2025

Annual S-211 Report

FORTIS INC.

INTRODUCTION

Fortis Inc. (Fortis, we, us, our) is pleased to provide its annual report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act) for the year 2025.

This is a "joint report" under section 11(2)(b) of the Act. It is provided on behalf of Fortis and its Canadian operating subsidiary utilities (referred to as Canadian Utilities) identified below. Though many of our utilities operate outside Canada and are not subject to the Act, this report voluntarily provides a consolidated corporate-wide view of our operations.

This report describes steps we have taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods imported into Canada. The term "modern slavery", when used in this report, includes forced labour and child labour.

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Corporate Structure

Fortis is a diversified leader in the North American regulated electric and gas industry, listed on the Toronto and New York Stock Exchanges (TSX/NYSE: FTS). Our 9,900 employees serve 3.5 million utility customers in five Canadian provinces, ten U.S. states and the Caribbean.

Our operating utilities and their jurisdiction of operation are:

Canada

Newfoundland Power Inc. (Newfoundland and Labrador)
Maritime Electric Company, Limited (Prince Edward Island)
FortisOntario Inc.[1] (Ontario)
FortisAlberta Inc. (Alberta)
FortisBC Energy Inc. (British Columbia)
FortisBC Inc. (British Columbia)

These Canadian utilities (Canadian Utilities) are subject to the Act.[2] Fortis and its Canadian Utilities have a combined 5,350 employees.

United States

Central Hudson Gas & Electric Corporation (New York)
International Transmission Company (Michigan)[3]
ITC Midwest LLC (Iowa, Missouri, Illinois, Minnesota, Wisconsin)[3]
ITC Great Plains, LLC (Kansas, Oklahoma)[3]
Michigan Electric Transmission Company, LLC (Michigan)[3]
Tucson Electric Power Company (Arizona)
UNS Electric, Inc. (Arizona)
UNS Gas, Inc. (Arizona)

Caribbean

Caribbean Utilities Company, Ltd.[4] (Cayman Islands)

Operating Model

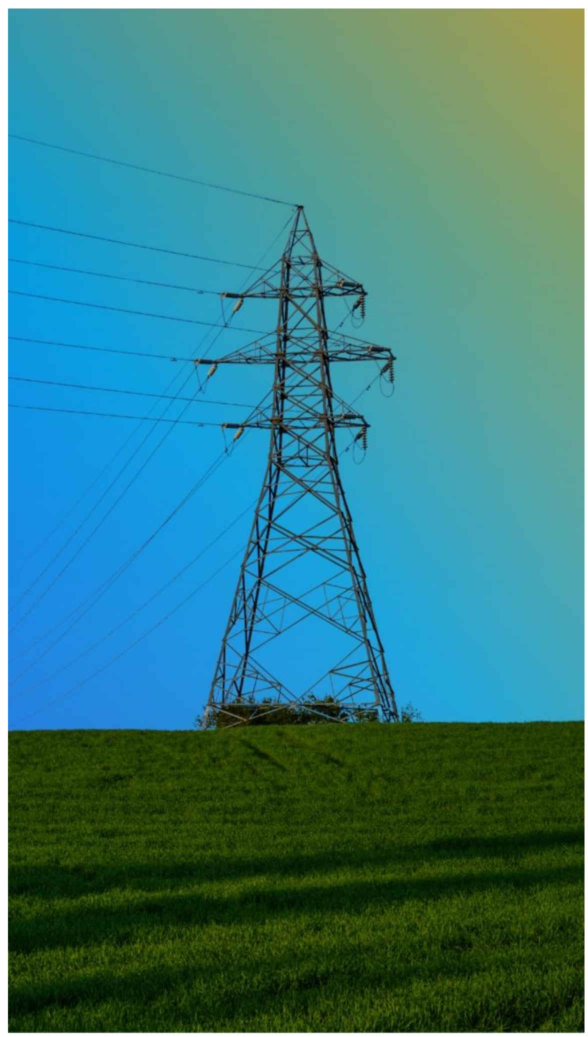
Fortis is a holding company and each of our regulated utilities has its own management team and board of directors, with most having a majority of independent board members. This structure ensures that subsidiary boards provide effective independent oversight and administration of their governance and operations while operating within the broad parameters of Fortis policies and best practices. Subsidiary autonomy supports constructive relationships with regulators, policy makers, customers, and communities. Fortis believes this model enhances accountability, opportunity, and performance across the Corporation's businesses, and positions Fortis well for future investment opportunities.

While our utilities operate in a substantially autonomous manner, they collaborate in a variety of areas. Working groups, consisting of representatives from across our utilities, meet to share and exchange knowledge and best practices. One such working group is the Fortis Operating Group (FOG). FOG maintains a supply chain sub-group (Supply Chain Group) which focuses on procurement, including inventory management, joint purchasing, equipment and build standards, and supply chain logistics.

Operations

Fortis is principally an energy delivery company, with approximately 95% of our assets related to electric and natural gas transmission and distribution. A small portion of our assets relate to the generation of electricity, primarily in Arizona.

Most of our utilities operate as the sole supplier of electricity and/or gas within their respective service territories, and all of our utilities are subject to rate regulation by provincial, state, or federal regulators. Generally, regulated utilities are subject to a prudency standard, where the regulator must be satisfied that a utility's costs are prudent before they can be recovered in customer rates. Under this model, cost is a key consideration in choosing between similarly qualified suppliers.



Supply Chain

The regulated utility industry is highly capital intensive and requires continuous investment in critical infrastructure. Therefore, our utilities' supply chains reflect the requirement for timely and cost-effective sourcing of goods that are necessary to support the operation, maintenance, and expansion of their electricity and natural gas infrastructure. Each Fortis utility is responsible for managing its own supply chain.

Public utilities have an obligation to serve and are responsible for ensuring safe and reliable utility service. When severe weather or other forces damage utility infrastructure and cause service outages, there is a public expectation that service be restored as soon as possible. This service obligation means that our utilities must maintain stores of inventory for critical system components (e.g., poles, wires, transformers, pipes, valves, meters) to enable timely service restoration, as well as to support routine system maintenance.

Many goods required by our utilities are specialty products unique to utility operations. Certain components of electric and natural gas systems can only be sourced from a small number of suppliers around the world, or even a single supplier. In these cases, utilities have limited opportunities to choose between qualified suppliers. Examples include power transformers, battery storage solutions, solar panels, and wind turbines, discussed below.

POLICIES AND DUE DILIGENCE

Our Human Rights Statement and Vendor Code of Conduct confirm our commitment to human rights and set out requirements and expectations of our vendors. These policies supplement our Code of Conduct which addresses human rights and modern slavery at a general level.

The Code of Conduct, Human Rights Statement, and Vendor Code of Conduct are reviewed and approved by the Fortis Board of Directors every two years, following a review by Fortis management. Our utilities are expected to address the subject matter of these policies within their own policy frameworks.

The Fortis Human Rights Statement confirms our commitment to human rights and explains the measures taken to support that commitment. It also confirms our commitment to occupational health and safety, labour rights, and the principles contained in international labour conventions. The Human Rights Statement seeks to ensure our supply chains are free of modern slavery in all its forms.

Our Human Rights Statement endorses a risk-based approach to assessing the likelihood of human rights abuses in our supply chains, considering the scope, location, and nature of a supplier's activities and associated risks, as well as the human rights conditions in the countries where goods are produced and sourced. It also establishes expectations regarding the role of our suppliers in seeking to reduce the likelihood of human rights abuses in our supply chains.

The Fortis Vendor Code of Conduct sets out requirements and expectations of our suppliers. This includes the requirement to comply with laws that apply to their operations, including those relating to health and safety, labour rights, human rights, and modern slavery. The Vendor Code of Conduct includes the expectation that suppliers will seek reasonable assurance that there is no modern slavery in their own supply chains based on context-appropriate risk assessments. It also sets out our expectations regarding general ethical business conduct, sustainability, employee training, reporting of non-compliance, and supply chain governance.

The Vendor Code of Conduct references our Speak Up Policy and encourages suppliers to report any observed violations of the Vendor Code of Conduct or any other illegal or unethical business conduct observed in our supply chains. These violations may be reported in a number of ways, including through the EthicsPoint reporting system, a confidential reporting service managed by a third-party service provider.

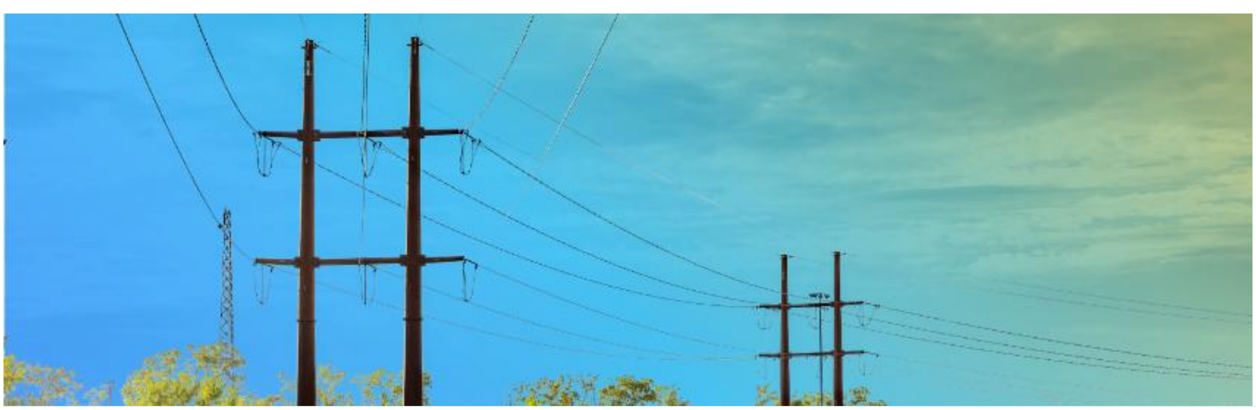
Due Diligence

Under our substantially autonomous model, our utilities are responsible for their procurement activities and contract directly with suppliers of their choosing. Prior to selecting a vendor, the utility typically vets a group of vendors for product quality, reliability, reputation, cost effectiveness, and timeliness. Competitive bidding processes are often used, including requests for proposals. Through these processes, the utility gathers information on the prospective suppliers, which may include their labour and operating practices.

This vetting may be aided by reference to resources publicly available through reliable and reputable third-party sources such as Walk Free's Global Slavery Index, the Responsible Sourcing Tool, and the U.S. State Department's Trafficking in Persons Reports.

Our U.S. utilities validate vendors against the list published by the U.S. Office of Foreign Assets Controls (OFAC) to identify individuals or companies that are designated as Specially Designated Nationals, meaning they have sanctions or embargoes against them. If a vendor is flagged through the OFAC review, no payments can be made to that vendor.

Vendors we engage with on a recurring basis or have long-term contractual relationships with are also subject to continued oversight and monitoring, including through onboarding and contract renewal activities. Our vendor risk management (VRM) platform, discussed below, provides insight into vendor risks. Utilities may use this information to further evaluate vendor risks, including engaging directly with vendors to request details on their practices or risk mitigation activities.



ASSESSING MODERN SLAVERY RISKS

To facilitate compliance with the Human Rights Statement and Vendor Code of Conduct, we sourced a VRM platform to allow for a more detailed understanding of our supply chains across the Fortis utilities and enable us to identify potential forced and child labour risks across the goods and service suppliers that interact with our utilities.

In 2025, over 600 of our utilities' largest direct suppliers (i.e., tier 1 suppliers) were uploaded into the VRM platform. This strategic selection of vendors focused on goods required for utility operations rather than general consumables or other products that are not critical to our service delivery.

Of the largest direct suppliers that we reviewed, 99% are based in either Canada or the United States. Both countries are identified by Walk Free's GSI as having lower prevalence of modern slavery. This assessment indicates that any risks of modern slavery would likely exist further in our extended supply chain (i.e., tiers 2 and higher).

As mentioned previously, many goods required by our utilities for their operations are specialty products used in utility infrastructure. The manufacturing of these products relies on skilled labour, which serves to reduce the risk of modern slavery. Risks of modern slavery in relation to these specialized finished goods and components may be highest in earlier stages of our supply chain, such as raw material extraction.

China, India, and South Korea are major world suppliers of electrical transformers through various international distributors. The United States has taken steps to increase domestic manufacturing of critical power grid components, including transformers, to support energy security and reduce reliance on foreign sourced goods.

China is also a major world supplier of battery storage systems, solar panels, and wind turbines. Our Arizona utilities are more active in adopting these technologies. Battery storage technology is primarily sourced from China. The manufacture of wind turbines is less concentrated in China than solar panels, with several European suppliers active in the North American market.

Walk Free provides a ranking of the imports into Canada that are perceived to carry the highest modern slavery risk. Among the goods listed are electronics, garments, and textiles. Our utilities consume a range of these products including electronics for security and control systems, diagnostic equipment, and personal computers, and specialized garments and personal protective equipment required to ensure the safety of our employees.

Our processes to assess and manage modern slavery risk in our supply chains continue to mature. We expect this to be an incremental, multi-year process, as we gain more knowledge, experience, and capability in this area. As we progress, we anticipate gaining deeper insight into the risks of our largest tier 1 direct suppliers and their upstream supply chains, as well as the modern slavery risks of our smaller suppliers.

REMEDIATION MEASURES

Fortis did not identify any instances of forced labour or child labour in our supply chains in 2025; therefore, no remediation measures were taken.

TRAINING

Our Code of Conduct is the foundational governance policy document which provides our employees guidance on ethical business conduct. It addresses a wide range of topics, including our commitment to respecting human rights, exercising social responsibility in operations, and upholding the laws and regulations that govern our business. The Code of Conduct is included in new employee orientation as well as continuous training for all employees.

Training in identifying and mitigating modern slavery risks is primarily provided to employees who are directly involved in supply chain management. Our utilities also share supply chain best practices through the FOG Supply Chain Group. Specific modern slavery training activities vary and are based on our utilities' assessment of the modern slavery risks arising from their operations as well as employee roles and responsibilities. In 2025, training on our VRM platform was offered to supply chain professionals at each of our utilities.

Our Vendor Code of Conduct encourages context-appropriate supplier training concerning human rights and modern slavery.

ASSESSING OUR EFFECTIVENESS

Supported by the work of the FOG Supply Chain Group, Fortis continues to assess opportunities to enhance our existing frameworks, including initiatives aimed at enhancing insight into modern slavery risks within our supply chains.

As our program continues to evolve and mature, we may develop formal mechanisms to assess the effectiveness of our actions taken to address the risks of modern slavery.

ATTESTATION

This joint report has been approved by the Fortis Board of Directors and the board of directors of each Canadian Utility in accordance with section 11(4)(b)(ii) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: David G. Hutchens
Title: President, Chief Executive Officer and Director, Fortis Inc.
Date: May 29, 2026

Signature:

I have the authority to bind Fortis Inc.

ENDNOTES

[1] FortisOntario Inc. comprises Canadian Niagara Power Inc., Algoma Power Inc., Cornwall Street Railway Light and Power Company Limited, Wataynikaneyap Power PM Inc., Fortis (WP) GP Inc., and minority ownership interests in the Wataynikaneyap Power transmission project and several other small utilities.

[2] Although Fortis Inc. is the ultimate controlling parent company of the Canadian Utilities, several intermediary Canadian holding companies exist in the chain of ownership between the Canadian Utilities and Fortis Inc. which also constitute "entities" under the Act, and which are either directly or indirectly wholly owned by Fortis Inc. These intermediary Canadian holding companies include FortisCanada Inc., Fortis Alberta Holdings Inc., FortisBC Pacific Holdings Inc., and FortisBC Holdings Inc. To simplify the presentation of information, this report addresses the consolidated operations of Fortis Inc., including the intermediary Canadian holding companies.

[3] Held through ITC Holdings Corp., which is 80.1% owned by Fortis.

[4] Caribbean Utilities Company, Ltd. is approximately 60% owned by Fortis.