

Caribbean Utilities Company, Ltd.

2026 Sustainability Report



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The Grand
Cayman Parrot

Message from the President & Chief Executive Officer and Vice President Finance, Corporate Services & Chief Financial Officer



Signed "J.F. Richard Hew"
J.F. Richard Hew
*President & Chief
Executive Officer*



Signed "Letitia T. Lawrence"
Letitia T. Lawrence
*Vice President Finance,
Corporate Services &
Chief Financial Officer*

We're excited to unveil the 2026 Sustainability Report (the "Report") of Caribbean Utilities Company Ltd. ("CUC" or the "Company"). In this year's Report, we invite you on a journey through our steadfast commitment to environmental and social responsibility – it reflects not only our performance metrics and targets, but also the progress and impact behind them. Sustainability continues to be a key consideration of our business as we strive towards a more just and inclusive future for all.

As Grand Cayman's sole electric utility, CUC plays a pivotal role in supporting energy equity, affordability, and climate resilience. As CUC celebrates 60 years of service, we reflect on how past initiatives such as climate adaptation and community investment efforts have shaped our commitment to powering Grand Cayman. Operating in a Small Island Developing State ("SIDS"), we understand our responsibility to strengthen Grand Cayman's resilience and inspire change across the Caribbean. Our progress in environmental, social, and governance ("ESG") initiatives not only reinforces our accountability but also enhances our decision-making as leaders in sustainability.

2025 brought both positive developments and significant challenges, underscoring the need to keep sustainability at the heart of our operations. 2025 was confirmed as one of the warmest years on record, marked by geopolitical tensions and climate volatility. In 2025, Hurricane Melissa's impacts in our region also reinforced our shared vulnerability to climate hazards and the importance of continued investment in resilient infrastructure. In the aftermath, CUC's response extended beyond our own shores. We mobilised our crews to aid in restoring electricity in affected areas of Jamaica; it reminded us that sustainability is also about people, compassion, and standing with our region in moments of need. Resilience is a shared

commitment.

Our focus remains on proactive sustainability strategies and advancing equity for future generations. In 2025, we achieved key milestones, including expanded benefits from our Battery Energy Storage System ("BESS"), increased Electric Vehicle ("EV") transitions, and ongoing resiliency projects such as the undergrounding of main transmission lines. We published our first Green Finance Report, aligning financial investments with environmental objectives. Additionally, we printed our 2025 Sustainability Update Report on 100% recycled paper, further integrating environmental considerations into our operations.

Our commitment to people is paramount. We strive to support our community and employees through volunteerism, sponsorships, and active involvement in local initiatives. We recognise that promoting sustainability is key to community resilience. As we celebrated our 60-year milestone, we embraced a renewed commitment to forward-looking sustainability and long-term transilience.

For six decades, our Company has been a guiding light in Cayman's community, delivering the energy that powers homes, businesses, and the island's development. Rooted in the past and renewing the future, our history reflects a lasting commitment to sustainability and connects past achievements with future ambitions. Over this time, we have learned that resilience is built through deliberate decisions and that our responsibility extends well beyond supplying electricity.

Our Company

CUC is the sole electric utility serving Grand Cayman, the largest island of the Cayman Islands. CUC has come a long way since beginning its operations in May 1966; we have grown hand-in-hand with Grand Cayman. We have weathered change, met new challenges and continually adapted to support the evolving needs of a developing island. Through it all we have reliably powered Grand Cayman, ensuring the island's infrastructure is energised to keep pace with its rapid economic, technological and community growth for six decades.

We are a vertically integrated electric utility with operating revenues of \$284.0 million for the year ended December 31, 2025, and total assets of \$879.6 million as at December 31, 2025. For the fiscal year ended December 31, 2025, CUC achieved net earnings of \$47.4 million, representing an 11% year-over-year increase driven by disciplined cost management and steady demand growth. The Company's strong performance led to a revised S&P Global rating outlook from negative to stable, reinforcing investor confidence and CUC's commitment to disciplined capital investment. Our principal business is the generation, transmission, and distribution of electricity in Grand Cayman.

As the energy backbone for a growing and diverse customer base, CUC is grounded in continually delivering safe, reliable and affordable energy while advancing transitions that aim to create viable energy systems that are efficient, resilient and adaptive.

The Company operates under a regulated utility model and plays a critical role in supporting the Cayman Islands' long-term decarbonisation and renewable energy targets while also bolstering protection of critical energy infrastructure in the face of climate change.

Company Highlights:¹



System Average Interruption
Duration Index (SAIDI)
1.3



Number of full-time
employees:
292



Customer
Satisfaction Score:
78%



Our Values:

- + Health and Safety
- + Reliability
- + Environment
- + Excellence
- + Customer Service
- + Community
- + Integrity
- + Teamwork

For a comprehensive overview of our Company's operation, core values, licences and ownership structure refer to [CUC's website](#).

¹ As at December 31, 2025.

Our Company

Brand Launch



This refresh is not about
reinventing who we are, it is
about modernising and strengthening
our identity in a way that reflects
our values, our history and our
long-term vision.

After 60 years of powering Grand Cayman, it was time for our brand to evolve alongside the company we have become. As CUC continues to innovate and look toward the future, the modernisation of our brand reflects our heritage, our values, and our vision for the next 60 years.

Inspired by our past and future, the new brand draws inspiration from the turtle, a symbol of national heritage and one of the most agile and recognisable animals in our waters. Its shell represents durability, safety, and protection—qualities our customers have long relied upon. The forward-leaning posture signals momentum and progress, while the bolt element preserves the legacy of our original brand and our role in powering Grand Cayman. The organic design reflects our connection to nature and our commitment to a sustainable energy future.

Our long-standing character, Sparky, also continues to be part of our story. With an updated look and a renewed role as our brand mascot, Sparky remains a familiar and engaging symbol of CUC.



Our Commodities– Electricity²



35,082

Total Customers



165.55 MW

Installed Generating Capacity



789 km

Total Kilometres of
Transmission and
Distribution lines

8

Number of Major
Transformer Substations



Reliability Performance

We measure and benchmark our reliability performance using the following metrics:

1. System Average Interruption Duration Index (“SAIDI”) measures the customer hours of interruption for each customer served.
2. System Average Interruption Frequency Index (“SAIFI”) measures the average number of times a customer experiences an outage.
3. Customer Average Interruption Duration Index (“CAIDI”) measures the time it takes to restore service once an outage has occurred.

In line with our mission, in 2025 we achieved an impressive SAIDI of 1.3 hours, surpassing North American benchmarks and marking a record performance for our Company. This accomplishment is a testament to our steadfast commitment to resilience and reliable service over the decades. Similarly, our SAIFI saw remarkable progress, dropping to 1.21 from 2.36 times the previous year. This translates to a nearly 49% decrease in outage frequency and an impressive 30% reduction in total interruption hours highlighting an effective commitment to enhance operational performance. CUC has consistently outperformed performance standards for SAIDI and SAIFI, resulting in fewer and less frequent outages for our valued customers.

As we move forward, we remain focused on providing reliable services that support the well-being of our environment and the communities we serve. Together we anticipate the next 60 years of powering progress with resilience, innovation and a steadfast commitment to our customers and the planet.

Grid Resiliency

CUC recognises the need to provide its customers with a high level of reliability. CUC strives to provide North American levels of reliability despite the inherent challenges of operating a small, integrated island system. For Grand Cayman, our 60-year legacy of reliable transmission and distribution is essential to support all sectors from residential to commercial ensuring efficient energy use and fostering economic growth. By enhancing our transmission infrastructure, we can meet current energy demands and pave the way for renewable energy advancements, securing a sustainable future for our community.

As we celebrate 60 years of service, CUC remains committed to excellence in reliability and resiliency, fostering prominent leadership in utilities' reliability performance.

^[2] As at December 31, 2025.

Our Commodities

Investing in Transmission Reliability

In 2025, the Company continued to strengthen transmission reliability through targeted infrastructure investments and grid resilience initiatives. Capital expenditures included approximately \$10.3 million in transmission-specific upgrades as part of a broader \$88.9 million system investment programme.

Key initiatives included the undergrounding of approximately one mile of transmission infrastructure, reducing exposure to extreme weather while bolstering grid resilience for years to come. This proactive approach demonstrates our dedication to protecting our assets while ensuring reliable service in the face of growing climate hazards. For more details, see the [“Environment – Strategy – Undergrounding Transmission Lines”](#) in this Report.

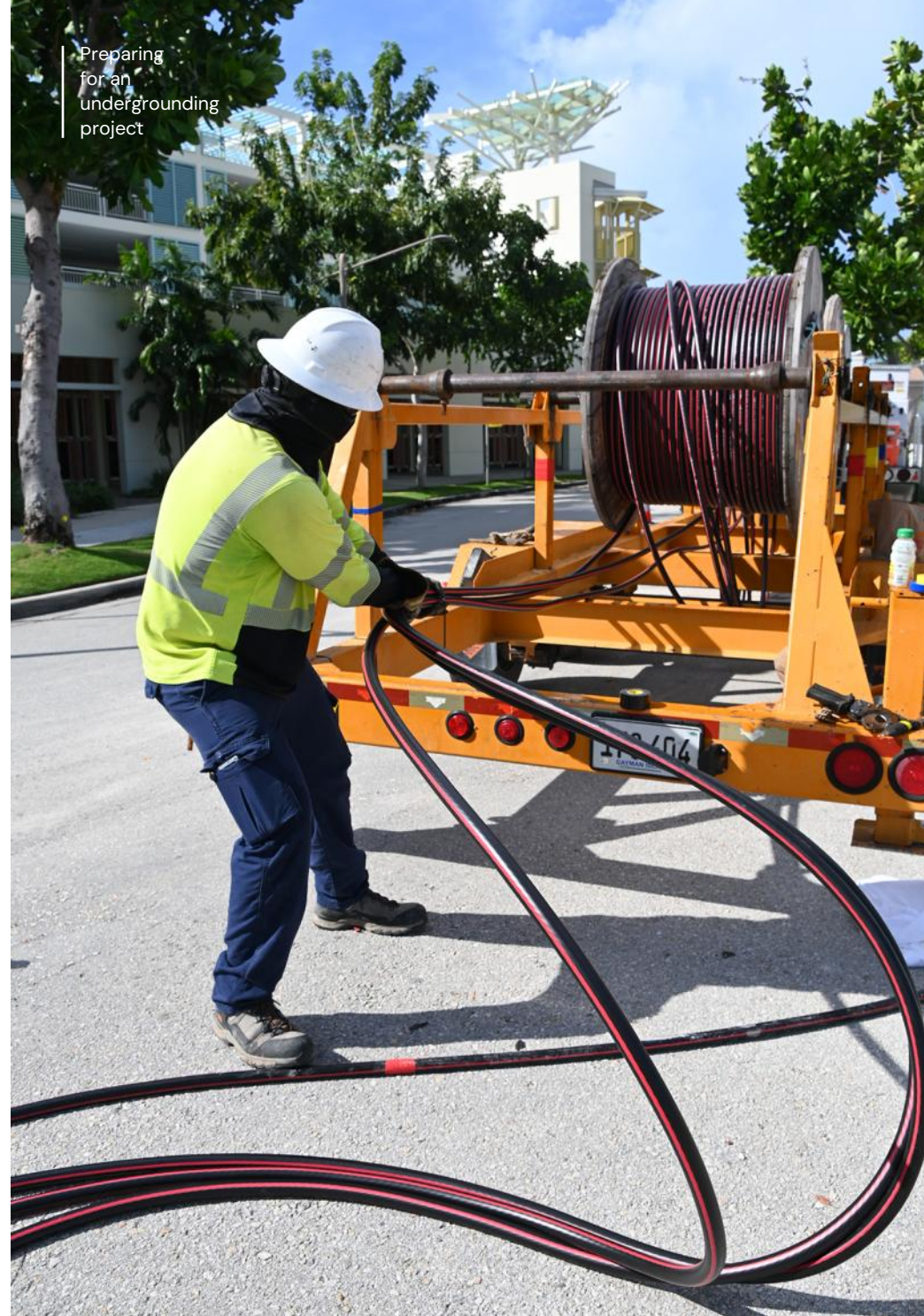
Audit of Transformers

As part of our efforts, we conducted an annual island-wide audit for the Leaking/Rusted Transformer Project. A third-party contractor worked alongside our Transmission and Distribution (“T&D”) Planning team to identify and prioritise transformers at risk of corrosion or leakage, categorising them as lightly, moderately or highly affected. In 2025, CUC completed 115 job orders and replaced a total of 141 transformers. Although challenges with material resources and delays in transformer inventory impacted the timeline, as at December 31, 2025, the project was at approximately 87% completion. Additionally, 466 new poles were installed, further reinforcing the integrity of our transmission network.

Advanced Metering Infrastructure

CUC’s Advanced Metering Infrastructure (“AMI”) uses smart meters to provide customers with more frequent and detailed insights into their electricity consumption throughout the billing period, supporting more informed energy use decisions. The system also enhances operational efficiency by enabling automatic outage notifications and faster fault detections, improving service reliability. In addition, AMI reduces the need for manual meter reading lowering operational and environmental impacts.

Preparing
for an
undergrounding
project



Our Commodities

Asset Management Plan

Effective asset management is essential for maintaining CUC's T&D and generation assets. By understanding asset health, criticality, and risk, we can prioritise investments and manage operational risks.

CUC's Asset Management Plan serves as a comprehensive framework that outlines the strategic importance of asset management, the methodologies utilised, and strategies for success moving forward.

A key focus for 2025 was on CUC's risk-based prioritisation, which employs a rigorous risk scoring methodology. This methodology assesses both asset health and criticality through a well-defined risk matrix, ultimately guiding the prioritisation process for our 10-year plan. In this plan, each asset is evaluated and rated not only for its current condition but also in terms of critical assets that may require remediation, some of which are already underway. CUC has

conducted a thorough review of all assets, ensuring that we have a clear picture of our operational status and future needs.

Importantly, our asset management framework is designed to inform climate planning and investments. By integrating climate considerations into our asset management processes, we can support decision-making that reflects sustainability goals while also delivering reliable energy services. This holistic approach helps us identify opportunities for innovative investments that support the transition to a more sustainable energy landscape. Through our asset management plan, CUC positions itself to make informed decisions that not only enhance operational efficiency but also align with broader environmental commitments, ultimately contributing to the resilience and reliability of our energy infrastructure while addressing the specific risks and challenges posed by climate and environmental hazards.



Our Reporting Framework

This Report is the fifth annual Report covering CUC's sustainability progress and performance, focusing primarily on activities for the year 2025, unless otherwise noted.

CUC releases a full sustainability report every two years and an update report on our sustainability progress annually. This release is a full sustainability report.

This Report was prepared with reference to the Sustainability Accounting Standards Board ("SASB") for Electric Utilities and Power Generators Standard, version 2023-12, and the Greenhouse Gas ("GHG") emissions were measured and reported with reference to the applicable guidance contained within the GHG Protocol: A Corporate Accounting and Reporting Standard. We also provide in this Report informational insights on our progress in addressing climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Other KPIs and statements are in accordance with internationally recognised reporting methodologies and best practices and are supported by our internal controls and processes.

The United Nations Sustainable Development Goals ("SDGs" or "UN SDGs") have also been embedded into our Environmental Management Policy, and are referenced throughout this Report in alignment with the five SDGs identified by CUC, see page 15.



Data Verification and Report Review

The information in this Report has been reviewed by the subject matter experts at CUC. It has also been reviewed by the Company's ESG Committee and Disclosure Committee, which includes the Executive team. Additionally, this Report was considered by the Board of Directors' Governance and Sustainability Committee (the "G&S" Committee) and has received approval from CUC's Board of Directors (the "Board").

Separately, our Scope 1 GHG emissions have received third-party limited assurance by Ernst & Young LLP ("EY"). The independent practitioners' assurance report can be accessed [here](#).

Additionally, we participate in our parent company Fortis Inc.'s ("Fortis") established Internal Control over Sustainability Reporting ("ICSR") Program to enhance the integrity and transparency of sustainability disclosures across its subsidiaries. For more details on the programme and the work done to enhance data quality, see the Enhancing ICSR section.

CUC discloses information in multiple formats. This Sustainability Report can be read in conjunction with the following documents, each of which is available on CUC's website at www.cuc-cayman.com and on SEDAR+ at www.sedarplus.ca.

- + Annual Report
- + Management Information Circular
- + Annual Information Form
- + 2024 Sustainability Report
- + 2025 Sustainability Update Report
- + 2025 Green Finance Report

This Report covers CUC's sustainability performance from January 1, 2025, to December 31, 2025, except where otherwise noted.

This Report can be used for comparative purposes going forward. The performance indicators contained in Appendix A are dated December 31, 2025, and all financial information is presented in United States dollars unless otherwise specified. Please note certain data points for previous years have been restated as CUC works to enhance its data collection approach, methodologies and alignment with leading ESG reporting frameworks.

This report was published on September 21, 2026.

Our Reporting Framework

Spotlight: Enhancing Internal Control over Sustainability Reporting (“ICSR”)

In preparation for the adoption of the Canadian Sustainability Standards Board’s (“CSSB”) Canadian Sustainability Disclosure Standards (“CSDS”), our parent company, Fortis, established the ICSR Program to enhance the integrity and transparency of sustainability disclosures across its subsidiaries. The ICSR process formally began in 2024, marking a significant step in strengthening our internal control environment as we prepare for a future shaped by more rigorous sustainability reporting requirements.

As part of this initiative, in 2024, an initial comprehensive scoping exercise identified 13³ Key Performance Indicators (“KPIs”) relevant to our operations. Several of these KPIs are directly aligned with CUC’s ESG priorities for 2024, ensuring that our sustainability reporting effectively captures both strategic relevance and operational impact.

Throughout 2024 and 2025, we collaborated extensively with internal process owners to document process narratives, assess associated risks, and design appropriate controls for each metric. To ensure the robustness of these controls, our internal audit team conducted a Test of Design (“TOD”) between November 2024 and February 2025, evaluating whether controls were conceptually sound and properly implemented to mitigate identified risks. A Test of Operating Effectiveness (“TOE”) followed in the first half of 2025 to confirm that controls were consistently executed as intended.

Building on this foundation, the ICSR methodology was submitted to our Board in October 2025, reinforcing governance oversight and ensuring alignment with emerging disclosure requirements.

For the 2026 ICSR audit cycle, 11⁴ KPIs were scoped in which directly aligned with CUC’s 2025 ESG priorities ([highlighted in the Our ESG Materiality Assessment section](#)), including scope 1 GHG emissions, energy affordability, health and safety and emergency management, and governance metrics, reflecting a refined focus on the metrics most material to our operations and stakeholder interests. Our internal audit team concluded both the TOD and TOE assessments in June 2026, marking another milestone in strengthening the reliability and credibility of our sustainability disclosures.

Importantly, the International Sustainability Standards Board (“ISSB”) released proposed amendments to the Electric Utilities & Power Generators SASB Standard. The proposed updates focus on modernising the standard to reflect the industry’s rapidly evolving operating environment, particularly changes related to climate transition risks, grid reliability, renewable integration, supply chain resilience, and community and workforce impacts. These revisions aim to enhance comparability, strengthen decision useful disclosures, and better align with global sustainability frameworks such as the ISSB. The outcome of this consultation may influence our future KPI selection and the scope of our ICSR process, ensuring our internal controls remain aligned with global best practices and industry-specific developments.

Management is currently considering additional metrics for future testing to further strengthen overall assurance coverage and ensure our reporting remains responsive to evolving sustainability risks and opportunities. This approach reflects our commitment to continuous enhancement, rooted in the systems we have built, yet renewing our practices to meet the needs of the industry.

^[3] 13 KPIs relevant to our operations were directly aligned with CUC’s 2024 ESG priorities. The KPIs included in this report are denoted in the Appendices: Performance Indicator Results/Summary with “†”

^[4] 11 KPIs relevant to our operations were directly aligned with CUC’s 2025 ESG priorities. The KPIs included in this report are denoted in the Appendices: Performance Indicator Results/Summary with “†”

Our Approach to Sustainability

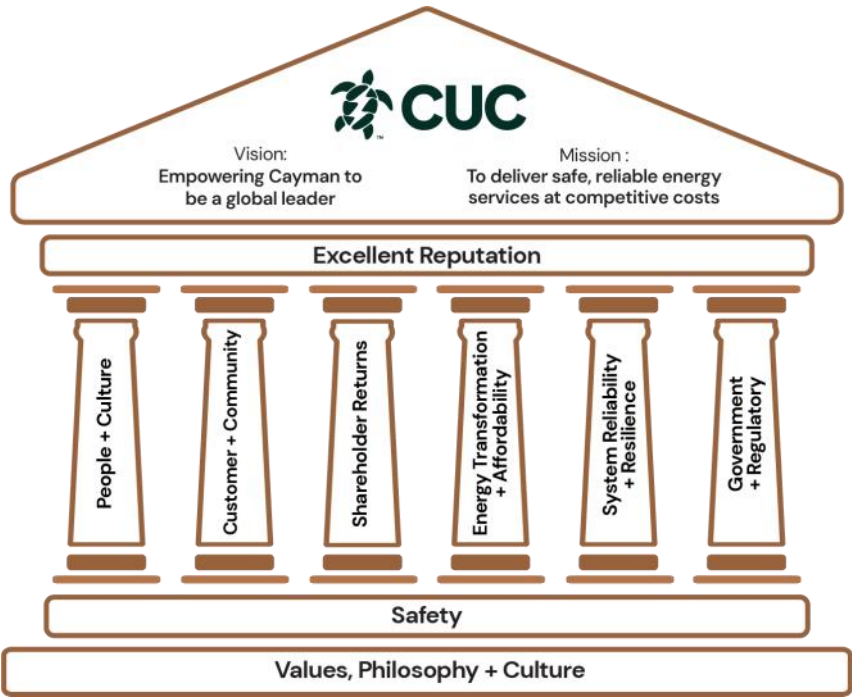
At CUC, ESG is a core driver of our corporate strategy and objectives. We recognise that ESG factors directly influence tangible outcomes for the communities we serve and can have an impact on our ability to achieve our corporate strategy and priorities. Amid growing sustainability challenges, we recognise the importance of prioritising positive socio-environmental results to ensure service continuity and uphold our standards. This commitment aligns with our vision of advancing communities by delivering safe, reliable energy while fostering corporate social responsibility. Our approach to sustainability enables CUC to deepen engagement across customers, stakeholders, shareholders, and the wider community to support local resilience and shared long-term value through partnership.

Our approach to sustainability must go beyond simply listing targets and goals. We recognise that sustainability encompasses more than pledges, reporting and alignment with frameworks. It requires immediate action, implementation of tangible initiatives and projects across our corporate portfolio, transparency and accountability in our sustainability work.

CUC’s Strategic Framework

Our approach to sustainability is informed by our ESG materiality assessment, the UN SDGs, our environmental management system and our internal risk register help us to translate our plans and targets into measurable action and systemic change.

Our mission, vision and our value proposition guide our approach to sustainability as they are inextricably linked to ESG:



OUR VISION

Empowering Cayman to be a Global Leader



OUR MISSION

To be a leader in the growth of our community by delivering safe, reliable energy services at competitive costs and with respect to the environment while being a model corporate citizen and providing a fair return to our shareholders



OUR VALUE PROPOSITION

Cost-competitive energy from renewable transition
 +
 highly reliable service
 +
 trusted corporate member of the community
 = sustainable growth

Our Approach to Sustainability



At CUC, safety is our top priority, and it is central to our approach to sustainability. We are committed to maintaining the continuity and resilience of energy supply across Grand Cayman, ensuring energy is delivered safely and reliably throughout our service area even as climate-related events intensify.

CUC's corporate objectives form the foundational pillars of CUC's approach to ESG given their interconnectedness as depicted in CUC's strategic framework. Our strategic framework is anchored in six core pillars, which were refined during our 2025 annual strategy review. As part of this process, the senior management team adopted a clean-slate approach, moving beyond a traditional progress assessment to enable objective reflection and forward-looking analysis.

Through a focused strategy session, Officers and Directors conducted a structured current-state assessment and a visioning exercise to define the Company's desired future position and key outcomes.

Guided by these insights, the six strategic pillars were updated to sharpen their focus, align more closely with long-term sustainability priorities, and ensure associated key results support the Company's evolving strategy.

People and Culture

Empowering Cayman to be a global leader begins with our people. We recognise that sustainability cannot be achieved without a strong focus on social considerations and employee well-being. The employees who operate, maintain, plan and support CUC's operations are central to our ability to deliver safe, reliable and sustainable power to Grand Cayman. We are committed to developing a workforce that is innovative, community-oriented, and equipped to meet the evolving demands of the energy sector, including the transition to cleaner and more resilient energy systems. By fostering an inclusive culture and supportive workplace, we strive to enable our employees to grow their skills, contribute meaningfully, and take pride in their role in serving the community.

Customer and Community

The communities we serve guide our approach to sustainability. We are working to balance current needs with long-term, forward-looking planning to support

Our Approach to Sustainability

the future of Grand Cayman. Every home, business and essential service powered reinforces our responsibility to deliver energy in a way that is reliable, affordable and sustainable.

Ongoing engagement with our customers and the wider community strengthens our understanding of their priorities and reflects our shared responsibility in advancing sustainability. By fostering strong community relationships and partnerships in the energy transition, we support a more informed, prepared, and resilient Grand Cayman—where sustainable energy underpins everyday life and long-term prosperity.

Competitive Shareholders Returns

We value our shareholders and we aim to deliver competitive shareholder returns while maintaining strong financial discipline. Through prudent financial management, we aim to optimise performance, support long-term value creation, and maintain investor confidence.

Integrating ESG considerations into our financial practices strengthens operational performance and reinforces long-term economic resilience. By aligning financial priorities with sustainability objectives, CUC ensures that our investments such as our Green Financing instruments are responsible, forward-looking, and environmentally sound—supporting both shareholder value and sustainable growth.

Energy Transformation and Affordability

Our commitment to energy transformation directly supports our efforts to drive affordability for customers. Initiatives like our BESS are vital components in efforts to enhance efficiency and reduce costs. By integrating advanced technologies into our operations, we are actively working to create a more sustainable energy landscape that also prioritises the financial growth and well-being of our local communities.

Management believes we are uniquely positioned to ensure that our investments in energy efficiency and infrastructure translate into stable energy prices. This reinforces our commitment to creating viable pathways that bolster affordability for all residents while fostering economic resilience nationally. As we continue to journey toward a cleaner energy future, CUC remains dedicated to optimising our grid and expanding our investments in sustainable energy infrastructure.

System Reliability and Resilience

Reliable energy is essential to the daily functioning of Grand Cayman, supporting homes, schools, hospitals, businesses, and critical services. It sustains social well-being, economic activity, and overall community resilience.



The BESS at
the Prospect
Substation

Our Approach to Sustainability

As climate and environmental risks continue to intensify, strengthening system resilience remains a core component of CUC's sustainability approach. We invest in grid hardening, infrastructure upgrades, and advanced planning informed by research and development to reduce outage frequency and duration, and to accelerate restoration following extreme weather events.

While often unseen, these investments play a critical role in enabling essential services and safeguarding the community. Their impact is most evident when power is maintained during disruptions or restored quickly after severe events—ensuring continuity and resilience across our service area.

Government and Regulatory Relations

Coordinated action and strong constructive partnerships with the Utility Regulation and Competition Office ("URCO" or the "Regulator"), and the Cayman Islands Government (the "Government") are highly important to advancing sustainable energy outcomes for Grand Cayman. We are focused on continually building and maintaining positive relations with these stakeholders. Working closely with those in the policy realm helps to guide our infrastructure investments, climate resiliency initiatives and long-term ESG planning with national priorities in mind including the National Energy Policy ("NEP") and Cayman Islands Climate Change Policy. Through effective governance and strategic partnerships, CUC contributes to a regulatory environment that supports innovation, resilience and a balanced, just transition to a more sustainable energy future.

A robust governance framework is central to CUC's sustainability approach. Oversight is led at the Board level by the G&S Committee and supported across the Company by dedicated ESG, Sustainability Reporting and Governance Committees. This structure ensures that ESG principles are consistently integrated, effectively monitored, and transparently reported at all levels of the business.



The diesel generating units and auxiliary equipment are monitored regularly

Our Approach to Sustainability

United Nations Sustainable Development Goals at CUC

CUC has identified the following SDGs that are most relevant to our approach to sustainability and our ESG practices. For context, further detail on the approach used to select the SDGs is available in our [2025 Sustainability Update Report](#) (see section ‘Our Alignments to UN SDGs’ page. 13). In 2025 we continued to build upon the work done in 2024 to socialise and formalise the adoption of the SDGs across our Company.



Metrics and Targets

CUC monitors its ESG performance using leading and lagging metrics. See Appendix A for a consolidated presentation of our key ESG metrics used to monitor our ESG performance.

The Board of Directors approves annual Corporate Targets that the Company aims to achieve. The list below contains the 2025 Plan Corporate Targets and the actual results for 2025:

Category	Target	2025 Plan	2025 Actual	Target
Financial	Earnings per Share	\$1.10	\$1.10	Target achieved. Kilowatt-hour (“kWh”) sales growth exceeded the budget by 2%, in addition to 4% increase in base rates.
	Cash Flow (\$ millions)	\$92.9	\$97.6	Target achieved. The positive result was primarily driven by lower than budgeted operating costs, partially offset by lower revenues. Overall, net income remained broadly in line with plan, with the cost savings supporting the stronger-than-plan cash flow performance.
	Energy Transformation and Affordability Plan % ⁵	100%	127%	The planned objectives for the period were exceeded. The Company has expanded the deliverables for future years in alignment with the NEP.

^[5] Previously the Sustainable Energy Plan.

Our Approach to Sustainability

Category	Target	2025 Plan	2025 Actual	Target
Safety and Environment	Total Recordable Injury Rate	2.37	1.8	Two Lost Time Injuries occurred in 2025. However, target was still achieved. CUC will continue to focus on: 1. Training and awareness. 2. Tracking and monitoring of Corrective and Preventive Actions. 3. Monitoring of effectiveness of Corrective and Preventative Actions.
	Annual Environment, Health & Safety ("EHS") Plan (%)	100%	119%	Target achieved. The EHS Plan is a comprehensive strategy aimed at achieving wide range of Environmental Management System ("EMS") and Health & Safety Management System objectives, targets and deliverables. Progress is tracked monthly.
	Volume Uncontained Hydrocarbon Spill (IG)	100	152	Target was not achieved as four uncontained spills occurred. However, 117 IG of the hydrocarbons were immediately recovered from the environment. As a result, CUC will focus on: 1. Tracking and monitoring the spill reduction plan. 2. Evaluating industry-specific spill targets to help set the annual target.

Our Approach to Sustainability

Category	Target	2025 Plan	2025 Actual	Target
Reliability	Outage Duration Index (SAIDI ⁶ / events)	2.2	1.26	Target achieved. CUC set a SAIDI target of 2.2 hours and achieved 1.26 hours, surpassing the target by 43%.
	Outage Frequency Index (SAIFI ⁷ / events)	2.5	1.21	Target achieved. CUC set a SAIFI target of 2.5 times and achieved 2.1 times, surpassing target by 52%.
Customer Service	Customer Satisfaction Survey Score ("CSAT") (%)	73%	78%	Target achieved. CUC surpassing the benchmark CSAT score for USA electric utilities historical average of 75%.
Employees	Gallup Engagement Survey Score	3.88	3.89	Based on the survey score, the largest increase were in the areas of employees feeling valued, trusting relationships and progression within their roles.

^[6] Customer hours of interruption per customer served.
^[7] Number of times that a customer experiences an outage.

Our ESG Materiality Assessment

Rooted in our history and informed by the lessons that have shaped our Company, CUC continues to renew its approach to understanding the environmental, social and governance factors that matter most to our business and our stakeholders.

CUC first conducted an ESG Materiality Assessment in 2021 to identify and prioritise the ESG factors with the greatest potential to influence long-term value creation and strengthen relationships with key stakeholders. The initial assessment drew on a broad set of inputs:

- + **Strategic workshop:**
ESG factors were the central focus of the Company's annual strategic workshop. An external ESG advisor facilitated discussions with the Executive team, Management team and key operational staff to evaluate ESG factors and their potential impact on the Company and its stakeholders.
- + **Internal stakeholder engagement:**
Interviews and surveys were conducted to gather insights on priority ESG factors from across the Company.
- + **ESG frameworks and standards:**
The assessment incorporated leading frameworks relevant to CUC, including the SASB Electric Utilities & Power Generators Standard, the TCFD recommendations and the SDGs.

Consistent with ESG best practice and our commitment to continuous ongoing refinement, we have implemented an annual review cycle, ensuring our materiality assessment remains dynamic and responsive. We review and update the assessment as needed to reflect evolving priorities, regulatory developments and stakeholder expectations.



Our ESG Materiality Assessment

In 2024, two new ESG factors—Cybersecurity and Data Privacy, and Supply Chain Management—were added to our assessment framework. Further detail on Cybersecurity, Data Privacy and Supply Chain Management can be found in the [“Governance”](#) section of this Report.

In December 2025, we completed our most recent ESG Materiality Assessment, an evolution of our approach that reflects both our roots and our renewed direction. An external ESG advisor provided a comprehensive update on the 2025 ESG landscape, including:

- + developments within CUC’s parent company, Fortis;
- + peer benchmarking on prioritised ESG factors; investor perspectives and emerging expectations;
- + updates from a strategy gap assessment to inform the Company’s materiality discussions; and
- + a review of ESG headwinds and tailwinds, highlighting areas of rising risk and emerging opportunity.

These changes reflect evolving regulatory environments, stakeholder expectations, and CUC’s operational context, reinforcing the need to remain rooted in our foundational commitments while renewing our focus for the future.

The assessment evaluates the potential impact and likelihood of each ESG factor across short (0–12 months), medium (13–18 months), and long-term (18+ months) horizons. The assessment informs strategic decision-making, disclosures, and risk management processes.

Summary of the Results of the 2025 ESG Materiality Assessment Refresh

Category		
Core ESG Factor (0 to 12 months)	Enhanced ESG Factor (13 to 18 months)	Emerging ESG Factor (18+ months)
Material ESG Factors: + Energy Affordability + Energy Resource Planning and Climate Change Transition + Grid Resiliency + Health and Safety and Emergency Management + Human Capital Management + Climate Change Physical + Business Ethics, Transparency and Corporate Governance + Cybersecurity and Data Privacy + GHG Emissions + Regulatory Relations	Material ESG Factors: + Community Relations + End-Use Efficiency and Demand + Supply Chain Management + Biodiversity Impacts	Material ESG Factors: + Waste Management + Air Quality + Water Management

Pioneers for 60 Years

1940s – 1950s

Before Public Electricity

Electricity in Grand Cayman was extremely limited. Power came primarily from small private generators, most famously the Hislop brothers' town generator, which ran only in the evenings. In 1955, Captain Charles Colfelt established the Cayman Islands Public Service Company ("CIPSCo"), marking the first serious attempt at public electricity under private enterprise.



This year, CUC proudly marks an historic milestone—our **60th Anniversary**.

Since 1966, CUC has been honoured to serve Grand Cayman, delivering safe and reliable energy while embracing innovation and sustainability at every step.

Over the past **six decades**, we have grown from humble beginnings into the reliable energy provider our customers are familiar with.

1980s

Major Investment and Expansion

In the early 1980s, massive capital investments were made to keep up with demand, including a new engine room and larger, more modern generating units. In the mid-1980s, rapid expansion of Seven Mile Beach required major feeder upgrades and by the late 1980s, a transmission line to Bodden Town and a fuel pipeline to the North Sound Road Power Plant was completed.



1960s

Government Interim Management and the Formation of CUC

In 1961, the Cayman Islands Government stepped in and formed the Cayman Islands Government Electricity Undertaking ("CIGEU") to keep power running. In 1966, the electricity utility was sold back to private enterprise and Caribbean Utilities Company, Ltd. ("CUC") officially took over on May 10, 1966. CUC's early focus was on stabilizing generation, establishing island-wide service and beginning long-term planning for growth.



1970s

Rapid Growth and Growing Pains

In the early 1970s, tourism and population growth caused electricity demand to soar and CUC accelerated expansion at a swift pace. The OPEC oil embargo caused fuel prices to skyrocket from 1973 to 1974 and by the late 1970s, frequent island-wide blackouts occurred due to poor protection settings. In 1976, CUC was acquired by West Indies Power Corporation ("WIPCO") of Canada and the focus turned to service reliability.



Pioneers for 60 Years

1990s

Big Power, Big Progress

In the 1990s, infrastructure investment continued with the installation of much large generating units. Despite previous setbacks, CUC managed to maintain supply for customers and continued growing capacity ahead of demand. With reliability under control and infrastructure in place, this is the period where CUC evolved into a modern, sophisticated utility.



Early 2000s

Economic and Demand Growth

Rapid demand growth in the early 2000s was driven by Grand Cayman’s expanding tourism, financial services and residential development sectors. By 2001, CUC served more than 19,000 customers, reflecting the Island’s strong economic growth at the time. Following the passing of Hurricane Ivan in September 2004, CUC undertook an unprecedented restoration effort, rebuilding and hardening the grid.



2037

A Sustainable Energy Future

By 2037, CUC is committed to reaching the goal of the Cayman Islands National Energy Policy to generate 70% of our energy from renewable sources.



Our journey has been defined by the dedication of our employees, the confidence of our customers and the continued support of our partners and stakeholders.

Together, we have built a foundation of resilience, reliability and progress.

2020s

COVID-19 and System Reliability

During the global COVID-19 pandemic, CUC maintained continuous electricity supply despite reduced tourism activity and operational constraints, underscoring the resilience of its regulated business model and essential-service mandate. Capital investment in reliability and automation continued, supporting a measured recovery in demand as economic activity returned. In 2024, CUC implemented a Battery Energy Storage System (“BESS”) to enhance grid stability, reduce fuel consumption and increase the integration of renewable energy.



Late 2000s – 2010s

Redefining Resilience and Renewables

Following previous feasibility studies on wind energy, in 2009, CUC introduced the Consumer Owned Renewable Energy (“CORE”) and Distributed Energy Resources (“DER”) programmes, marking the first steps towards renewable energy. With electricity demand continuing to grow, CUC expanded its North Sound Road Power Plant in 2016, investing in new equipment that materially increased system capacity and efficiency. In the late 2010s, as network complexity increased, upgrades were made to strengthen grid monitoring, protection and operational resilience. In 2017, CUC initiated a competitive bid that allowed the Bodden Town Solar Farm to become a reality and in 2019, CUC’s Integrated Resource Plan (“IRP”) was approved, outlining a 30-year strategic roadmap (2017–2045) for Grand Cayman to transition from diesel-based generation to cleaner, more sustainable energy.

Our 2025 ESG Achievements

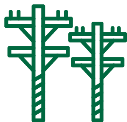
Environmental



Continued to advance system hardening and grid resiliency projects including undergrounding main transmission lines

2026 – 2030 Capital Investment Plan

\$468.4
million



Focussing on grid modernisation and infrastructure resilience

Published CUC's Green Finance Report on the allocation of

\$50
million in Green Notes



Completed limited assurance engagements on GHG Scope 1 emissions and on the allocation of proceeds from Green Finance instruments



CARILEC Award for Overall Best Environmental Performance

Social



50%

Female directors

INVESTORS IN PEOPLE™
We invest in people Gold
(Platinum Certification was achieved in 2026)



22,713

Training hours



1,129

Volunteer hours

\$417,000
Community donations



3.89
(out of 5)

Overall Gallup employee engagement score



CARILEC Award for Overall Best Service Reliability

Governance

System Average Interruption Duration Index (SAIDI) hours exceeds North American standards of 2 hours

1.26
hours

3%

Increase in Dividend Rate to US\$0.76



US\$1.10

Earnings per Share



CARILEC Award for Overall Best Performing Utility



Environment

CUC maintains a robust Environmental Management System (“EMS”), certified to the ISO 14001:2015 standard, which serves as the foundation for our environment commitments. As a core component of the Company’s strategic direction, the UN SDGs have been formally integrated into our Environmental Management Policy to protect the environment by ensuring the 5 UN SDGs which CUC has identified are factored into our strategic planning process and operations. Alongside this, our Environmental Policy has been enhanced to proactively ensure environment-related risks specifically those concerning the conservation of natural resources and the prevention of pollution across air (including noise), soil, groundwater and coastal waters are determined and effectively managed.

By embedding these ESG factors into our decision-making processes, CUC is reinforcing its commitment to providing reliable power while ensuring long-term environmental stewardship for Grand Cayman.

GHG Emissions and Climate Change

The Company recognises the urgent challenges posed by climate change and the necessity of robust governance to manage the associated risks and opportunities. CUC’s understanding of climate-related risks and opportunities has significantly influenced our strategic decision-making, investment decisions and financial planning. This is evident in key strategic initiatives such as the BESS and Generating Units Life Cycle Upgrades (“LCUs”) which are designed to improve fuel efficiency and support long-term efforts to minimise GHG emissions, as well as our Capital Investment Plan (“CIP”) that prioritises climate-related investments. We are committed to investing in grid resilience measures, such as the undergrounding of major transmission lines to safeguard our infrastructure against extreme weather events, which are becoming more frequent due to climate change. Following past experiences from Hurricane Ivan, the Company adopted a flood design standard that requires critical infrastructure, such as substations and auxiliary generation equipment, to be elevated to a minimum of 12 feet above mean sea level. To further mitigate storm surge and flood damage, CUC has already begun elevating specific critical components to meet this standard. This includes reinforced storage structures at substations, such as our newly constructed Seven Mile Beach and Prospect substations, which are built 12 feet above mean sea level. Additionally, our BESS is

elevated above the flood zone and is also positioned 12 feet above mean sea level. CUC also encloses substation equipment that is sensitive to extreme heat to provide greater protection.

Additionally, our Green Financing Framework encompasses four categories: renewable energy, clean transportation, energy efficiency and climate change adaptation of which we’ve successfully allocated financing that supports clean transportation, energy efficiency and climate adaptation initiatives. Our proactive approach includes comprehensive insurance coverage to mitigate risks associated with natural disasters and a response plan that ensures service reliability during adverse conditions. Furthermore, we are actively participating in regulatory processes, such as the Solar and Storage Bid, to expand our renewable energy portfolio. By embedding climate considerations into our operational practices and strategic planning, we aim to enhance our resilience, reduce our carbon footprint, and capitalise on emerging opportunities in the evolving energy landscape.



Environment

Green Finance Framework

In November 2025 we reached a significant milestone with the publication of our first-ever [Green Finance Report](#), a powerful testament to our commitment to transparency and our role in Grand Cayman's energy transition. This inaugural report followed a pivotal advancement in 2024, when CUC issued \$50 million in Green Notes to fund sustainability initiatives issued under our [Green Financing Framework](#). By May 31, 2025, we were proud to announce that the full \$50 million had been successfully allocated to eligible projects that strengthen our grid and modernise our island's infrastructure. This strategic investment ensures that our resources are working directly to support the Cayman Islands NEP and the UN SDGs.

Our vision for a sustainable future has resonated far beyond our shores. Our Green Financing Framework, the roadmap for these investments earned an Excellent rating in a [Second Party Opinion](#) from Sustainable Fitch. This dedication to high standard and impactful investments was further celebrated in October 2024, when our \$50 million issuance was honoured as the Caribbean Debt Deal of the Year at the Global Banking and Markets Latin America Awards.

The impact of our green financing is already being felt across Grand Cayman through projects focused on energy efficiency, climate change adaptation and clean transportation. The majority of funding has been directed toward energy efficiency initiatives, aimed at optimising generation performance and reducing fuel consumption, while also making substantial investments in climate adaptation to strengthen resilience on Grand Cayman. We have commissioned the island's first utility BESS, a 20 MW facility that strengthens grid reliability and allows for the integration of more renewable energy. We have also enhanced the safety of our communities by upgrading over 6,700 streetlights to energy-efficient LED technology. Furthermore, we are shielding our critical infrastructure from extreme weather and adapting to adverse climate effects by moving nearly 6 km of transmission lines underground, ensuring that our power remains as resilient as the people we serve.

Building on our commitment to sustainable finance, CUC closed a record US\$160 million private placement of Senior Unsecured Notes with institutional investors in August 2026 to support grid modernisation, system resilience, enhance

reliability, and accommodate future customer growth. This landmark financing is the largest private placement in the Company's history and consists of \$30 million of Senior Unsecured Green Notes under the Company's Green Financing Framework. CUC anticipates allocating the proceeds from the Green Notes toward eligible projects within three of the four categories outlined in our Green Financing Framework: energy efficiency, climate change adaptation, and clean transportation.

As we look toward the horizon, we are planting seeds for a sustainable future that will serve generations to come. Our first six decades of service were defined by growth; our next six will be defined by our commitment to building a future-ready Grand Cayman.

Limited Assurance

At CUC, we believe that transparency in reporting is vital; it strengthens our trust and relationship with the communities we serve. We obtained independent limited assurance over both our Scope 1 GHG emissions and over the allocation of net proceeds from Green Notes, for the first time in 2025 for our 2024 fiscal data. Seeking third-party independent assurance reflects our commitment to ensuring that the measurement towards future milestones is rooted in accountability, providing the clarity and confidence our stakeholders deserve as we build a more resilient Grand Cayman.

Our financial stewardship is held to this same high standard, matching our vision for the future with visible, verified progress. When we issued \$50 million in Green Notes, we made a promise that these funds would be used exclusively for projects aligned with advancing sustainability. CUC is proud to stand behind that promise with independent third-party assurance over the allocation of our Green Notes to eligible projects, ensuring proceeds are being used to strengthen Grand Cayman's social, environmental, and broader climate resilience.

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Governance

As described in the “[Governance](#)” section of this Report, the G&S Committee of the Board is responsible for oversight of ESG factors, including climate change factors, and is supported by CUC’s Vice President of Finance, Corporate Services and Chief Financial Officer. The Committee spearheads CUC’s commitment to ethical ESG leadership and sustainable growth, and also maintains a cutting-edge perspective through a rigorous continuing education programme. Board and Committee members benefit from integrated Board-wide training on critical issues such as climate change risk, business plan & capital investments, risk-based asset management and cybersecurity. These regular educational deep-dives combined with the Board’s G&S Committee receiving quarterly updates on ESG, including climate-related developments and updates, ensure the G&S Committee is well-equipped to approve strategic mandates and the annual sustainability plan. The G&S Committee reviews sustainability reporting prior to release and recommends approval of reports by the Board.

Strategy

At CUC, ESG is a driving force behind our corporate strategy and objectives. Our approach to managing ESG, including climate change, is intricately linked to our business success, particularly in the utilities industry. As vital providers of essential services, we are not only dedicated to the community’s needs but also in playing a crucial role in fostering a sustainable energy future.

In fostering future growth, on October 15, 2025, the Company submitted its 2026–2030 CIP in the amount of \$468.4 million to the Regulator, which was subsequently approved on May 14, 2026. The CIP is focused on grid modernisation and infrastructure resilience. The majority of CUC’s 2026–2030 CIP is designed to address climate-related risks while aggressively pursuing sustainable opportunities. By prioritising grid modernisation and infrastructure resilience, the plan directly adapts to physical climate risks, such as the increasing severity of extreme weather events, through critical investments and initiatives like the undergrounding of major transmission lines. These investments

harden the system against acute climate threats and create the necessary infrastructure to integrate large-scale renewable energy.

Building on the importance of ESG to the industry our ESG Materiality Assessment included the identification and assessment of key climate-related factors actively reported on, including:

- + GHG emissions
- + Climate change physical
- + Grid resiliency
- + Energy resource planning and climate change transition

Accordingly, one of the foundational pillars of our Strategic Framework is our Energy Transformation and Affordability Plan (“ETAP”)⁸.



^[8] Formerly known as the Sustainable Energy Plan.

Environment



The ETAP establishes clear targets for CUC's projects and initiatives. Its purpose is to identify and execute business opportunities that align with the Cayman Islands' NEP, while advancing the Company's committed UN SDGs. It guides capital allocation, informs and shapes business cases, and reflects CUC's commitment to ESG principles. ETAP supports the achievement of the NEP objectives, including emissions targets, renewable energy quotas, and/or energy efficiency standards. This interconnected approach ensures initiatives are economically viable, environmentally responsible, and socially beneficial. While ETAP sets annual targets to drive immediate and focused action, its design incorporates a 5-year rolling horizon, addressing short, medium, and long-term objectives aligned to the Integrated System Plan ("ISP")⁹. An ISP provides a comprehensive, strategic framework for managing and developing energy systems holistically. It integrates diverse energy resources to create a balanced mix that address generation, transmission, and distribution requirements.

In addition to the ISP, CUC will undertake a series of supporting studies to advance ongoing ETAP initiatives. These will include:

- + project-specific support for planned developments to ensure technical and economic viability;
- + prerequisite data analysis to inform future business cases and feasibility assessments; and
- + identification of cost-efficiency opportunities and affordability measures to optimise system performance and reduce overall costs.

These studies will provide critical insights to strengthen climate-related risk planning, improve decision making, and align with long-term energy transition objectives. Examples of the key initiatives informed and guided by the ETAP, designed to mitigate climate-related transition risks and capture opportunities include:

Project Development, Planning and Execution – Battery Energy Storage System (BESS) and Generating Units Lifecycle Upgrades (LCUs)

In 2025, our progress to modernise Grand Cayman's energy infrastructure reached a pivotal turning point with the full integration of the 20-megawatt (MW) BESS and the completion of our Generating Units LCUs. These projects represent a fundamental shift in CUC's operational efficiency and our commitments to a lower-carbon energy future. By modernising five generation units and pairing them with high-capacity battery storage, we have significantly optimised energy reserves and improved grid reliability. This synergy has successfully extended the service life of core assets by 25 years and prepared our units for future dual-fuel capability, ensuring our grid remains resilient, adaptable, and ready for a transition to lower-carbon energy.

The BESS, commissioned in September 2024, with full benefits realised at scale in 2025, has optimised generation reserves and enhanced fuel efficiency. In 2025 alone, the BESS boosted fleet efficiency by 3.2% and generated an impressive \$4.6 million in fuel savings. The LCU project saved about \$3.3 million in 2025. Together,

^[9] Formerly known as the Integrated Resource Plan (IRP).

Environment

these efforts resulted in a notable 13% reduction in the average fuel cost charge for our customers, with total fuel savings amounting to 2.2 million imperial gallons and a combined estimated financial benefit of \$7.9 million in 2025. These fuel savings were directly passed through to customers, reducing customer fuel charges and supporting the Company's objective of improving energy affordability.

Beyond immediate savings, these investments are the bedrocks of our alignment with the Cayman Islands NEP. As we work toward national targets of 70% renewable energy penetration by 2037 and 100% by 2045, the BESS serves as a vital bridge, providing the grid stability needed to integrate large-scale solar power. For more details on our efforts to advance the NEP see the section on [“Environment- Strategy-Utility Scale Solar, Solar & Storage Technical Validation Systems and Renewable Energy Planning”](#) and [“Governance-Regulatory Environment and Framework-Regulatory Developments”](#).

See the [“Metrics and Targets”](#) section for more details on the Cayman Islands' climate-related targets. By enhancing our current grid stability and fleet efficiency, we are building the framework required to eventually integrate large-scale renewable energy and fulfil our commitment to a cleaner, more resilient future for Grand Cayman thereby reducing our emissions.

Natural Gas Procurement Strategy

This initiative is part of a broader programme to convert specific diesel fuelled engines to dual fuel operation, using natural gas and diesel. During 2024–2025, Engine Room 5 units underwent lifecycle upgrades, preparing them for dual fuel conversion and extending the service life at a fraction of the cost of new engines. In 2025, CUC completed a request for proposal (“RFP”) to secure natural gas supply, intended to pair with the remaining conversion costs to assess project viability. However, due to bidder uncertainties and perceived risks during the bid development process, no viable supply bids were received. Based on feedback received during and after the RFP, CUC subsequently revised its procurement strategy and process to address these challenges. In 2026, this project will aim to complete a revised RFP, specifically designed to address previous barriers to supplier participation.

Spotlight: Best Large-Scale Energy Storage Project Award

At the Caribbean Renewable Energy Forum (“CREF”) in 2025 CUC was awarded the prestigious Best Large Scale Energy Storage Project for its Utility Scale Battery for Spinning Reserve project.

The CREF Industry Awards celebrate groundbreaking projects that are accelerating progress and setting real-world examples for a sustainable energy future. The Best Energy Storage Project category honours the most innovative and impactful energy storage projects, including battery systems, pumped hydro, and thermal storage. Winning projects demonstrate advancements in technology, scalability, and the ability to support renewable energy integration and grid stability. CUC's Utility Scale Battery for Spinning Reserve project stood out for its remarkable contributions to these areas. This recognition is significant as it demonstrates CUC's commitment to adopting cutting-edge technology that supports increased renewable energy penetration and enhances the grid's reliability and resiliency.



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Undergrounding Transmission Lines

Safety and reliability continually remain as areas of high importance to CUC. Undergrounding our key transmission lines is one of our proactive strategies for enhancing grid resilience and mitigating the impacts of climate change on Grand Cayman's energy infrastructure. Two projects have been undertaken by CUC relating to the undergrounding of major transmission lines. One transmission line extends from CUC's North Sound Road Power Plant to the Seven Mile Beach Substation, while the other runs from CUC's North Sound Road Power Plant to the South Sound Substation. In total, approximately 5.9 km of transmission lines are being placed underground, 2% of our T&D network.

CUC is aware of the imminent threat that climate change poses and undergrounding our transmission lines can reduce exposures to extreme weather events such as storms, leading to fewer and shorter outages for our customers. These projects are designed to significantly reduce the likelihood of damage to our transmission system and thereby reduce restoration time of electrical services to areas in the event of a significant hurricane.

CUC plans to invest over \$17 million in these projects from 2026 to 2030, as part of the Company's Capital Investment Plan, approved by our Regulator. As of December 2025, CUC has invested \$5.4 million. Of the amount over the years, \$12 million was funded by Green Bonds.

Electric Vehicles and Charging Initiatives

The landscape of transportation in Grand Cayman is undergoing a visible transformation, and CUC is proud to help drive this transition as we build infrastructure required for a cleaner future. In support of cleaner energy and sustainable transportation practices, CUC has made meaningful strides by integrating electric vehicles in our fleet. This commitment is supported by investments to transition 28 of our light-duty vehicles to EVs between 2023-2027. As of December 31, 2025, we have transitioned 13 light duty vehicles to EVs. In 2025, our commitment to supporting clean transportation took a significant leap forward with the expansion of our EV charging network, which grew to feature 25 public charging stations and a total of 62 plugs across the island.



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This growing infrastructure is more than just a grid enhancement; it is a catalyst for community-wide growth, as evidenced by a remarkable 112% increase in charging activity during the year. By providing accessible charging for both the public and CUC's own evolving fleet including five dedicated stations operational at our North Sound Power Plant for fleet and employee use we are actively facilitating a shift in how our community moves.

In 2021, CUC launched an EV Stakeholder Group aimed at enhancing awareness and driving the electrification of vehicles throughout the Cayman Islands. The group has made significant progress with the Government actively sharing the NEP goals and participating quarterly. Diverse stakeholders, including the Department of Environmental Health ("DEH"), fire and police services, automotive vendors and various Government ministries, consistently engage in these meetings, fostering collaboration and innovation in our transition towards sustainable transportation. In 2026, CUC looks to leverage its role on the Energy Policy Implementation Committee to collaborate with NEP stakeholders and identify strategies to increase new EV adoption.

As we look toward the long-term objectives of the Cayman Islands NEP, these electrification initiatives serve as vital foundation for fostering a more resilient, decarbonized sustainable energy ecosystem for Grand Cayman and the future generations to come.

Upgrade to LED Lighting

Commenced in 2018, this project focused on replacing high pressure sodium ("HPS") streetlights with light emitting diode ("LED") technology. Upgrading HPS streetlights to LED lights reinforces CUC's dedication to operational and sustainability excellence. LEDs are significantly more energy-efficient than HPS lights. In addition to environmental benefits including longer lifespans and better recycling properties, these upgrades highlight our commitment to investing in cost effective technologies. Once completed this project is expected to save an estimated 3.8 million kWh of energy annually, the equivalent of 195,000 imperial gallons of diesel fuel.

Utility Scale Solar, Solar and Storage Technical Validation Systems and Renewable Energy Planning

A dynamic shift toward renewable energy has gained a tangible momentum in the Cayman Islands. At CUC, energy transformation efforts for generation continue to prioritise advancing opportunities in solar photovoltaic ("PV") generation with storage. On July 3, 2025, URCO issued the final RFP for a 22.5 MW Dispatchable Photovoltaic ("DPV") plant in Grand Cayman, marking a pivotal step in advancing the country's energy transition. The DPV facility will incorporate battery storage to ensure dispatchability and grid stability, supporting the NEP targets. The Company's participation in the RFP process, with a bid submitted on October 2, 2025, reflects its ongoing commitment to sustainable growth, carbon reduction, and customer affordability. On April 29, 2026, the Regulator advised that the Company's submission was shortlisted as a top-ranked bidder in accordance with the RFP. The Company continues to collaboratively work with the Regulator and a successful outcome would represent a significant catalyst for shareholder value, enabling the Company to expand its

Environment

renewable energy portfolio and enhance customer affordability.

In 2025, CUC also commenced the permitting and installation of 4 small rooftop solar PV systems paired with BESS at North Sound Plant (Hurricane Centre) and select substations. These pilot systems are designed to test recommended communication and control integration, as well as passive inverter programming, to validate pathways for distributed generation, particularly storage, to deliver grid supportive services. Three of the systems (all the substations) have been completed, commissioned and are in operation. The fourth system at our Hurricane Centre remains under construction with the aim of operation before the end of 2026. The integration of new renewable energy projects aims to enhance operational efficiency and align with Cayman's NEP targets, positioning the Company as a leader in the region's energy transition.

Climate Scenario Assessment: Climate Change Risk and Opportunities

CUC is dedicated to developing robust and resilient operational systems that ensure the integrity, continuity, and reliability of our services amid increasing climate risks. In line with this commitment, we have undertaken continuous climate change analyses and scenario exercises.

Starting in 2022, CUC participated in a Fortis-led project focused on climate scenario analysis, which continued into 2023, incorporating science-based data through cross-functional collaboration. Building on our 2023 findings, we engaged an external advisor in 2025 to conduct a comprehensive

Climate Resilience Study and Assessment ("CRA") of our assets in Grand Cayman. This work was designed to support enhanced assessment of and understanding of the Company's exposure to climate related risks and opportunities. The CRA involved evaluating our transmission and distribution infrastructure, generation plant, metering equipment, communication systems, and other critical facilities across defined time horizons:

- + Baseline climate (1991–2020)
- + 2030s (2021–2050)
- + 2050s (2041–2070)
- + 2080s (2071–2100)

Through this thorough examination of potential climate-related risks and corresponding opportunities, CUC is better equipped to identify priorities that support proactive, innovative approaches. This understanding enhances our ability to redesign our operational assets. It drives our efforts toward a low-carbon economy, ensuring the stable provision of services to the communities of Grand Cayman.

Utilising an external advisor the CRA and Assessment identified the climate hazards that may lead to impacts on corporate assets, both currently and into the future.



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Scenario	Description	Overview of Key Assumptions
Low Emissions Scenario ¹⁰	Sets out a pathway to transition to a low carbon economy with the goal of net zero CO₂ emissions by 2050. Ensures the global temperature increase stays below 1.5°C in 2100.	Heat-related hazards and wildfire risk intensify by 2050, with more pronounced impacts from extreme summer temperatures. Increased electrification and adoption of energy efficient retrofits in the buildings sector. In Central America¹¹, the share of end-use electricity used by buildings is expected to grow to 38% in 2030 and to 69% in 2050. Policies, EV sales targets and behavioural change drive the rapid uptake of light-duty passenger vehicles. In Central America, the share of end-use electricity for transport will go from being minimal today to 6% in 2030 and 44% in 2050. Rapid increased demand for renewable and low carbon energy sources. Total installed electricity generation capacity (all sources) is expected to grow from 17 gigawatts ("GW") in 2020 to 22 GW in 2030 and 45 GW in 2050. The share of installed generation capacity from renewables is expected to increase to 43% in 2030 and 68% in 2050. In-line with the increased uptake of renewables, diesel/fuel oil installed capacity decreases rapidly from a share of 58% in 2020 to 6% in 2050.
High Emissions Scenario ¹²	Assumes no new policies are applied in the years leading up to 2050. Existing policies fall short of limiting warming to 2.0°C by the end of the century.	Extreme summer temperatures, long and warmer summers, strong winds, wildfire risk intensify by 2050 and increasingly affect all regions, to a greater extent than the low emissions scenario. Demand for electricity in the buildings sector remains relatively flat. In Central America, the share of end-use electricity used by buildings is expected to increase slightly to 25% in 2030 and to 27% in 2050. Minimal uptake of light-duty passenger vehicles. In Central America, the share of end-use electricity for transport will move slightly from being minimal to 1% in 2030 and 4% in 2050. Renewable and low-carbon energy demand increases, but not enough to transition away from fossil fuels. Total installed electricity generation capacity (all sources) is expected to grow marginally from 17 GW in 2020 to 18 GW in 2030 and 24 GW in 2050. The share of installed generation capacity from renewables is expected to increase to 32% in 2030 and 47% in 2050. In-line with the gradual uptake of renewables, the share of generation from diesel/fuel oil begins to decline from 58% in 2020 to 36% in 2030 and 12% in 2050. This decrease is slower than in the low carbon scenario.

^[10] The low emissions scenario considers the Intergovernmental Panel on Climate Change's (IPCC) SSP1-RCP2.6 scenario for the physical risk evaluation, which is largely consistent with the Canadian Energy Regulator's (CER) 2023 Canada's Energy Future: global net-zero scenario, ESMIA's 2022: net-zero by 2050 scenario, Princeton's Net-Zero America (NZA) Study I: E+ RE+ high electrification and 100% renewable scenario, the International Energy Agency's (IEA) 2023 World Energy Outlook (WEO): net zero emissions by 2050 scenario, the Latin America Energy Organization's (OLADE) 2022 Energy Outlook for Latin America and the Caribbean: PRO Net-O H2 scenario and the International Renewable Energy Agency's (IRENA) 2022 Renewable Energy Roadmap for Central America: decarbonizing energy scenario.

^[11] The analysis considered projections for the Central America region where Caribbean-specific information was not available.

^[12] The high emissions scenario considers the IPCC's SSP5-RCP8.5 scenario for the physical risk evaluation and the CER's 2023 Canada's Energy Future: current measures scenario, ESMIA's 2022: reference scenario, Princeton's NZA Study I: reference case scenario (no new policies), OLADE's 2022 Energy Outlook for Latin America and the Caribbean: business as usual scenario and IRENA 2022 Renewable Energy Roadmap for Central America: base energy scenario.

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- Key objectives of the assessment were to:
- + identify climate hazards relevant to CUC now and in the future;
 - + identify CUC asset vulnerabilities to climate change and seismic events using a risk-based analysis; and
 - + develop adaptation strategies to improve resilience of CUC assets and operations.

Climate Change Risk/Opportunity	Description of Risk Opportunity	Impact to CUC
Underground transmission and distribution lines and associated infrastructure	+ Opportunity to harden underground assets against flooding and storm surge. + Increased risk of saltwater intrusion damaging cables and conduits. + Higher likelihood of extreme-weather events requiring more resilient design standards.	+ T&D remains resilient as CUC holds the exclusive licence, though there is some risk exposure related to generation. + Increased capital investment required to harden underground systems against climate impacts. + Potential for higher maintenance and repair costs following severe weather events.

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Climate Change Risk/Opportunity	Description of Risk Opportunity	Impact to CUC
Renewable Power	+ Opportunity to develop new wind and solar energy generation assets. + Opportunity to provide grid-scale electricity storage to support renewable integration. + Increased distributed energy resources ("DERs") such as rooftop solar and battery systems.	+ Opportunity to develop new solar generation assets and grid-scale battery storage to reduce costs and increase revenue. + Potential for customers to disconnect from the grid, reducing revenue. + Need for strategic planning to integrate higher levels of DERs while maintaining grid stability.
Human Resources and Vehicles	+ Increased strain on workforce availability due to extreme heat and severe weather. + Increased demand for electricity in transport (e.g. because of EV uptake). + Higher risk of vehicle damage or loss during storms and flooding. + Opportunity to transition fleet vehicles to low-carbon or electric alternatives.	+ Potential increased operational disruptions due to workforce shortages during extreme weather. + Higher vehicle replacement and repair costs following storms or flooding. + Opportunity to modernise the fleet with more efficient, climate-resilient vehicles. + Opportunity for increased revenue due to increased EV adoption.
Generation units and auxiliary equipment including tank farms	+ Increased exposure of generation units to Nor'westers may lead to collision damage from airborne debris. + Hurricane winds may damage turbines and may result in collision damage from airborne debris. + Flooding due to storms may disable or damage generating units, leading to a loss of service and need for repairs (e.g. Hurricane Ivan). + Opportunity to upgrade generation units and auxiliary systems for improved efficiency and lower emissions.	+ Higher capital expenditure required to harden generation units and protect tank farms from climate-related damage. + Potential disruptions to fuel supply or increased maintenance costs if tank farms are compromised during severe weather. + Opportunity to modernise auxiliary equipment to improve reliability, reduce emissions, and maintain compliance with future regulations.

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Climate Change Risk/Opportunity	Description of Risk Opportunity	Impact to CUC
Building Structures	+ Increased exposure of facilities to wind, damage, flooding and storm surge. + Opportunity to upgrade buildings to higher climate-resilience standards. + Higher maintenance requirements due to accelerated wear from harsher climate conditions.	+ Higher capital expenditure required to upgrade facilities to withstand stronger storms. + Increased insurance or self-insurance costs due to elevated climate-related risks. + Opportunity to improve long-term resilience and reduce downtime during extreme weather events.

Transition Risks and Opportunities

During in-person workshops with the external advisor and CUC's personnel from various departments, participants identified and assessed climate impacts, revealing key transition risks and opportunities for CUC. Utilising the existing Enterprise Risk Management system, the team scored potential climate risks to assets, highlighting medium to high risks now and in the future. Hurricanes pose an increasing threat to most assets, while extreme heat is projected to significantly impact human resources and infrastructure by the 2050s. Additionally, Nor'westers present risks to T&D assets due to salt contamination and flooding, with the most severe impact expected by the 2080s. Sea surface temperature fluctuations also pose current and future risks to generator turbines. These findings demonstrate the urgency for CUC to strategically address climate-related challenges and capitalise on opportunities in renewable energy and sustainable practices. The table below provides a summary of the risks, opportunities and the potential impacts identified.

Climate Hazard	Threshold(s)
Extreme Heat	Days with daily maximum temperature $\geq 90^{\circ}\text{F}$ Days exceeding 98°F .
Extreme 1-Day Precipitation	7 inches in 24 hours.
Wind Gusts	Days with gusts ≥ 56 miles per hour.
Nor'Westers	Occurrence of storms producing significant nearshore wave heights of at least 7 metres from the northwest.
Hurricanes	Category 3 or higher occurring between 50 and 200 nautical miles (similar to Hurricane Beryl in 2024 or Hurricane Grace in 2021). Category 4 or 5 within 50 nautical miles (similar to Hurricane Ivan in 2004).
Lightning	Annual lightning flash density.
Wildfires	Occurrence of wildfires.
Sea surface Temperatures	Average summer sea surface temperature greater than 88°F .
Sahara Dust	Occurrence of dust storm similar to the June 2020 "Godzilla" event.
Earthquakes	1:500 year event (0.3 g ground acceleration). 1:2,500 year event (0.66 g ground acceleration).
Tsunamis	Occurrence of earthquakes in the region.

Environment

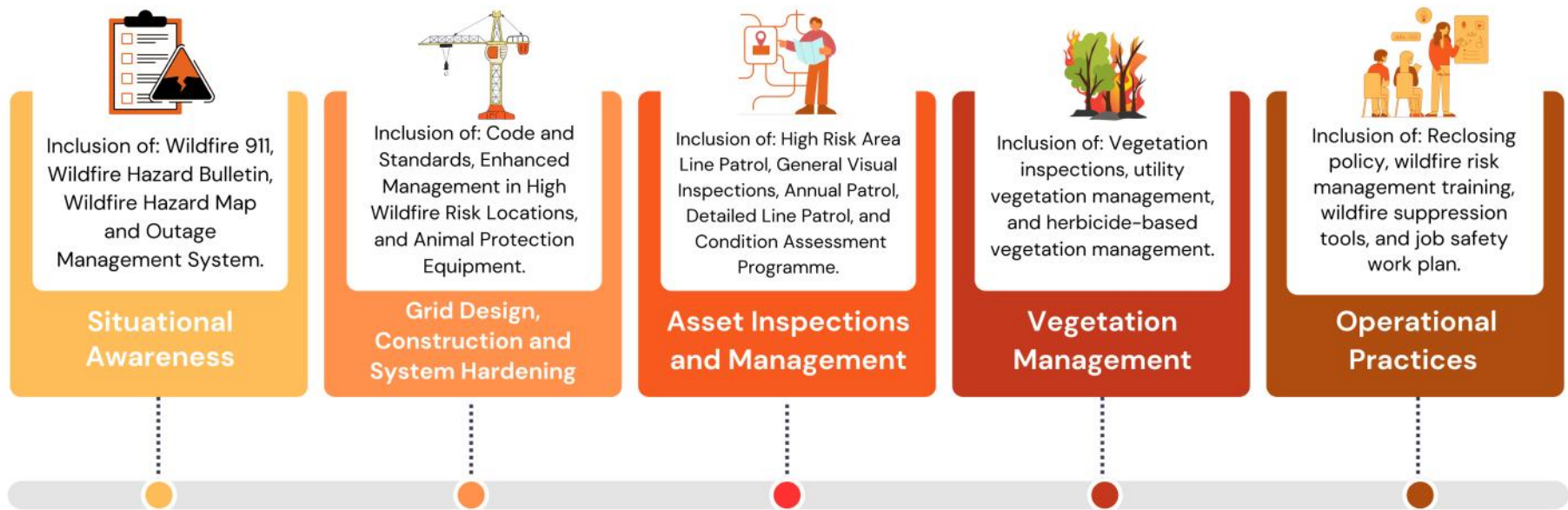
Physical Risks

As part of Fortis’ climate assessment methodology, CUC worked with an external consultant in 2025 wherein physical climate hazards were studied over the baseline, mid-century and long-term horizons as referenced in the CRA. Climate hazards and thresholds were established through interviews with CUC experts, analysis of past weather events and their impacts on the system, application of CUC design standards for assets, and leveraging the external consultant’s experience in electrical transmission and distribution systems. To align with Fortis’ consolidated material climate physical risks, CUC assessed Climate Hazard and Thresholds (see table).

CUC is actively mitigating physical climate risks through several key initiatives mentioned previously tailored to addressing the unique challenges faced in the Cayman Islands. The Company is integrating climate considerations into its infrastructure planning, focusing specifically on coastal flooding, storm surges, and high-wind events intensified by climate change. To enhance resilience, CUC has implemented measures such as elevating critical assets, reinforcing structures to withstand winds of up to 150 mph, and improving flood protection around substations. These proactive steps are vital for maintaining reliable energy services in Grand Cayman and reflect CUC’s commitment to safeguarding energy security amid evolving climate threats.

Wildfire Mitigation Plan

CUC’s Wildfire Mitigation Plan continued to evolve in 2025; we actively assessed new wildfire initiatives, including current limiting fuses, Lidar technology and Early Fault Detection systems to monitor vegetation encroachment.



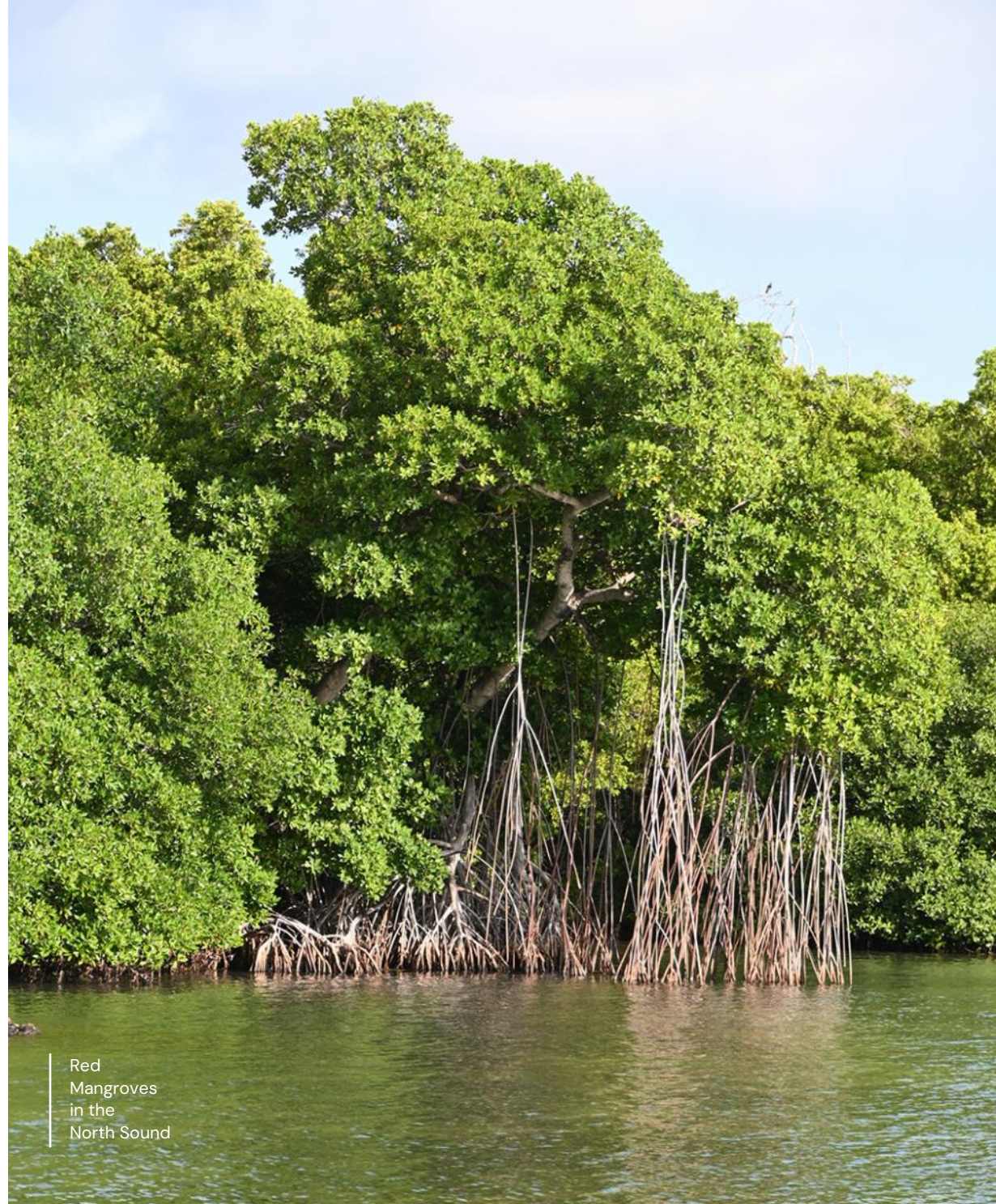
Environment

Our wildfire team continually prioritises close collaboration with stakeholders, including the Cayman Islands Fire Department, to share information on fire risks and mitigation strategies. While Grand Cayman currently has a very low wildfire hazard, we recognise the increasing risks from climate change. In response, we are proactively identifying and mitigating these threats through prioritising our Wildfire Mitigation Plan as health and safety remains our number one priority. Our comprehensive strategy includes vegetation management, grid hardening, operational practices, asset inspections and management, situational awareness and ongoing monitoring. To improve our wildfire preparedness, our team is enhancing their skills related to wildfire risks, and we have developed a High-Risk Fire Area map to guide mitigation efforts.

Fortis established a comprehensive wildfire mitigation plan across all utilities, which inform and shape our operational approach. These plans are tailored to address the unique wildfire risks within each service territory. By prioritising resilient grid design and system hardening practices, Fortis supports all utilities, including CUC, in reducing wildfire risk. Additionally, situational awareness tools are being implemented across utilities to enable real-time operational adjustments in response to changing weather conditions, as outlined in Fortis' [2026 Climate Resiliency Report](#).

Risk Management

CUC conducts an annual facilitated Risk Workshop aligned with the annual strategic business planning process. Senior leadership from all departments discuss and rank key risks and identify any relevant new risks. Risks are then mapped to key corporate priorities to understand how they could impact the achievement of those priorities. As mentioned, the climate scenario analysis assessment was conducted in alignment with



Red
Mangroves
in the
North Sound

Environment

financial thresholds from CUC’s enterprise risk management assessment criteria to provide opportunity to enhance the integration of climate-related risks into the Company’s ERM (as defined herein) process. For more information on CUC’s risk management see the [Governance](#) section.

Metrics and Targets

Appendix A includes the KPIs used to monitor and assess our performance on climate change, including Scope 1 GHG emissions.

Cayman Islands National Energy Policy

The Cayman Islands NEP establishes a framework, which sets the stage for the achievement of the territory’s energy goals and considers the imperative need to reduce GHG emissions, thereby lowering the carbon footprint of the Cayman Islands. The revised NEP, approved in April 2024, covers the period from 2024 to 2045 and focuses on renewable energy, energy conservation methods and the promotion of energy efficiency. The Updated NEP 2024–2045 establishes the following targets: on the right.

The 2017 NEP established the high-level targets of 70% of total electricity generation from renewable sources by 2037 and an aspirational goal of 4.8 tCO₂e of GHG emissions per capita by 2030.

The 5-year review that informed the 2024–2045 NEP analysed progress against the targets above, which, taken with the policy measures and NEP Implementation Plan, identified opportunities for target revision and establishment of sub-targets and a new target for electric vehicles.



RENEWABLE ENERGY

30% renewable energy penetration by 2030

70% renewable energy penetration by 2037

100% renewable energy penetration by 2045

The target is in line with targets of peer countries. Global trends in cost declines of renewable energy technologies, including solar and storage, point to the viability of meeting these goals.



ELECTRIC SALES

Light-Duty
New Vehicle Sales & Imports
30% from EVs by 2030
100% by 2045

Heavy-Duty
New Vehicle Sales & Imports
30% from EVs by 2030
100% by 2045

Many US states have made commitments to achieve a full transition to zero emissions vehicle sales in all categories by 2040. The NEP recommends a slightly longer timeframe to achieve 100% new EV sales to allow time to implement policies to meet those targets. As such, all new vehicle sales will come from EVs by 2045.



GREENHOUSE GAS EMISSIONS

Electricity Supply
30% emissions reduction over 2019 levels by 2030

100% emissions Reduction by 2045

Ground Transportation
35% reduction by 2030
90% reduction by 2045

The Five-Year Review revised the emissions target to be an absolute instead of per capita reduction, with the goal to eliminate all emissions from electricity supply by 2045. Overall economy-wide emissions targets, including those of the transportation sector, are included in the forthcoming Climate Change Policy.

Environment

CUC's projects and investments are the bedrocks of our alignment with the Cayman Islands NEP as outlined in the "[Strategy](#)" section above. For more details on our efforts to advance the NEP see the section on "[Environment – Strategy-Utility Scale Solar, Solar & Storage Technical Validation Systems and Renewable Energy Planning](#)" and "[Governance – Regulatory Environment and Framework – Regulatory Developments](#)". By enhancing our current grid stability and fleet efficiency the Company is committed to pursuing strategies that align with the NEP to lower GHG emissions. As the sole electric utility on Grand Cayman, we aim to support the achievement of the NEP by developing renewable energy initiatives to secure a sustainable future for electricity production.

Biodiversity Impacts

Spill Prevention and Management

Preventing accidental spills and releases of hydrocarbons into the groundwater and soil is an environmental priority for CUC, given the Company's extensive use of fuel, mineral oil for transformers, and lubricating oil for engines. Over the past decade, CUC has maintained a strong track record of preventing spills, with relatively few incidents. From 2015 to 2025, CUC recorded 19 uncontained spills, which amounted to 5,143.9 IG spilled for 383,341,305 IG consumed (about 0.0013%). Of this total volume spilled, two major incidents contributed 4,866 IG to this total, for which ongoing remediation efforts continue with the Cayman Water Authority. CUC has implemented and monitors a Spill Prevention and Response Plan to manage hydrocarbon spills more effectively. Despite this incident, CUC's commitment to environmental protection and spill prevention remains steadfast.



Environment

The Company takes corporate social responsibility very seriously and dedicates significant resources to remediating environmental impacts from major spills. CUC has established a detailed procedure for spill response, requiring all spills to be reported to the Environment, Health, and Safety (“EHS”) Department within 24 hours. EHS provides monthly internal reports to management on the number of spills, and these figures are included in CUC’s Annual Corporate Targets. Quarterly, the targets and actual spill amounts are reported to the G&S Committee. In addition, in 2025, our Spill Preparedness and Response Procedure was revised. The procedure refers to climatic conditions through the different clean up protocols specified under dry and wet weather. While there are instructions for alerting the necessary authorities if spills are too large and uncontained, extreme events that may trigger these spills, such as storms, are not directly mentioned. There is an opportunity to reduce the risk of spillage by incorporating specific measures for maintenance of steel drums used for chemical storage, which may corrode if submerged for a prolonged time.

In 2025 there were 4 uncontained spills for a total volume of 152 IG with 117 IG of the hydrocarbons being immediately recovered from the environment. Management continues to apply controls and physical barriers to reduce this risk. In 2025, the Company’s EMS underwent its external surveillance audit, resulting in no nonconformities being found. Zero nonconformities were identified during the internal audit of the systems as well.

CUC continuously tracks and monitors the spill reduction plan with projects and preventative measures. Additionally, all spills over 6 USG are reported to the Chief Petroleum Inspector of URCO as they occur.

CUC’s climate-related commitments and initiatives highlighted in the section above will have important links to biodiversity and will help support the protection of the Cayman Islands’ natural environment, including indigenous plants, wetlands, and marine life. In addition, Environmental Impact and Social Assessments may be necessary before any construction begins.

Turtle Friendly Street Light Pilot Project

In 2018, CUC collaborated with DoE and the National Roads Authority (“NRA”) on the Turtle Friendly Street Light pilot project. The pilot project facilitates the installation of turtle friendly lighting along ecologically sensitive areas of Grand Cayman’s coast. These specially designed light fixtures reduce the disorientation experienced by hatching turtles. CUC is working with both the DoE and the NRA to reduce the amount of disorientation incidents by strategically placing these fixtures in areas where light pollution is high.

Following the success of the pilot project, in 2021, DoE expressed interest in expanding the program, which remains ongoing as of 2025. The DoE seeks approval from the NRA, after which requests are sent to CUC for completion.



Hawksbill
Sea Turtle

Environment



Marvellous Mangrove Programme

For over 20 years, CUC has proudly partnered with the National Trust to champion the Marvellous Mangrove Programme, an initiative dedicated to educating young minds about the critical importance of mangroves in our ecosystem. This programme reaches every public school in Grand Cayman, engaging Year 5 and 6 students by blending classroom learning with hands-on experiences. Launched in 2000 by Peripatetic Ecologist and Science teacher Martin Keeley, the programme features three immersive classroom sessions, complemented by stimulating field trips to the Island's canal areas and the Central Mangrove Wetlands. Through this dynamic approach, students gain a deeper appreciation for mangroves as vital habitats for marine life and recognize their essential role in safeguarding our environment.

In recent years, the initiative has expanded with the introduction of the Mangrove Rangers, enabling younger students from both primary and private schools to participate. This allows them to learn about the fragile mangrove ecosystem at an earlier age, fostering a culture of environmental stewardship from the ground up. Students engage in interactive training sessions that incorporate practical demonstrations and activities designed to deepen their understanding of mangrove significance, biodiversity and the challenges associated with environmental hazards like oil spills.

A highlight of the programme includes a visit to the Central Mangrove Wetlands, where students can apply their classroom knowledge in a real-world context. CUC remains committed to sustaining this impactful programme, not only through annual sponsorship but also by supporting the publication of a comprehensive teacher's guide, "Marvellous Mangroves." This resource empowers educators to seamlessly integrate environmental awareness into their everyday lessons, ensuring that the lessons learned today will inspire future generations to cherish and protect these invaluable ecosystems.

World Sustainability Day

In October 2025, we proudly celebrated World Sustainability Day, marking a significant step in embedding sustainability into our Company culture. The event featured a dynamic series of activities that engaged and inspired our employees, reflecting our commitment to raising awareness and fostering meaningful action. One of the standout moments was the enthusiastic participation from our workforce in interactive games such as Sustainability Plinko and Jeopardy during CUC's quarter three chat with the executives. The excitement didn't stop there; we launched a week-long trivia challenge that invited employees to dive deeper into sustainability topics, sparking lively discussions and fostering a sense of community. In a bid to connect our employees with nature and promote environmental stewardship, we organised a seedling giveaway, distributing locally grown seedlings including plum tomatoes, peppers, kale and cucumbers. This initiative not only encourages the development of green habitats but also supports food and agricultural sustainability. Our educational efforts

Environment

were evident throughout the chat, as trivia questions and games deepened our understanding of vital issues such as biodiversity, climate change, energy, and sustainable transportation. By linking these global challenges to our local context, we aimed to make sustainability more relatable and actionable for everyone.

To further amplify engagement, we introduced dual raffles one for participants in Plinko and another for those who engaged via email trivia. These fun incentives not only made the learning process enjoyable but also reinforced our commitment to sustainability in an engaging way. Overall, the activities we launched for World Sustainability Day have made a significant impact on how our employees view and practice sustainability. By celebrating this day for the first time, we are proud to have taken meaningful steps toward weaving sustainability into the fabric of our company culture, making sustainability more tangible and actionable for all.

Waste Management

A critical aspect of environmental management at CUC is Waste Management, identified as one of our six Significant Environmental Aspects (“SEAs”) that carry the potential for meaningful environmental impact. CUC’s approach to waste management is guided by our Environmental Policy and ISO 14001: 2015 certified EMS. To manage impacts from waste, we have introduced rigorous procedures and specialised work practices for the disposal of items used daily at the North Sound Power Plant and through our transmission and distribution system. We ensure the proper disposal of all waste materials, including used oils, batteries, transformers, and various scrap metals. Our commitment to recovery is seen in our detailed processes; for example, all used oil filters and cleanup rags are drained and compacted to recover loose oils prior to disposal. CUC also recycles used oil and sludge through a contract with a local company ensuring environmentally safe disposal at an approved facility.

The Company strives to reduce the amount of waste from our operations and vendors are requested to minimise packing materials. In the past, our recycling

efforts have been recognised with the Green Diamond Award for Recycling Excellence, reflecting our ongoing commitment to effective recycling practices and environmental responsibility.

We are also proud of our recycling initiatives, which includes recycling of plastics, glass and aluminium in office. Glass recycling made a return in 2025 after a 2-year national suspension therefore; CUC glass recycling became operational again with 1,625 lbs recycled in 2025. Throughout 2025, the Company also successfully recycled a total of 6,100 lbs of plastic and 2,525 lbs of aluminium. As of December 31, 2025, a total of 30,800 pounds of these materials have been diverted from the local landfill.

Sustainability in Print

Last year marked a quiet but significant milestone for CUC: for the first time our sustainability report was printed on Sustana EnviroPrint 100% recycled paper. This high-performance stock is crafted from 100% sustainable recycled fibre and currently holds the distinction of having the smallest environmental footprint in North America’s paper industry. By choosing this recycled alternative over virgin paper, we are realizing extraordinary environmental savings; for every short ton of paper used, we effectively save 24 trees, 1,773 gallons of water and 3,402 lbs of greenhouse gas emissions¹³. Beyond its ecological values, this FSC-certified paper delivers incredible quality for our readers. We are proud to confirm that this standard of excellence will continue for this Report, ensuring our commitment and message of stewardship is reflected in the very pages it is printed on.

The Company also prioritizes sustainable paper use through reducing paper waste as most of our management systems are managed electronically.

^[13] Sourced: Sustana (n.d.). *Sustana EnviroPrint*. <https://sustanasolutions.com/products/sustana-enviroprint/>

Environment

Vegetation Management and Local Partnerships

In 2025, CUC's EHS and Energy Delivery Operations ("EDO") departments collaborated with the DoE to conduct a training session for vegetation management contractors. This training focused on enhancing awareness of sustainable mangrove management practices, including reminders of EHS protocols and proper pruning techniques tailored specifically for mangrove species. Participants received guidance on the removal processes and CUC's pruning clearance standards as established by EDO. This initiative affirms CUC's commitment to promoting environmental stewardship and sustainable vegetation management.

Continuing on collaboration, in a landmark step towards a circular economy model, CUC and the Department of Agriculture ("DoA") have launched a strategic partnership that reimagines waste as a resource. This initiative ensures that vegetation material generated during routine power line maintenance is no longer a burden on our landfill but a catalyst for local food security and soil health. Previously, green waste resulting from essential grid maintenance was transported to landfills for disposal. Under the new agreement, chipped vegetation is now redirected to a designated DoA location. Once delivered, the material is integrated into composting operations or processed into mulch, providing a vital, sustainable resource for the agricultural sector and wider community.

Environmental Stewardship: By diverting organic material from the landfill, we are reducing waste and promoting sustainable land management. The use of this material as mulch and compost supports improved soil health and sustainable agriculture practices across the islands.

Community Resilience: Proactive vegetation management is critical for safety, reducing risks of electrical shock and fires while protecting the grid from storm-related damage. By providing farmers and the public with free access to mulch, the partnership also strengthens local food security and supports economic growth for the agriculture sector.

Responsible Governance: This initiative reflects CUC's commitment to responsible operations and the Ministry's of Planning, Lands, Agriculture, Housing & Infrastructure's ("MPLAH") mission to implement climate-resilient, integrated policies.

These partnerships reflect a practical and holistic application of environmental stewardship. The initiative reflects a deep-seated commitment to responsible operations that bolster environmental connectivity, community growth and infrastructure resiliency. By transforming a product of infrastructure maintenance into an agricultural asset, CUC is advancing regenerative processes while balancing the needs of communities and the grid.



Environment

In addition to this partnership, CUC also partners with the Department of Education, the National Trust for the Cayman Islands, the Cayman Turtle Conservation and Education Centre, and the Cayman Islands Chamber of Commerce on environmental education and resource conservation. Furthermore, in support of the worldwide initiative Plastic Free July, CUC has initiated internal activities and informational campaigns over the years to encourage employees to go plastic-free in July of every year. We continue to participate in the Chamber's Annual Earth Day Clean-up, where we recruit teams of CUC volunteers involved in roadside, seaside, and underwater clean-up.

Water Management

The Company holds licences for both groundwater extraction and wastewater discharge. CUC's wastewater discharge adheres to local environmental standards. Wastewater treatment and monitoring are managed through the ISO 14001:2015 certified EMS and specific procedures, as well as guided by the Environmental Policy. Continuous automatic monitoring of wastewater temperatures is in place to ensure compliance with licence conditions. Additionally, we undertake periodic testing of water samples to verify mineral content and overall discharge quality.



Employees participate annually in the Earth Day Cleanup

Environment



The Company
regularly sponsors
Green Sea Turtle
releases

Water management was included as one of the KPI's assessed as part of the annual ICSR internal audit. This review confirmed that controls, monitoring practices, and compliance processes related to water discharge are operating effectively.

Air Quality

Exhaust emissions represent an important potential environmental impact for CUC, and we are committed to addressing this critical issue. Our ISO 14001:2015 EMS is designed with robust operating procedures that outline stringent air quality requirements for all new generating units. Before we install any new units, we ensure thorough air quality dispersion modelling is conducted to assess emissions impact, reinforcing our dedication to safeguarding the environment.

Our newer generation units are engineered for enhanced efficiency, offering increased kWh output per gallon of fuel compared to older models. This advancement not only minimises our impact on local air quality but also translates to lower fuel costs for both CUC and our customers. We've raised the bar even further by installing higher exhaust stacks on our new units, aligning with the best industry practices to enhance air quality in our community.

CUC takes pride in not only monitoring but also transparently reporting our pollutants and other emissions, including nitrogen oxides (NO_x), sulfur dioxide (SO₂), mercury (Hg), and particulate matter (PM). This commitment places us at the forefront of environmental monitoring among companies in Grand Cayman, demonstrating leadership in proactive environmental improvements that improve communities on island. Additionally, the third-party verification that our scope 1 GHG emissions undergoes further reinforce our commitment to transparency and continuous improvement in our environmental performance.

Moreover, CUC is actively exploring long-term solutions for generating electricity from sustainable sources. By reducing our reliance on fossil fuels, we aim to significantly diminish our environmental footprint, including air emissions, and play a pivotal role in creating a cleaner, greener future for Grand Cayman.

Environment

Spotlight: CARILEC Awards 2026

In May 2026, CUC set a new regional benchmark for excellence at the inaugural Caribbean Electric Utility Service Corporation (“CARILEC”) Awards of Excellence. Competing against utilities from across the Caribbean, CUC emerged as a leader in innovation and responsibility, securing three major honours that validate our journey toward a more sustainable future.

The awards presented during the CARILEC CEO’s and Leadership Conference in Barbados recognised outstanding performance backed by rigorous operational and financial data. CUC was honoured with:

- + **Gold Award: Overall Best Performing Utility**
- + **Gold Award: Best Service Reliability**
- + **Gold Award: Best Environmental Performance (shared)**

These accolades are not merely awards; they are a direct reflection of how ESG commitments are integrated into our daily operations.

Sharing the gold award for Best Environmental Performance reinforces our dedication to minimising our environmental impact and ecological footprint. This recognition aligns with our mission to provide energy services with deep respect for the environment.

Furthermore, winning gold for Best Service Reliability highlights our commitment to the community. We recognise that providing safe and dependable power is the cornerstone of social stability and economic prosperity for Grand Cayman.

Lastly, the Overall Best Performing Utility award is the highest honour measuring excellence across safety, financial health, sustainability indicators and leadership. This recognition proves that our governance framework successfully balances the needs of the environment, our customers and shareholders.

This regional recognition serves as powerful evidence that CUC is fulfilling its mission of being a “model corporate citizen”. By excelling in benchmarking

reports and regional standards, we are showing our stakeholders that our commitment to sustainability is measurable, transparent and industry leading.

As the Company looks toward the future, these awards reinforce our resolve to remain a leader in the growth of our community through resilient, innovative and sustainable energy solutions.



CUC's Letitia Lawrence receives one of the three CARILEC Awards



Social

Human Capital Management

Our employees are our most valuable asset, and the strength of the Company continues to be rooted in the dedication, capability, and commitment of our people. CUC is a non-unionised, equal opportunity employer with a team of 292 full-time employees as at December 31, 2025, who are dedicated to delivering exceptional service to our customers. Our values guide how we work, how we lead, and how we support one another, forming an integral part of our culture and shaping the way we grow as a company.

Diversity and Inclusion

Celebrating our rich diversity is also a key aspect of our culture at CUC. With over 18 nationalities represented in our workforce, we hold an annual International Food Day that not only showcases culinary traditions from around the world but also promotes a sense of belonging, equity, and inclusion within our community. These initiatives reflect our dedication to employee wellness and our goal of cultivating a supportive and inclusive workplace for all.



Employee Development, Attraction and Retention

Our people-centric approach is driven by a mission to empower the communities we serve. Through our specialised Power Line Technician ("PLT") Training, we are certifying young Caymanians to construct and maintain the island's power systems. At the same time, our onsite Learning and Development specialists facilitate continuous upskilling with our employees. We also remain dedicated to nurturing the next generation through our vocational and internship programs, which provide high school and university students with hands-on experience and holistic "Lunch and Learn" sessions covering essential life skills like resume building and budgeting.

CUC has also made a commitment to offer scholarships to students for both local and overseas education. Since the inception of the scholarship programme, the Company has awarded numerous scholarships. Several scholarship recipients have progressed to managerial, director and executive level at the Company. CUC's scholarship programme reinforces our commitment to fostering talent development and promoting workforce diversity.

By investing in these comprehensive development pathways, CUC is not just celebrating 60 years of reliability; we are building the human foundation required to lead Cayman's energy transition for the next 60 years.

Performance

As CUC celebrated its 60th anniversary, it provided a moment not only to reflect on six decades of energising Grand Cayman's growth, but also to reflect on the legacies of the exceptional people who have led this growth on our team. This deep-rooted commitment to our workforce is reflected in our industry leading retention rates, with full-time employees maintaining an average tenure of 12.47 years in 2025.

We believe that developing a skilled workforce is the backbone of a sustainable future at CUC. In 2025, we invested \$941,670 in employee training. Moreover, our team logged a remarkable 22,713 training hours, averaging 77.8 hours of professional development per employee to ensure our staff remains at the forefront of excellence.

Social

Employee Engagement

Employee engagement remains a strategic priority for CUC. For several years, we have measured engagement through an annual survey conducted by an external firm specialising in employee engagement benchmarking. Survey results are shared with all staff, and the Human Capital Committee works closely with the Human Resources Department to develop action plans that address feedback and enhance the overall employee experience. Sub-committees are established to focus on specific themes raised, ensuring that improvements are meaningful and employee-driven. Our engagement score continues to align with industry standards, reflecting a stable and committed workforce.

In 2023, the employee engagement survey was updated to align with our parent company, Fortis' approach, across all subsidiaries. This assessed how effectively survey results were communicated to employees, the extent to which staff were involved in shaping action plans, and whether meaningful progress had been observed on agreed actions. It also examined key dimensions of the employee experience, including basic needs, individual contribution, team belonging, and opportunities for growth. This integrated approach strengthens transparency,

reinforces shared accountability, and supports continuous improvement across the Company.

CUC achieved a strong 93% response rate, reflecting high levels of participation and trust. We continue to enhance communication, involve employees in decision-making where possible, and recognise and reward contributions to boost morale.

Investors in People

In September 2023, CUC was once again recognised for its exceptional commitment to people management, achieving the prestigious Investors in People ("IIP") Gold accreditation. This marked the Company's third consecutive Gold certification, demonstrating the strength of our leadership practices, our focus on staff development, and our dedication to building a workplace where people can thrive.

In August 2026, building on our strong foundation, CUC attained the IIP Platinum accreditation, the highest level of recognition awarded by IIP, further



Social

demonstrating our commitment to excellence in leadership, continuous improvement, and a culture that places people at the centre of organisational success.

The IIP framework is an internationally recognised standard that supports organisations in improving how they lead, support, and develop their people. Established in the early 1990s by UK national organisations, the framework provides a structured approach to strengthening organisational culture and aligning people practices with long-term business goals. It is built around three core principles—Leading, Supporting, and Improving, which are assessed across nine indicators.

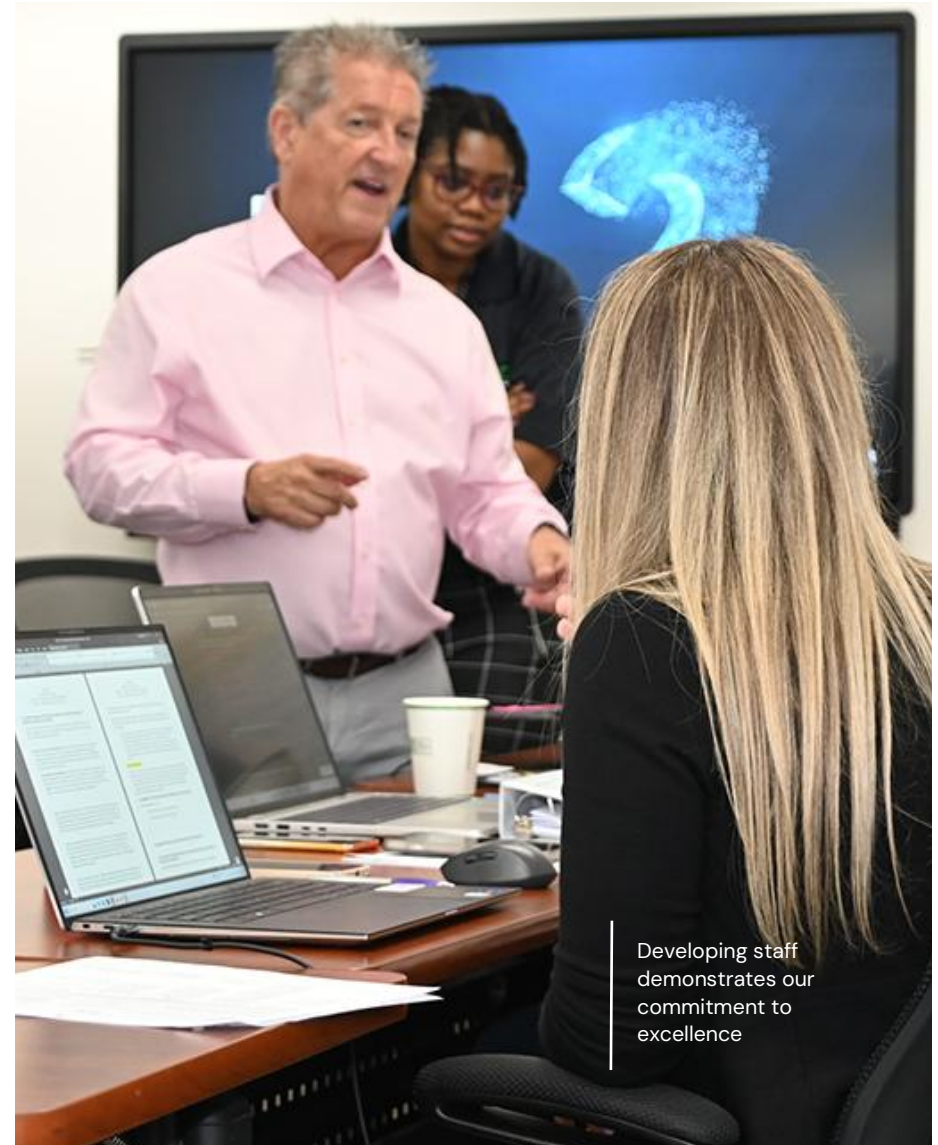
At CUC, we recognise that our people are our greatest strength. We are committed to creating a positive, inclusive, and high-performing work environment that fosters growth, innovation, and excellence. Through continuous investment in training, skills development, and employee engagement, we ensure our teams have the skills and resources needed to excel. We are extremely proud of our Platinum accreditation, which reflects the dedication of our employees and the effectiveness of our people-first approach.

What this means for our people:

- + We believe our people are our most valuable asset, and we are committed to continuously improving how we manage, develop, and support our teams.
- + The IIP framework helps us focus on the right areas to build a workplace where everyone feels empowered, supported, and able to succeed.
- + An employee survey and assessment process provide an important opportunity for staff to share their views and shape meaningful improvements across the organisation.

The IIP Recertification Assessment Process follows a structured, evidence-based methodology:

1. Complete employee survey
2. Assessor reviews insights
3. Participate in interviews and focus groups
4. Evaluated against IIP framework
5. Receive findings and recommendations
6. Determine accreditation level



Developing staff demonstrates our commitment to excellence

Social

Spotlight: 5th Annual Women in Energy (WIE) Conference

In May 2026, CUC hosted its 5th annual Women in Energy Conference, gathering dynamic women leaders to advance innovation within the region's energy landscape. Themed "Heritage to Horizon: 60 Years of Energy, Infinite Possibilities Ahead," the conference aimed to create a collaborative space for women in the sector. Keynote speaker Marla Dukharan, a renowned Caribbean economist, shared insights on how economic resilience and reliable systems can shape the future of energy in the Caribbean.

The first panel explored energy's role in driving sustainable development, emphasising the need for reliability, affordability, and environmental responsibility. Notably, Margaret Kenequanash, CEO of Wataynikaneyap Power, highlighted how reliable energy access transforms small communities, showcasing the importance of electricity as a lifeline. The final panel, "Voices Across the Years: Generational Perspectives on Women in Sustainability," brought together women from various generations to discuss their impact on climate change and the essential lessons for future sustainability. This intergenerational dialogue reflected on six decades of evolving ideas and the critical need for collaboration in building a sustainable future.

Ensuring Employee Health, Safety and Wellness

The health and safety of our employees, contractors, and the public remains our number one priority at CUC.

Throughout the year, CUC implemented a comprehensive Health and Safety Plan focused on enhancing our safety culture through training, mental health initiatives, and both

internal and external audits. Additionally, we conducted a dedicated workshop for our contractors to further reinforce safety across our operations. Through these proactive measures, we strive to address workplace hazards and embed safety as a core value within our Company.

Occupational Health and Safety Management System

CUC's operations adhere to all relevant local occupational health and safety regulations, and we have implemented and maintained a self-declared Occupational Health and Safety Management System ("OHSMS") that conforms to ISO 45001:2018, which an independent Internal Lead Auditor verifies.



Social

Our internal OHSMS audit was successful, revealing no major nonconformities, although we identified 15 minor nonconformities that we are actively addressing. In 2025, we introduced three internal Safety Timeouts¹⁴, focusing on critical areas such as legal liability, incident reporting, and leading indicators.

Health and Safety Training

Our training initiatives expanded significantly, with over 100 members of the Cayman Community Emergency Response Teams participating in online training and an impressive 86% of our staff across all departments completing their annual EHS training.

Additionally, our Board members participated in training on EHS worksite observations as part of the Fortis Leading Indicator Plan, with practical sessions planned for 2026. We also strengthened contractor engagement through our annual EHS Contractor Summit and refresher sessions on EHS compliance for contractor groups.

Employee Wellness via the CUC Tri-Wellness Programme

At our Company, we are committed to fostering the well-being of our employees through various wellness initiatives. One of the cornerstones of our efforts is the CUC Tri-Wellness Programme, which is designed to support our employees in thriving across mind, body, and soul year-round. This programme encourages participation in a diverse range of wellness activities, allowing employees to earn points and engage in healthy practices. In line with our commitment to creating a nurturing work environment, we proudly introduced a quiet room last year. This dedicated space provides our employees with an opportunity to recharge, reflect, or enjoy a moment of peace amidst their busy workdays.

Through these initiatives, CUC remains committed to fostering a safe and healthy work environment, supporting the well-being of our employees, and promoting sustainability in our operations.

Performance

In 2025, we recorded a total of two Lost Time Injuries and three medical cases, resulting in an All-Injury Frequency Rate of 1.9. This metric represents the total number of recordable injuries per 100 employees, based on an annual working average of 2,000 hours.

By the end of 2025, we achieved a strong safety performance, with a Total Recordable Injury Rate (TRIR) of 1.8, surpassing our target of 2.3.

Among our key achievements, we were honoured to receive the "I Am Here Organisation of the Year 2025 – Americas" award for our mental health programme.

Community Development and Volunteerism

At CUC, we firmly believe that excellent corporate citizenship is not just a commitment but a vital part of our identity. In 2025, our dedicated employees exemplified this ethos by actively engaging in meaningful community initiatives, contributing both their time and energy to a diverse array of projects that significantly impact our local landscape. Our team participated in numerous community programs, demonstrating their passion for supporting youth-oriented activities and uplifting those in need. Highlights of our community involvement included:

- + Meals on Wheels
- + Back to School Giveaways
- + CUC Primary School Football Leagues
- + CUC CARIFTA trials
- + Lighthouse School Activities
- + Sunrise Adult Training Centre
- + CUC West Bay Sunrise 5K Walk/Run
- + 36th Annual CUC 800m + 400m Sea Swim
- + CUC Career Fair
- + Cayman Islands Chamber of Commerce's Earth Day Cleanup

^[14] A method of getting critical EHS information directly to the Foremen, Supervisors and Managers of CUC's operational departments.

Social

Customer Engagement

Customer satisfaction remains a key measure of how effectively we serve our community. CUC conducts a customer satisfaction survey twice a year, with recent results demonstrating strong and consistent performance. Scores were 8.0 in May 2025, 7.6 in November 2025, and 8.0 in May 2026, with the most recent score matching our all-time high. This assessment was based on 556 customer responses and more than 700 written comments, reflecting high engagement and continued confidence in our service delivery. Our performance also compares favourably with international benchmarks, exceeding the USA benchmark of 7.5 and the UK benchmark of 7.3.

Customers highlighted several areas of strong performance, including:

- + Reliable service delivery — strong ratings for supply quality and outage response



- + Improved customer interactions — steady gains in contact experience
- + Convenient payment options — now among our highest-rated service areas
- + Growing adoption of digital tools — increased use of email and online channels
- + Clear communication and responsiveness — with nearly 80% rating CUC as highly responsive
- + Expanding social engagement — Facebook audience now exceeding 7,500 followers (+1.4% since November 2025)

We celebrated this outstanding achievement, recognising that maintaining an all-time high score reflects the collective effort of our employees and the strong momentum we continue to build as a Company.

Energy Affordability

CUC's focus on energy affordability aims to create cost effective services for our customers. There is also a direct link between our investments in energy efficiency and renewable energy sources and reductions in CUC's costs. Through the strategic deployment of energy storage technologies and targeted LCUs, we are actively enhancing affordability. A key initiative in this effort is the installation and commissioning of two 10 MW utility scale BESS, designed to provide spinning reserve services to the grid. This project improves operational efficiency across our generation assets, resulting in better fuel performance and reduced operational costs. The BESS strengthens our grid reliability and power systems stability contributing to more affordable energy pricing for our customers. In addition, the LCU project involves retrofits of five diesel fuel generating units, which aim to improve efficiency and reduce the costs associated with operations such as maintenance, lowering the total cost of energy production and increasing energy affordability for our customers. Three were completed in 2024, and the remaining two units were completed in 2025. These upgrades have made the units technically capable to be converted to dual-fuel operation, which would allow the generating units to operate on existing diesel and new use of liquefied natural gas, which could be used as a transition fuel. Together, the lifecycle upgrades and BESS integration are helping CUC drive long-term energy affordability for Grand Cayman through our reduced dependence on costly fuels sources with the aim of thereby reducing emissions.

Social

As a result, through the successful execution of the BESS and LCU projects, the Company realised estimated fuel savings during 2025 of approximately 2.2 million IG, or equivalent to an estimated reduction in fuel costs of \$7.9 million due to the fuel efficiency of the LCU units and BESS providing spinning reserves. These savings were directly passed through to customers, reducing customer fuel charges and supporting the Company's objective of improving energy affordability.

However, in 2026, global fuel markets have also experienced renewed volatility due to ongoing geopolitical tensions, contributing to upward pressure on fuel costs and increasing uncertainty for consumers, alongside rising global temperatures. We observe that these high fuel prices and associated consumption levels are adversely affecting both residential and commercial customers. In response to these challenges, CUC has introduced several initiatives throughout the years, including:

- + CUC offers various payment options to ensure continuity of service to customers when assistance is needed. Payments can be allocated over a longer term or a bill payment may be deferred to a later date.
- + We also work closely with social assistance agencies to ensure swift and reliable service to those in need and make special allowances where necessary.
- + In 2026, in response to forecasted increases in international fuel prices linked to ongoing tensions in the Middle East, the Government implemented a Fuel Relief Programme effective June 1 to September 30, 2026. Under this

programme, all imports of gasoline and diesel will be duty free, and in partnership with CUC, a cap of CI\$0.18/kWh has been placed on the fuel charge for residential customers. These measures are intended to help mitigate the impact of global fuel volatility on households.

CORE and DER Programmes – End Use Efficiency and Demand

The introduction of Consumer Owned Renewable Energy ("CORE") originated in 2009 as a Feed-In-Tariffs ("FIT") Pilot Programme, creating a new relationship between the Company and environmentally conscious customers, allowing customers to connect to the distribution grid and earn credits for generated power. This initiative was revised and formally established after approval by URCO. The programme in 2025 continues as a buy-all (production), sell-all model (consumption).

The Distributed Energy Resources ("DER") Programme enables customers to self-consume electricity from their renewable energy systems, reducing grid-related charges through net-metering. Customers can also sell excess electricity to CUC at a credit rate. By implementing demand rate structures, the programme aligns fixed costs of grid interconnection with demand charges, preventing cross-subsidisation. This initiative supports the growth of renewable energy participation, contributing to lower greenhouse gas emissions and a reduced carbon footprint for the country. In 2023, the Company released 6 MW of capacity for the CORE and DER Programmes. On March 1, 2023, 3 MW of capacity was made available for customer participation, followed by an additional 6

MW on July 19, 2023. This decision was based on a study conducted by CUC indicating that, until the completion of its 20 MW BESS project, the consumer costs associated with additional intermittent generation at current programme rates would be economically offset by the savings from displaced fuel at current prices.

In April 2023, Customer Services spearheaded a cross-departmental effort to draft and submit a proposal to the Regulator for an additional distributed renewable energy programme. This initiative aims to offer more options for customer-sited renewable energy interconnections while preventing cost shifts to non-participants. The project involved comprehensive feasibility modelling using data from existing renewable energy customers to demonstrate potential value and comparative net-billing outcomes. It also included thorough testing of billing and metering configurations to support the programme concept and potential implementation, as well as the creation of detailed terms and conditions, an application form, and a programme rationale for regulatory review. In 2024, another 4.4 MW of capacity for the CORE programme was released.

There is a strong connection between energy affordability and GHG emissions. Many of CUC's initiatives aimed at educating customers and promoting energy-saving programmes not only help reduce electricity usage but also lower energy bills.

Governance

Spotlight: 35th Year Celebration on The Toronto Stock Exchange

On September 10, 2025, CUC proudly celebrated a major milestone—35 years since becoming the first Cayman based company to be listed on an international stock exchange.

Our listing on the Toronto Stock Exchange (“TSX”) for over three decades has not only demonstrated strong governance and transparency but has also opened a gateway to inclusive economic prosperity for the Company.



As a publicly traded Company on the TSX, we have been able to continue empowering the communities in which we serve. Notably, being listed on the TSX has enabled CUC to offer a Customer Share Purchase Plan, giving customers the opportunity to become part-owners of the Company, share in our success, and thereby strengthen the bond between CUC and the community. This historic achievement, dating back to 1990, has fuelled investments, giving us critical access to international capital markets, enabling us to fund essential infrastructure projects, and improve grid resiliency. This pivotal moment in CUC’s corporate ventures has also sparked vital infrastructure investments over the decades, driving progress across energy, transportation, tourism, and public services.

This initiative has, for decades, promoted economic inclusion and shared prosperity, with financial returns that can be reinvested in the community. As CUC grows, our commitment to putting the community first remains unchanged. By creating pathways for local participation in ownership, we promote economic inclusion and ensure that the benefits of our growth extend beyond shareholders to the wider Cayman community.

We seek to advance continued expansion of initiatives that foster local investment opportunities and deepen our stakeholder engagement, reinforcing our role as a trusted partner in Grand Cayman’s sustainable future.

Governance

ESG Governance Structure

The primary role of CUC’s Board of Directors is to ensure effective leadership and oversight in key areas such as strategy, leadership and succession planning, risk management and corporate governance. The Board focuses on customer needs, business objectives, strategic initiatives, and the regulatory regime.

The Board consists of a majority of independent directors, along with CUC’s CEO for operational expertise. To this, the Board of Directors consists of 67% of independent and unrelated directors. Additionally, it includes a CEO of a Fortis subsidiary that is not directly affiliated with CUC and a vice president, a senior vice president and an executive vice president of Fortis. To ensure the Board remains informed on evolving sustainability related risks and opportunities, Board members engage in continuing education which in 2024 included a dedicated session on climate change risk.

Complementing this oversight, management is tasked with the practical assessment and management of sustainability and climate related-risks and

opportunities through the implementation of the enterprise-wide risk management program.

During 2025, CUC had three Board Committees to support the Board to ensure effective leadership and provide oversight of CUC: the Audit Committee, Human Resources Committee (the “HR Committee”) and the G&S Committee (together the “Committees”). In 2025, the Board, the Audit Committee, and the G&S Committee each held four meetings. The HR Committee held three meetings.

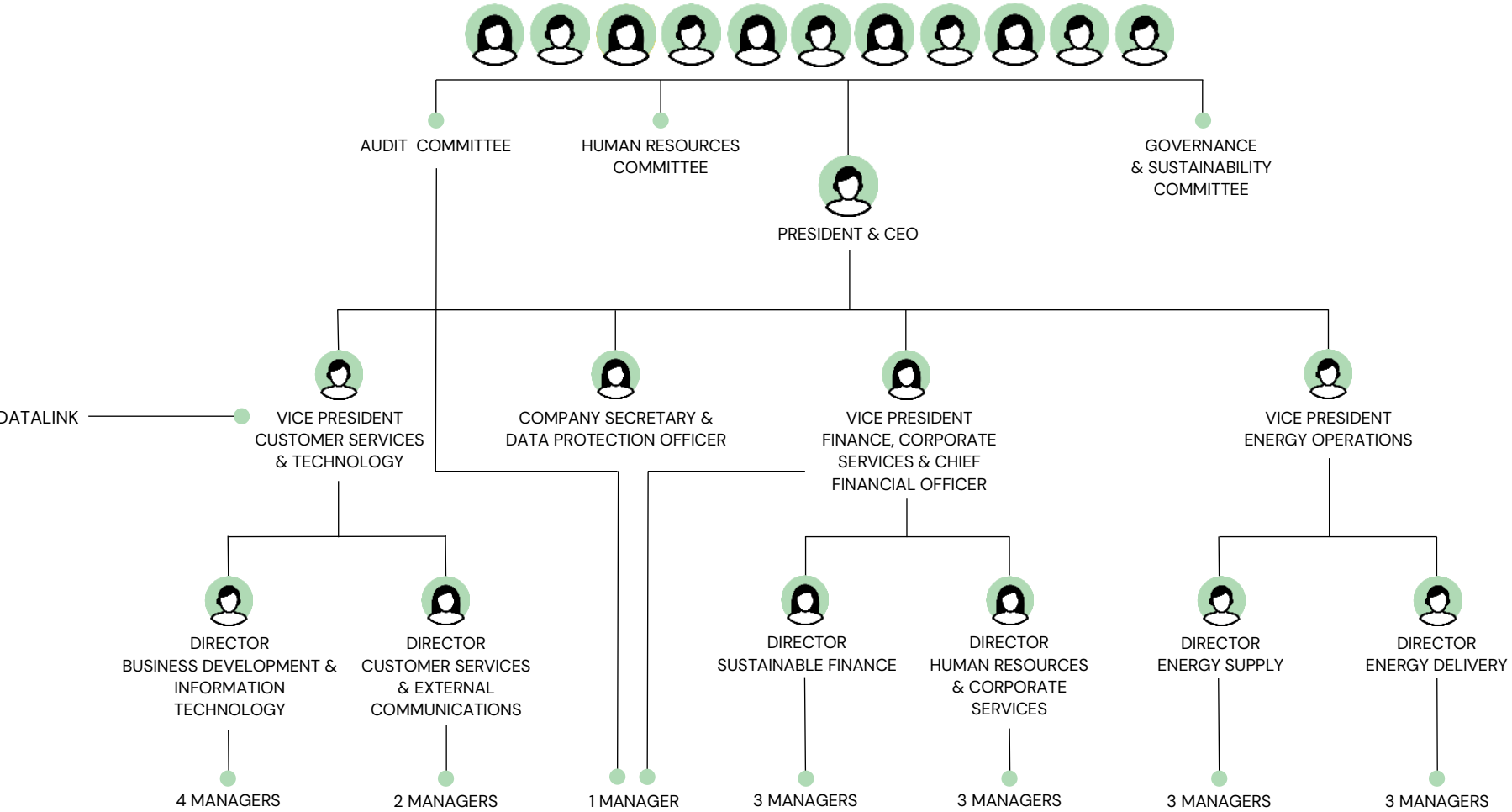
The G&S Committee is responsible for oversight of ESG factors, including climate change factors. This is supported by CUC’s Vice President of Finance, Corporate Services, and Chief Financial Officer, who has accountability for managing ESG factors at the Executive level.

Each Committee has a written mandate that establishes the activities or areas of oversight in the Company’s business to which the Committee is required to devote its attention. The Chair of each Committee is responsible for ensuring compliance with these mandates.

Committee	Role	Independence
Audit Committee	Ensure integrity of financial information, the clarity in reporting and greater transparency in disclosure.	100%
Human Resources Committee	Responsible for the development and administration of the comprehensive programme for the Company’s senior officers and succession planning within the ranks of senior management subject to the Board’s approval.	50%
Governance and Sustainability Committee	Responsible for the development and enforcement of Board and Committee mandates, key policies and guidelines relating to Company compliance with all corporate governance requirements including Board renewal and composition. Provide oversight of ESG factors.	60%

Governance

BOARD OF DIRECTORS



Governance

Governance and Sustainability (G&S) Committee

The G&S has diligently evaluated the Board's composition to ensure a diverse and robust mix of knowledge, skills, and experience, while maintaining a majority of independent directors. Our goal is to strike a balance between seasoned insight and fresh perspectives, allowing for a more dynamic approach to governance. As part of this effort, we are proud to note that 58% of our Board members possess expertise in ESG matters. The Company believes that diversity, encompassing professional backgrounds, educational experiences, and personal qualities such as gender, age, ethnicity, and cultural heritage, enhances our discussions and decision-making.

The G&S Committee is tasked with nominating individuals for Board elections and advising on director compensation. The Committee also oversees the development and enforcement of key governance policies and guidelines, ensuring compliance with corporate governance standards, particularly concerning Board renewal and member composition.

To continually improve effectiveness, the G&S Committee conducts annual confidential surveys to gather feedback from each Board member about the performance of the Board and its Committees. The results are compiled, summarised, and reported back to the G&S Committee, the relevant Committees, and the Board Chair, ensuring that all voices contribute to our governance process.

Furthermore, the Board and the G&S Committee receive quarterly ESG and climate-related updates demonstrating that CUC's ongoing commitment to sustainability is a Company-wide approach. We are pleased to report that the Board has also approved the 2025 and 2026 Sustainability Plan, which includes budgets, metrics, and specific targets focused on advancing our ESG initiatives. This strategic approach positions us to drive meaningful impact while reinforcing our commitment to responsible corporate stewardship.

Board Composition and Diversity

The Board looks for potential directors whose backgrounds fit the Company's

strategic objectives the Board actively seeks potential directors whose backgrounds align with the Company's strategic objectives and business challenges. A key focus for the G&S Committee is the importance of diversity in shaping Board composition and executive leadership. The G&S Committee evaluates various aspects of diversity, including gender, ethnic background, geographic representation, and other personal characteristics that enrich the Board's perspectives.

CUC has adopted a Diversity, Equity, and Inclusion Policy (the "DEI Policy") that outlines the foundational principles guiding our commitment to diverse leadership at both the Board and executive levels. We firmly believe that a Board composed of highly qualified individuals from diverse backgrounds enhances corporate governance, improves Board performance, and facilitates informed decision-making. To support the G&S Committee's diversity objectives, the Company's Articles and Governance Guidelines include age and term-limit provisions that foster ongoing renewal on the Board, ensuring fresh perspectives and proactive diversity considerations. Recognising the critical importance of diversity, we also understand that it should be reflected in our approach to executive leadership.

The Board prioritises the representation of women, both on the Board itself and within executive leadership roles. As part of this commitment, management and the G&S Committee have developed and will maintain a robust list of potential qualified nominees, specifically including women, for future Board appointments. In identifying candidates for executive management positions, the Company evaluates talent based on a range of competencies alongside a commitment to diversity, including gender. Additionally, we maintain a curated list of top talent for potential executive management roles, with a focus on mentorship and development opportunities to support women in leadership.

Business Ethics and Transparency

CUC has in place a Code of Business Conduct and Ethics ("Code") which outlines our commitment to the highest standards of ethical business practice and conduct. Annually, all CUC's employees must certify that they have read and understand the Code along with other key governance policies. Employees and

Governance

members of the Board must also confirm that they are not aware of any violations to this Code.

Other key governance policies include:

- + The Respect in the Workplace Policy, which outlines inappropriate behaviour and the course of action to file formal complaints.
- + The Speak-Up Policy¹⁵ which is in place to support reporting behaviour not aligned with the Code and other CUC's policies. The Speak-Up Policy outlines procedures for directors, officers and employees of the Company to report suspected violations of the Ethics Code to the Chair of the Audit Committee and other designated individuals. The Policy prohibits retaliation against any individual or group who reports and outlines a clear process for reporting incidents and investigation.
- + The Anti-Corruption Policy affirms CUC's compliance with all applicable anti-corruption legislation, and the Company's continuing commitment to such compliance, by establishing rules and providing guidance for conducting business in accordance with such anti-corruption legislation. CUC has also adopted Anti-Corruption Procedures which supplement the Policy and provide practical guidance on how the Policy is to be operationalised.

Risk Management

Integration of Key Risk Indicators ("KRIs") into Enterprise-Wide Risk Management ("ERM")

The Enterprise-Wide Risk Management (ERM) policy is a standardised risk rating scale that can be used across the Company to assess risks from various types of events, including malicious damage, climate events, risks and asset failure.

The ERM calculates risk as: Risk = Probability of Event x Severity of Impact.

CUC integrates ESG and climate-related risks directly into its ERM policy, ensuring they are assessed, prioritised, and managed alongside all other strategic and operational risks. CUC's ERM policy was revised in February 2023 to reflect ESG items and to actively incorporate them into the impact criteria. The ERM

policy explicitly states that the risk management process is undertaken "*in conjunction with strategic planning and ESG Materiality Assessment*", and that ESG risks are included in the Company's objective to promote "*awareness and understanding of the real and significant business risks, including Environment, Social and Governance (ESG) risks*". Results from the ESG Materiality Assessment explicitly inform risk identification, analysis, and prioritization, with ESG considerations embedded in the risk rating criteria and monitored through Key Risk Indicators ("KRIs"). This integration ensures that climate-related risks, including physical risks such as storms, sea-level rise, and extreme weather, are incorporated into annual ERM reviews, action plans, and reporting to Executive Management and the Board.

The results of the ESG Materiality Assessment have been used to enhance incorporation of material ESG risks in broader Enterprise Risk Management. In support of the achievement of strategic and operational goals, a principal objective of the Company's risk management program is to provide a framework for all levels of management which will enable, support and promote awareness and understanding of the real and significant business risks, including ESG risks, and their impact.

In November 2025, we underwent a significant enhancement to our Enterprise Risk Management framework. This milestone represents years of development, marking a shift from solely metric tracking to a robust, data-driven approach that strengthens governance and risk oversight. Previously, our ERM process relied on isolated metrics, limiting visibility into emerging risks. Now, we have robust data enabling:

- + Risk Tracking: continuous monitoring of operational and financial indicators.
- + Proactive Planning: early identification of trends to inform strategic decisions.
- + Mitigation: target actions to address risks before they arise or escalate.

^[15] Previously called the "Whistle-Blower Policy".

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This review session in November 2025 was done to cover key updates and the KRIs were categorised across five critical risk areas:

1. Informational Technology
2. Asset Management
3. Reputation
4. Financial
5. Human Resources

Each indicator is assessed against defined risk tolerances and categorised as:

- + Acceptable: Positive operational/financial results; no tolerance breached.
- + At risk: Negative trends emerging; potential tolerance breach.
- + Requires mitigation: Negative trends confirmed; some tolerances breached.

This critical revision to ERM, with the inclusion of robust data for KRIs, ensures ongoing integration of risk insights into CUC's planning and decision-making. By embedding KRIs into governance processes, we are building resilience, enhancing transparency and reinforcing stakeholder confidence.

Cybersecurity

Cybersecurity is an increasingly important part of overall business resilience. We follow Fortis' Cybersecurity Risk Management Program ("CRMP"), which strengthens security across its subsidiaries through shared information and coordinated practices. The CRMP is aligned with the National Institute of Standards and Technology ("NIST") Cybersecurity Framework, ISO 27001, and the North American Electric Reliability Corporation Critical Infrastructure Protection ("NERC-CIP") standards. Through this programme, CUC identifies, monitors, and manages cybersecurity risks across the Company and participates in regular cybersecurity meetings with other Fortis subsidiaries to exchange insights, best practices, and emerging threat information.

Employees are required to complete mandatory monthly security awareness training, and CUC provides quarterly cybersecurity report updates to CUC's G&S Committee. These updates include key risk items, significant incidents or breaches, phishing activity, and results from penetration testing conducted since the previous report.

As part of our ongoing commitment to strengthening cybersecurity, we transitioned our Security Awareness Training programme to a leading platform in Q1 2026. The platform provides enhanced reporting, interactive learning modules, and more effective phishing simulations, supported by a "Phish Alert" button in Outlook. We also maintain a Cybersecurity Incident Response Plan, reviewed and updated annually, which outlines roles,



Our highly qualified IT team ensures the Company's systems are well protected

Governance

responsibilities, and procedures for responding to cybersecurity events. Our cybersecurity policy is also in place to guide day-to-day practices.

Supply Chain Management

With respect to Supply Chain Management, CUC is currently developing a comprehensive third-party risk management policy. The scope of this policy covers the full lifecycle of third-party engagement, including initial selection, risk assessment, onboarding, ongoing performance monitoring, periodic re-evaluation, and contract closure. Once implemented, this framework will support CUC's oversight of environmental and social risks within our supply chain and strengthen due-diligence processes for third-party vendors.

Regulatory Environment and Framework

The principal activity of the Company is to generate, transmit, and distribute electricity in its licence area of Grand Cayman, Cayman Islands pursuant to a 20-year exclusive Transmission & Distribution ("T&D") Licence and a 25-year non-exclusive Generation Licence (together, the "Licences") granted by the Government. The T&D Licence, which expires in April 2028, contains provisions for an automatic 20-year renewal and the Company has reasonable expectation of renewal until April 2048. The Generation Licence expires in November 2039.

The Company is regulated by URCO, formerly referred to as OfReg, which has the overall responsibility of regulating the electricity, information and communications technology, and the petroleum industries in the Cayman Islands. URCO assesses CUC's performance against the performance standard expectations in accordance with the Utility Regulation and Competition Office Act (2024 Revision). Performance standards provide a balanced framework of potential penalties or rewards compared to historical performance in the areas of planning, reliability, operating and overall performance. Standards include "zones of acceptability" where no penalties or rewards would apply. A licence fee of \$2.9 million per annum and a regulatory fee of \$1.4 million per annum are payable to the Government and URCO in quarterly instalments. Both fees apply exclusively to customer billings with monthly consumption exceeding 1,000 kWh and are charged as pass-through rates. Pass-through rates are charges collected on behalf of third parties, with no markup by the Company. In February 2025, URCO

authorised a reduction in licence and regulatory fees from \$0.0185 to \$0.0011 per kWh. As we move towards a future informed by sustainable corporate oversight, the regulatory framework established by URCO ensures our operations align with environmental, economic and social responsibilities. By adhering to performance standards and maintaining regulatory transparency we contribute to the sustainable development of Grand Cayman, reflecting our commitment to responsible electricity generation, transmission and distribution that benefits both our customers and the environment.

Regulatory Developments

Looking forward, the Company anticipates steady economic growth and increasing electricity demand in the Cayman Islands. It is well-positioned to deliver stable performance and long-term value, driven by targeted investments and constructive regulatory frameworks which support the Company's mission to provide safe, reliable, resilient and affordable energy. The Cayman Islands and prominently Grand Cayman is experiencing a significant movement towards renewable energy, reflecting a noteworthy change. For more details on the developments in renewable energy that are influencing our regulatory environment, please refer to the [*"Environment-Strategy-Utility Scale Solar, Solar and Storage Technical Validation Systems and Renewable Energy Planning"*](#) section of this Report. On August 1, 2025, the Company and URCO agreed on an approach to address the urgent need for additional generating capacity requirements for Grand Cayman. As part of this agreement, CUC voluntarily withdrew its Certificate of Need ("CON") originally submitted on June 7, 2024. Concurrently, URCO rescinded its Final Determination issued on April 24, 2025. A revised CON was approved by the Regulator on February 20, 2026, as a valid determination of the need for additional generation capacity. For full details of the CON development, please see our [*2025 Annual Report*](#). Regulatory decisions will remain a key factor in advancing strategic initiatives and sustaining financial stability. While the timing and scope of regulatory approvals remain a key dependency, the Company's proven track record in executing capital projects provides confidence in our ability to deliver sustainable returns. Subject to URCO's decision, the Company will continue to balance infrastructure investment with disciplined financial management, ensuring both growth and affordability for customers while creating long-term value for shareholders.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
GHG Emissions¹⁶ and Climate Change					
Total Scope 1 GHG emissions ¹⁷ (in tonnes of CO ₂ equivalent) ("tCO ₂ e") ‡ ¹⁸	500,004 ¹⁹	503,917 ¹⁹	485,966	449,587	436,880
Installed generation capacity (in MW) Diesel	164.70	165.95	165.95	165.95	160.95
Electricity purchased by CUC and resold for customer use (in MWh) Solar	21,447	22,146	22,344 ²⁰	21,992	21,337
Energy Affordability					
Average retail electric rate for residential customers (US\$ per kWh)	\$0.36	\$0.40	\$0.41	\$0.36	\$0.31
Average retail electric rate for commercial customers (US\$ per kWh)	\$0.39	\$0.43	\$0.44	\$0.41	\$0.33
Typical monthly electric bill for residential customers for 500 kWh of electricity delivered per month (US\$)	\$185.26	\$197.93	\$204.88	\$197.38	\$154.68
Typical monthly electric bill for residential customers for 1,000 kWh of electricity delivered per month (US\$)	\$362.53	\$388.16	\$402.32	\$387.83	\$302.43
Number of residential customer electric disconnection for non-payment	5,015	3,627	4,088	2,964	3,066
Percentage of residential customer disconnections for non-payment that were reconnected within 30 days	94.9%	98.3%	98.3%	97.5%	94.4%

^[16] GHG Emissions are stated in tonnes of CO₂ -equivalent using 100-year time horizon global warming potentials (GWPs) per the IPCC Fifth Assessment Report (AR5) for 2024 and 2025, and the IPCC Fourth Assessment Report (AR4) for the remaining historical years. CUC has selected 2019 as the baseline year for GHG emissions reporting under the GHG Protocol. This year represents the earliest period for which complete Scope 1 emissions data is available. While assurance was not obtained for 2019 Scope 1 emissions, which totalled 443,070 metric tonnes of CO₂ -equivalent, it remains consistent with our current methodology. The impact of the transition to GWPs per the AR5 is immaterial and CUC has not restated the 2019 baseline year.

^[17] CUC derives its GHG data for Scope 1 inventory primarily from monthly fuel tank dip measurements. These measurements are integral to CUC's regulatory compliance, as they are used in monthly fuel charge calculations and quarterly regulatory reports that include fuel consumption data submitted to the Regulator. Detailed records of fuel consumption volumes are maintained, and emission factors are applied to calculate the associated emissions. In instances where regulatory submission data is unavailable, CUC utilizes the best available activity data, such as facility fuel consumption data, along with greenhouse gas emission factors sourced from the U.S. EPA's GHG Emission Factors Hub (2025) to calculate emissions. While we do not currently track Scope 2 emissions, our Scope 1 emissions encompass CO₂, CH₄, N₂O, and SF₆, excluding immaterial emission sources (<1% of total Scope 1 inventory), such as comfort heating and refrigerants (HFCs). This assessment considers all direct emissions within our organizational boundary, specifically those arising from our power generation and operational plant activities. CUC has adopted the financial control approach to consolidate GHG emissions within its organizational boundary, as defined by the GHG Protocol. This approach was selected to align the GHG inventory with CUC's parent company, Fortis Inc.'s financial reporting.

^[18] 11 KPIs relevant to our operations were directly aligned with CUC's 2025 ESG priorities. The KPIs included in this report are denoted in the Appendices: Performance Indicator Results/Summary with "‡". For more details see section on "Spotlight: Enhancing Internal Control over Sustainability Reporting ("ICSR")".

^[19] CUC's 2025 and 2024 Scope 1 GHG emissions have received third-party limited assurance.

^[20] The figures presented have been updated following data collection enhancements and accuracy revisions. Earlier estimates in previous reports may differ from current values.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Health and Safety and Emergency Management					
Total recordable incident rate (TRIR) ²¹ ‡	1.8	2.4	2.8	2.2	2.2
Lost time injury frequency rate (LTIFR) ²²	0.7	0	1.2	0.4	0.9
Fatality rate	0	0	0	0	0
All Injury Frequency Rate (AIFR)	1.8	2.4	2.4	1.8	1.8
Near Miss Frequency Rate (NMFR) ²³	1.4	1.6	2.0	4.8	2.6
Grid Resiliency					
Number of incidents with non-compliance with physical and/or cybersecurity standards or regulations	0	0	0	0	0
System Average Interruption Duration Index (SAIDI) ²⁴ , under normal operations ‡	1.26	1.81	1.67	2.05	2.29
System Average Interruption Duration Index (SAIDI), inclusive of major event days	1.43	2.63	2.93	3.35	4.45
System Average Interruption Frequency Index (SAIFI) ²⁵ , under normal operations	1.21	2.36	2.12	1.89	2.66
System Average Interruption Frequency Index (SAIFI), inclusive of major event days	1.42	2.45	2.98	2.33	3.67
Customer Average Interruption Duration Index (CAIDI) ²⁶ , under normal operations	1.04	0.77	0.79	1.09	0.86
Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	1.01	1.07	0.98	1.44	1.21

^[21] Number of injuries including job transfers not requiring medical treatment for every 200,000 hours worked.

^[22] Number of lost time injuries for every 200,000 hours worked.

^[23] A near miss is defined as an unplanned incident in which no property or environmental damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift.

^[24] Customer hours of interruption per customer served.

^[25] Number of times that a customer experiences an outage.

^[26] Amount of time required, in hours, to restore service once an outage has occurred.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Operations Indicators					
Financial Indicators					
Total value of assets (US\$ millions)	879.6	851.0	777.8	726.5	634.2
Percentage of total assets associated with energy delivery	59%	57%	56%	56%	56%
Percentage of total assets associated with electricity generation	41%	43%	44%	44%	44%
Percentage of non-renewable generation	100%	100%	100%	100%	100%
Percentage of renewable generation	0%	0%	0%	0%	0%
Customer Information					
Number of electricity customers	35,082	34,280	33,611	33,119	32,185
Percentage of residential customers	86.1%	86.0%	85.9% ²⁷	85.8%	85.6%
Percentage of small commercial customers	13.6%	13.7%	13.9%	13.9%	14.1%
Percentage of large commercial customers	0.3%	0.3%	0.3%	0.3%	0.3%
Electricity Transmission and Distribution ("T&D")					
Total kilometres of electricity T&D lines	789	789	737	806	791
Percentage of distribution lines	89.7%	89.7%	88.9%	90.0%	89.8%
Percentage of transmission lines	10.3%	10.3%	11.1%	10.0%	10.2%

²⁷ The figures presented have been updated following data collection enhancements and accuracy revisions. Earlier estimates in previous reports may differ from current values.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Operations Indicators <i>(continued)</i>					
Air Quality					
NO _x emissions (in ktonnes)	9.70	9.78	9.42	8.72	8.47
SO ₂ emissions (in ktonnes)	0.005	0.005	0.004	0.004	0.004
Mercury emissions (in kilograms)	3.68	3.68 ²⁸	*29	*29	*29
Particulate matter emissions (in ktonnes)	0.30	0.31	0.29	0.27	0.26
Water Management					
Groundwater withdrawn (in million cubic metres ("m ³ ") ‡)	31.24	30.81	28.63	28.04	28.04
Water consumed in electricity generation, covering significant use (in million cubic metres ("m ³ ") ‡)	0.03	0.04	0.03	0.02	0.02
Waste Management					
Total amount of hazardous waste manifested for disposal (in ktonnes)	0	0	0	0	0
Total amount of recycled hazardous waste (in ktonnes)	0.00287	0.00278	0.00546	0.00398	0.82
Biodiversity Impacts					
Number of spills or releases with an associated fine	0	0	0 ³⁰	0	0

^[28] Mercury values were not included in previous reporting cycles. The observed increase in 2024 reflects the commencement of mercury monitoring this year rather than a true rise in mercury levels.

^[29] The asterisks ("**") in the table indicates metric added in recent years and historical data was not available.

^[30] A spill occurred on October 28, 2023. The Company is currently in discussions with the regulator to determine if any administrative fines or penalties will be imposed.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Operations Indicators <i>(continued)</i>					
Corporate Governance and Business Ethics and Transparency					
Percentage of independent directors on the Board of Directors	67%	67%	73%	82%	83%
Percentage of directors with ESG skills and experience on the Board of Directors ‡	58%	58%	64%	55%	58%
Percentage of employees that have received training on CUC's Code of Business Conduct and Ethics Policy	100%	100%	100%	100%	100%
Percentage of employees that have received training on CUC's Anti-Corruption Policy	100%	100%	100%	100%	100%
Board of Directors					
Percentage of female directors ‡	50%	50%	64%	55%	42%
Age					
Percentage of directors under 60	50%	50%	64%	64%	50%
Percentage of directors 60 to 65	25%	25%	9%	36%	33%
Percentage of directors 66 and older	25%	25%	27%	0%	17%
Number of Employees³¹					
Total number of employees	292	275	263	253	239
Employee Diversity					
Percentage of male employees	79%	78%	77%	79%	80%
Percentage of female employees	21%	22%	23%	21%	20%

^[31] An employee includes any individual who has a direct employment relationship with the Company as at December 31 of the calendar year.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Operations Indicators <i>(continued)</i>					
Management³² Diversity					
Percentage of male management	64%	60% ³³	62% ³³	55%	67%
Percentage of female management	36%	40% ³³	38% ³³	45%	33%
Executive³⁴ Diversity					
Percentage of male executives	60%	60%	60%	50%	60%
Percentage of female executives	40%	40%	40%	50%	40%
Employees					
Percentage of employees under 30	17%	18%	17%	21%	18%
Percentage of employees 30 to 50	53%	49%	51%	54%	55%
Percentage of employees over 50	29%	33%	32%	25%	27%
Average age of employees	41.5	41.9	41.9	41.7	41.7
Management					
Percentage of management under 30	0%	0%	5% ³³	5%	0%
Percentage of management 30 to 50	72%	88% ³³	81% ³³	80%	83%
Percentage of management over 50	28%	12% ³³	14% ³³	15%	17%

^[32] An employee is considered Management if they hold the position of Manager or Director.

^[33] The figures presented have been updated following data collection enhancements and accuracy revisions. Earlier estimates in previous reports may differ from current values.

^[34] An employee is considered Executive if they hold the position of Company Secretary, Vice President, Senior Vice President, Executive Vice President or President & Chief Executive Officer.

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Operations Indicators <i>(continued)</i>					
Executives					
Percentage of executives 30 to 50	20%	20%	40%	50%	60%
Percentage of executives over 50	80%	80%	60%	50%	40%
Turnover and Retention					
Average years of employment	12.47	11.91	11.37	7.81	12.16
Percentage of employees eligible to retire in 5 years	6.16%	5.45%	5.32%	4.38%	4.24%
Percentage of employees eligible to retire in 10 years	11.30%	16.36%	17.11%	24.30%	13.98%
Hiring					
Percentage of job vacancies filled by existing employees	53%	42%	43%	54%	65%
Percentage of job vacancies filled by new employees	47%	58%	57%	46%	35%
Percentage of job vacancies filled by males	83%	80%	77%	71%	65%
Percentage of job vacancies filled by females	17%	20%	23%	29%	35%

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Employee Training and Development					
Total employee training spent (US\$ thousands)	941.67	1,075.9	1,040.6	581.5	353.2
Total employee training spent per employee (US\$)	3,225	3,912	3,957	2,298	1,478
Total employee training hours	22,713	26,276	14,213	9,245	7,288
Total training hours per employee	77.8	96	54	37	30
Full-time employees that received annual performance appraisals (% of full-time employees)	100%	100%	100%	100%	100%
Economic Value Distributed (US\$ thousands)					
Cost paid for energy supply	5,925.73	6,028.4	6,355.1	6,027.6	5,830.2
Cost paid for finance charges	4,870	5,854	6,455	4,775	4,808
Total amount paid to common shareholders in dividends	30,339	27,358	24,114	23,507	23,569

Appendix A:

Performance Indicator Results/Summary

Description	2025	2024	2023	2022	2021
Community Relations					
Community Donations (US\$ thousands)					
Arts and Culture	6.3	13.7	13.4	4.8	11.9
Biodiversity	17.3	11.9	13.8	14.0	9.0
Education	157.0	224.3	128.4	313.1	186.2
Environment and Safety	4.3	6.1	4.3	4.8	10.9
Health and Wellness	108.1	66.2	68.9	53.8	63.3
Small Businesses	31.7	13.1	10.7	23.5	4.8
Social Development	28.0	42.5	51.5	27.7	12.8
Other ³⁵	64.0	63.8	112.1	2.8	149.0

^[35] Includes Covid-19 community support in 2021.

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
Greenhouse Gas Emissions and Energy Resource Planning		
IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	(1) 500.004 metric tons CO ₂ e (2) 0% (3) 0%
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	499,701 metric tons CO ₂ e
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	See section on GHG Emissions and Climate Change (pages 23 to 38)
Air Quality		
IF-EU-120a.1	Air emissions of the following pollutants (listed in metric tons): (1) NO _x (excluding N ₂ O) (2) SO _x (3) particulate matter (PM ₁₀) (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population	(1) 9,704 metric tons (2) 4.59 metric tons (3) 303.25 metric tons (4) 0 metric tons (5) 3.68 metric tons 0% emissions in or near areas of dense population. ³⁶

^[36] According to SASB, urbanized areas are defined as densely developed residential, commercial, and other non-residential areas with a population greater than 50,000. The plant is located in George Town which has a population of 40,957 (Per ESO 2022 Compendium of Statistics).

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
Water Management		
IF-EU-140a.1	(1) Total water withdrawn (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	(1) 31,240 thousand cubic metres (2) 30 thousand cubic metres 0% of water withdrawn and water consumed was in regions with High or Extremely High Baseline Water Stress. As per the WRI Water Risk Atlas, the Cayman Islands are considered to be a region of low water stress (<10%).
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	0
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	See section on Water Management (page 43-44)
Coal Ash Management		
IF-EU-150a.1	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	Not applicable The Company does not utilise coal in electricity generation.
IF-EU-150a.3	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	Not applicable The Company does not utilise coal in electricity generation.

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
Energy Affordability		
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers (US\$ per kWh)	(1) \$0.36 per kWh (2) \$0.39 per kWh (3) \$0.35 per kWh
IF-EU-240a.3	(1) Number of residential customer electric disconnections for non-payment (2) percentage reconnected within 30 days	(1) 5,015 (2) 94.9%
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	The following external factors can impact customer affordability of electricity: inflation rates, fuel costs, pandemic implications, climate change, infrastructure, resiliency costs, employee retention costs and supply costs. For more details, see the section Energy Affordability (pages 52–53).
Workforce Health and Safety		
IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	(1) 1.8 (2) 0 (3) 1.4 Figures reflect direct employees solely; contractors are excluded due to resource constraints limiting data availability.

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
End-Use Efficiency and Demand		
IF-EU-420a.2	Percentage of electric load served by smart grid technology	100% ³⁷
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	CUC is not currently tracking customer electricity savings from efficiency measures and programmes. See sections Energy Affordability (pages 52–53) and Grid Resiliency (page 6) for more details on CUC's programmes to promote customer efficiency.
Nuclear Safety and Emergency Management		
IF-EU-540a.1	Total number of nuclear power units, broken down by results of most recent independent safety review	Not applicable The Company does not operate any nuclear power units.
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable The Company does not operate any nuclear power units.

^[37] Represents the percentage of customers with AMI meters. See page 7 in the *Grid Resiliency* section for more information on AMI meters.

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI) (2) System Average Interruption Frequency Index (SAIFI) (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	(1) Under normal operations: 1.26 hours Including major event days: 1.43 hours (2) Under normal operations: 1.21 hours Including major event days: 1.42 hours (3) Under normal operations: 1.04 hours Including major event days 1.01 hours The following were the notable service disruptions during 2025: (1) On July 30, 2025, transformer tripped due to activation of high winding temperature protection. (2) On December 24, 2025, feeder tripped due to a termite damaged tree falling onto the feeder line.

Appendix B:

SASB Index

Electric Utilities and Power Generators

SASB Code	Accounting Metrics	Response
Activity Metrics		
IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	(1) 30,209 (2) 4,759 (3) 114
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers (MWh)	(1) 414,467 MWh (2) 156,966 MWh (3) 190,825 MWh (4) 4,267 MWh (5) Not applicable; the Company does not have any wholesale customers.
IF-EU-000.C	Length of transmission and distribution lines (km)	789 km
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets (MWh/%)	(1) 773,586 MWh generated (2) 100% of CUC's owned generation comes from diesel (3) 100% generated in regulated markets
IF-EU-000.E	Total wholesale electricity purchased ³⁸ (MWh)	7,832 MWh

^[38] Represents the amount of electricity purchased from the 5MW BRM Solar Farm and excludes electricity purchased under the CORE and DER programmes.

Appendix C:

TCFD Index

Category	Recommendation	Supporting Recommended Disclosures	Response
Governance	Disclose the organisation's governance around climate-related risks and opportunities	(a) Describe the board's oversight of climate-related risks and opportunities	<i>GHG Emissions and Climate Change Governance</i> (pages 23 to 25)
		(b) Describe management's role in assessing and managing climate-related risks and opportunities	<i>GHG Emissions and Climate Change Governance</i> (pages 23 to 25)
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	<i>GHG Emissions and Climate Change Strategy</i> (pages 25 to 38)
		(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	<i>GHG Emissions and Climate Change Strategy</i> (pages 25 to 38)
		(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<i>GHG Emissions and Climate Change Governance</i> (pages 25 to 38)
Risk Management	Disclose how the organisation identifies, assesses and manages climate-related risks	(a) Describe the organisation's processes for identifying and assessing climate-related risks	<i>GHG Emissions and Climate Change Risk Management</i> (page 36)
		(b) Describe the organisation's processes for managing climate-related risks	<i>GHG Emissions and Climate Change Risk Management</i> (page 36)
		(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	<i>GHG Emissions and Climate Change Risk Management</i> (page 36)

Appendix C:

TCFD Index

Category	Recommendation	Supporting Recommended Disclosures	Response
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<i>GHG Emissions and Climate Change Metrics and Targets</i> (page 37)
		(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	<i>Appendix A: Performance Indicator Results</i> (page 61)
		(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<i>GHG Emissions and Climate Change Metrics and Targets</i> (page 37)

Independent practitioner's assurance report

To the Management of Caribbean Utilities Company, Ltd.

Scope

We have been engaged by Caribbean Utilities Company, Ltd. ("CUC") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on CUC's total scope 1 Greenhouse Gas (GHG) emissions (the "Subject Matter") for the year ended December 31, 2025, contained in the 2026 Sustainability Report (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by CUC

In preparing the Subject Matter, CUC applied the applicable guidance contained within the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (the "Criteria").

CUC's responsibilities

CUC's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (“ISAE”) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- + Conducting interviews with relevant personnel to obtain an understanding of the business and process for collecting, collating and reporting on the Subject Matter;
- + Undertaking analytical procedures, making inquiries of relevant personnel, comparing data to underlying source information on a limited sample basis, and reperformance of select calculations; and
- + Checking the presentation of the Subject Matter and applicable disclosures in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2025, is not prepared, in all material respects, in accordance with the Criteria.



Chartered Professional Accountants
Licensed Public Accountants

September 8, 2026
Toronto, Canada

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2025 :

Subject Matter	Criteria	Reported Value	Unit
Total Scope 1 GHG Emissions	The GHG Protocol: A Corporate Accounting and Reporting Standard ¹	500,004	tCO ₂ e

¹ Significant contextual information necessary to understand how the data has been compiled has been disclosed in the Report.

Forward-Looking Information

Caribbean Utilities Company, Ltd. (“CUC” or the “Company”) includes “forward-looking information” and “forward-looking statements” in this sustainability update report within the meaning of applicable Canadian securities laws collectively referred to as (“forward-looking information”).

Forward-looking statements and information included in this Report reflects the expectations of CUC’s management regarding anticipated future events, results of operations, circumstances, performance or expectations with respect to the Company and its operations, including its strategy and financial performance and condition. Forward looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts”, “schedules”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”. Forward-looking statements and information include, without limitation, statements or information relating to: the Company’s monitoring of its ESG performance using leading and lagging metrics; the expected impacts of implementing CUC’s Supply Chain Management framework; anticipated investments as part of the Company’s Capital Investment Plan; the Company’s planned activities as a member of the Energy Policy Implementation Committee; the expected savings created by upgrading to LED streetlights; the expected commissioning of solar photovoltaic systems at select substations; the expected impact and timing of climate-related weather events; the anticipated renewal of the Company’s T&D License; the Company’s expectations about economic growth and electricity demand in the Cayman Islands; the progress and outcomes of requests for proposal; the ability of the Company to implement, achieve and/or integrate into its corporate strategy its sustainability, environmental and human resources targets, goals, policies and practices; and the intended outcomes of CUC’s initiatives.

Forward-looking statements are based on underlying assumptions and management’s beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Some of the important risks and uncertainties that could affect forward looking statements include but are not limited to operational, general economic, market and business conditions, regulatory developments and weather. CUC cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialise or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

Unless otherwise specified, all financial and monetary information referenced in this report is expressed in United States dollars.

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Cover Photo:
For the past 60 years, our Company’s enduring success has been driven entirely by the remarkable dedication, talent and passion of our employees.



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