigenous partnerships, including: the Okanagan Nation Alliance, Musqueam Indian Band (xʷməθkʷəy̓əm), Tsleil Waututh Nation (səlilwətaɬ) and First Nations Energy and Mining Council to improve energy efficiency. To read more information about our climate action partners, please refer to page 28.

Goal 8: Decent work and economic growth



We employ more than 2,600 British Columbians, supporting full-time employment and decent work for all females and males, including young people and Indigenous Peoples. Many of our employees are union members of MoveUp and the International Brotherhood of Electrical Workers as we support union representation for our employees across the organization. We support economic growth by investing in our communities, supporting local employment opportunities during our projects and developing energy solutions like CNG and LNG for transportation, increasing the amount of RNG in our system and expanding our EV charging infrastructure.

Sub target	FortisBC initiatives
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	a. In 2022, we continued to ensure that 100 per cent of our full-time employee basic salary is above local minimum wage. Please refer to page 52. b. We continue to support career growth and progression at FortisBC. In 2022, we saw that 57 per cent of our job vacancies were filled by existing employees. Please refer to page 40. a. We support the Prince George Nechako Aboriginal Employment and Training Association (PGNAETA) Agreement. Our active memorandum of understanding with PGNAETA is helping to ease trade shortages, supporting skill-building and advancing Indigenous Peoples within the labour market. This initiative includes a number of different activities, including a job shadow day for students. Attendees spent a day surveying fieldwork on our Inland Gas Upgrade Project in Mackenzie, B.C. Please refer to page 32.
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	a. We adopted a new SCL program where we focus on managing high risks to prevent severe outcomes. This shift also means we now emphasize a HOP approach to safety. This approach reinforces errors are normal, blame doesn't improve safety, context drives behaviour, learning and improving is vital and management's response to safety events matters. For more information about safety, please refer to page 43-44.

Goal 9: Industry, innovation and infrastructure

Investing in our infrastructure through major projects and maintenance allows us to uphold strong, resilient energy systems and further advance innovative, lower-carbon energy solutions. We are finding ways to help customers save energy, reduce energy costs and lower their GHG emissions through our conservation and energy management programs and by testing new, innovative technologies like our gas fired heat pumps in commercial and residential locations. We also encourage the adoption of low- and no-carbon energies such as hydroelectricity and the injection of renewable and low-carbon gases into our system, such as RNG.

Sub target	FortisBC initiatives
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	a. Every year, we invest tens of millions in the integrity of our natural gas system. Through inspections, repairs, upgrades and pipeline replacements, we can ensure our system remains safe and efficient. We also look for new ways to reduce our GHG emissions across our organization. For example, we're changing the way our compressor stations run to reduce methane emissions. We've also put pipeline integrity plans and leak detection and repair (LDAR) programs in place to maintain pipeline integrity of our Inland Gas Upgrade and Transmission Integrity Management Capabilities projects. For more information about our infrastructure, please refer to page 20. a. In 2022, we continued to meet customer needs by reliably delivering 3,542 MWh of electricity and 231 PJ of gas. Please refer to page 34 and 49.

Goal 11: Sustainable cities and communities

Strengthening our relationships with the communities we serve is fundamental to our approach to helping them grow and prosper, and together, creating a more sustainable future for B.C. We are expanding our investments in incentives for low- and zero-carbon vehicles and their associated energy infrastructure. To help our customers use energy more efficiently and reduce their GHG emissions, we invest in conservation and energy management programs. We also support sustainable communities through our community investment programs and employee-driven initiatives that provide financial and volunteer support for organizations such as United Way, a large non-profit organization helping thousands of communities across Canada, helping to build inclusive, safe and resilient communities.

Sub target	FortisBC initiatives
11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.	a. In 2022, we invested $438,000 to support Indigenous communities, cultural events and Indigenous initiatives. For example, we donated $20,000 to the Okanagan Nation Alliance Fish in Schools program. For more information, please refer to page 32.
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	a. By the end of 2022, we established 42 DCFC stations at 22 sites in 20 communities, including: Kelowna, Penticton, Osoyoos, Oliver, Beaverdell, Rock Creek, Greenwood, Christina Lake, Rossland, Nelson, Kaslo, Kootenay Bay, Trail, Castlegar, Salmo, Creston, New Denver, Naramata, Grand Forks and Nakusp. For more information about our initiatives to reduce adverse environmental impacts of cities, please refer to page 23.

Goal 13: Climate action

Our FortisBC Clean Growth Pathway to 2050 has set a path forward to help reduce GHG emissions in B.C. and lays out four main ways that FortisBC can affect tangible emissions reduction in the province. As a short-term objective, FortisBC has set a target to reduce customers' GHG emissions 30 per cent by 2030 compared to 2007 levels. This includes a plan to increase renewable gas supply so that at least 15 per cent of residential and industrial natural gas consumption comes from renewable and low-carbon gases by 2030. This work is supported by our robust, long-term natural gas and electricity resource plans that address how we can help customers and communities transition to a lower-carbon economy through the adoption of low- and no-carbon energy solutions. Climate change is top of mind for British Columbians, and we see a path forward using both the gas and electricity systems together to progress towards a lower-carbon energy future in line with the province's climate action goals.

Sub target	FortisBC initiatives
13.2 Integrate climate change measures into national policies, strategies and planning.	a. We're committed to helping B.C. reach 2030 and 2050 GHG emissions reduction targets. To help us get there, we developed the FortisBC Clean Growth Pathway, which establishes our vision of a lower-carbon—yet resilient and affordable—provincial energy system. For more information about the Clean Growth Pathway, please refer to page 12.

The Lulu Island RNG generating facility in Richmond, B.C produces RNG from waste water.

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 increase the supply of RNG and renewable and low-carbon gases in its system, FortisBC's plans to reduce GHG emissions; FortisBC's investments in conservation and efficiency programs and related energy savings; innovations and investments in the supply of renewable and low-carbon gases, efficient gas technologies, hydrogen technologies, low- and zero-carbon vehicles and infrastructures, electrification of transportation and hydrogen blending into the natural gas system; use of LNG; FortisBC's relationship with Indigenous Peoples; FortisBC's intention to maintain and strengthen the diversity of FortisBC's workforce and FortisBC's safety practices.

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

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

Corporate office

Suite 1000, 1111 West Georgia Street,
Vancouver, British Columbia, V6E 4M3

Business operations

16705 Fraser Highway,
Surrey, British Columbia, V4N 0E8

Suite 100, 1975 Springfield Road,
Kelowna, British Columbia, V1Y 7V7

fortisbc.com

Cover photos taken on the Shoreline Trail in Port Moody, B.C., located on the Traditional Territories of the Kwikwetlem, Musqueam, Squamish and Tsleil-Waututh First Nations.

FortisBC Inc. and FortisBC Energy Inc. do business as FortisBC. The companies are indirect, wholly owned subsidiaries of Fortis Inc. FortisBC uses the FortisBC name and logo under license from Fortis Inc.

2022 Sustainability Report (23-081.9 08/2023)

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