Emera

2021
SUSTAINABILITY
REPORT

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# Message from Committee Chair and President & CEO

Our Environmental, Social and Governance (ESG) commitments are at the heart of what we do. These commitments drive our strategic focus on delivering cleaner, affordable and reliable energy to our customers and they inspire us to deliver for our team, our customers, our communities and our shareholders.

Our 2021 Sustainability Report highlights how we're addressing the challenges and opportunities presented by the most material ESG factors for our stakeholders.

While our Environmental commitments continue to drive our growth, our approach to Social and Governance factors shape our culture. Our first priority is safety and continuing to build an Emera where no one gets hurt. We're committed to supporting our team of experts and advancing diversity, equity and inclusion in our workplaces and in our communities. We value the strong, respectful relationships we've built with partners everywhere we operate. As the nearly 7,100 members of the Emera team work to build a cleaner energy future, we're focused on delivering a better experience for our customers, building stronger communities and keeping each other safe.

As part of the clean energy transition, we continue to reduce our use of coal, increase renewables, invest in transmission and explore emerging technologies. Our proven strategy is addressing climate change at a pace that balances the need to invest in reliability without overlooking cost impacts for customers.

Since 2005, we've reduced $CO_2$ emissions by 39 per cent and our use of coal in generation by 65 per cent. We're proud of this progress but we recognize there is significant work ahead to reach ambitious government climate targets and deliver an energy transition of this speed and magnitude. There are critical factors that require collaboration and planning, including the relatively short transition timeline and the need to accelerate new technologies that are commercially viable, while ensuring reliability and addressing cost impacts. We're staying focused and working collaboratively with industry partners, governments and communities to find the right path to reducing carbon emissions toward net-zero.

Guided by the Task Force on Climate-related Financial Disclosures (TCFD), we've outlined our Climate Transition Plan including how it aligns with our business strategy, the strong governance it's subject to, how we assess, mitigate and address climate risk, and how we measure our progress.

Our key performance data is included throughout this report and our dedicated data section includes our ESG Performance, which highlights five years of progress across the key areas of our business. You'll also find our 2021 voluntary data submissions using the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards.

We're proud to share this update on our ESG commitments and the role we're playing in the energy transition. On behalf of the entire Emera team, thank you for your interest in the work we're doing to build a more sustainable future for our customers, communities, shareholders and each other.

As always, we welcome feedback and questions. Please reach out to sustainability@emera.com anytime.

**Jochen Tilk**
Chair, Risk and Sustainability Committee,
Emera Board of Directors

**Scott Balfour**
President and CEO, Emera Inc.

# About Emera

Headquartered in Halifax, Nova Scotia, Emera Inc. is a diverse energy and services company serving approximately 2.5 million customers in Canada, the US and the Caribbean.

With a strategic focus on delivering growth through the energy transition, we primarily invest in regulated electricity generation and electricity and gas transmission and distribution. Our ESG commitments help shape our strategy, stakeholder relationships and culture.

## Our Operating Companies

As of March 31, 2022

### TAMPA ELECTRIC
Vertically integrated electric utility serving 815,000 customers in west central Florida.

### NOVA SCOTIA POWER
Vertically integrated electric utility serving 536,000 customers in Nova Scotia.

### PEOPLES GAS
Natural gas utility serving 445,000 customers in Florida.

### NEW MEXICO GAS
Natural gas utility serving 540,000 customers in New Mexico.

### EMERA CARIBBEAN
Vertically integrated electric utilities serving more than 151,000 customers on the islands of Barbados and Grand Bahama.

### EMERA NEWFOUNDLAND & LABRADOR
Owns and operates the Maritime Link and manages Emera's investment in an associated project.

### EMERA ENERGY
Energy marketing and trading, asset management and optimization in Canada and the US.

### EMERA NEW BRUNSWICK
Owns and operates the Brunswick pipeline, a 145-kilometre natural gas pipeline in New Brunswick.

### EMERA TECHNOLOGIES
A technology company focused on finding new, innovative ways to deliver renewable and resilient energy to customers.

Water flows through a hydro dam at one of Nova Scotia Power's 31 hydroelectric plants across the province.

# Emera at a Glance

Data is as of December 31, 2021 and currency is CAD, unless otherwise indicated.

**$5.8B+**
revenue

**$34B**
total assets

**4%**
increase in management and senior leadership that identify as minorities since 2020[1]

**7,100+**
employees

**39%**
reduction in $CO_2$ emissions since 2005

**$5.3B+**
committed to cleaner, reliable energy through 2024

**1,365 MW**
installed renewable capacity

**65%**
reduction in use of coal in generation (GWh) since 2005

**42%**
of Board Directors are women, including our Chair[4]

**1.06 OSHA**
Injury Rate across Emera – 8% improvement over five-year average of 1.15[2]

**$13M**
invested in our communities – with $1.9M directed to diversity initiatives

**11.5%**
annualized total shareholder return over last 10 years

**$1.1B**
annual GDP generated in Nova Scotia where Emera is headquartered[5]

**95%+**
of adjusted net income[3], excluding corporate net loss, from regulated investments

1   "Minority" is based on the definition in our local operating jurisdictions. "Senior leadership" includes Director level and above. "Management" includes supervisors, managers and senior managers.

2   OSHA is the Occupational Safety & Health Administration. While we've improved our OSHA Injury Rate, we experienced two contractor fatalities in 2021 and one employee fatality in 2022. We're reinforcing our safety programs and our focus on preventing serious injuries and fatalities. See our "Safety" section on page 33 for more information.

3   Based on 2021 adjusted net income attributable to common shareholders ("adjusted net income"), excluding corporate net loss, of $231 million. Adjusted net income is a non-GAAP measure which does not have a standardized meaning under US GAAP. Refer to the "Non-GAAP Financial Measures" section on page 11.

4   As of May 26, 2022.

5   Based on economic analysis conducted by Gardner Pinfold Consultants.

# Why Invest in Emera

Data is as of December 31, 2021 and all dollar amounts are CAD, unless otherwise indicated.

Our proven strategy and our portfolio of high-quality, regulated utilities continue to drive long-term value for shareholders. The majority of our capital spending plan through 2024 is focused on clean energy and reliability investments.

## VISIBLE GROWTH PLAN

**$8.4B to $9.4B** capital investment plan[1] through 2024

**7% to 8%** forecasted rate base growth through 2024

**60%** of adjusted net income[2] comes from Florida, and **67%** of CapEx plan is focused in Florida – one of the fastest-growing US states

## STRONG, ESG-DRIVEN STRATEGY

**60%+** of capital plan to 2024 committed to decarbonization and reliability

**Recognized for excellence in governance**[3]

**Strong Board and management oversight of ESG**

## CONSTRUCTIVE REGULATORY ENVIRONMENTS

**Highly rated regulatory environments**

**89%** of adjusted net income[2], excluding corporate net loss, derived from our four core regulated utilities

## SUSTAINABLE DIVIDEND GROWTH

**4% to 5%** dividend growth target through 2024

**4.2%** dividend yield[4]

**5.5%** annualized dividend growth since 2000

1  Emera's capital investment plan includes a $240 million equity investment in the LIL in 2022.
2  Based on 2021 adjusted net income attributable to common shareholders ("adjusted net income"), excluding corporate net loss, of $231 million. Adjusted net income is a non-GAAP measure which does not have a standardized meaning under US GAAP. Refer to the "Non-GAAP Financial Measures" section on page 11.
3  2021 nominee for Governance Professionals of Canada Award in Sustainability/ESG.
4  As of December 31, 2021. Our share price on this date was $63.22.
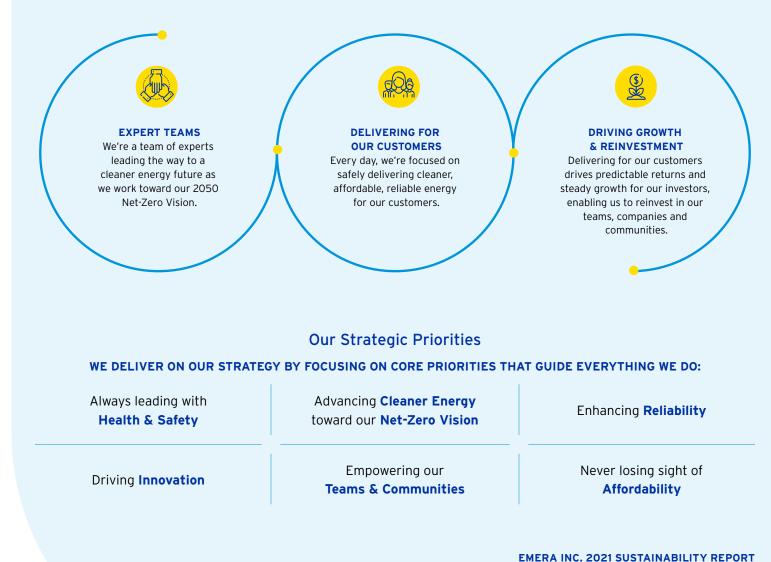
# Our Strategy

Our proven strategy has been driving our growth for nearly two decades. Our strategic focus balances our efforts to deliver cleaner energy with critical reliability investments, without overlooking the impact on costs for customers. Our strategy helps us respond to, and capitalize on, the key trends facing the energy industry: decarbonization, decentralization and digitalization.

**OUR APPROACH**

Throughout this report you will see "Our Approach" reference tables that show how our specific ESG factors align with our Strategy and our Strategic Priorities, as well as how they're supported by policies, programs and governance across Emera.

**The three Ds:** Energy is essential to our customers, and their evolving needs are driving **decarbonization**, **decentralization** and **digitalization** trends.

**Environmental, Social and Governance (ESG)** commitments are core to our strategy and shape our culture of doing the right thing for our customers, investors, communities and each other.

**EXPERT TEAMS**
We're a team of experts leading the way to a cleaner energy future as we work toward our 2050 Net-Zero Vision.

**DELIVERING FOR OUR CUSTOMERS**
Every day, we're focused on safely delivering cleaner, affordable, reliable energy for our customers.

**DRIVING GROWTH & REINVESTMENT**
Delivering for our customers drives predictable returns and steady growth for our investors, enabling us to reinvest in our teams, companies and communities.

## Our Strategic Priorities

**WE DELIVER ON OUR STRATEGY BY FOCUSING ON CORE PRIORITIES THAT GUIDE EVERYTHING WE DO:**

Always leading with **Health & Safety**

Advancing **Cleaner Energy** toward our **Net-Zero Vision**

Enhancing **Reliability**

Driving **Innovation**

Empowering our **Teams & Communities**

Never losing sight of **Affordability**

# Sustainability/ESG Approach

Our ESG commitments are core to our strategy and are fully integrated into our business, operations and culture. We're committed to transparency, accountability, understanding stakeholder expectations and continually improving our disclosure on the material ESG factors that matter most to our stakeholders.

## ESG Materiality

We draw on a range of resources to determine the most material risks and opportunities for our stakeholders and business. These resources include third-party materiality assessments, industry standards, guidance from our Sustainability Management Committee (SMC) and the Risk and Sustainability Committee (RSC) of our Board of Directors, as well as our Enterprise Risk Management (ERM) Program.

Our assessment of materiality also considers best practice and guidance from:

• Sustainability Accounting Standards Board (SASB) Standard for Electric Utilities and Power Generators, and Gas Utilities and Distributors

• Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

• Global Reporting Initiative (GRI) Standards

Based on this, we've adopted a set of core ESG factors that are aligned with our strategy and fully integrated into our ERM Program.

**OUR ESG FACTORS**

| ENVIRONMENT | • Air emissions | • Low-carbon transition |
| | • $CO_2$ emissions | • Waste management |
| | • Methane emissions | • Water management |
| | • Climate adaptation | • Biodiversity |
| | • Coal unit closures | |
| SOCIAL | • Community investment | • Indigenous relations |
| | • COVID-19 pandemic | • Safety |
| | • Customer affordability | • Talent management |
| | • Diversity, equity and inclusion | • System reliability and grid resiliency |
| GOVERNANCE | • Business ethics and transparency | • ESG governance |
| | • Corporate governance | • Political and regulatory requirements |
| | • Cybersecurity | |

## Stakeholder Engagement

Understanding what matters most to our stakeholders is an important part of the process for determining our material ESG factors. We value input and feedback from our stakeholders on all aspects of our business, and we strive to create opportunities for open engagement in a number of ways, including:

| STAKEHOLDER | WAYS WE ENGAGE |
|---|---|
| **Customers** | Websites including request for service, assistance and bill payments |
| | Customer Care Representatives that can be reached via email or phone (toll-free), with social media channels as an option for many types of service and information |
| | Direct outreach including bill inserts, customer emails/letters and calls |
| | Consultation such as community meetings, open houses and liaison committees on resource planning, major projects and one-on-one meetings |
| | Advertising and public education campaigns |
| | Satisfaction surveys on service and specific products and services. Ongoing customer feedback mechanisms including focus groups |
| | Customer advocates/representatives in regulatory processes |
| | Comment and feedback mechanisms related to major regulatory initiatives, such as rate filings |
| | Customer solutions (i.e., energy efficiency programs, digital options, pilot projects, programs and services) |
| | Dedicated feedback mechanisms related to long-term planning, including online and in-person opportunities to provide comments and feedback |
| | Social media information and campaigns, including segments to address frequently asked questions |
| | Energy affordability programs and ongoing low-income stakeholder engagement and meetings (e.g., HomeWarming and HEAT Fund at Nova Scotia Power; Share program at Tampa Electric and Peoples Gas; Heat New Mexico fund at New Mexico Gas Company) |

| STAKEHOLDER | WAYS WE ENGAGE |
|---|---|
| **Community** | Public awareness and safety programs |
| | Business and industry organization events (e.g., conferences and seminars) |
| | Community events, donations, sponsorships and volunteerism |
| | Innovation funding and academic partnerships to advance research and development |
| **Shareholders & Investment Community** | Regular investor meetings, events and disclosures (e.g., Annual Report, Management Information Circular, Annual Information Form, quarterly financial results) |
| | Annual General Meeting of Shareholders |
| | Industry and Shareholder Conferences |
| | Shareholder mailouts |
| | Investor presentations |
| | Quarterly analyst calls |
| | Websites and email (investors@emera.com) |
| | News releases (e.g., quarterly results, dividends, material matters to the company) |
| | Public disclosures in accordance with securities regulations |
| **Employees** | Employee intranet sites |
| | Safety and environmental incident reporting |
| | Employee memos |
| | Team meetings |
| | Formal feedback and career planning |
| | Code of Conduct, ethics hotline and other corporate policies |
| | Leadership Competencies |
| | Learning management system |
| | Regular town halls (e.g., corporate and operating company) |
| | Engagement surveys |

| STAKEHOLDER | WAYS WE ENGAGE |
|---|---|
| **Employees** | Team social events |
| | Union representatives for certain sectors of our team |
| | Internal committees and networks (e.g., Occupational Health and Safety, Diversity, Equity and Inclusion) |
| **Government & Regulators** | Regular, open communication |
| | Technical briefings |
| | Formal reporting and disclosure |
| | Membership and collaboration with industry organizations (e.g., Electricity Canada, Edison Electric Institute (EEI), American Gas Association (AGA), Caribbean Electric Utility Services Corporation (CARILEC)) |
| | Meetings with government, regulators and intervenors |
| **Suppliers & Contractors** | Transparent procurement process, including Request for Proposal (RFP) |
| | Open-house events |
| | Contractor safety and environment training |
| | Supplier registration and classification |
| | Supplier information sessions |
| | One-on-one briefing meetings |
| **All** | Emera and operating company websites |
| | Toll-free numbers and email |
| | Ethics hotline |
| | Social media |
| | Annual Sustainability Report |
| | Quarterly and Annual Financial Reports |
| | Management Information Circular |
| | Annual Information Form |

## Performance Data

We report our year-over-year ESG performance, informed by reporting standards including SASB, GRI and TCFD. In our ESG Performance table, we include five years of data to demonstrate our progress.
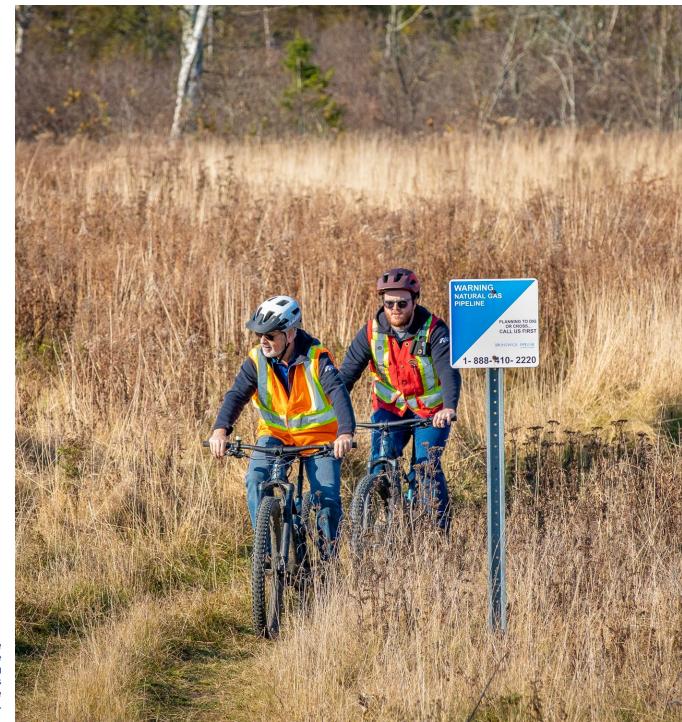
- 2021 ESG Performance
- 2021 GRI and SASB Index
- Climate Transition Plan

## Data Integrity

We take a disciplined and rigorous approach to all data and disclosures across our business. Each of our operating companies is responsible for compiling key sustainability data and information from within their respective businesses. The data is submitted to our corporate sustainability group, which includes representatives from our environment, safety, human resources and sustainability teams, to be analyzed and incorporated into Emera-wide disclosure data. At all stages of this process, we follow stringent data review and sign-off procedures to provide internal assurance that the data collection process is robust and to identify opportunities for improvement.

To maintain data transparency, we disclose data errors and corrections, including any changes to how data is categorized or calculated. In the event that a data correction is required, we disclose all material data errors in GRI 102-48: Restatements of Information.

Members of the Emera New Brunswick team use mountain bikes to access certain areas of the Brunswick Pipeline right-of-way more easily, including water crossings and areas near wetlands. The bikes are a great choice for the environment and the team's health and wellness too.

# Forward-Looking Information

This document contains "forward-looking information" statements which reflect management's current view with respect to the company's expectations regarding future growth, results of operations, performance, carbon dioxide emissions reduction goals, and business prospects and opportunities, and may not be appropriate for other purposes within the meaning of applicable Canadian securities laws. All such information and statements are made pursuant to safe harbour provisions contained in applicable securities legislation. The words "anticipates", "believes", "budget", "could", "estimates", "expects", "forecast", "intends", "may", "might", "plans", "projects", "schedule", "should", "targets", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to Emera's management and should not be read as guarantees of future events, performance or results, and will

not necessarily be accurate indications of whether, or the time at which, such events, performance or results will be achieved.

The forward-looking information is based on reasonable assumptions and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information.

Factors that could cause results or events to differ from current expectations include without limitation: regulatory risk; operating and maintenance risks; changes in economic conditions; commodity price and availability risk; liquidity and capital market risk; future dividend growth; timing and costs associated with certain capital investment; the expected impacts on Emera of challenges in the global economy; estimated energy consumption rates; maintenance of adequate insurance coverage; changes in customer energy usage patterns; developments in technology that could reduce demand for electricity; global climate change; weather; unanticipated maintenance and

other expenditures; system operating and maintenance risk; derivative financial instruments and hedging; interest rate risk; counterparty risk; disruption of fuel supply; country risks; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental, financial reporting and tax legislation; risks associated with pension plan performance and funding requirements; loss of service area; risk of failure of information technology infrastructure and cybersecurity risks; uncertainties associated with infectious diseases, pandemics and similar public health threats, such as the COVID-19 novel coronavirus pandemic; market energy sales prices; labour relations; and availability of labour and management resources. Readers are cautioned not to place undue reliance on forward-looking information as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information.

All forward-looking information in this document is qualified in its entirety by the above cautionary statements

and, except as required by law, Emera undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

Nothing in this document should be construed as an offer or sale of securities of Emera or any other person.

## NON-GAAP FINANCIAL MEASURES

Emera uses financial measures that do not have standardized meaning under US GAAP and may not be comparable to similar measures presented by other entities. Emera calculates the non-GAAP measures by adjusting certain GAAP measures for specific items. Management believes excluding these items better distinguishes the ongoing operations of the business and allows investors to better understand and evaluate the business. Refer to the "Non-GAAP Financial Measures" section of Emera's Q4 2021 MD&A, which is incorporated herein by reference and can be found on SEDAR at www.sedar.com.
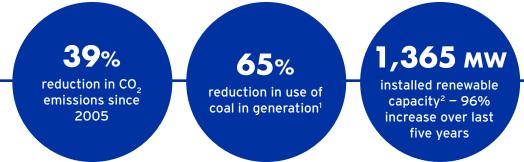
## OTHER

Rate base is a financial measure specific to rate-regulated utilities that is not intended to represent any financial measure as defined by GAAP. The measure is required by the regulatory authorities in the jurisdictions where Emera's rate-regulated subsidiaries or equity investments operate, a summary of which can be found in our MD&A. The calculation of this measure as presented may not be comparable to similarly titled measures used by other companies.

# ENVIRONMENT

Decarbonization has been central to our strategy for nearly two decades. We've significantly reduced our use of coal, increased renewables and invested in transmission to enhance system resilience and reliability – all while also staying focused on the cost impacts for customers.

As global demand for carbon reduction continues, and policymakers target even faster timelines, we recognize there is significant work ahead. With our proven strategy and strong track record, we're well positioned to continue making progress.

**39%**
reduction in $CO_2$ emissions since 2005

**65%**
reduction in use of coal in generation[1]

**1,365 MW**
installed renewable capacity[2] – 96% increase over last five years

1   Reduction in GWh generated from coal since 2005.
2   Total installed capacity is 9,784 MW.

# Climate Transition Plan

Addressing the challenges of climate change with a solid, balanced and achievable plan has never been more important. Our strategy continues to drive a balanced energy transition that's focused on decarbonization and grid resiliency while also considering the impacts on customer costs.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS | OVERSIGHT |
|---|---|---|
| • Advancing cleaner energy toward our Net-Zero Vision<br>• Enhancing reliability<br>• Driving innovation<br>• Never losing sight of affordability | • Emissions<br>• Climate adaptation<br>• Coal unit closures<br>• Low-carbon transition<br>• Waste management<br>• Water management<br>• Biodiversity<br>• System reliability and grid resiliency | • Risk and Sustainability Committee<br>• Health, Safety and Environment Committee<br>• Sustainability Management Committee<br>• Emera Environment Council<br>• Operating company boards and executive teams |

**POLICIES & PROGRAMS**

- Emera Board of Directors Charter
- Risk and Sustainability Committee Charter
- Health, Safety and Environment Committee Charter
- Sustainability Management Committee Charter
- Environmental Management System
- Emera Environmental Policy
- Climate Adaptation Framework
- Internal climate and ESG tracking tools
- Enterprise Risk Management Program
- Annual strategic planning process
- Emera-wide innovation working group

1  Nova Scotia *Environmental Goals and Climate Change Reduction Act.*

## Our Clean Energy Journey

For decades, we've been investing in cleaner and renewable sources of energy and reducing our use of coal to generate energy. Since 2005, we have reduced our use of coal as a source for electricity generation by 65 per cent and we now have more than 1,300 MW of installed renewable capacity.

We have a diverse portfolio of renewables across our operating companies, including wind, solar, hydro and biomass and we're focused on developing the right renewable resources for each region where we operate. At Nova Scotia Power, the team is delivering one of the most ambitious clean energy transitions in Canada. In 2005, just 9 per cent of Nova Scotia Power's electricity came from renewables; today, this has more than tripled to 30 per cent and we're working toward meeting the Nova Scotia government's target of 80 per cent renewables[1] by the end of 2030. In Florida, we're focused on developing solar generation at Tampa Electric. Since acquiring Tampa Electric over five years ago, we've increased solar from essentially zero to 12 per cent of our generation capacity and 6 per cent of the energy we provided to our customers in 2021. We expect both to double upon the completion of our second phase of solar investment that's already well advanced. To date, nearly 900 MW of solar are in service at Tampa Electric, the highest solar generation per customer in the state of Florida.

At Barbados Light & Power (BLP), a 10 MW solar farm and 5 MW battery storage system are delivering clean energy to customers. In addition, the BLP team is planning a wind project that may also include battery storage.

To build on this progress, last year we established our Climate Commitment, outlining our goal to achieve a 55 per cent reduction in $CO_2$ emissions by 2025 and an 80 per cent reduction by 2040 as we work toward our vision to achieve net-zero $CO_2$ emissions by 2050. It's also our goal to close our last coal unit by 2040. Our track record is strong, but we recognize the significant work ahead to address the challenges of climate change and to reach ambitious government policy targets in both Canada and the US. We'll continue making progress by adopting existing and emerging technologies and working constructively with policymakers, regulators, partners, investors and our communities, while staying focused on enhancing reliability and seeking to minimize cost impacts for customers. Achieving our climate goals on these timelines is subject to our regulatory obligations and other external factors beyond our control.

## Task Force on Climate-related Financial Disclosures (TCFD)

Our Climate Transition Plan is designed to address the physical and transition risks associated with climate change. We've been aligning with the TCFD for three years and we're committed to continually enhancing our climate disclosure, making it easier for our stakeholders to fully understand and evaluate our plan for building a clean energy future.

Addressing climate change is core to our strategy and financial performance. It's fully integrated into our risk management processes and subject to strong oversight and governance. Our approach aligns with TCFD's four core elements – **Governance, Strategy, Risk Management and Metrics and Targets**.

# Core Elements of Recommended Climate-related Financial Disclosures



**GOVERNANCE**
The organization's governance around climate-related risks and opportunities

**STRATEGY**
The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

**RISK MANAGEMENT**
The processes used by the organization to identify, assess and manage climate-related risks

**METRICS AND TARGETS**
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Source: TCFD

# Core Element: Governance

Strong governance and oversight are integral to our climate transition plan. The management of our environmental performance across the business, including our performance related to the clean energy transition, is driven by our operating companies with support, governance and oversight provided by Emera's leadership team and the Emera Board of Directors.



A section of the Maritime Link transmission line bringing renewable hydroelectricity into Nova Scotia.

## Board Oversight

Building on the strong governance practices already in place, the Emera Board of Directors Charter was updated in 2021 to better reflect our ESG focus and reinforce the Board's role in overseeing how we manage climate risks and opportunities. We also established the Risk and Sustainability Committee (RSC) of the Board. The RSC meets a minimum of three times per year with a mandate to oversee Emera's approach to ESG risk management, with a strong focus on climate change and the energy transition.

The Health, Safety and Environment (HSE) Committee of the Board oversees safety and environmental programs and performance for both Emera and its operating companies. This includes performance related to emissions reductions, environmental impacts and climate adaptation work. In addition, Emera's operating companies each have local Boards of Directors that oversee planning and performance related to the company's health, safety and environmental accountabilities, including climate risk.

## Management Focus

Emera's Sustainability Management Committee (SMC), consisting of senior leaders from across the business and chaired by our CEO, plays a critical role in establishing our ESG priorities and advancing our plan and performance. The SMC meets on a quarterly basis and reports into the RSC. With the benefit of robust ESG progress tracking and the full integration of ESG into Emera's risk management protocols, the SMC provides oversight, advice and guidance on key disclosure decisions and manages risks and opportunities presented by climate change and the energy transition.

Climate change risks and opportunities are core to Emera's strategy and are evaluated by the management team and Board when advancing major project planning, risk management policies, forecasts, performance objectives, capital expenditures, acquisitions and divestitures. The SMC and RSC Charters outline the governance and objectives of each Committee and their responsibilities for ESG oversight.

## Operating Company Environmental Management System (EMS)

The climate risks and opportunities within our operating companies have been integrated into the business practices of each company and are reflected in their respective strategies and objectives. Emera has an established EMS that provides a process for operating company teams to make certain that environmental risks, opportunities and compliance obligations are being appropriately addressed. The EMS has several key components that drive the management and continuous improvement of all aspects of environmental performance, including those related to climate change such as reducing $CO_2$ and other air emissions, as well as climate risk and adaptation.
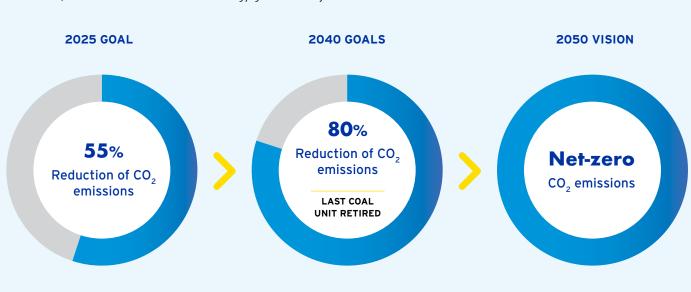
See Risk Management for more information. To learn more about our ESG governance structure for managing material ESG risks including climate change, see ESG Governance.

# Core Element: Strategy

Climate change continues to drive significant change in the energy industry and the need for a balanced response is critical. For nearly two decades we've been focused on the decarbonization of our generation and enhancing reliability while never losing sight of the impacts on costs for customers.

## Our Climate Commitment

Our clear, balanced Emera-wide clean energy goals and objectives are outlined in our Climate Commitment:

**2025 GOAL**

**55%**
Reduction of $CO_2$ emissions

>

**2040 GOALS**

**80%**
Reduction of $CO_2$ emissions

**LAST COAL UNIT RETIRED**

>

**2050 VISION**

**Net-zero**
$CO_2$ emissions

Achieving our climate goals on these timelines is subject to our regulatory obligations, and other external factors beyond our control.

### Getting Off Coal and Transforming the Grid

Today, coal is still used to generate a portion of electricity at our two largest utilities, Tampa Electric and Nova Scotia Power. However, we have made meaningful progress in transforming our energy portfolio.

At Tampa Electric, we reduced our use of coal by 90 per cent since 2000 by displacing coal with lower-emitting natural gas and investing in solar generation. Tampa Electric has completed significant capacity and efficiency upgrades on its Bayside and Polk generation stations. Work continues on the Big Bend modernization project, which will result in further efficiency upgrades, the elimination of coal from one unit and the retirement of one unit. In addition, another coal unit will be retired in 2023. By continuing this work and incorporating emerging technologies like battery storage, we expect less than two per cent of Tampa Electric's energy to come from coal by 2025.

The team at Nova Scotia Power has led one of the most ambitious transitions to cleaner energy in Canada. Since 2005, we've reduced our use of coal by 26 per cent. We're proud of this progress, but the journey to get completely off coal at Nova Scotia Power will be challenging. Current government policy in Nova Scotia requires coal no longer be used in the generation of electricity in Nova Scotia by 2030. Historically, the province has been heavily reliant on coal since government policy called for the development of coal mines and coal-burning generators in response to the 1970s oil crisis. Additionally, Nova Scotia has no large-scale hydro resources within the province, limited access to economically priced natural gas, and provincial law that prohibits nuclear development.

We continue our work to move away from coal in Nova Scotia at a pace that doesn't compromise reliability and considers the cost impacts to customers. There are significant challenges ahead, including the relatively short time horizon, emerging new technologies that are not yet commercially viable, the need to make reliability investments and the significant costs associated with an energy transition of this speed and magnitude. While these challenges reinforce the strength of our strategy, they also highlight the need for a collaborative approach with all stakeholders. As we continue working to reduce our use of coal, we're focused on doing so in a way that minimizes the impact on our team members, customers and communities. We're focused on delivering a transition that's equitable and just.

## A Just Transition

Our commitments to our team, our customers and our communities are deeply embedded in our strategy and culture across Emera.

This energy transition is fundamentally changing how we generate and deliver energy. We are committed to a just transition – contributing to an equitable and prosperous future for our team and communities. At Nova Scotia Power, we've been working with and consulting employees, union leaders, government, environmental groups and Mi'kmaw First Nation to build a framework that ensures a fair and just transition for our team and our communities.

With nearly 400 Nova Scotia Power employees working directly in, or supporting, coal-fired electricity generation, reducing the impact on our team and the communities where they live and work continues to be a key focus in our clean transition planning. To minimize the impact, we're working to make sure our team members are kept informed, consulted often and supported to pursue new opportunities within our business or industry. We're taking the same approach for our communities and working with government and community partners to address impacts arising from operational changes or facility closures.

At Tampa's Big Bend Power Station, the team has retired one coal-fired unit and converted another to natural gas. Thanks to careful workforce planning, the Big Bend operational team was able to manage the adjustment in workforce through regular attrition, including retirements, in the retirement and conversion of these coal units.

We're also staying focused on how the transition will impact costs for customers. Our investments in renewable generation will help to offset customer costs in the future by reducing or eliminating fuel costs and carbon taxes where applicable, contributing to long-term cost-stability. When we update our resource plans or apply for rate changes, our goal is to work with customer representatives to make certain they're informed and involved in the development of recommendations we present to our regulators.

**OUR PROGRESS**

# 39%
reduction in $CO_2$ emissions **across Emera,** compared to 2005 levels

### % OF COAL IN GENERATION

| TAMPA ELECTRIC | NOVA SCOTIA POWER |
|---|---|
| 2005: 47% | 2005: 73% |
| **2021: 6%** | **2021: 47%** |

### % RENEWABLES IN GENERATION

| TAMPA ELECTRIC | NOVA SCOTIA POWER |
|---|---|
| 2005: ~0% | 2005: 9% |
| **2021: 6%** | **2021: 30%** |

## Natural Gas

Electric utilities have a responsibility to ensure their systems have the right level of capacity energy – this is energy that's available whenever customers need it. Since coal can be burned anytime to match customer demand, coal-fired generation provides high levels of reliable capacity. Intermittent renewables, like wind and solar, are critical to decarbonization, but they provide less capacity because they only deliver energy when the wind blows or the sun shines. In addition, long-duration batteries and alternate technologies are still being developed. As a result, in order to eliminate coal while maintaining reliability, we have to find ways to replace the capacity that's currently provided by coal units.

This is where natural gas comes in as an effective transition fuel until a cleaner replacement is available. While it's an emitting fuel source, the carbon-intensity of natural gas is much lower than coal. It's capable of quickly ramping up and down as needed, providing critical capacity energy needed to maintain reliability during times of peak demand and when energy from intermittent, weather dependent, renewable resources aren't available.

Aerial view of Tampa Electric's Big Bend Power Station in Tampa, Florida.

**KEY EXAMPLE**

### Big Bend Modernization at Tampa Electric

Through our modernization of the Big Bend Power Station at Tampa Electric, we're phasing down our use of coal, increasing the efficiency of our generation units, reducing emissions and environmental impacts and facilitating the use of more intermittent renewables, such as solar – all while staying focused on the cost impacts for customers.

In 2021, the team successfully completed the first phase of this project on time and on budget. We retired one coal-fired unit and converted another to natural gas. The next phase of the project includes installing a waste-heat recovery system to further enhance efficiency at the plant. This phase is on track and expected to be complete by the end of 2022.

Once the modernization project is complete, Big Bend Power Station will be capable of producing 1,090 MW of reliable, lower-carbon baseload energy that will support Tampa Electric's growing solar generation portfolio.

Tampa Electric's floating solar array.

**KEY EXAMPLE**

## Expanding Solar at Tampa Electric and Nova Scotia Power

In 2021, the Tampa Electric team continued to identify new opportunities to further increase solar capacity including installing Florida's largest floating solar array on a pond near the Big Bend Power Station. The team has also partnered with local farmers to trial agrivoltaic installations, where solar panels and farming take place at the same site.

At Nova Scotia Power the team launched the province's first grid-connected 2 MW community solar garden, making solar energy more accessible to customers no matter where they live. This initiative is part of the Smart Grid Nova Scotia Pilot Project, which is testing the benefits of new technologies like battery storage, electric vehicle smart chargers and bidirectional chargers.

## Transition to Renewable Generation

As we continue to reduce our use of coal, we're also focused on further increasing renewables.

At Tampa Electric, the team has achieved another solar generation milestone, completing the first tranche of the Solar Wave 2 project. This achievement means 235 MW of the total 600 MW project is now in service, in addition to the 650 MW that are online as a result of Solar Wave 1. With nearly 900 MW of solar capacity in its portfolio, Tampa Electric now has the highest rate of solar generation per customer in the state. Once Solar Wave 2 is complete, solar will account for roughly 19 per cent of total generation capacity at Tampa Electric, up from about one per cent in 2016.

In Nova Scotia, our large investments in wind, hydro and transmission projects have resulted in significant clean energy progress. Currently, Nova Scotia Power has approximately 600 MW of wind online, including about 150 MW from rate base investments and 450 MW supplied by independent power producers. Through Emera Newfoundland & Labrador, we completed the $1.8 billion Maritime Link transmission project on time and on budget, and hydroelectricity from Muskrat Falls began flowing across the Link to Nova Scotia in 2021. Access to this significant source of clean energy will be an important contributor to achieving our company-wide Climate Commitment goals and will support Nova Scotia Power in meeting its target of 80 per cent renewable energy by 2030.

## Innovation and Emerging Technology

Like all utilities, we are monitoring technology developments including batteries with longer storage duration, hydrogen development as a substitution for natural gas, small modular reactors and carbon capture; however, these technologies are not currently at a stage that can ensure reliability and reasonable costs for customers.

Innovation is critical to building a clean, flexible energy future that remains reliable for our customers. New and emerging technologies will help us continue to reduce $CO_2$ and other emissions, while enabling digital solutions that arm customers with more information, choice and control and facilitating an increasingly decentralized, multi-directional grid of the future.

Driving innovation is a focus for our team and it informs our business, people and digital strategies at all of our companies. We think about innovation as a commitment to finding new ways of doing things that meet customer demand. We are investing in and piloting new technologies and adopting new work processes and approaches that can improve how we work and deliver value to our customers.

Electric vehicles (EVs), like this one at Nova Scotia Power, are a growing part of our fleet across Emera. EV and bidirectional charging technologies are an important part of the innovative solutions we're exploring to help deliver cleaner energy and enhance reliability.

**KEY EXAMPLE**

### Hydrogen Blending at New Mexico Gas

The team at New Mexico Gas (NMG) launched a pilot project to test the blending of hydrogen with natural gas with the objective of demonstrating that blending has the potential to reduce greenhouse gas emissions by as much as 10 per cent.

This project began early in 2022 in a closed system to test different levels of blended gas in typical household appliances and to determine potential impacts of blended gas on pipes and fittings used by the company. Results from the pilot project will determine the feasibility and timing for the potential in the future to test blending in a small segment of the NMG distribution system that serves customers.

This innovative project is part of our commitment across Emera to reduce emissions as we work to deliver a cleaner energy future.

**KEY EXAMPLES**

## BlockEnergy Microgrid Solution

The Emera Technologies team continued to advance its BlockEnergy microgrid solution, achieving important project milestones throughout 2021.

BlockEnergy is the first utility-owned, community microgrid platform that combines rooftop solar and battery storage, with a connection to the local power grid. Less than two years after completing a proof-of-concept project at Kirtland Air Force Base in New Mexico, the team is advancing its first residential project with BlockEnergy microgrid technology being installed in a newly constructed, 40-home community in Tampa, Florida. The installation is expected to be complete later this year. The team is also planning a second residential installation, in Maryland in 2023.

In 2021, the technology achieved UL 9540 fire safety certification and BlockEnergy was named one of Fast Company's World Changing Ideas. Emera Technologies also announced a partnership with Nova Scotia-based NOVONIX to develop enhanced battery packs designed to utility-grade standards for residential storage use that will support its future commercial BlockEnergy technology.

## Renewable Natural Gas at Peoples Gas

The team at Peoples Gas announced a partnership with Alliance Dairies in 2021 to build, own and operate a renewable natural gas (RNG) facility in Florida. The Alliance RNG facility will capture waste from cows and transform it to pipeline-quality natural gas that can be safely used in traditional natural gas applications. Through the RNG process, the methane that would otherwise be emitted into the atmosphere is captured. Construction began in the spring of 2022.

Once the facility is in service, RNG will be injected into Florida's pipeline systems and used as a reliable and cost-effective energy source just like traditional natural gas, but with net-zero or negative emission levels. The facility is expected to produce 105,000 MMBtu of RNG, enough to serve about 4,400 homes annually. This approach of injected RNG can reduce emissions while maintaining reliability for customers.

Peoples Gas continues to explore opportunities to scale up the use of this cleaner source of energy.

## Investing to Address Climate Change

In 2021, we made capital investments of over $2.4 billion focused on reducing $CO_2$ emissions and increasing the resiliency of our systems.

We continue to make long-term investments in significant clean energy projects including the Maritime Link in Atlantic Canada, the ongoing construction of solar generation and modernization of the Big Bend Power Station at Tampa Electric and planned investments at Nova Scotia Power to enable the retirement of coal generation and to achieve renewable energy targets.

We're also investing to ensure our energy grids can support additional renewables without compromising reliability and preparing our systems to withstand increasingly severe weather events. At our two largest utilities, Nova Scotia Power and Tampa Electric, we invested approximately $250 million in storm hardening in 2021, enhancing overall reliability and grid resilience.

Additionally, over 60 per cent of our capital plan through 2024 is committed to cleaner energy and reliability initiatives across the business. This includes continued investment in renewables, coal reduction, reduction of other emissions, grid modernization and storm hardening, as well as the East Clean Energy Initiative (ECEI) to develop a regional clean energy solution for Atlantic Canada. One potential option through the ECEI is the Atlantic Loop regional transmission project, which would connect provinces to increase supply of clean energy to the Atlantic region.

We're also investing in the development of leading-edge energy technologies to further support decarbonization. Through Energy Impact Partners (EIP), a global venture capital firm, we've joined a network of utility and industrial partners to invest in climate technology companies that are accelerating the path to a net-zero future. EIP also facilitates collaboration with businesses that can deploy products and services in the market and supports its partners with research and industry insights.

For example, the Elevate Future Fund is helping to increase access to capital for start-up companies that are led by diverse talent, or that provide employment for underserved communities. The companies will also drive innovation in the areas of decarbonization, electrification, tech-enabled infrastructure, reliability and resilience, and intelligent demand – contributing to a cleaner energy future.

EIP currently has more than $2 billion in assets under management.

### CAPITAL INVESTMENT IN CLEANER AND RELIABLE ENERGY

| ($5.3 billion: 2022–2024) | M (CAD) |
|---|---|
| Solar Investments – Tampa Electric | $ 815 |
| Grid Modernization – Tampa Electric | 655 |
| Storm Hardening – Tampa Electric | 640 |
| Eastern Clean Energy Initiative | 500 |
| Battery Storage | 365 |
| Reliability at Gas Utilities | 340 |
| RNG, CNG & LNG Projects | 290 |
| Labrador Island Link – Transmission Investment | 240 |
| Hydro Renewal – Nova Scotia Power | 210 |
| Big Bend Modernization – Tampa Electric | 170 |
| Other Projects (Energy Delivery Upgrades, DG, Storage, etc.) | 1,100 |
| | $ 5.3B |

**KEY EXAMPLES**

## Clean Energy Bridge at Barbados Light & Power

The team at BLP commissioned a new generating facility that's providing a reliable source of energy for customers as we transition to a cleaner energy future.

The Clean Energy Bridge (CEB) is a 33 MW generation plant that's capable of delivering roughly 27 per cent of the island's energy needs. By replacing older infrastructure, the CEB is reducing emissions and increasing efficiency while augmenting grid resiliency and reliability for customers. The CEB also supports the critical build-out of renewable generation as Barbados works toward achieving its national goal of 100 per cent renewable energy and 100 per cent electrification.

**BAIE-COMEAU, QUÉBEC**

**MATANE, QUÉBEC**

**REGIONAL CLEAN TRANSMISSION**
1000km high-capacity line connections Atlantic Canada to clean energy in Québec

**CAMPBELLTON, NEW BRUNSWICK**

**CAPE RAY, NEWFOUNDLAND**

**MARITIME LINK**

**LOCAL COMMUNITY LEADERSHIP**
WIND FARMS
GRID-SCALE BATTERIES
DEMAND MANAGEMENT

**SALISBURY, NEW BRUNSWICK**

**TRURO, NOVA SCOTIA**

**HALIFAX, NOVA SCOTIA**

## Regional Collaboration in Atlantic Canada

We believe, in addition to our work to phase out coal and increase renewables in Nova Scotia, additional regional transmission will be a significant part of the solution to achieving our provincial clean energy targets in Nova Scotia.

Through the Eastern Clean Energy Initiative (ECEI), we've been actively engaging with neighbouring utilities, governments and stakeholders to discuss a regional approach to enable access to more clean energy for Atlantic Canada and support our renewable transition. Potential ECEI initiatives include the Atlantic Loop project, a new regional transmission connection between provinces to increase supply of clean energy to the region. The ECEI initiative would also include a mix of cleaner energy solutions including new wind, solar, grid-scale storage and energy efficiency programs.

## Scenario Analysis

In order to prepare for the long-term future of our energy systems, we develop plans that outline the resources needed to achieve shared objectives within our businesses based on modelling that considers short-, medium- and long-term time horizons. Our resource planning processes incorporate many of the aspects of scenario analysis recommended by TCFD. Our scenario work at our utilities includes our Integrated Resource Plan at Nova Scotia Power and our 10-year Site Plan at Tampa Electric, as well as resource planning in our Caribbean utilities.

The modelling focuses on key variables such as coal unit and plant retirement dates, the level of demand-side management, the level of renewable generation, and the potential for power purchase agreements with other utilities and renewable energy providers. Various resource plans across a range of foreseeable futures are compared to a "reference world" that assumes base loads and future load changes, current and currently proposed environmental regulations, including Greenhouse Gas (GHG) considerations (which can outline a government vision to align with a 2°C or lower scenario), current and future renewable energy availability at each operating company, technology changes and customer needs and expectations.

These processes are dynamic and are regularly reviewed as risks and opportunities change. The results of resource plan modelling directly align with Emera's long-term capital investment plan, which includes significant investment across the portfolio in renewable and cleaner generation, infrastructure modernization, storm hardening, energy storage and customer-focused technologies. All of these initiatives contribute to mitigating the potential impacts of climate change.

See Table 1: Emera's Climate-related Risks and Opportunities for additional details about our management of climate-related risks.

Vegetation management, including tree trimming, is an important part of storm hardening across our electric utilities.

# Core Element: Risk Management

## Corporate Risk Management

Emera's Enterprise Risk Management (ERM) Program is a framework for identifying, assessing, monitoring and managing enterprise risk.

The Enterprise Risk Management Committee (ERMC), comprised of members of Emera's management and senior leadership team, develops a risk register focused on high impact enterprise risks by identifying and analyzing inherent and residual risks, including those related to climate change. Risks are ranked using a heat map based on severity of impact, velocity of onset, probability of occurrence, control environment and mitigation strategies and action plans. To drive further accountability, each enterprise risk is assigned an executive owner. The ERMC regularly reviews and updates the register and prepares a dashboard and associated heat map that's submitted to the Risk and Sustainability Committee (RSC) of the Board for review at each committee meeting and once a year to the Board as a whole. The ERMC conducts a more in-depth review and analysis annually leading up to, and informing, the Board's annual review.

As we continue to assess our climate-related risks and opportunities, we examine all key transition risk areas of our business including policy and legal, technology, market and reputation, as well as risks related to the physical impact of climate change – both acute and chronic. We also consider the potential financial impacts as they relate to energy source, products and services and the market.

Our ERM is overseen by our Board of Directors both directly and through the RSC. Our approach provides consistency to how we identify and assess material risk in all areas of our business and it addresses impacts of different risks under the categories of safety, environment, strategy, regulation, reputation and finance.

For more information, see Governance.

## Risk Management at Our Operating Companies

The assessment of climate risks and opportunities in our operating companies is integrated into risk management and strategy discussions specific to each jurisdiction. Each operating company addresses risk management through a similar approach as at the enterprise level, each with its own risk register, dashboard and heat maps.

In addition, at our operating companies, our approach to managing material environmental risks and opportunities, including those related to climate change, is guided by our Environmental Management System (EMS).

Through the EMS, we identify the elements of our operations that interact with, or have the potential to interact with, the environment, as well as the potential ways the environment can impact our business. Objectives and targets are identified for each of these to ensure they are being managed effectively. For impacts that are common across the organization, Emera's corporate Environment team will set company-wide objectives. Objectives and targets at both Emera and our operating companies include $CO_2$ emissions reduction and climate adaptation initiatives.
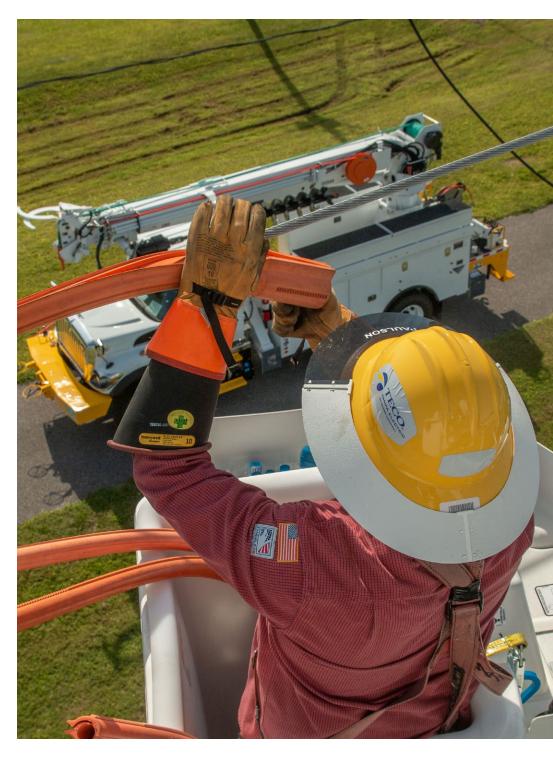
**TABLE 1: EMERA'S CLIMATE-RELATED RISKS AND OPPORTUNITIES**

**RISKS**

| TYPE | DESCRIPTION | POTENTIAL FINANCIAL IMPACT |
|---|---|---|
| **Policy and Legal** | • Regulatory requirements limiting emissions and/or impacting generation mix (e.g., increasing renewable generation mandates, coal plant phase-outs, emission caps and trade, emission source limits)<br>• Increasing price on carbon<br>• Utility regulator asset cost recovery mechanisms<br>• Exposure to litigation from stakeholders and fines from regulators | • Increased operating costs to address emission constraints<br>• Early retirement of existing assets prior to the end of their useful life<br>• Large capital investment to address renewables and other generation mix requirements<br>• Potential issue recovering costs associated with early retirement and impairment<br>• Increased costs associated with potential fines and judgements |
| **Technology** | • Replacement of existing energy supply sources with renewable/lower carbon sources | • Early retirement of existing assets prior to the end of their useful life<br>• Large capital investment to address renewables and other generation mix requirements<br>• Potential issue recovering costs associated with early retirement and impairment |
| **Market** | • Customer desire for lower emitting energy sources<br>• Changes in supply chain as a result of regulation and/or market demand<br>• Uncertainty in asset insurance options | • Customer demands for cleaner energy sources reduce demand for existing supply<br>• Delays, shortages or requirements to seek alternative products/services required to support operations<br>• Challenges procuring economic asset insurance from commercial insurers for existing assets |
| **Reputation** | • Increased stakeholder concern associated with carbon intensive business | • Reduced revenue, constraints on operation and limited future growth<br>• Reduced access to capital at increased cost |
| **Acute Physical Risk** | • Increased frequency and severity of weather events such as hurricanes, windstorms, extreme rainfalls, floods and storm surges, ice storms and wildfires | • Reduced revenue due to energy delivery disruption to customers<br>• Increased capital to storm harden equipment<br>• Increased expenditures to respond to storm events and undertake system repairs |
| **Chronic Physical Risk** | • Changes in precipitation patterns<br>• Changes in temperature and related seasonal patterns<br>• Rising sea levels | • Precipitation changes potentially impact hydro generation availability<br>• Change in customer demand patterns impacting related revenue<br>• Increased capital to harden infrastructure against rising seas and storm surge and increased precipitation events |

**OPPORTUNITIES**

| TYPE | DESCRIPTION | POTENTIAL FINANCIAL IMPACT |
|---|---|---|
| **Energy Source** | • Development and/or expansion of low emission energy sources and services | • Increased revenue from increased demand for lower emitting sources and services<br>• Reduced exposure to GHG emission regulation impacts and pricing<br>• Increased investment opportunities |
| **Products and Services** | • Development of new distributed energy technologies | • Increased revenue through new products and services addressing emerging demand for affordable distributed renewable energy sources |
| **Market** | • Access to new markets | • Increased revenue and growth through new products and services addressing emerging demand for electric technologies |

## Physical Risk: Resilience and Adaptation

Now more than ever, it's important that we consider the ongoing risk and potential impacts of climate change on our assets. Acute weather events, such as the increased frequency and severity of hurricanes and other precipitation events, and chronic climate impacts, such as rising temperatures and sea level rise, require us to re-examine and strengthen the processes we have in place to mitigate potential impacts to our business.

Utilities have always used a traditional engineering approach to the construction and maintenance of assets that takes into consideration climate, weather, and environmental effects. In the past, this would have considered snow and ice loading on transmission lines, precipitation impacts on hydro dams and hurricane impacts to facilities in Florida and the Caribbean. As new assets are constructed, engineering

designs and standards have been evolving to address changing risks. Programs such as storm hardening of transmission and distribution assets and updating hydro dams to address current dam safety standards have been in place for many years.

Emera launched a climate adaptation planning initiative in 2019. The objective of this initiative was to conduct a preliminary assessment of critical assets and related climate impacts. This assessment was then used as the basis for a more detailed assessment and quantification of risk. Operating companies are also starting to use scenario analysis to better quantify the physical risk to some key assets. Outcomes from this exercise are being incorporated into loss control and asset management programs where climate risk is now a discrete parameter to be assessed and included in capital and operating budgets. The asset management process already considers cost of service, asset life cycle and renewal and reliability.

Climate adaptation is also being more explicitly captured within our Environmental Management System (EMS) to provide policy direction and integration across our business. Through the climate adaptation initiative, we're maturing how we assess the risk of climate change on our operations. These are captured as continual improvement initiatives within our EMS and are tracked using objectives and targets. With oversight provided through our EMS, assessment of climate risk is being formally integrated into utility asset management frameworks. These frameworks are already used to manage assets over a longer life cycle, so we have been updating existing mature processes. This integration is aligned with our EMS and operational management systems. Additional costs to address risks and opportunities are part of capital and operational financial planning.

⟳ **OUR PROGRESS**

**4.98**
System Average Interruption Duration Index[1]

**3.16**
System Average Interruption Duration Index[2]

**2.76**
System Average Interruption Frequency Index[1]

**2.19**
System Average Interruption Frequency Index[2]

● See ESG Performance for more information.

1   Including significant weather event days
2   Excluding significant weather event days

### Climate Adaptation Planning at Nova Scotia Power

Nova Scotia Power has advanced its work on preliminary risk assessments by working with a variety of climate specialists to incorporate climate considerations into the asset management process. Key climate variables such as changes in precipitation patterns, temperature, sea level rise and flooding were modelled over a medium emission scenario (RCP 4.5) and a high emission scenario (RCP 8.5) over three time horizons. This modelling data gave very specific risk scenarios for key assets, including transmission and distribution lines, substations, and generation infrastructure. Based on this modelling, the team identified potential adaptation options including storm hardening, coastal protection, enhanced load forecasting and increased system enhancements. The resulting information has been added to the processes for managing assets, helping to determine the risk mitigation processes that are most appropriate for each asset.

For example, over the last five years (2017–2021), Nova Scotia Power experienced 40 per cent more wind gusts above 80 kilometres per hour compared to the previous five years (2012–2016). Despite the more frequent high winds, system performance during these periods improved by 15 per cent. This is thanks to targeted asset management strategies to mitigate the effects of climate change.

### Storm Protection Planning at Tampa Electric

In 2021, Tampa Electric introduced a $150 million USD Storm Protection Plan to help ensure the utility can better withstand extreme weather events, such as hurricanes. This program means enhanced reliability for customers, including fewer and shorter outages after extreme weather events. Initiatives outlined in the plan include:

- Converting certain overhead lines to underground, averaging 80 to 100 miles per year

- Trimming trees more frequently

- Making substations more resilient by elevating equipment or building flood walls

- Installing stronger, more storm-resistant poles and improved technology along certain power lines

The team is also installing technology that improves the efficiency of the restoration process. The technology includes an Advanced Distribution Management System (ADMS) to help pinpoint the location of outages and assess damage digitally. With more accurate damage assessment, restoration times can be more accurately predicted, crews can be deployed more efficiently, and service can be restored for customers more quickly.

# Core Element: Metrics and Targets

Clear metrics and targets are critical to demonstrate progress and maintain accountability throughout the energy transition. The ability to track performance against our goals and targets helps transparently show our progress and the path forward to our teams, customers, investors and communities.

Early in 2021, we announced our Climate Commitment – a set of realistic, responsible goals for phasing out coal and reducing $CO_2$ emissions, and our vision to achieve net-zero $CO_2$ emissions by 2050.

We have tracking tools that measure our progress against our Climate Commitment. Our tracking is informed by operational company updates on actual and future emissions forecasts and progress against key capital project updates. Progress will be regularly reviewed by our teams, the SMC and RSC, to assess the status of our key clean energy projects and milestones required to meet our commitments.

At the end of 2021, we achieved a 39 per cent reduction in $CO_2$ emissions and a 65 per cent reduction in our use of coal as a percentage of total GWh generated compared to 2005 levels. Our

Climate Commitment Progress on page 30 describes the path to achieve our goals to 2025. The path to 2040 and beyond will rely heavily on a variety of factors including market conditions and emerging technologies. The teams at our two largest utilities, Nova Scotia Power and Tampa Electric, are working toward their own respective carbon reduction targets. At Nova Scotia Power, we're mandated by regulation to achieve 80 per cent renewable energy by 2030 and to close all coal units by 2030. At Tampa Electric, the team is working toward a 60 per cent reduction in $CO_2$ emissions by 2025, an 80 per cent reduction by 2040 and a vision of reaching net-zero $CO_2$ emissions by 2050.

The work taking place across the company, particularly at Nova Scotia Power and Tampa Electric, is driving the progress we're making against our Emera-wide Climate Commitment goals.

A team member completes a wind turbine inspection in Nova Scotia.

↻ **OUR PROGRESS**

**15,453**
Scope 1 and 2 $CO_2$ emissions (kt$CO_2$)

**0.49**
total $CO_2$ carbon intensity[1] – **16% decrease over last five years**

**9,158**
Scope 3 $CO_2$e emissions (kt$CO_2$e)

**60%+**
of capital plan through 2024 is committed to clean energy and reliability projects

● See GRI and SASB Index for more information.

1 t$CO_2$/MWh total sales

**NOVA SCOTIA WIND**
~600 MW in service
- 150 MW rate base
- 450 MW IPPs[1]

**FLORIDA SOLAR: PHASE 1**
655 MW solar in service

**BIG BEND COAL UNIT 3 RETIREMENT**
(2023)

**FLORIDA SOLAR: PHASE 2**
~900 MW in service as of June 2022.
50 MW battery storage by 2025.

# Climate Commitment Progress

The team across Emera is working together to meet our Climate Commitment goals and our vision to achieve net-zero $CO_2$ emissions by 2050.

**2021 GOAL (ACHIEVED)**

39% reduction: $CO_2$ emissions
65% reduction: coal

**2025 GOAL**

55% reduction: $CO_2$ emissions

**2040 GOAL**

80% reduction: $CO_2$ emissions
Close last coal unit

**2050 VISION**
**Net-zero**
$CO_2$ emissions

● CLIMATE COMMITMENT GOALS
● PLANNED OR IN PROGRESS
◉ COMPLETED OR ACHIEVED

**BIG BEND MODERNIZATION: PHASE 1**
Coal Unit 1 retired (2019)
Coal Unit 2 retired (2020)

**MARITIME LINK**
Capable of transmitting 500 MW of hydro from Newfoundland & Labrador.

**BIG BEND MODERNIZATION: PHASE 2**
Includes waste-heat recovery to improve efficiency. On track for completion by end of 2022.

1   Independent Power Producers

Achieving our climate goals on these timelines is subject to our regulatory obligations and other external factors beyond our control.

# Closing Coal: Benefits to Water, Biodiversity and Waste

Closing coal units is central to our clean energy transition plan. Our coal unit closures will have additional environmental benefits beyond $CO_2$ emissions. For example, in the last five years we have decreased our sulphur dioxide emissions by 20 per cent and our nitrogen oxides emissions by 13 per cent, primarily as the result of decreased coal use. We will continue to achieve significant reductions in these emissions and others including mercury (Hg), carbon monoxide (CO) and particulate matter, as we meet our Climate Commitment.

Water is an integral part of energy generation. Whether we're using water to generate electricity, or to cool equipment in our thermal plants, we take care not to negatively impact water resources in the area. Our companies discharge water in compliance with current environmental regulations and operating permits and make every effort to avoid unplanned discharges. In addition, there are several initiatives at Tampa Electric to reuse and reclaim water, which minimizes the need to withdraw water. As we use less coal to generate electricity, we will also use less water and produce less wastewater.

Finally, as we focus our efforts on more renewable energy sources, including the refurbishment of our hydroelectricity

sites and development of additional solar and wind generation sites to replace coal, we're careful to consider and manage the potential impacts to ecosystems. Before we begin projects, we screen sites for biological resources and sensitive or protected areas. We're committed to mitigating potential biodiversity impacts to vulnerable species or sensitive ecosystems when siting or timing projects, or minimizing the extent and/or likelihood of these impacts using site-specific environmental protection procedures, including water management, sedimentation control, wetland protection, and other protection measures for wildlife and species of concern. We also conduct recommended mitigation measures after our project work is complete.

Our operating companies are also working to reduce waste at its source and minimize the amount of non-hazardous and hazardous waste that's produced and disposed. All waste is managed in accordance with applicable regulations and at approved facilities. Coal combustion waste is one of the biggest sources of waste that we manage every year. While we have worked for many years to recycle this ash for other industrial uses, as we continue to reduce the use of coal, the amount of ash that we have to manage will continue to decrease.

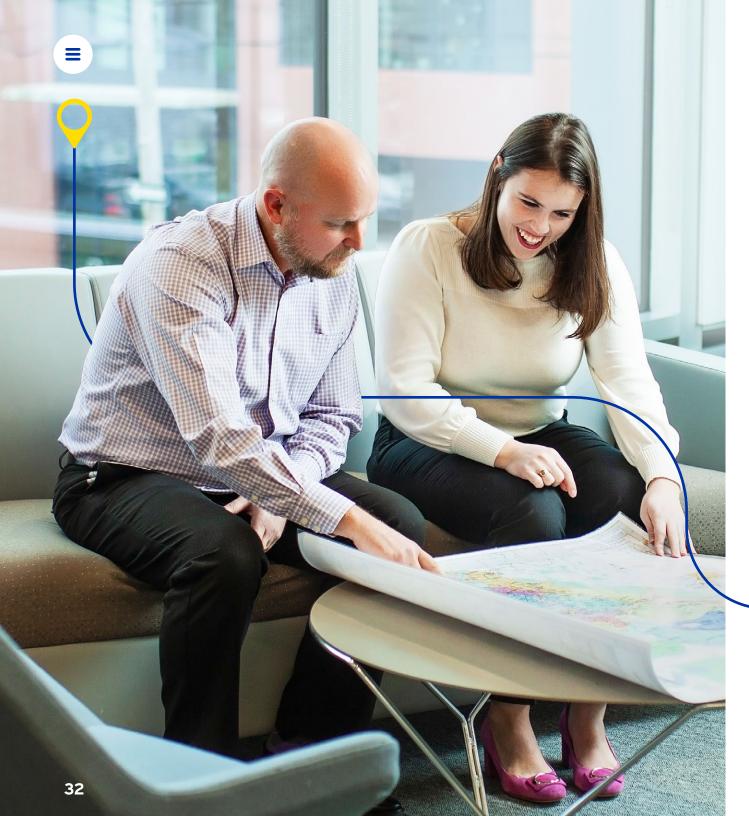For more information, see our GRI and SASB Index.

**OUR PROGRESS**

**20%** decrease in sulphur dioxide ($SO_2$) air emissions over last five years

**13%** reduction in nitrogen oxides ($NO_x$) air emissions over last five years

**26%** of coal combustion waste produced was repurposed or recycled

● See ESG Performance for more information.

# SOCIAL

Our teams are our greatest strength – they drive our strategy forward and deliver for our customers every day. This has been further highlighted throughout the ongoing COVID-19 pandemic. To support them, we're focused on reinforcing our strong safety culture, being an employer of choice, and driving diversity, equity and inclusion in our workplaces and communities.

We're also staying focused on how the transition is impacting costs for customers and supporting those in need through energy assistance programs. As we continue our shift away from coal, we're working with partners to ensure a just transition that is fair and supportive of employees and communities. We value our relationships and partnerships and we're proud to give back to the communities where we work and live.

**$13M**
contributed to our communities in 2021

**1.06 OSHA[1]**
injury rate – 8% improvement over five-year average of 1.15

**2%**
increase in employees that identify as minorities[2, 3]

1   Occupational Safety & Health Administration
2   Since this was first reported in our 2020 Sustainability Report
3   The term "minority" is based on the local definition in each of the jurisdictions where we operate.

# Safety

Safety is always our first priority at Emera. We are continuing our journey to world class safety through building strong safety systems and an authentic safety culture. We are focused on safely delivering the energy our customers count on every day while protecting our team, contractors, customers and communities.

## OUR APPROACH

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Always leading with health and safety<br>• Empowering our teams and communities | • Safety |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Risk and Sustainability Committee<br>• Health, Safety and Environment Committee<br>• Sustainability Management Committee<br>• Executive team including Vice President Safety & Environment<br>• Operating company Executive and safety teams<br>• Emera Leadership Safety Advisory Council<br>• Emera Safety Council<br>• Safety Leadership accountabilities | • Emera Occupational Safety and Health Policy; Operating Company Occupational Safety and Health policies<br>• Safety Management System<br>• Safety Compliance<br>• Hazard Identification and Risk Management<br>• Prevention of Serious Injuries and Fatalities<br>• Contractor Safety Management Program<br>• Safety Procedures |

Emera's Safety Management System (SMS) is built to align with the International Standards Organization (ISO) 45001 standard. It provides a comprehensive platform for the governance of safety policies and programs, including the consistent application of corporate standards and compliance requirements and continual improvement of safety performance across Emera, with a specific focus on preventing workplace injury and illness. The key performance metrics are reviewed annually and used to update existing, and develop new, continual improvement objectives.

At Emera safety starts with a strong culture and the belief that the safety of our team, contractors, customers and communities is the priority. At all levels of the business, we're focused on achieving an Emera where no one gets hurt.

Despite our continued focus on safety and our progress in reducing injury frequency to well below industry average, there were two contractor fatalities in 2021, and an employee fatality early in 2022. These tragic events were deeply felt by our entire team and they highlight our need to intensify our efforts and stay vigilant.

In addition to dedicated safety stand-downs at our operating companies, Emera's CEO and executive team hosted a company-wide safety meeting for leaders to reinforce Emera's philosophy that we hold everyone working for us, not just our employees, but also our contractors' employees, to the same high safety standards. Our response also involved strengthening the contractor safety program and ensuring alignment on safety expectations. We are encouraged by the shared commitment to improve safety performance. We are also focused on the prevention of serious injuries and fatalities (SIF). This includes the introduction and ongoing implementation of an Emera-wide SIF prevention program that was developed for the Edison Electric Institute, based on research conducted at the University of Colorado. The program focuses on enhancing Energy Based Hazard Recognition skills, conducting quality-based Field Level Safety Engagements and proactively identifying and addressing the latent workplace conditions that could lead to a serious event if not addressed. This program also supports employees and contractors in understanding the specific hazards associated with high-risk jobs and in implementing measures to prevent safety incidents from occurring. The entire Emera team, supported by the Board of Directors, continues to focus on our vision of an injury-free workplace.

## OUR PROGRESS

**1.06 OSHA**[1] Injury Rate – 8% improvement over five-year average of 1.15

**0.36 LTI**[2] Frequency Rate – equal to five-year average

**234** Proactive Rate (PAIR)[3] – on par with previous year

● See ESG Performance for more information.

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1   Occupational Safety & Health Administration. The injury rates are industry standard calculations based on 200,000 person hours of work.
2   Lost Time Injury
3   PAIR is the number of proactive reports per 100 employees.



**KEY EXAMPLE**

## Safety Leadership Training at Grand Bahama Power

Managers and supervisors at Grand Bahama Power helped to pilot our new Safety Leadership Development Program in 2021. The program is designed to increase leadership accountability for safety, strengthening our safety culture as we focus on achieving an Emera where no one gets hurt.

Developed in collaboration with experts from Saint Mary's University in Halifax, the program emphasizes management's responsibility for safety in everything we do. It strives to help front-line leaders understand the factors that influence employee safety behaviour, including the conditions that are likely to lead employees to behave unsafely and how to address these conditions. The hybrid online and in-person learning program focuses on preventing serious injuries and fatalities using a combination of theory, practical exercises and meaningful discussion.

We continue to roll out the safety leadership training across Emera operating companies, building on the positive feedback and lessons learned from the Grand Bahama Power team.

**KEY EXAMPLES**

## Energy-Based Safety Training

We continue to deliver a new training program across Emera in support of our focus on preventing serious injuries and fatalities. This training was developed by experts at the University of Colorado and is designed to better equip employees and contractors with knowledge and skills needed to safely work in situations where high energy conditions exist. Research correlates serious injuries and fatalities with the presence of high energy conditions for which direct controls have not been established.

The training approach is endorsed by The Edison Electric Institute and grounded in four core concepts:

- Recognizing energy-based hazards, with a particular focus on the highest risk factors.

- Applying a Safety Classification & Learning Model, which includes understanding changes in energy states and how these can lead to serious injuries and fatalities.

- Identifying precursors – helping to spot key warning signs.

- Consistently reviewing high-risk tasks to ensure the right controls are clearly established before work starts.

In 2021, we focused our efforts on customizing the training program for our businesses. We developed modules that will target various employee groups, such as front-line teams and office-based employees. The Serious Injury and Fatality Prevention Training is being rolled out to employees this year.

## Reinforcing Contractor Safety at Peoples Gas

We're working to strengthen our contractors' safety management program across the company, and one example can be found at Peoples Gas. Since experiencing a contractor fatality early in 2021, the Peoples Gas team has been working with employees and contractors to reinforce our long-standing philosophy of safety as the first priority, above all else.

In addition to expanding its Contractor Safety group to further increase oversight in the field, the team conducted an in-depth overview and analysis of the safety programs, training programs and hazard identification protocols of all contractors, driving significant discussion and ultimately strengthening these important relationships.

Building on this, the team now meets quarterly with contractors that perform high-risk work to discuss how they can be best supported to work safely. This regular communication has increased collaboration, improved incident investigation processes and facilitated the sharing of best safety practices.

Additionally, Peoples Gas is launching a safety culture survey for employees and contractors this year. The survey will take place every two years and the information gathered will provide valuable insight into the safety perceptions and attitudes at all levels of the business, helping to identify areas for improvement and ways to effectively strengthen safety culture.

This significant work is ongoing with a commitment to protect the safety of all Peoples Gas team members and contractors.

# COVID-19 Pandemic

The enduring COVID-19 pandemic is changing the way we work. As an essential service provider, we moved quickly to adapt and add new protocols to maintain critical operations across the business and deliver the energy our customers count on.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Always leading with health and safety<br>• Empowering our teams and communities | • COVID-19<br>• Safety |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Risk and Sustainability Committee<br>• Emera Board Health, Safety and Environment Committee<br>• Sustainability Management Committee<br>• Emera Crisis Management Team<br>• Operating company pandemic response teams and health and safety teams | • Emera Pandemic Plan & Operating Company Pandemic Plans<br>• Emera Canada Vaccine Policy<br>• Emera Responsible Re-entry Framework |

As part of our Emera-wide pandemic planning protocols, we established pandemic leads for each of our operating companies and activated our cross-functional Emera Crisis Management Team (CMT) that set consistent standards for how we respond to the COVID-19 pandemic across our business. Throughout the pandemic, our primary focus has been, and continues to be, on the health and safety of our teams, customers and communities, while continuing to deliver the cleaner, affordable and reliable energy our customers depend on.

Our response has been proactive and aligned with public health guidance in each of the jurisdictions where we operate. We encouraged all employees across Emera to get vaccinated against COVID-19. In Canada, we implemented a policy requiring that all employees be fully vaccinated before being permitted to enter our workplaces.

Overall, we've quickly adapted to evolving conditions and shifting health guidance, particularly with each wave of the pandemic and as new variants of the virus emerged. We incorporated additional safety measures and new protocols to help reduce the spread of the virus in our workplaces, without compromising critical operations. These measures have included masks, social distancing, isolation requirements, testing and tracing, business travel restrictions and tracking of personal travel.

Early in 2021, we conducted a review of our pandemic response to assess its effectiveness and identify areas for improvement. This evaluation has benefitted our ongoing response and has enhanced our overall approach to pandemic planning in many key areas including information sharing, data collection and supply procurement. Lessons learned throughout this process will help ensure we're as prepared as possible for other serious pandemic challenges we may face in the future.

**OUR PROGRESS**

**76%** employee vaccination rate across Emera

**99%** vaccination rate among employees in Canada

**Proof of Vaccination Policy for employees in Canada**

● See ESG Performance for more information.

A member of the Nova Scotia Power team adhering to COVID-19 safety protocols in the workplace.

**KEY EXAMPLES**

## Health Screening App

As part of our pandemic response plan, we asked every member of our team to conduct daily health assessments before entering our workplaces in order to help minimize the spread of the COVID-19 virus. Employees have access to Emera's COVID-19 Health Screening Tool on any corporate device in all areas of our business. The program asks a series of questions related to overall health and potential symptoms of COVID-19 and determines if the employee is cleared for in-person work. The app, combined with our reporting protocols for symptoms and positive testing, has been helping to keep our team, customers and communities safe.

## Remote Work and Responsible Re-entry

Many of our office-based employees across the business quickly shifted to working from home when the pandemic hit. This approach helped to minimize the spread of the virus in our workplaces and alleviate some of the strain on our health care systems. We took a multi-departmental approach to support remote work including deploying office equipment and tools, reinforcing IT systems and video conferencing technology, implementing ongoing employee engagement opportunities and ensuring quick, easy access to mental health support if needed.

Led by Emera's Crisis Management Team (CMT), we developed the Emera Responsible Re-entry Plan to provide guidance and set the standard for returning to in-person work for the entire organization. Our operating companies developed their own re-entry plans based on Emera's approach with support from the CMT. As the impacts of the pandemic and the status of COVID-19 cases have varied and evolved across our jurisdictions, our approach to returning to in-person work has also required flexibility. This has ensured we've been well-positioned to begin, adjust or even halt the re-entry process based on evolving public health guidance.
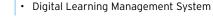
Our COVID response has changed the way we work. In many of parts of our business, we've introduced remote work pilot projects to see how we can best provide additional flexibility to our teams while maintaining a collaborative corporate culture. We continue to evaluate these pilots to determine the best path forward.

# Expert Team

It takes a strong, focused team to safely deliver cleaner, affordable and reliable energy to our customers every day and to build a cleaner energy future. As the energy industry evolves, and as the global pandemic drives a shift in employee expectations, the competition for top talent has further intensified. To attract and retain a strong team, it's more important than ever to be an employer of choice – offering the opportunities, tools, rewards, benefits and experiences for our employees – all within the overarching objective of providing diverse, equitable and inclusive workplaces.

## OUR APPROACH

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Empowering our teams and communities<br>• Driving innovation | • Talent management |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Executive team including Chief Human Resources Officer<br>• Emera-wide DEI Council and operating company DEI networks<br>• Operating company health and safety teams | • People Strategy<br>• Diversity, Equity and Inclusion Strategy<br>• Digital Strategy<br>• Emera Code of Conduct<br>• Emera Respectful Workplace Policy Leadership Competencies<br>• Emera Leadership Academy<br>• Digital Learning Management System |

## OUR PROGRESS

**83%** Employee Engagement Rate in 2021

**Canada's Top 100 Employer and a Top Employer for Youth**

See ESG Performance for more information.

## KEY EXAMPLE

### Developing Agile Skills

To help us deliver on our business strategy and to adapt to a rapidly changing industry, in 2021 we implemented a new business-wide Digital Strategy focused on empowering our teams with new ways of working, data analytics, and technology.

In addition to an enhanced focus on digital project governance and value-based decision-making, we also invested in developing Agile skills in our leaders and teams, offering customized learning opportunities and delivering six proof-of-concept projects that leveraged Agile methodologies.

Agile is an industry-proven method to complete projects faster and more efficiently by investing in cross-functional teams, shorter and iterative work sprints and rapid decision-making. Drawing on learnings from this approach and the success of our proof-of-concept projects, we are now focused on making Agile training and tools more widely available for all employees in our companies.

In addition to encouraging new ways of working such as Agile, our Digital Strategy is also focused on equipping our employees with analytics tools and skills that can help collect and analyze data to reveal ways we can deliver even more value to our customers or work more efficiently in our business.

Each member of the team across Emera plays an integral role in delivering on our strategy every day. With oversight from our boards and executive leaders, we continue to advance our multi-year, company-wide People Strategy to ensure we're building and maintaining strong, diverse and resilient teams across the business. Our commitment to diversity, equity and inclusion (DEI) is embedded in this Strategy, with key priorities executed through a DEI lens. The key components of our People Strategy and talent recruitment efforts include:

| | |
|---|---|
| **Diversity, Equity and Inclusion (DEI)** | DEI is at the core of our People Strategy. Everything we do to attract and retain top talent is done with key DEI principles in mind. The development and roll-out of our Emera-wide DEI Strategy includes advancing the development of a business-wide DEI Framework and establishing a new Emera-wide DEI Council increasing the number of DEI employee networks across our companies; identifying barriers in our processes, policies and practices; offering DEI training and collecting anonymous, voluntary self-identification data from our teams in Canada. |
| **Talent Attraction & Acquisition** | Working with our operational teams to identify emerging needs and plan for succession; investing in student and graduate recruitment programs |
| **Workforce & Succession Planning** | Investing in tools and process improvements focused on leadership development and enhancing the diversity of our leadership pipeline |
| **Learning & Development** | We continue to enhance learning opportunities for all employees, strengthening our commitments to safety, DEI, cybersecurity and skills development. We have an Emera-wide learning management system and in 2020 we launched the Emera Leadership Academy. Modules within the Leadership Academy are each aligned to Emera's Leadership Competencies (our employee guidelines for role-specific performance and career development). This enables participants to make connections between the learning content, their individual performance and Emera's corporate business strategy and priorities. |
| **Performance Management** | We are taking steps to ensure employees and people leaders are enabled to have supportive conversations focused on results and career growth. |
| **Total Rewards & Wellbeing** | We regularly complete external market assessments and compare our total rewards to ensure we are offering competitive compensation. |
| **Employee Experience** | To ensure we are listening to, and learning from, our team members, we implemented company-specific pulse surveys. Building on the lessons learned during the pandemic, we've implemented pilot projects across the business to test how we can best offer greater flexibility and work-life balance for our teams. |

**KEY EXAMPLE**

## People Leadership Academy

As part of our commitment to helping our people grow in their careers and as leaders, in 2021 we continued to increase the number of employees taking part in our Emera Leadership Academy. Over 100 leaders invested a combined total of more than 2,700 learning-hours to graduate from the academy program, applying new skills while also strengthening internal networks and opportunities for cross-company collaboration.

Launched in 2020 in partnership with an external business provider, this business-wide learning program offers a combination of virtual and in-person learning for emerging and established leaders. Depending on their level, participants take part in diverse cross-company cohorts and benefit from a combination of self-directed, coach-led and group-based learning focused on both fundamental and applied leadership skills – with an emphasis on using their skills in real business settings.

Modules within the Leadership Academy align with Emera's Leadership Competencies – a tool we share with all employees to help them understand what strategy-aligned performance and career development looks like for different roles and levels in our business. This alignment assists Leadership Academy participants to connect their capabilities and performance to business strategy and results.

## Diversity, Equity and Inclusion (DEI)

Our commitment to building a more diverse, equitable and inclusive team at Emera is critical to building a more sustainable future. We know that a strong culture that values and drives DEI will also help us attract and retain the best talent.

As we continue to advance our DEI strategy across the business, all of our operating companies have now implemented employee-led DEI networks. While each of our businesses is on a unique DEI journey, our Emera-wide DEI strategy helps to ground our efforts in the common objective of providing safe, diverse and inclusive workplaces everywhere we operate. We've established five key pillars to help align our strategy with the Global Diversity, Equity and Inclusion Benchmarks. Each DEI Network assigns annual actions under these pillars:

- Lead & Be Accountable
- Educate, Celebrate & Communicate
- Data & Metrics
- Attract & Retain Great Talent
- Listen To & Support Communities

We've also been working to better understand our workforce diversity. In addition to the data gathered from our employees in the US through mandated government initiatives, we've been collecting anonymous self-identification data from our teams in Canada on a voluntary basis. By the end of 2021, 59 per cent of Canadian employees had participated. The data collected is helping us understand how to best focus our recruitment efforts to drive further diversity. We've also continued to deliver DEI training for hiring managers across Emera.

In 2021, we also formed an Emera-wide DEI Council, comprised of DEI Leads from each of our operating companies, to add rigor to our shared focus and to facilitate the sharing of best practices. The Council meets regularly to provide updates on actions under our five DEI pillars, and to discuss annual progress plans, feedback and learnings related to diversity celebrations, recruitment efforts, employee resource group activities, training and support for DEI in our communities.

### OUR PROGRESS

**2%** increase in employees that identify as minorities[1]

**4%** increase in management and senior leadership that identify as minorities[2]

**30%** of employees are women – up 2% in the last five years

● See ESG Performance for more information.

1   The term "minority" is based on the local definition in each of the jurisdictions where we operate.
2   Senior leadership is defined as Director level and above. Management is defined as supervisors, managers and senior managers.

### KEY EXAMPLE

## Diversity, Equity and Inclusion (DEI) Journey Across Emera

With representation from each operating region, we formed an Emera-wide DEI Council to share best practices across the business. While we're at different stages of the DEI journey across our operating companies, our teams made progress throughout 2021.

Each of our operating companies now has employee-led DEI networks that are focused on advancing DEI within the organization. At Nova Scotia Power, Tampa Electric, Peoples Gas and New Mexico Gas, we formed employee resources groups (ERG) to support specific groups within the broader DEI strategy including gender and LGBTQ+, as well as various ethnicities and cultures.

Many of our teams also reviewed and updated our recruitment and procurement procedures to ensure our DEI values are reflected. For example, in 2021 the Emera Newfoundland and Labrador team extended this to contractors, ensuring our DEI policies and expectations are clearly communicated, understood and adhered to.

Across the business, our teams participated in DEI training and education sessions related to unconscious biases and respect in the workplace. We also developed plans to acknowledge and learn about diversity within our teams and communities, including by hosting events and cultural celebrations throughout the year such as Hispanic Heritage Month, Black History Month, International Women's Day and LGBTQ+ Pride Month.

Building on Emera's DEI Fund, many of our operating companies have established strategies to help advance DEI in their respective communities. For example, the Emera New Brunswick team created a five-year plan to support youth and DEI initiatives in their region.

# Customer Experience

Providing a better experience for customers is an ongoing focus for all members of our team across Emera. Our operating companies have formal and informal feedback mechanisms in place to ensure we understand new and changing customer expectations.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Never losing sight of affordability<br>• Enhancing reliability<br>• Empowering our teams and communities<br>• Driving innovation | • System reliability and grid resiliency<br>• Customer affordability |
| **OVERSIGHT** | **POLICIES & PROGRAMS** |
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Operating company leaders and Customer Experience teams<br>• Storm response teams | • Digital Strategy<br>• System reliability<br>• Performance tracking and reporting<br>• Storm response plans, including outage maps<br>• Customer Experience programs, including customer feedback programs such as satisfaction surveys and focus groups |

Digitalization is an important part of this work. In an increasingly connected world, energy reliability is more important than ever. Customers also expect digital customer service options and the ability to control or change account settings through intuitive self-serve options. With these evolving expectations in mind, our customer experience strategies are focused on reliability and providing customers with digital tools that match their expectations.

Our operating companies invest heavily in reliability each year. Nova Scotia Power invests over $100 million annually to continuously improve the reliability of its transmission and distribution network. In Florida, Tampa Electric's Storm Protection Plan includes approximately $150 million USD spent each year on reliability and storm hardening.

Reliability investments go beyond vegetation management and replacing or upgrading equipment. Our operating companies are also incorporating new technologies that help us identify and repair issues much more quickly, reducing both the frequency and

duration of customer outages. As a result of these investments, Nova Scotia Power has achieved a 29 per cent reduction in the frequency of power interruptions, including storm-related outages, over the last five years, while Tampa Electric has reduced momentary interruptions for customers by approximately 30 per cent over the past five years, with 2020 and 2021 being record-breaking years for overall reliability metrics.

Approximately 1.4 million smart meters have been installed for customers across our electric utilities. Once they are fully in-service, smart meters will provide

access to detailed energy usage information and insights that will allow customers to make informed decisions about how and when they use electricity. In Nova Scotia, MyEnergy Insights is a digital tool that uses artificial intelligence to give customers a detailed analysis of current and historical energy use, patterns and costs. This new energy portal, currently in an active pilot with customers, offers usage details and energy-saving tips and allows customers to set personalized usage or budget notifications.

With smart meter installation at Tampa Electric nearly complete, the team is working to present detailed energy usage and key insights to customers, allowing them to personalize their experience and choose when, where and how they want to see their energy data.

Our efforts to meet customers' expectations continues to receive positive feedback. In 2021, Peoples Gas was again ranked highest in residential customer satisfaction (among mid-sized natural gas companies in the south region) by J.D. Power for the ninth consecutive year. For the first quarter of 2022, Tampa Electric achieved some of the highest scores ever for overall customer satisfaction, power quality and reliability for residential customers, ranking in the first quartile nationally by J.D. Power. Tampa Electric was also named a 2021 Trusted Business Partner by Cogent Syndicated in its annual "Business Customer Champion" study .

**KEY EXAMPLE**

## Smart Home Driving Energy Efficiency at Grand Bahama Power

Understanding in real time how a home uses electricity helps identify changes that can result in lower energy costs.

In 2021, the Grand Bahama Power (GBPC) team welcomed customers to its Smart Home, an interactive space that demonstrates how intelligent energy technology can be used at home to drive energy efficiency and cost savings for customers.

Members of the Operations, Customer Solutions and Communications teams applied their expertise in designing the Smart Home. During a walkthrough, customers are able to see the real-time impacts of various appliances and other equipment on an energy consumption meter. The experience arms customers with information and tips they can apply in their own homes to reduce energy use and household costs.

# Community Investment

As a business of primarily regulated utilities, we have deep and long-standing relationships with our communities. We are proud to do our part to build stronger, more diverse communities where we work and live. Our partnerships are helping to foster innovative thinking and new ideas that will contribute to building a cleaner energy future.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Empowering our teams and communities | • Community investment |
| **OVERSIGHT** | **POLICIES & PROGRAMS** |
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• CEO, CLT, EVP Business Development & Strategy, Corporate Communications<br>• Operating company leadership<br>• Operating company community boards | • Community investment strategy<br>• Diversity, Equity and Inclusion Strategy |

Our Community Investment program is aligned with our strategy and values. We're committed to helping our communities become safer, stronger and more innovative, equitable and inclusive. This work includes promoting safety awareness near electricity and natural gas facilities, supporting initiatives that are advancing diversity, equity and inclusion (DEI) in our communities, and investing in programs to support customers in need with energy costs.

In partnership with our operating companies, early in 2021 we announced the $5 million Emera DEI Fund to support organizations that are advancing DEI in our communities. In the first year, we've committed over $1.9 million in support of social justice and equality initiatives, with a focus on supporting underrepresented groups.

We continue working with organizations in all of the areas where we operate to identify further partnership opportunities to help build more diverse, equitable and inclusive communities.

**OUR PROGRESS**

**$1.9M** contributed to DEI initiatives (as part of the $5M Emera DEI Fund)

**$700K** raised by employees for the United Way[1]

**34,750** hours volunteered by employees in our communities[2]

● See ESG Performance for more information.

1 Includes funds raised in Atlantic Canada ($375,000) and New Mexico ($250,000 USD). Also includes corporate contributions.
2 Employee volunteer hours are tracked in various ways within our operating companies including through employee giving programs such as Good Neighbour and through self-reporting and tracking.

**KEY EXAMPLES**

### Tribe IDEA Fellowship Presented by Emera

In 2021, as part of our Diversity, Equity and Inclusion Fund, we partnered with Tribe Network to launch the Tribe IDEA (Inclusion, Diversity, Equity & Access) Fellowship. Our $375,000 investment is supporting a program that will provide up to 100 Black, Indigenous and People of Colour (BIPOC) youth and mentors with access to peer networks, mentors and industry experts, as well as financial support to pursue their community-based efforts. The theme for the first cohort of participants is Inclusive Policy, Research and Advocacy, with a focus on entrepreneurship and innovation in Nova Scotia.

Alfred Burgesson, Founder and CEO, Tribe Network and Scott Balfour, President and CEO, Emera Inc. at the launch of the IDEA Fellowship program.



In partnership with the United Way, Emera team members volunteered to pack cold-weather warming kits to be delivered to people in need by Shelter Nova Scotia.

### Supporting the United Way in Atlantic Canada and New Mexico

Emera team members across the business once again supported community organizations through our 2021 United Way workplace giving campaign. Campaigns were held in our Atlantic Canadian businesses and at New Mexico Gas. Employee pledges, combined with corporate donations, totalled approximately $700,000 to support our communities.

In Atlantic Canada, the United Way supports programs that provide nutritious food, safe shelter and mental health services, helping to make our communities stronger and safer. The United Way of Central New Mexico is focused on rallying community support, providing comprehensive resources and raising funds to increase family stability and educational opportunities.

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**KEY EXAMPLE**

## Energy Assistance in Our Communities

When customers need assistance with energy costs, we work with them to identify ways we can help including by offering individualized payment plans. We also support social programs across the business that support customers and provide financial assistance to those in need.

In 2021, employees, community partners and customers donated $192,000 to the Share Program, which was then matched by Tampa Electric and Peoples Gas for a total of $384,000. This contribution provided support to nearly 930 households with their electric and natural gas bills throughout the year. At the end of 2021, the companies contributed an additional $1 million to the Share Program, which continues to assist customers into the 2022 year. So far for 2022, we have assisted a total of 1,535 households, exceeding the 2021 full-year figure.

Nova Scotia Power provides emergency home heating assistance for customers through the HEAT Fund. In addition to the company's annual $200,000 contribution, Nova Scotia Power Maritime Link (NSPML) announced a $1.5 million donation to the 2021 program year. Approximately $1 million of this additional donation was distributed to low-income customers in 2021, with the remainder carried into the 2022 program year. In 2021, the HEAT Fund provided support to approximately 2,850 low-income households.

Nova Scotia Power also contributes $3.4 million each year to the HomeWarming Fund. The program provides free energy assessments and, for income-qualified households, it also provides home upgrades to improve energy efficiency and help to manage energy costs.

The New Mexico Gas team contributed over $350,000 to the Heat New Mexico heating assistance program in 2021, supporting more than 2,400 households with their energy expenses in the year.

# Indigenous Relationships

By working closely with Indigenous communities, we learn from traditional stewards of the land and work together to develop clean energy solutions that protect the environment, respect tradition and strengthen communities.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Empowering our teams and communities | • Indigenous relations |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Operating company leadership<br>• Operating company boards | • Indigenous engagement frameworks<br>• Community investment strategy |

Canadian Indigenous and Native American communities are important and valued partners across Emera's operations, and we're committed to building and maintaining strong, collaborative relationships that are based on trust, transparency and respect.

We understand that our operations and business activities can have a significant impact on these communities. As part of our business strategy, we engage in open communication and meaningful consultation on new and developing energy projects so we can learn about the unique perspectives, concerns and interests of our Indigenous and Native American partners. We also work together to create education and training opportunities, including through scholarships and job creation initiatives.

In Nova Scotia, we continue to grow and strengthen our relationships with the Mi'kmaw Nation and local Mi'kmaw communities. This includes advancing conversations to develop resources and capacity community agreements that can lead to meaningful economic, education and training opportunities.

At New Mexico Gas, we engage regularly with the 18 Pueblos, Tribes and Nations near our operations. This includes consulting and negotiating on rights-of-way and infrastructure projects, as well as working together to ensure residents of these communities have equal access to natural gas service and efficiency programs. In 2021, we completed the first phase of the Acoma Pueblo mainline extension providing natural gas service to an estimated 350 new Pueblo customers. Additional work on this project is taking place throughout this year. We also plan to expand our Native American Energy Efficiency Program to all 18 Pueblos, Tribes and Nations in our service area to support customers in reducing consumption and managing costs by using energy more efficiently.

As part of our company-wide focus on fostering diversity, equity and inclusion we provide our teams with opportunities to learn more about Indigenous and Native American history and culture. In 2021, our team members in Canada joined in marking the inaugural National Day for Truth and Reconciliation to remember the tragic legacy of Canada's residential school system and to honour survivors, their families and communities. We also held a virtual information session with a Mi'kmaw educator who spoke about the history, culture, challenges and opportunities of the Mi'kmaw people in their traditional territory of Mi'kma'ki (present-day Atlantic Canada) and across the country.

**KEY EXAMPLES**

### Native American Scholarship Program

Since 2011, New Mexico Gas' Native American Scholarship Program has awarded over $384,000 USD to 205 Native American students heading into post-secondary education. In 2021, 20 students received scholarships to offset their educational costs.

We recognize that in today's workforce, there is a need for trade school and technically trained personnel as well as those with conventional university degrees. In addition to associate, bachelor's, or master's degrees, the scholarship program is also open to students pursuing certification from a trade school or specialized technical training.

Investing in youth opportunities is a key pillar of our community investment approach, helping to make our communities stronger and foster the innovators, entrepreneurs and team members of tomorrow.

New Mexico Gas presents scholarships to Native American students at a ceremony held in 2019. Due to the COVID-19 pandemic, presentation ceremonies were not held in 2020 or 2021.
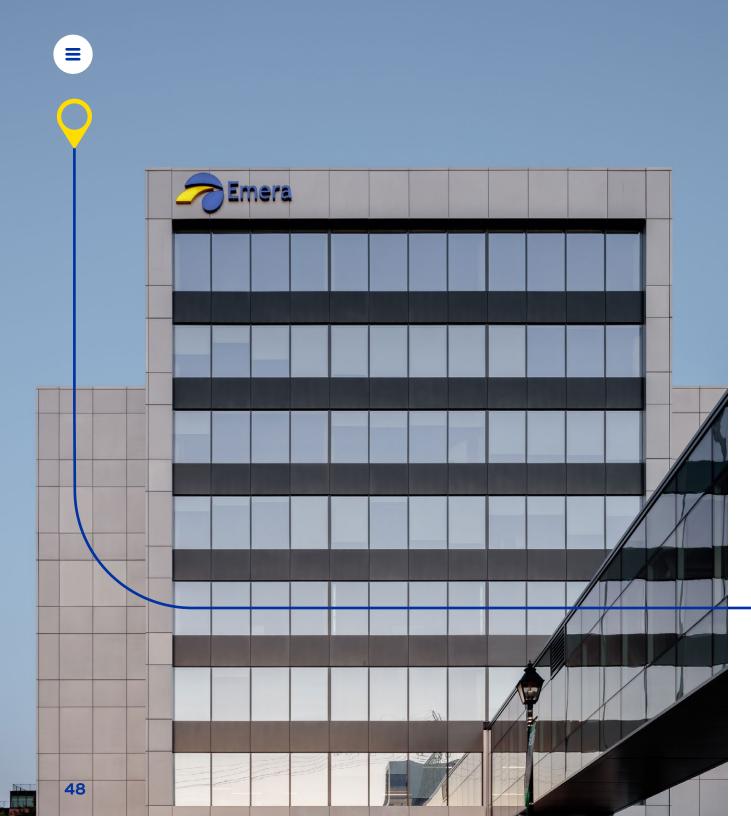




The Mi'kmaw flag flies outside of Nova Scotia Power's headquarters in Halifax, Nova Scotia.

### Downie Wenjack Legacy Space

At Nova Scotia Power, we value our strong partnerships with Mi'kmaw communities, and we're committed to supporting and celebrating the vibrant Mi'kmaw culture across the province.

In addition to business partnerships, training opportunities and our annual Nova Scotia Power Mi'kmaw Bursary Program, the team is now working to increase understanding of Indigenous culture and history within our communities. In partnership with the Downie Wenjack Fund, the team is developing a Legacy Space at its headquarters in Halifax. Legacy Spaces are safe, welcoming places for reflecting on the rich Indigenous history across Canada and the tragic legacy of residential schools. The objective is to foster cultural understanding and build connections between Indigenous and non-Indigenous Canadians, helping to forge the path toward reconciliation.

The Legacy Space will be open to employees and the public and will feature works of art by local Mi'kmaw artists, cultural artifacts, historic information and stories. It's expected to open later this year.

# GOVERNANCE

Strong, effective governance is the foundation of our business. It drives critical oversight and risk management across Emera and drives our responsible approach to delivering for customers, communities and shareholders. We're committed to the highest standard of corporate governance at all levels.

**82%** of Emera Board Directors are independent[1]

**98%** shareholder support in 2021 Say on Pay vote

**2021** nominee for Governance Professionals of Canada Award in Sustainability/ESG

1   Nine of 11 Directors were independent as of December 31, 2021.

# Corporate Governance

Our Board of Directors and management team are committed to strong corporate governance. Our Board provides oversight and guidance for the long-term success of the company. This includes reviewing and approving the strategic planning process while taking into account the risk and opportunities across the business.

## OUR APPROACH

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Always leading with health and safety<br>• Advancing cleaner energy toward our Net-Zero Vision<br>• Enhancing reliability<br>• Driving innovation<br>• Empowering our teams and communities<br>• Never losing sight of affordability | • Business ethics and transparency<br>• Corporate governance |
| **OVERSIGHT** | **POLICIES & PROGRAMS** |
| • Emera Board of Directors<br>• Audit Committee<br>• Management Resources & Compensation Committee<br>• Nominating & Corporate Governance Committee<br>• Health, Safety and Environment Committee<br>• Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Enterprise Risk Management Committee | • Board of Directors Charter<br>• Audit Committee Charter<br>• Management Resources and Compensation Committee Charter<br>• Nominating and Corporate Governance Charter<br>• Risk and Sustainability Committee Charter<br>• Sustainability Management Committee Charter<br>• Emera Code of Conduct |

Emera's Board of Directors meets five times per year. The Board's Charter is reviewed annually to ensure it appropriately reflects the Board's priorities and the Board also reviews its approach to corporate governance each year. As part of this, Directors monitor best practices of leading corporations with the objective of creating and preserving long-term shareholder value.

Every Board meeting has time dedicated to a strategic update and discussion on trends in the industry, operating performance, growth initiatives, financial forecast updates and new risks and opportunities. Additionally, each year one Board meeting is wholly dedicated to strategy.

The Board annually assesses its effectiveness to find ways to improve its performance. This is facilitated through the Nominating and Corporate Governance Committee (NCGC), in consultation with the Board Chair. This process may also include support from a third-party consultant. A written report from the Board Chair on the assessment is provided to the Board members. The Board considers the report, its findings and a set of priority actions for the year. Progress is monitored throughout the year with oversight on that process by the Nominating and Corporate Governance Committee (NCGC).

Executive and Board succession planning is a key responsibility of the Board, ensuring Emera has the right leadership in place over the long term. In terms of Board recruitment, new Directors are recruited based on their background, diversity, skills and the experience needed by the Board in view of Emera's strategy and long-term business plans.

Director independence is a significant priority. Currently, 82 per cent of our Board of Directors are independent from management, except Emera's President and CEO.

## Operating Company Governance

Our operating company boards are comprised of Emera leadership and also include independent local directors. Independent directors are not required, but we believe they add an important level of governance and local perspective for the communities we serve. Most of our operating company Boards of Directors are comprised of a majority of independent directors.

For more information on our strong governance practices, see our 2022 Management Information Circular.

### COMMITTEES OF THE BOARD

• Risk & Sustainability
• Audit
• Nominating & Corporate Governance
• Health, Safety & Environment
• Management Resources & Compensation

# ESG Governance

Our approach to ESG governance is rooted in our well-integrated ESG function across the business and our deep commitment to real and continuous progress.

## OUR APPROACH

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Always leading with health and safety<br>• Advancing cleaner energy toward our Net-Zero Vision<br>• Enhancing reliability<br>• Driving innovation<br>• Empowering our teams and communities<br>• Never losing sight of affordability | • Business ethics and transparency<br>• Corporate governance |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Emera Board of Directors<br>• Health, Safety and Environment Committee<br>• Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Enterprise Risk Management Committee | • Board of Directors Charter<br>• Health, Safety and Environment Committee Charter<br>• Risk and Sustainability Committee Charter<br>• Sustainability Management Committee Charter<br>• ESG tracking tools<br>• Emera Code of Conduct |

Our Sustainability Management Committee (SMC), chaired by our CEO and comprised of senior leaders from across Emera, provides executive oversight of our sustainability function and ESG progress. In 2021, the SMC developed an ESG tracking tool to help record our progress against key ESG goals and targets and facilitated further integration of material ESG factors into our established risk management program (see Enterprise Risk Management).

The Board of Directors also established a Risk and Sustainability Committee (RSC) in 2021 to oversee the company's approach to enterprise risk management, including those risks related to our core ESG factors.

## EMERA BOARD OF DIRECTORS
Oversight of management's approach to addressing ESG impacts, risks and opportunities

## RISK & SUSTAINABILITY COMMITTEE
Assists the Board in oversight of enterprise risk including sustainability

## CHIEF RISK AND SUSTAINABILITY OFFICER
Leads and coordinates an integrated ESG function including reporting, disclosures and strategy

## SUSTAINABILITY MANAGEMENT COMMITTEE (SMC)
Chaired by the CEO and including senior leaders from Emera Inc. and core utilities, the SMC provides oversight, advice and support to manage the risks and opportunities that guide Emera's ESG performance and key disclosure decisions

## ESG TRACKING TOOL
Grounded in our core, material **ESG FACTORS**, this is how we:

- Track our performance
- Identify gaps
- Inform our corporate and operating company action items
- Prepare for mandatory disclosures and evolving/future expectations

| Environment | Social | Governance |
|---|---|---|
| • Air emissions<br>• $CO_2$ emissions<br>• Methane emissions<br>• Climate adaptation<br>• Coal unit disclosures<br>• Low-carbon transition<br>• Waste management<br>• Water management<br>• Biodiversity | • Community investment<br>• COVID-19<br>• Customer affordability<br>• DEI<br>• Indigenous relations<br>• Safety<br>• Talent management<br>• System reliability and grid resilience | • Business ethics and transparency<br>• Corporate governance<br>• Cybersecurity<br>• ESG governance<br>• Political and regulatory requirements |

# Board Diversity

Boards of Directors that include a range of skills, genders, cultures and ethnicities help to enhance an organization's understanding of the needs of the communities it serves, driving better corporate governance and effective decision-making. Varying perspectives also promote a broader view of risk management and drive a more inclusive corporate culture.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Empowering our teams and communities | • Diversity, Equity and Inclusion<br>• Corporate governance |
| **OVERSIGHT** | **POLICIES & PROGRAMS** |
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Emera and operating company Board of Directors – Nominating and Corporate Governance Committee<br>• Third-party advisors and recruiters | • Board Diversity Policy<br>• Emera Diversity, Equity and Inclusion Strategy |

Diversity at the Board level is a significant focus for Emera Inc. and our operating companies. Diversity is a key component of our Board succession planning and recruitment process and Emera Board's Nominating and Corporate Governance Committee (NCGC) regularly evaluates the overall diversity of its Directors.

In 2021, the Emera Board adopted a policy that ensures diversity characteristics are considered in the recruitment of new Directors and in succession planning including gender, age, Indigenous heritage, and ethnic, racial or visible minority status and other diversity characteristics. It also requires that the percentage of women on the Board is never less than 30 per cent.

The Diversity Policy will be reviewed annually, taking into account Emera's diversity objectives and succession planning requirements to ensure

we continue to attract and retain highly qualified individuals to serve on the Board. As part of the Board recruitment process, the NCGC retains certified external recruiters to help identify qualified candidates of diverse backgrounds, characteristics and skills.

The Emera Board currently has one Director who has identified as being in the category of either Indigenous, a member of a visible minority or as having a disability. The Board also has one Director who has identified as having other diverse characteristics, apart from gender. This data was obtained through anonymous, voluntary self-identification survey conducted early in 2022.

The Boards of Directors in our operating companies are focused on driving additional diversity and gender balance as well. For information about board diversity, please see our 2022 Management Information Circular.

**OUR PROGRESS**

**42%** of Emera Board Directors are women, including the Chair[1, 2]

**47%** of independent Directors on the four largest operating company Boards are women, while 33% are Black, Hispanic or Indigenous[3]

**Emera Board Diversity Policy adopted in 2021**

● See ESG Performance for more information.

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1 As of May 26, 2022
2 Emera Board Directors must be a minimum of 30 per cent women.
3 Emera's four largest operating companies are Nova Scotia Power, Tampa Electric, Peoples Gas and New Mexico Gas.

## Effective Policies and Tools

While there are many laws, regulations and policies that govern and guide us at Emera, our Code of Conduct is central to everything we do. Our Code is based on core principles that guide our approach and our actions. These include: (1) Safety, Health & the Environment, (2) Customers, (3) Integrity, (4) Respect & Collaboration, and (5) Excellence.

Our Respectful Workplace Policy and Procedure reinforces accountability by all team members, ensuring we work in a safe environment free from all forms of bullying and harassment. In most cases, the first place to report concerns or suspected violations of our Code is to managers and supervisors. However, when this isn't possible or appropriate, Emera also has an anonymous ethics hotline. Depending on the nature of the reported concern, investigations will be conducted or managed by Audit Services, Ethics & Compliance, Human Resources, Legal, Safety or Corporate Security personnel, or in some cases by an external expert.

All Emera employees are required to complete Code of Conduct training every year to ensure we all understand how to apply it in the workplace and how to address irregularities or breaches.

In addition to our Code of Conduct and our Respectful Workplace Policy and Procedure, other policies and practices that help guide our teams across Emera include:

• Safety Management System

• Environmental Management System

• Anti-Corruption Compliance Program

• Ethics hotline

• Disclosure Policy

• Conflict of Interest protocol

• Crisis Management Team Charter and Crisis Management protocols

• Cybersecurity protocols

• Pandemic protocols

• Board of Directors Charter

• Risk and Sustainability Committee Charter

• Sustainability Management Committee Charter

• Procurement Policy Guidelines

# Enterprise Risk Management

Global demand for cleaner, decentralized energy and digital technologies, combined with the inherent risks of climate change, has increased focus on effective risk management within the energy industry.

Customers, investors and other stakeholders are placing greater importance on the responsible and comprehensive management of core ESG risks and opportunities, making it critical that ESG is effectively integrated into enterprise risk management programs.

**OUR APPROACH**

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Enhancing reliability<br>• Empowering our teams and communities | • Corporate governance |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Executive ownership: Chief Legal & Compliance Officer<br>• Enterprise Risk Management Committee | • Enterprise Risk Management Program<br>• Compliance Management Systems<br>• Anti-Corruption Policies |

Emera's Enterprise Risk Management (ERM) Program is overseen by our Board of Directors and its Risk and Sustainability Committee and managed by Emera's Enterprise Risk Management Committee (ERMC). Our approach provides consistency to how we identify and assess material risk in all areas of our business and considers impacts under the categories of safety, environment, strategy, regulation, reputation and finance.

The ERMC develops a risk register focused on high-impact risks, by identifying and analyzing inherent and residual risks, including those related to climate change. Risks are ranked using a heat map based on severity of impact, velocity of onset, probability of occurrence, control environment and mitigation strategies and action plans. Each enterprise risk is assigned an executive owner. The ERMC regularly reviews and updates the registry and prepares a dashboard that's submitted

to the Risk and Sustainability Committee of the Board for review at each meeting and by the Board as a whole annually. The ERMC conducts a more in-depth review and analysis annually in advance of the Board's annual review.

Additionally, a comprehensive and ongoing risk assessment is part of every significant project Emera undertakes.

In 2021, we took steps to further integrate ESG factors into our risk management processes, including:

- updating relevant risk definitions,

- evaluating material ESG factors against our existing risk registry,

- identifying gaps and enhancing risk mitigation as required, and

- completing an in-depth analysis of high-impact ESG risks through scenario-based evaluation and developing mitigation strategies and action plans.

Complementing our ERM Program, we also have a strong Compliance Management System to ensure our companies, teams and activities and individual employees comply with all federal, state, provincial and local laws and regulations. In addition, our operating companies have robust Anti-Corruption Policies and training that focus on corruption prevention. Emera operating companies are required to certify internally on a quarterly basis whether there have been any incidents of corruption. For 2021, no such incidents were reported within Emera or its operating companies.

As part of our strong commitment to compliance, we collect, organize and integrate risk, compliance and audit data across the business.

# Cybersecurity

Digital technologies are increasingly important in our rapidly changing industry. They're helping to integrate decentralized sources of energy and to manage increasingly complex and multi-directional energy grids. They're also helping to better support energy workers and deliver more information, services and control to customers while enabling operating efficiencies and customer solutions. Given this growing dependency and the critical need to protect sensitive customer, employee and business data, we strive to ensure digital systems are protected from all cyberattacks, whether criminal or state-sponsored.

Our approach to cybersecurity is led by our senior leadership team with direct oversight from the Risk and Sustainability Committee (RSC) of the Board. The status of key elements of our cybersecurity program is reported to the RSC at each committee meeting. In addition, the Board oversees our cybersecurity risk and mitigation plans through its review of our enterprise risk dashboard and heat map at each quarterly Board meeting.

Our cybersecurity risk management approach is based in part on the National Institute of Standards and Technology (NIST) Cyber Security Framework, including incident management, vendor management, configuration management and employee communication and training. Where relevant, we comply with rules and standards relating to cybersecurity and information technology mandated by bodies such as the North American Electric Reliability Corporation (NERC) and Transportation Security Administration (TSA). We also collaborate regularly with various governmental departments, industry associations, peers and vendor partners to share alerts and experiences and learn about emerging cybersecurity risks.

Our Corporate Cybersecurity Framework sets out our approach for cybersecurity-related employee communication and training, periodic security testing, program maturity objectives and strategy. Our robust cyber risk training program is administered Emera-wide, driving quarterly training and monthly testing for our employees while our Cyber Incident Readiness and Response Protocol prepares us for potential cybersecurity incidents and further increases our resiliency.

There were no reportable cybersecurity breaches in 2021.

## OUR APPROACH

| STRATEGIC PRIORITIES | ESG FACTORS |
|---|---|
| • Enhancing reliability | • Cybersecurity |

| OVERSIGHT | POLICIES & PROGRAMS |
|---|---|
| • Emera Board<br>• Risk and Sustainability Committee<br>• Sustainability Management Committee<br>• Executive team including Chief Legal & Compliance Officer | • Corporate Cybersecurity Framework<br>• Cyber risk training programs |

PERFORMANCE
DATA

# ESG Performance

All 2021 data is as of December 31, 2021, unless otherwise stated.

| | 2021 | 2020 | 2019 | 2018 | 2017 | GRI and SASB Disclosures |
|---|---|---|---|---|---|---|
| **ENVIRONMENT** | | | | | | |
| Carbon dioxide emissions (ktCO$_2$) | **15,453** | 15,349 | 16,029 | 20,835 | 21,225 | 305-1<br>IF-EU-110A.1 |
| CO$_2$ intensity (tCO$_2$/MWh of total sales) | **0.49** | 0.49 | 0.48 | 0.53 | 0.57 | 305-4 |
| Reduction in CO$_2$ emissions since 2005 | **39%** | 39% | 36% | 25% | 24% | 305-5 |
| NO$_x$ emissions (kt) | **23.3** | 21.1 | 22.2 | 22.7 | 24.1 | 305-7<br>IF-EU-120A.1 |
| SO$_2$ emissions (kt) | **63.5** | 62.4 | 62.8 | 78.7 | 81.5 | 305-7<br>IF-EU-120A.1 |
| Installed generation capacity (MW) | **9,784** | 9,335 | 9,156 | 10,264 | 10,122 | IF-EU-000.D |
| Installed renewable capacity (MW) | **1,365** | 1,262 | 1,107 | 832 | 696 | IF-EU-000.D |
| **SAFETY** | | | | | | |
| Occupational Safety and Health Administration (OSHA) Injury Rate[1] | **1.06** | 0.81 | 1.08 | 1.29 | 1.49 | 403-9<br>IF-EU-320A.1 |
| Lost Time Injury Frequency Rate[1] | **0.36** | 0.28 | 0.41 | 0.35 | 0.42 | 403-9 |
| Employee fatalities | **0** | 0 | 0 | 0 | 1 | 403-9<br>IF-EU-320A.1 |
| Contractor fatalities | **2** | 1 | 0 | 0 | 5 | 403-9 |
| Proactive Rate (PAIR)[2] | **234** | 237 | 295 | 257 | 271 | IF-EU-320A.1 |

1   The injury rates are industry standard calculations based on 200,000 person hours of work. The 2021 OSHA rate is an 8% improvement over the five-year average of 1.15. The 2021 Lost Time Injury Frequency Rate is equal to the five-year average.
2   PAIR is the number of proactive reports per 100 employees.

All 2021 data is as of December 31, 2021, unless otherwise stated.

| | 2021 | 2020 | 2019 | 2018 | 2017 | GRI and SASB Disclosures |
|---|---|---|---|---|---|---|
| **TEAM** | | | | | | |
| Number of employees | **7,100** | 7,100 | 7,300 | 7,500 | 7,500 | 102-8 |
| Employee turnover rate | **7.70%** | 5.20% | 6.80% | 7.50% | 5.90% | 401-1 |
| Women in workforce | **30%** | 30% | 30% | 29% | 28% | 405-1 |
| Percentage of all employees that identify as minorities[3, 4] | **25%** | 23% | - | - | - | 405-1 |
| Percentage of employees that identify as underrepresented[5] (Canada and US) | **12%** | 10% | - | - | - | 405-1 |
| Women on Emera's senior leadership team[6] | **34% (45% at Emera Inc.)** | 34% (41% at Emera Inc.) | 34% (43% at Emera Inc.) | 33% (43% Emera Inc.) | 39% (Emera Inc. only) | 405-1 |
| Percentage of management and senior leadership that identify as minorities[3, 4, 6, 7] | **19%** | 15% | - | - | - | 405-1 |
| Percentage of Emera Inc. Board that identify as minorities[3] | **-[8]** | - | - | - | - | 405-1 |
| Employee Engagement Rate[9] | **83%** | Employee survey postponed in 2020 due to COVID-19 | - | 81%[10] | - | |

3 The term "minority" is based on the local definition in each of the jurisdictions where we operate.

4 In addition to the self-identification data gathered from employees in the US, in 2020 we also began gathering anonymous, voluntary self-identification data from our teams in Canada. As of December 31, 2021, 59 per cent of Canadian employees had participated. Note that the self-identification process for the Caribbean was better defined in 2021 to align with the US and Canada. As a result, it was determined that they were not completing self-identification as it relates to the newer definition.

5 Underrepresented groups defined as LGBTQ+, veteran, person with disability. In 2020, we reported a veteran-only US highlight which has now been incorporated into the updated highlight.

6 Senior leadership is defined as Director level and above.

7 Management is defined as supervisors, managers and senior managers.

8 Defined as Indigenous, a member of a visible minority, or as having a disability or other diverse characteristics apart from gender. We began gathering anonymous, voluntary self-identification data from our Board of Directors in February 2022. Two board members have indicated they identify as diverse. See pp. 39–40 on Board Diversity, in Emera's 2022 Management Information Circular, for more information.

9 The Employee Engagement Survey is conducted every two years.

10 This number was corrected from our 2020 Sustainability Report. Updated from 83% to 81%.

All 2021 data is as of December 31, 2021, unless otherwise stated.

| | 2021 | 2020 | 2019 | 2018 | 2017 | GRI and SASB Disclosures |
|---|---|---|---|---|---|---|
| **TEAM** | | | | | | |
| Employer of Choice | **Canada's Top 100 Employer and a Top Employer for Youth; Atlantic Canada's Top Employers; Nova Scotia's Top Employers** | Canada's Top 100 Employer<br><br>One of Canada's top 100 employers for youth | Canada's Best Employers (Forbes); Canada's Top 100 Employers; Atlantic Canada's Top Employers; Nova Scotia's Top Employers | Canada's Best Employers (Forbes); Atlantic Canada's Top Employers; Nova Scotia's Top Employers | Canada's Best Employers (Forbes) | |
| **CUSTOMERS AND RELIABILITY** | | | | | | |
| Number of customers | **1,530,000 (Electric)**<br><br>**990,000 (Gas)** | 1,509,000 (Electric)<br><br>966,000 (Gas) | 1,646,000 (Electric)<br><br>940,000 (Gas) | 1,617,559 (Electric)<br><br>921,705 (Gas) | 1,573,659 (Electric)<br><br>902,553 (Gas) | IF-EU-000.A<br>IF-GU-000.A |
| SAIDI (System Average Interruption Duration Index) (including significant weather event days)[11] | **4.98** | 4.01 | 18.53 | 8.37 | 13.82 | IF-EU-550A.2 |
| SAIDI (excluding significant weather event days)[11] | **3.16** | 2.60 | 3.49 | 3.25 | 2.80 | IF-EU-550A.2 |
| SAIFI (System Average Interruption Frequency Index) (including significant weather event days)[11] | **2.76** | 2.44 | 3.44 | 3.48 | 3.04 | IF-EU-550A.2 |
| SAIFI (excluding significant weather event days)[11] | **2.19** | 2.03 | 2.30 | 2.40 | 2.20 | IF-EU-550A.2 |
| Number of reportable cybersecurity breaches | **0** | 0 | 0 | 0 | 0 | IF-EU-550A.1 |
| Number of smart meters installed (electric utilities) | **~1,400,000** | 1,100,000 | 535,000 | 287,000 | 209,000 | IF-EU-420A.2 |

11  Based on the IEEE Standard 1366-2012, which includes the beta method for calculating major event days.

12  Emera is required to comply with rules and standards relating to cybersecurity and information technology, including those mandated by bodies such as the North American Electric Reliability Corporation and the Transportation Security Administration (TSA).

All 2021 data is as of December 31, 2021, unless otherwise stated.

| | **2021** | 2020 | 2019 | 2018 | 2017 | GRI and SASB Disclosures |
|---|---|---|---|---|---|---|
| **RELATIONSHIPS** | | | | | | |
| Community investment (millions of CAD) | **$13[13]** | $16 | $13.40 | $18.70 | $18.10 | |
| Employee volunteerism (hours)[14] | **34,750** | 40,470 | 42,800 | 38,400 | 32,000 | |
| Economic value distributed (billions of CAD) | **$5.3** | $4.8 | $5.1 | $5.3 | $5.1 | 201-1 |
| **CORPORATE GOVERNANCE** | | | | | | |
| Independent Directors on Emera Board | **82%** | 82% | 82% | 83% | 83% | |
| Women on Emera's Board of Directors | **36%[15]** | 36% | 33% | 33% | 31% | 405-1 |
| Average age of Directors | **64** | 63 | 63 | 63 | 63 | |
| Average tenure of Directors (years) | **6.9** | 6.3 | 5.7 | 6.3 | 7.4 | |
| Operating company board independence | Operating company boards are comprised of Emera leadership and independent local directors. Independent directors are not required, but we believe they add an important level of governance and perspective for the communities we serve. The boards of all our regulated operating companies include independent directors, and almost all of these boards are comprised of a majority of independent directors. | | | | | |
| Risk management | The Board takes a comprehensive and multi-faceted approach to risk oversight. The Risk & Sustainability Committee of the Board oversees management's approach to addressing Emera's Environmental, Social and Governance (ESG) impacts, risks and opportunities which are most important to its business performance and to key stakeholders. | | | | | |
| Board and Director performance | The Board assesses its effectiveness annually to find ways to improve its performance. It voluntarily discloses the assessment outcome each year as well as the action plan to address findings in the company's Management Information Circular each year. | | | | | |
| Director share ownership | Directors are required to own a combination of Emera common shares and Deferred Share Units with a market value of three times the annual board retainer. | | | | | |

13 Emera's Community Investment Program was formally audited in 2021 by the London Benchmarking Group (LBG). The LBG Model is the recognized global standard for managing, measuring, and reporting community investment, helping companies ensure credibility and accountability in the disclosure of the value of community investment.

14 Employee volunteer hours are tracked in various ways within our operating companies including through employee giving programs such as Good Neighbour and through self-reporting and tracking.

15 As of May 26, 2022, 42 per cent of Emera's Board Directors are women.

All 2021 data is as of December 31, 2021, unless otherwise stated.

| | **2021** | 2020 | 2019 | 2018 | 2017 | GRI and SASB Disclosures |
|---|---|---|---|---|---|---|
| **CORPORATE GOVERNANCE** | | | | | | |
| Shareholder engagement | Emera is committed to open communication with shareholders and has a robust shareholder engagement program. This includes regular meetings with investors, investor events and presentations, quarterly analyst calls, mailouts and notifications. Our Annual General Meeting is also a significant opportunity to engage with shareholders, including through our annual "Say on Pay" advisory votes. | | | | | |
| Succession planning | The Board is focused on director/senior executive succession to ensure the right leadership for Emera into the future. | | | | | |
| Policies and protocols | Emera's governance policies and tools are broad, covering all critical aspects of our business. These include our Code of Conduct, Anti-Corruption Compliance Program and Policy, Respectful Workplace Policy and Procedure, Safety Management System, Environmental Management System, ethics hotline, Disclosure Policy, Conflict of Interest protocol, Crisis Management Team Charter and Crisis Management protocols, Cybersecurity protocols, pandemic protocols, Board of Directors Charter, Risk and Sustainability Committee Charter, Sustainability Management Committee Charter, and Procurement Policy Guidelines. | | | | | |

# GRI and SASB Index[1]

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **102** | **GENERAL DISCLOSURES** | |
| 102-1 | NAME OF ORGANIZATION | Emera Inc. |
| 102-2 | ACTIVITIES, BRANDS, PRODUCTS, AND SERVICES | 2021 Emera Annual Report, pp. 10-12 |
| 102-3 | LOCATION OF HEADQUARTERS | Emera Inc. is a geographically diverse energy and services company headquartered in Halifax, Nova Scotia, Canada |
| 102-4 | LOCATION OF OPERATIONS | The data included in this report are relevant to Emera's operations located in Canada, the United States, Barbados, Grand Bahama, and the Commonwealth of Dominica.<br><br>2021 Emera Sustainability Report: Emera at a Glance, p. 4 |
| 102-5 | OWNERSHIP AND LEGAL FORM | Emera Annual Information Form<br><br>2021 Emera Annual Report, pp. 10, 157 |
| 102-6 | MARKETS SERVED | 2021 Emera Annual Report, pp. 21-27, 157 |
| 102-7 | SCALE OF ORGANIZATION | 2021 Emera Annual Report, pp. 1, 4, 21-27, 48 |

1   GRI indicators are informed by GRI Standards 2016 except for GRI 207: Tax (2019); GRI 303: Water and Effluents (2018); GRI 403: Occupational Health and Safety (2018) and Waste (2020).

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-8 | INFORMATION ON EMPLOYEES AND OTHER WORKERS | **Total Number of Employees by Employment Contract, by Gender** (Includes full-time and part-time employees) |

**Total Number of Employees by Employment Contract, by Gender**
(Includes full-time and part-time employees)

| | Permanent | | Temporary | |
|---|---|---|---|---|
| | **# Employees** | **% Employees** | **# Employees** | **% Employees** |
| Female | 1,982 | 29% | 92 | 28% |
| Male | 4,749 | 71% | 234 | 72% |
| **Total** | **6,731** | **100%** | **326** | **100%** |

**Total Number of Employees by Employment Contract, by Region**
(Includes full-time and part-time employees)

| | Permanent | | Temporary | |
|---|---|---|---|---|
| | **# Employees** | **% Employees** | **# Employees** | **% Employees** |
| Canada | 2,185 | 32% | 230 | 71% |
| United States | 3,782 | 56% | 30 | 9% |
| Caribbean | 764 | 11% | 66 | 20% |
| **Total** | **6,731** | **100%** | **326** | **100%** |

**Total Number of Employees by Employment Type, by Gender**
(Includes permanent and temporary employees)

| | FTE | | <1 FTE | |
|---|---|---|---|---|
| | **# Employees** | **% Employees** | **# Employees** | **% Employees** |
| Female | 2,049 | 29% | 25 | 69% |
| Male | 4,972 | 71% | 11 | 31% |
| **Total** | **7,021** | **100%** | **36** | **100%** |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-11 | PRECAUTIONARY PRINCIPAL OR APPROACH | 2021 Emera Sustainability Report: ESG Governance, p. 50 |
| | | 2021 Emera Sustainability Report: Enterprise Risk Management, p. 53 |
| | | Emera's Risk and Sustainability Committee's mandate is to assist the Emera Board in overseeing enterprise risk management and sustainability. |
| | | Risk and Sustainability Committee Charter |
| | | In addition, Emera's approach to Enterprise Risk Management is noted in Emera's 2021 Annual Report, pp. 53-63. |
| 102-12 | EXTERNAL INITIATIVES | Emera, through its membership in Edison Electric Institution and American Gas Association, supports the ESG/Sustainability Framework. Emera also supports the principles of the Electricity Canada's Sustainable Electricity program. |
| 102-13 | MEMBERSHIP OF ASSOCIATIONS | Emera has operating companies who are members of the Electricity Canada, Edison Electrical Institute (EEI), American Gas Association (AGA), and the Caribbean Electric Utility Services Corporation (CARILEC). |
| 102-14 | STATEMENT FROM SENIOR DECISION-MAKER | 2021 Emera Sustainability Report: Message from Committee Chair and President & CEO, p. 2 |
| | | 2021 Emera Annual Report: Board Chair and CEO message, pp. 5-8 |
| | | Management Information Circular 2022: Board Chair and CEO message, pp. 1-3 |
| 102-15 | KEY IMPACTS, RISKS, AND OPPORTUNITIES | 2021 Emera Annual Report, pp. 5-8, 11-12, 53-63 |
| | | 2021 Emera Sustainability Report: Climate Transition Plan, pp. 13-30 |
| | | 2021 Emera Sustainability Report: Enterprise Risk Management, p. 53 |
| 102-16 | VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOUR | Emera Code of Conduct |
| | | 2021 Emera Sustainability Report: Sustainability/ESG Approach, p. 7 |
| | | 2021 Emera Sustainability Report: Governance, pp. 48-54 |
| | | Emera's Code of Conduct is based upon the company's Principles of Safety, Health & the Environment, Customers, Integrity, Respect & Collaboration, and Excellence and establishes a standard of ethical business conduct that is expected from all of our Board members, officers and employees. Emera's Code guides how the organization and its people deliver on their responsibilities to customers, shareholders, partners, communities and each other. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-17 | MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS | Emera Code of Conduct |
| | | Ethics hotline (24/7 anonymous phone line) |
| | | Internally, there are multiple sources of advice about ethical and lawful behavior, organizational integrity, and how to report concerns about unethical or unlawful behavior. Employees are encouraged to consult the Emera Code of Conduct and their supervisor as a starting point for ethical guidance when appropriate. Furthermore, advice, consultation, and reporting guidance is available from Emera Companies' HR, Legal, and Ethics & Compliance leaders as well as Corporate Compliance. If confidentiality is of concern, Emera has an anonymous ethics hotline maintained by an independent party that is managed under the direction of Emera's Senior Director of Internal Audit. Emera's Code of Conduct specifically encourages reporting and explicitly prohibits any and all forms of retaliation. |
| 102-18 | GOVERNANCE STRUCTURE | Management Information Circular 2022, pp. 10-23, 45-46 |
| | | Emera Inc. Executive Team |
| | | 2021 Emera Sustainability Report: Governance, pp. 48-54 |
| 102-19 | DELEGATING AUTHORITY | Emera Board of Directors Charter |
| 102-20 | EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS | 2021 Emera Sustainability Report: ESG Governance, p. 50 |
| | | Our approach to ESG governance is rooted in our well-integrated ESG function across the business and our deep commitment to real and continual progress. Our Sustainability Management Committee (SMC), chaired by our CEO and comprised of senior leaders from across Emera, provides executive oversight of our sustainability function and ESG progress. The Board of Directors also established a Risk and Sustainability Committee (RSC) in 2021 to oversee the company's approach to enterprise risk management, including those risks related to our core ESG factors. |
| 102-21 | CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS | 2021 Emera Sustainability Report: Sustainability/ESG Approach, p. 7 |
| | | 2021 Emera Sustainability Report: Stakeholder Engagement, pp. 8-9 |
| 102-22 | COMPOSITION OF THE HIGHEST GOVERNANCE BODY | Emera Management Information Circular 2022, pp. 10-23 |
| 102-23 | CHAIR OF THE HIGHEST GOVERNANCE BODY | Emera Management Information Circular 2022, pp. 21, 30 |
| 102-24 | NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY | Emera Management Information Circular 2022, pp. 1-23, 30-33 |
| 102-25 | CONFLICTS OF INTEREST | Emera Board of Directors Charter |
| | | Emera Management Information Circular 2022, p. 47 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-26 | ROLE OF THE HIGHEST GOVERNANCE BODY IN SETTING PURPOSE, VALUES, AND STRATEGY | Emera Board of Directors Charter<br><br>2021 Emera Sustainability Report: Governance, pp. 48–54 |
| 102-27 | COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY | Emera Management Information Circular 2022, p. 11 |
| 102-28 | EVALUATING THE HIGHEST GOVERNANCE BODY'S PERFORMANCE | Emera Management Information Circular 2022, pp. 38–40<br><br>2021 Emera Sustainability Report: Corporate Governance, p. 49 |
| 102-29 | IDENTIFYING AND MANAGING ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS | 2021 Emera Sustainability Report: ESG Materiality, p. 7 |
| 102-30 | EFFECTIVENESS OF RISK MANAGEMENT PROCESSES | Emera Board of Directors Charter<br><br>Risk and Sustainability Committee Charter<br><br>2021 Emera Sustainability Report: Enterprise Risk Management, p. 53 |
| 102-31 | REVIEW OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACTS | 2021 Emera Sustainability Report: ESG Materiality, p. 7 |
| 102-32 | HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING | Risk and Sustainability Committee of the Emera Board of Directors<br><br>Emera CEO<br><br>2021 Emera Sustainability Report: Corporate Governance, p. 49<br><br>2021 Emera Sustainability Report: ESG Governance, p. 50<br><br>Management Information Circular 2022, p. 35 |
| 102-33 | COMMUNICATING CRITICAL CONCERNS | Risk and Sustainability Committee Charter<br><br>Emera Code of Conduct<br><br>2021 Emera Sustainability Report: Enterprise Risk Management, p. 53 |
| 102-35 | REMUNERATION POLICIES | Emera Management Information Circular 2022, pp. 55–94 |
| 102-36 | PROCESS FOR DETERMINING REMUNERATION | Emera Management Information Circular 2022, pp. 55–94 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-37 | STAKEHOLDERS' INVOLVEMENT IN REMUNERATION | Emera Management Information Circular 2022, pp. 53-54 |
| 102-40 | LIST OF STAKEHOLDER GROUPS | 2021 Emera Sustainability Report: Stakeholder Engagement, pp. 8-9 |
| 102-41 | COLLECTIVE BARGAINING AGREEMENTS | Approximately 34% of Emera's employees were represented by a union in 2021.<br><br>Emera respects the rights of bargaining agreements. Emera and its operating companies adhere to the collective bargaining process, including the right to bargain and strike, and observe all regulatory requirements. |
| 102-45 | ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS | 2021 Emera Annual Report – Management's Discussion & Analysis, pp. 10-72, 81-86 |
| 102-46 | DEFINING REPORTING CONTENT AND TOPIC BOUNDARIES | 2021 Emera Sustainability Report: ESG Materiality, p. 7<br><br>The Emera Sustainability Report is based on corporate performance for 2021, unless otherwise stated. Emera applies the same reporting boundaries as the 2021 Emera Annual Report. The report contains consolidated data and stories covering Emera's wholly owned operating companies and subsidiaries where Emera has operational control.<br><br>We have used the GRI Standards methodology and indicators derived from the GRI Standards to inform our approach to reporting on our management approach disclosures and performance data. We also continue to report on data that align with the Sustainability Accounting Standards Board (SASB) indicators and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.<br><br>We are also informed by the EEI/AGA ESG reporting template and Electricity Canada's Sustainable Electricity Program. |
| 102-47 | LIST OF MATERIAL TOPICS | 2021 Emera Sustainability Report: ESG Materiality, p. 7 |
| 102-48 | RESTATEMENTS OF INFORMATION | No restatements of information |
| 102-49 | CHANGES IN REPORTING | Indicators GRI 202: Market Presence, GRI 205 Anti-corruption, GRI 207: Tax, and GRI 408: Child Labour were added to the GRI/SASB table.<br><br>Additional detail was provided for specific management approaches for water, biodiversity and waste. Emera has also started reporting to the revised GRI 306 Waste (2020) Indicator. |
| 102-50 | REPORTING PERIOD | Data is from January 1, 2021 to December 31, 2021, unless otherwise noted. Company examples are from 2021 and 2022. |
| 102-51 | DATE OF MOST RECENT REPORT | 2021 |
| 102-52 | REPORTING CYCLE | Annual |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 102-53 | CONTACT POINT FOR QUESTIONS REGARDING THE REPORT | We welcome feedback on our sustainability progress at sustainability@emera.com, or at any of the following:<br><br>Mailing address:<br><br>1223 Lower Water Street<br>Halifax, Nova Scotia  B3J 3S8<br><br>Phone: 902-450-0507<br>Toll free: 1-888-450-0507<br>Fax: 902-428-6112 |
| 102-54 | CLAIMS OF REPORTING IN ACCORDANCE WITH GRI STANDARDS | The Emera Sustainability Report has been informed by the GRI Standards Methodology. It has also been informed by the SASB standard for Electric Utilities & Power Generators and Gas Utilities and Distributors and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). |
| 102-55 | GRI CONTENT INDEX | This table serves as the GRI Content Index. |
| 102-56 | EXTERNAL ASSURANCE | 2021 Emera Sustainability Report: Sustainability/ESG Approach, p. 7<br><br>Our Sustainability Report has not been externally assured. |
| | **SASB ACTIVITY METRICS (GENERAL DISCLOSURES) EU – ELECTRIC UTILITIES, GU – GAS UTILITIES** | |
| IF-EU-000.A | NUMBER OF: (1) RESIDENTIAL, (2) COMMERCIAL, AND (3) INDUSTRIAL CUSTOMERS SERVED | • Residential – 1,371,454<br>• Commercial – 129,931<br>• Industrial – 3,907<br>• Other – 23,496 |
| IF-EU-000.B | TOTAL ELECTRICITY DELIVERED TO: (1) RESIDENTIAL, (2) COMMERCIAL, (3) INDUSTRIAL, (4) ALL OTHER RETAIL CUSTOMERS, AND (5) WHOLESALE CUSTOMERS | • Residential – 15,152 GWh<br>• Commercial – 9,468 GWh<br>• Industrial – 4,904 GWh<br>• Other – 7,713 GWh |
| IF-EU-000.C | LENGTH OF TRANSMISSION AND DISTRIBUTION LINES | Emera has approximately 7,800 km of transmission lines and 53,000 km of distribution lines across its electric utilities. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-EU-000.D | TOTAL ELECTRICITY GENERATED, PERCENTAGE BY MAJOR ENERGY SOURCE, PERCENTAGE IN REGULATED MARKETS | **Net Generation By Energy Source** (excluding purchases) |

**Net Generation By Energy Source** (excluding purchases)

| Source | MWh | Percentage |
|---|---|---|
| Coal | 6,499,420 | 21% |
| Natural gas | 17,817,633 | 58% |
| Petroleum | 3,671,092 | 12% |
| Biomass | 308,369 | 1% |
| Hydroelectric | 793,053 | 3% |
| Solar | 1,267,155 | 4% |
| Wind | 233,422 | 1% |
| **Total** | **30,590,145** | **100%** |

100% of energy generated is in regulated markets.

**Installed Capacity (MW)**

| | |
|---|---|
| Coal | 1,711 |
| Natural gas | 5,752 |
| Petroleum | 957 |
| Biomass | 93 |
| Hydroelectric | 382 |
| Solar* | 741 |
| Wind | 148 |

Total installed capacity – 9,784 MW

Total renewable capacity – 1,365 MW

\* In addition to the above, there is an additional 17.6 MW battery storage installed at Emera solar sites. This includes battery storage at the Barbados Light & Power solar farm in Trents, St. Lucy (5 MW) and Tampa Electric's Solar Big Bend Installation (12.6 MW).

| IF-EU-000.E | TOTAL WHOLESALE ELECTRICITY PURCHASED | Emera's electric utilities purchased 3,419,892 MWh of electricity in 2021. |
|---|---|---|

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-GU-000.A | NUMBER OF: (1) RESIDENTIAL CUSTOMERS, (2) COMMERCIAL CUSTOMERS, AND (3) INDUSTRIAL CUSTOMERS SERVED | • Residential – 907,268<br>• Commercial – 79,894<br>• Industrial – 622<br>• Other – 6 |
| IF-GU-000.B | AMOUNT OF NATURAL GAS DELIVERED TO: (1) RESIDENTIAL CUSTOMERS, (2) COMMERCIAL CUSTOMERS, (3) INDUSTRIAL CUSTOMERS, AND (4) TRANSFERRED TO A THIRD PARTY | • Residential: 130,671,896 MMBtu<br>• Commercial: 530,149,186 MMBtu<br>• Industrial: 1,272,705,845 MMBtu<br>• Transferred to a third party: 39,845,291 MMBtu |
| IF-GU-000.C | LENGTH OF GAS (1) TRANSMISSION AND (2) DISTRIBUTION PIPELINES | Emera has approximately 2,900 km of transmission pipelines and 40,760 km of distribution pipelines across its gas utilities. |
| **103** | **MANAGEMENT APPROACH** | |
| | MANAGEMENT APPROACH | Our management approach is described in the following sections:<br><br>201 Economic Performance<br><br>301 Environmental Performance<br><br>401 Social Performance |
| **201** | **ECONOMIC PERFORMANCE** | |
| | MANAGEMENT APPROACH | 2021 Emera Annual Report, pp. 1–72<br><br>2021 Emera Sustainability Report: Why Invest in Emera, p. 5<br><br>With our proven strategy and portfolio of high-quality regulated utilities, Emera is well-positioned to continue to deliver for our customers while also providing our shareholders with long-term growth in earnings, cash flow and dividends. We are investing in cleaner sources of energy and in transmission assets to bring that energy where it is needed. We're also investing in reliability, system expansion and modernization, while staying focused on the cost impacts for customers. |
| 201-1 | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED | $5.3B economic value distributed in our operating markets. This includes our community investments, capital payments, including dividends, employee wages and benefits, and taxes. |
| 201-2 | FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE | 2021 Emera Sustainability Report: Climate Transition Plan, pp. 13–30 |
| 201-3 | DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS | 2021 Emera Annual Report, pp. 51–52 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **202** | **MARKET PRESENCE** | |
| 202-1 | RATIOS OF STANDARD ENTRY-LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE | Emera's current compensation structure does not have rates that are below minimum wage, regardless of gender. |
| **205** | **ANTI-CORRUPTION** | |
| 205-1 | OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION | Each Emera Company maintains a risk-based Anti-Corruption compliance program under Emera's Compliance Management System (CMS), Anti-Corruption Policy and Anti-Corruption Program Standard. While all programs require employee intermediary identification, training, and awareness, other programs' controls are deployed based on the corruption risk of the operating region and intermediary role(s). |
| 205-2 | COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES | Emera has an Anti-Corruption Policy with a focus on bribery prevention at all levels of government interaction. Emera Company Anti-Corruption Compliance Program ensures identification of employees whose roles require them to interact with government officials and targets them for anti-corruption training and awareness. These roles include government relations, executive, account management, business development, permits & permissions, and regulatory affairs. New employees in these roles are trained as part of employee onboarding, and all identified employees are required to undertake recurring training. Roles with higher corruption risk are subject to pre-employment corruption screening and regular review of expense accounts. Additionally, Emera Companies also assess corruption risk of lobbyists, contractors, and suppliers. |
| 205-3 | CONFIRMED INCIDENTS OF CORRUPTION AND ACTION TAKEN | Emera has not experienced any corruption incidents as confirmed through quarterly compliance certifications from Emera Company Anti-Corruption Program Managers and Compliance Officers to the Emera Chief Legal & Compliance Officer. |
| **207** | **TAX** | |
| 207-1 | APPROACH TO TAX | Emera has established a Corporate Tax team whose responsibility is to ensure that Emera and its Subsidiaries are compliant with the legal tax filing obligations in the jurisdictions in which Emera and its subsidiaries operate. The Corporate Tax team focuses on ensuring that Emera and its subsidiaries pay their fair share of taxes in accordance with the tax legislation and tax treaties applicable to these jurisdictions. The Corporate Tax team works internally and with its advisors to ensure that any tax incentives available in connection with the transition to clean energy are capitalized upon, where applicable. Ultimate ownership of the tax function rests with the CFO. The CFO is aware of all material transactions, tax or otherwise, within the business. At a minimum, on an annual basis, the Corporate Tax team provides an update to the Audit Committee that addresses any material changes to tax policies, processes and legislation, tax planning initiatives, tax payments and reporting, and pending tax audits or assessments for Emera and its subsidiaries. |
| 207-2 | TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT | |
| 207-3 | STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATED TO TAX | |
| 207-4 | COUNTRY-BY-COUNTRY REPORTING | Emera files a Country by Country (CBC) report with the Canada Revenue Agency. The CBC report is a form that multinational enterprise groups are required to complete and file annually to provide information of their global operations in each tax jurisdiction where they do business. This filing requirement is part of a global initiative by the Organisation for Economic Cooperation and Development (OECD)/G20 to enhance transparency for tax administrations. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **300** | **ENVIRONMENT** | |
| | MANAGEMENT APPROACH | 2021 Emera Sustainability Report: ESG Materiality, p. 7 |
| | | 2021 Emera Sustainability Report: Climate Transition Plan, pp. 13–30 |
| | | 2021 Emera Sustainability Report: Environment, p. 12 |
| | | We are committed to working in a manner that is respectful and protective of the environment. To deliver on this commitment, each Emera company adheres to a clearly defined environmental policy and established environmental management system that aligns with the requirements of the ISO 14001 standard. |
| | | Each Emera company has a team dedicated to managing environmental performance and risk with a senior leader who reports into the local executive team and works closely with the corporate Environmental Governance team, which reports to the Emera Vice President, Safety and Environment. Local and corporate scorecards contain targets to make certain that strategic goals and continual improvement of environmental performance is achieved. Processes are in place to manage risks both during regular operations and projects. |
| | | **Climate Transition Plan** |
| | | Emera's Climate Transition Plan is designed to address the physical and transition risks associated with climate change. Addressing climate change is core to our strategy and financial performance, fully integrated into our risk management processes, measured rigorously and subject to strong oversight and governance. Our Climate Commitment includes a set of clear carbon reduction goals and our vision to achieve net-zero $CO_2$ emissions by 2050. We have been aligning with the Task Force on Climate-related Financial Disclosures (TCFD) for three years and we are committed to continually enhancing our climate disclosure, making it easier for our stakeholders to fully understand and evaluate our clean energy transition plan. |
| | | **Biodiversity, Water, Waste and Other Environmental Factors** |
| | | Our approach to managing biodiversity, water, waste and other significant environmental factors is incorporated into our environmental management system. This includes how we manage processes and risks related to our significant aspects: |
| | | • Air Quality<br>• Fuel<br>• Oil (non-fuel and PCB)<br>• Water and Wastewater<br>• Fish and Aquatic Habitat<br>• Wildlife and Terrestrial Habitat<br>• Chemical and Dangerous Goods<br>• Waste<br>• Cultural, Historical and Archeological Resources<br>• Wildlife and Terrestrial Habitat |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **303** | **WATER AND EFFLUENTS** | |
| | MANAGEMENT APPROACH | At Emera, water is an integral part of our thermal and hydro energy generation operations. Our approach to managing water use and discharge is fully incorporated into our environmental management system and compliant with all regulations. Most of our operating regions are not water stressed and our operations have not been impacted by any material water shortages. In areas where water stress is a potential concern (Florida, New Mexico and Barbados), our operations are not impacted and we are not impacting other stakeholders' use of water. We take care to ensure that our water use discharges do not impact other local water stakeholders or sensitive environments. |
| | | In our Florida operations we prioritize reclaimed and recycled water and rainwater to minimize requirements for potable water and groundwater. Our approach to transition away from coal in our generating facilities is also leading to reductions in water use overall, given that coal-fired generation is more water intensive than other sources of generation. In addition, the integration of more renewables, particularly solar, has led to additional opportunities for the reduction of groundwater use on lands that previously had intensive water use. |
| | | Additionally, we also regularly assess risks arising from climate change and the growing frequency of extreme weather (see Climate Transition Plan, pp. 13–30), taking steps to ensure our facilities are prepared to deal with increased rainfall and flooding. |
| 303-1 | INTERACTION WITH WATER AS A SHARED RESOURCE | We take care to ensure that our water use and discharges do not impact other local water stakeholders or sensitive environments. Water withdrawal for thermal generation is primarily from seawater sources as noted in GRI 303-3, and Emera operating companies discharge water as noted in GRI 303-4. In our hydro sites, we take steps to consider that the movement of fish species is not impeded. |
| 303-2 | MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS | Emera's thermal generating facilities discharge water effluent as part of their operations. We take care to make certain that our use of water and discharges do not impact other local water stakeholders or sensitive environments. All discharges are monitored and reported in accordance with operating approvals or permits and/or federal, provincial or state legislation requirements. |

| Disclosure/Code | Description/Accounting Metric | Response | | |
|---|---|---|---|---|
| 303-3 | WATER WITHDRAWAL | **Total Water Withdrawal** | | |
| | | (megalitres) | **Freshwater** | **Other Water** |
| | | Groundwater | 1,319 | |
| | | Seawater | | 2,762,977 |
| | | Surface water | 5,850 | |
| | | Third-party water | 10,360 | |
| | | **Total** | 17,529 | 2,762,977 |
| | | **Total Water Withdrawal from Water-Stressed Areas** | | |
| | | (megalitres) | **Freshwater** | **Other Water** |
| | | Groundwater | 1,168 | |
| | | Seawater | | 1,788,958 |
| | | Surface water | 4,975 | |
| | | Third-party water | 8,406 | |
| | | **Total** | 14,549 | 1,788,958 |
| 303-4 | WATER DISCHARGE | **Total Water Discharge** | | |
| | | (megalitres) | **Freshwater** | **Other Water** |
| | | Groundwater | 2,382 | 86 |
| | | Seawater | | 2,860,419 |
| | | Surface water | 2,834 | 303 |
| | | Third-party water | | |
| | | Other water | 1 | |
| | | **Total** | 5,217 | 2,860,808 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 303-5 | WATER CONSUMPTION | In 2021, Emera operating companies Tampa Electric, Nova Scotia Power, Emera Energy's Brooklyn Power, New Mexico Gas, Peoples Gas System, Barbados Light & Power, and DOMLEC consumed approximately 15,781 megalitres of water as part of their operations. Depending on the operational activity, water consumption is either sourced from direct measurements or invoices or estimated. Emera Energy's Brooklyn Power also withdrew 875 megalitres of freshwater for cooling and later returned it to the original freshwater source. |
| | **SASB 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) 2,762,977 thousands of cubic metres, 0% in locations with high or extremely high baseline water stress as defined by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.<br><br>(2) 15,781 thousands of cubic metres, 0% in locations with high or extremely high baseline water stress as defined by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct. |
| IF-EU-140A.2 | NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH WATER QUANTITY AND/OR QUALITY PERMITS, STANDARDS, AND REGULATIONS | Tampa Electric had four events of nonconformance with water requirements – two were associated with an exceedance of iron at an internal outfall, one was the result of a missed sampling event and the final was associated with a release of groundwater beyond a drill pad containment area. |
| IF-EU-140A.3 | DESCRIPTION OF WATER MANAGEMENT RISKS AND DISCUSSION OF STRATEGIES AND PRACTICES TO MITIGATE THOSE RISKS | See response to Management Approach, GRI-303-1 and 303-2 |
| **304** | **BIODIVERSITY** | |
| | MANAGEMENT APPROACH | Global attention on the risks of biodiversity impacts and loss is growing. We operate a wide variety of facilities across multiple regions and ecosystems. We have a well-established approach to managing biodiversity impacts as part of our environmental management system, which covers both regular operations and projects. We are compliant with regulations in this area and work with regulators to gather data and take steps that can be of shared value to other groups and organizations carrying out biodiversity-related work.<br><br>When we are building new or maintaining existing energy infrastructure, we follow a process that is respectful of the environment and based on three principles: avoid, mitigate or compensate. Our first priority is always to try to avoid having any impacts on biodiversity. We screen for biological resources and sensitive and protected areas as part of work planning processes so that negative impacts are avoided. If that is not possible, we either take steps to mitigate our impacts or to compensate for them by investing in new habitats. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 304-1 | OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS. | We operate a wide variety of facilities – including electrical transmission and distribution lines, natural gas mains and service lines, hydro sites, solar sites, substations, generating stations and wind farms – across multiple regions and ecosystems. When we are building new or maintaining existing energy infrastructure, we follow a process that is respectful of the environment. Screening for biological resources and sensitive and protected areas is conducted as part of work planning processes so that negative impacts are avoided. |

Number of sites that are either adjacent to or intersect protected areas or areas where there have been identified threatened or endangered species:

| | Regulated Protected Area | Area Where Threatened & Endangered Species Are Located |
|---|---|---|
| Nova Scotia Power | 195 | 0 |
| Tampa Electric | 0 | 41 |
| Newfoundland and Labrador | 3 | 0 |
| DOMLEC | 1 | 0 |
| BLP | 0 | 0 |
| **Total** | **199** | **41** |

**Number of Sites by Operational Area**

| | NSPI | TEC | ENL | TOTAL |
|---|---|---|---|---|
| Thermal | 1 | 0 | 0 | 1 |
| Hydro | 11 | 0 | 0 | 11 |
| Transmission | 27 | 18 | 3 | 48 |
| Distribution | 156 | 0 | 0 | 157 |
| Photovoltaic generating facility | 0 | 23 | 0 | 23 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 304-2 | SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY | We operate many types of facilities, including electrical transmission and distribution lines, natural gas mains and service lines, hydro sites, solar sites, substations, generating stations and wind farms. To support our transition to lower carbon generation, we are often required to build or upgrade facilities.<br><br>Before we begin any project, we screen sites for biological resources and sensitive or protected areas. We aim to mitigate any potential biodiversity impacts to vulnerable species or sensitive ecosystems when siting or timing projects or minimizing the extent and/or likelihood of these impacts using site-specific environmental protection procedures including water management, sedimentation control, wetland protection, and protection measures for wildlife and species of concern. We also conduct recommended mitigation measures after our project work is complete. |
| 304-3 | HABITATS PROTECTED AND RESTORED | Some restoration work completed by our operating companies was as follows:<br><br>• Barbados Light & Power – As part of its Clean Energy Bridge (CEB) Project, in 2020 four diesel engines were delivered to Barbados via sea barge and a beach landing. Landings were completed at high tide to minimize potential impacts to the beach and sea bottom. Infrastructure to safely land the barge was removed and the beach landing site at Maycock's Beach was restored immediately after the landing of the engines was completed. The restoration was reviewed by the Barbados Sea Turtle Project and the Coastal Zone Management Unit.<br>• New Mexico Gas Company – NMGC restores impacted habitats to pre-construction conditions by reseeding rangelands post construction and monitoring effectiveness.<br>• Emera New Brunswick – As part of regular pipeline Right of Way maintenance activities, wetlands and watercourses along the Right of Way were repaired due to damage caused by recreational ATV traffic.<br>• Peoples Gas System – Peoples Gas System works to restore areas it impacts during pipeline maintenance and/or new pipeline construction. PGS also makes conservation contributions and purchases State wetland and U.S. Army Corps of Engineers mitigation credits to offset our impacts. Forested wetland credits were purchased to mitigate construction impacts associated with a pipeline project and a monetary payment was made to US Fish and Wildlife Service for a pipeline project occurring near three bald eagle nests.<br>• Tampa Electric – Tampa Electric performed maintenance activities within a 0.79 km² transmission corridor to help with the survival of native plant species within the corridor. This work also helps attract native animals to the areas such as Gopher Tortoises, Osprey, and Eastern Indigo Snakes. In addition, Tampa Electric manages a portion of a transmission corridor to keep it free from exotic plants for the survival of the endangered Florida golden aster. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **305** | **EMISSIONS** | |
| 305-1 | DIRECT (SCOPE 1) GHG EMISSIONS | Emera has a strong track record of reducing GHG emissions through investments in renewables and lower carbon energy alternatives. Emera had a 38 per cent reduction in Scope 1 GHG emissions (MtCO$_2$e) since 2005 (39 per cent reduction in Scope 1 CO$_2$). Emera has chosen 2005 as the base year for emissions calculations, as it aligns with the 2005 base year used by the Government of Canada for national GHG reduction targets. Emera has a Climate Commitment that articulates defined reduction targets. |
| | | Operational control is the consolidation approach for emissions used at Emera. |
| | | Scope 1 emission calculations include CO$_2$, CH$_4$, N$_2$O and SF$_6$. Scope 2 and 3 emissions include CO$_2$, CH$_4$ and N$_2$O. Emera used the IPCC 4th Assessment Report as the source for emission factors, and global warming potential (GWP) rates and regional emissions factors for Nova Scotia and Tampa Electric. Emera's Scope 3 emissions include CO$_2$, CH$_4$ and N$_2$O, as calculated using regional emissions factors for Nova Scotia and Tampa Electric. Scope 3 emissions include the use of sold products and purchased electricity that is sold to end users. Emera does not report market-based energy indirect (Scope 2) GHG emissions. |
| | | Emera's GHG intensity ratio in 2021 was 0.49 metric tonnes CO$_2$e/MWh (CO$_2$ intensity ratio was 0.48 metric tonnes CO$_2$/MWh). This ratio is calculated using total MWh energy sold, and Scope 1 and 2 GHG emissions (CO$_2$e). |
| | | For further information, see Emera's 2021 CDP Climate Change submission. |
| | | **GHG Emissions[1]** <br> (tonnes CO$_2$e) |
| | | <table><tr><td></td><td>**Scope 1 and 2**</td><td>**Scope 3**</td></tr><tr><td>2021</td><td>15,453,000 (15,308,000 CO$_2$)</td><td>9,158,000</td></tr><tr><td>2005 (base year)</td><td>25,017,000[2]</td><td>1,885,000</td></tr></table> |
| | | 1  In addition to the above, Emera's CO$_2$ emissions from biomass generating facilities were 315,718 metric tonnes in 2021. <br> 2  Scope 2 base year 2005 is unavailable. Purchased electricity for own use is not a large number at Emera facilities. |
| 305-2 | ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS | See response to GRI 305-1. |
| 305-3 | OTHER INDIRECT (SCOPE 3) GHG EMISSIONS | See response to GRI 305-1. |
| 305-4 | GHG EMISSIONS INTENSITY | See response to GRI 305-1. |
| 305-5 | REDUCTION OF GHG EMISSIONS | See response to GRI 305-1. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 305-7 | NITROGEN OXIDES (NOX), SULFUR OXIDES (SOX), AND OTHER SIGNIFICANT AIR EMISSIONS | In 2021, Emera's other emissions for $NO_x$, $SO_2$, Mercury (Hg), carbon monoxide (CO), total particulate matter, PM10 and PM2.5 were as noted in the following table. Persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), and other standard categories of air emissions identified in relevant regulations are included in NPRI reporting for Nova Scotia Power and in TRI or FDEP reporting for Tampa Electric. |

**Other Emissions**

| | |
|---|---|
| $NO_x$ | 23,269 tonnes |
| $SO_2$ | 63,515 tonnes |
| Hg* | 40 tonnes |
| CO** | 3,304 tonnes |
| Total particulate matter** | 785 tonnes |
| $PM_{10}$** | 631 tonnes |
| $PM_{2.5}$** | 443 tonnes |

\* Applies to Tampa Electric and Nova Scotia Power only.
\*\* Reported for Tampa Electric, Nova Scotia Power and Brooklyn Power.

**SASB GREENHOUSE GAS EMISSIONS & ENERGY RESOURCE PLANNING**

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-EU-110A.1 | (1) GROSS GLOBAL SCOPE 1 EMISSIONS, (2) PERCENTAGE COVERED UNDER EMISSIONS-LIMITING REGULATIONS, AND (3) EMISSIONS-REPORTING REGULATIONS | (1) 15,451,000 tonnes $CO_2e$*<br><br>(2) 39% covered under emissions-limiting regulations<br><br>(3) 93% covered under emissions-reporting regulations<br><br>\* Emera emissions are calculated in accordance with 100-year time horizon global warming potential (GWP) values. GWP factors were sourced by the Government of Canada who references the Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Report. |
| IF-EU-110A.2 | GREENHOUSE GAS (GHG) EMISSIONS ASSOCIATED WITH POWER DELIVERIES | 16,588,000 tonnes $CO_2e$ |
| 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 | 2021 Emera Sustainability Report: Climate Transition Plan, pp. 13–30 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-EU-110A.4 | (1) NUMBER OF CUSTOMERS SERVED IN MARKETS SUBJECT TO RENEWABLE PORTFOLIO STANDARDS (RPS) AND (2) PERCENTAGE FULFILLMENT OF RPS TARGET BY MARKET | (1) Approximately 536,000 customers<br><br>(2) In 2021, Nova Scotia Power supplied its customers with approximately 30% renewable energy. This was less than the required 40% as required by the provincial Renewable Energy Regulations. This was the result of the delay in receipt of renewable energy from Muskrat Falls. Because of the delay, the provincial government provided NSPI with an alternate compliance plan in 2020, as permitted by the regulations. This alternative plan requires NSPI to supply customers with at least 40% of energy generated from renewable sources over the 2020 through 2022 period. |
| | **SASB AIR QUALITY** | |
| IF-EU-120A.1 | AIR EMISSIONS OF THE FOLLOWING POLLUTANTS: (1) $NO_x$ (EXCLUDING $N_2O$), (2) SOX, (3) PARTICULATE MATTER ($PM_{10}$), (4) LEAD (PB), AND (5) MERCURY (HG); PERCENTAGE OF EACH IN OR NEAR AREAS OF DENSE POPULATION | (1) $NO_x$ – 23,269 tonnes, 74% in or near areas of dense population<br><br>(2) $SO_2$ – 63,515 tonnes, 70% in or near areas of dense population<br><br>(3) Particulate Matter (PM10) – 785 tonnes, 19% in or near areas of dense population<br><br>(4) Lead (Pb) – Emera does not consider lead emissions to be material to its operations<br><br>(5) Mercury (Hg) – 40 tonnes, 12% in or near areas of dense population |
| **306** | **WASTE** | |
| 306-1 | WASTE GENERATION AND SIGNIFICANT WASTE-RELATED IMPACTS | Emera companies are focused on reducing waste at its source and minimizing the amount of non-hazardous and hazardous waste that is produced and in need of disposal. All waste is managed and disposed of in accordance with applicable regulations and at approved facilities.<br><br>Our largest waste type by volume continues to be waste products from the combustion of coal. These products are either reused for other uses or landfilled at company sites. As we transition away from coal use (see our Climate Transition Plan, pp. 13–30) we will continue to reduce and eventually eliminate coal combustion residue production in our generating facilities. |
| 306-2 | MANAGEMENT OF SIGNIFICANT WASTE RELATED IMPACTS | Emera and its operating companies have environmental management systems to manage environmental risks, including waste management. Processes are in place to review contractors managing Emera wastes and to review facilities where Emera waste is disposed. |
| 306-3 | WASTE GENERATION | In 2021, Emera companies disposed of approximately 40.5 tonnes of solid hazardous waste and 948,885 litres of liquid hazardous waste. This included approximately 36.6 tonnes of solid PCB and 11,518 litres of liquid PCB waste.<br><br>In 2021, Emera companies produced a total of 575,007 tonnes of coal ash, of which approximately 26 per cent (151,336 tonnes) was repurposed for other industrial uses.<br><br>Emera does not have complete data on the amount of non-hazardous waste that is disposed. Waste is characterized before disposal to make certain that waste is managed and disposed in accordance with applicable regulations. |
| 306-4 | WASTE DIVERTED FROM DISPOSAL | See 306-2 |
| 306-5 | WASTE DIRECTED TO DISPOSAL | See 306-2 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| | **SASB COAL ASH MANAGEMENT** | |
| IF-EU-150A.1 | AMOUNT OF COAL COMBUSTION RESIDUALS (CCR) GENERATED, PERCENTAGE RECYCLED | Tampa Electric and Nova Scotia Power generated 575,007 metric tonnes of CCR and recycled 26% in 2021. |

| IF-EU-150A.2 | TOTAL NUMBER OF COAL COMBUSTION RESIDUAL (CCR) IMPOUNDMENTS, BROKEN DOWN BY HAZARD POTENTIAL CLASSIFICATION AND STRUCTURAL INTEGRITY ASSESSMENT |

| | | | HAZARD POTENTIAL | | | |
|---|---|---|---|---|---|---|
| Integrity Rating | | Less Than Low | Low | Significant | High | Incised |
| Satisfactory | | n/a | 1 | n/a | n/a | n/a |
| Fair | | n/a | n/a | n/a | n/a | n/a |
| Poor | | n/a | n/a | n/a | n/a | n/a |
| Unsatisfactory | | n/a | n/a | n/a | n/a | n/a |
| Not applicable | | n/a | n/a | n/a | n/a | n/a |

Note: The information in the above table is reported for Tampa Electric only. This CCR indicator defined by SASB is based on US regulations.

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **307** | **ENVIRONMENTAL COMPLIANCE** | |
| 307-1 | NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS | Peoples Gas received a Consent Order from the Florida Department of Environmental Protection with a financial penalty of $570 (USD) for installing a gas pipeline without a valid permit. |
| | | Tampa Electric received a Consent Order from the Florida Department of Environmental Protection with a financial penalty of $2,600 (USD) for removing trees from a forested wetland without the required approval. Tampa Electric also received a warning letter for the same event from the Hillsborough County Environmental Protection Commission. |
| | | All fines have been paid. |
| | | Tampa Electric received a warning letter from the Florida Department of Environmental Protection as a result of wastewater iron exceedances from an internal outfall at a power generating facility. |
| | | Nova Scotia Power received a warning letter from Environment and Climate Change Canada for the release of PCB contaminated mineral oil from an abandoned transformer. |
| | **SASB INTEGRITY OF GAS DELIVERY INFRASTRUCTURE** | |
| IF-GU-540A.1 | NUMBER OF (1) REPORTABLE PIPELINE INCIDENTS, (2) CORRECTIVE ACTION ORDERS (CAO), AND (3) NOTICES OF PROBABLE VIOLATION (NOPV) | (1) Reportable pipeline incidents – Peoples Gas had one Pipeline and Hazardous Materials Safety Administration (PHMSA) reportable distribution incidents due to damage due to excavation. |
| | | (2) Corrective Action Orders (CAO) – 0 |
| | | (3) Notices of Probable Violation (NOPV) – 3 |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-GU-540A.2 | PERCENTAGE OF DISTRIBUTION PIPELINE THAT IS (1) CAST AND/OR WROUGHT IRON AND (2) UNPROTECTED STEEL | (1) Cast and/or wrought iron – 0% (3 miles of cast iron remain)<br><br>(2) Unprotected steel – 0% (23 miles of unprotected steel remain)<br><br>Peoples Gas has committed to replace all cast iron and bare steel mains with plastic piping. The program has essentially been completed. New Mexico's distribution pipelines are made of plastic or cathodically protected steel. |
| IF-GU-540A.3 | PERCENTAGE OF GAS (1) TRANSMISSION AND (2) DISTRIBUTION PIPELINES INSPECTED | Emera's Canadian and US gas utilities have pipeline inspection programs in place that meet the requirements set out by the Canada Energy Regulator (CER) in Canada and the Pipeline and Hazardous Materials Safety Administration (PHMSA) in the United States. Our operating companies comply with the inspection requirements set out by CER and PHMSA. |
| IF-GU-540A.4 | DESCRIPTION OF EFFORTS TO MANAGE THE INTEGRITY OF GAS DELIVERY INFRASTRUCTURE, INCLUDING RISKS RELATED TO SAFETY AND EMISSIONS | Emera's Canadian and US gas utilities have transmission and distribution integrity management programs in place to identify and manage risks to our systems. For example, New Mexico Gas' (NMG) transmission and distribution integrity management programs include annual risk modelling to determine the highest risks to the system and to identify projects for remediation or preventative measures to mitigate these risks. Our gas utilities also make certain that employees are sufficiently qualified to perform their tasks. For example, Peoples Gas System (PGS) has an advanced Personnel Qualification Program that exceeds regulatory requirements and NMG has a structured employee training schedule for integrity management engineers, which documents each employee's qualifications and is updated annually.<br><br>Emera has a Safety Management System that is being implemented across operating companies that is focused on employee, contractor, and public safety. At NMG, engineers perform job site safety assessments and tailboards each day while working in the field as well as completing owners' identified hazardous and control forms for all work before it is sent to contractors. Public safety is a priority across our gas utilities with programs in place covering public awareness and damage prevention, call before you dig, pipeline markers, and emergency preparedness programs. Mock exercises at Emera New Brunswick are routine and provide emergency responders and employees the opportunity to test emergency response plans and interagency communications practices in a simulated emergency scenario. Staff at NMG participate annually/biannually in public awareness/first responder emergency preparedness meetings around the state that include mock tabletop exercises.<br><br>NMG and Peoples Gas are members of the American Gas Association and participate in various activities offered by the association including annual conferences, best practice reviews, the Peer Review program and various committees all to share best practices and stay current on important topics to the sector.<br><br>Regarding emissions, New Mexico Gas and Peoples Gas have identified opportunities to reduce GHG emissions, both internally (e.g., through further opportunities to reduce transmission and distribution methane leakage through the use of compressed natural gas fleet vehicles, and through increased energy efficiency and renewable energy opportunities at our facilities and externally (e.g., through enhancing customers' energy efficiency programs and renewable natural gas opportunities). |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **400** | **SOCIAL** | |
| | MANAGEMENT APPROACH | 2021 Emera Sustainability Report: ESG Materiality, p. 7 |
| | | 2021 Emera Sustainability Report: Safety, pp. 33–35 |
| | | 2021 Emera Sustainability Report: Expert Team, pp. 38–40 |
| | | 2021 Emera Sustainability Report: Customer Experience, pp. 41–42 |
| | | Our teams are located in Canada, the US, and the Caribbean. In addition to complying with the laws, regulations and policies that govern and guide us in all of our operating areas, our Code of Conduct is central to the way we work. |
| | | **Diversity, Equity and Inclusion (DEI)** |
| | | We're committed to fostering and maintaining inclusive and respectful workplaces where everyone is treated with respect. As part of our Emera-wide DEI Strategy, we're working to ensure DEI considerations are core to everything we do across the company. Our goal is to be the employer of choice in all areas where we operate. |
| | | **Safety** |
| | | At Emera, our top priority is always safety. We are committed to an Emera where no one gets hurt. This means fostering a safety culture where team members are empowered to speak up and act when they see potentially unsafe conditions or behaviors. We have worked to build a common safety management system (SMS) across the business that's based on industry best practices and ISO 45001 principles. This is driving program consistency across our companies and helping us to identify and manage risks appropriately. |
| | | **Supply Chain Oversight** |
| | | Emera has developed a Third Party Risk Management Program to evaluate, mitigate and manage risk with respect to third-party vendors (suppliers, consultants, professionals, etc.). It is structured with three primary areas in the lifecycle of a third-party's relationship with the company: 1. Pre-contracting (due diligence) to identify and evaluate risks inherent in the scope of work and the vendor's ability to mitigate/manage those risks; 2. Contracting and 3. Post contracting. A pre-screening Risk Evaluation Tool has been developed to ensure the Project team, procurement and legal consider all risks related to the scope and vendors. ESG was identified as a risk and current questions address components of ESG including environmental standards, cybersecurity, anti-corruption and compliance with HR policies. This will continue to expand as new ESG risks are identified to ensure they are evaluated for our supply chain. |

| Disclosure/Code | Description/Accounting Metric | Response | | | | |
|---|---|---|---|---|---|---|
| **401** | **EMPLOYMENT** | | | | | |
| 401-1 | NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER | | | **Hires** | | **Turnover** |
| | | | **#** | **Rate** | **#** | **Rate** |
| | | **Age Group** | | | | |
| | | Under 30 | 233 | 3.3% | 125 | 1.8% |
| | | 30–50 | 341 | 4.8% | 255 | 3.6% |
| | | Over 50 | 61 | 0.86% | 164 | 2.3% |
| | | **Gender** | | | | |
| | | Female | 209 | 3.0% | 191 | 2.7% |
| | | Male | 426 | 6.0% | 353 | 5.0% |
| | | **Region** | | | | |
| | | Canada | 169 | 2.4% | 227 | 3.2% |
| | | United States | 425 | 6.0% | 266 | 3.8% |
| | | Caribbean | 41 | 0.58% | 51 | 0.72% |
| | | **TOTAL** | **635** | **9.0%** | **544** | **7.7%** |
| | | Rates are calculated using total employee count at end of reporting period. Turnover is calculated by excluding summer students, co-op students and temporary storm workers. | | | | |
| 401-2 | BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES | Emera companies provide a comprehensive range of benefits for our eligible employees, which include health and dental insurance, life insurance, disability insurance, parental leave, wellness programs, pension plans and stock ownership. Eligibility terms of benefits vary by company and are in compliance with local jurisdictions' legal requirements. | | | | |
| 401-3 | PARENTAL LEAVE | Parental leave with employment position security upon return from leave is offered to all full-time Emera employees. | | | | |
| **403** | **OCCUPATIONAL HEALTH AND SAFETY** | | | | | |
| 403-1 | OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM | Emera Inc. implemented a Safety Management System (SMS) utilizing identified best practices from various safety standards associations, industry regulatory authorities, and safety associations, including: the Canadian Energy Regulator (CER), American Petroleum Institute API 1170, Electricity Canada, Pipeline and Hazardous Materials Safety Administration (PHMSA), Occupational Safety & Health Association, provincial Occupational Health & Safety regulators and ISO 45001.<br><br>The Emera SMS applies to Emera Inc. and its affiliate group of companies. Emera and each of the operating companies have developed a Corporate Safety Policy that is kept updated and is signed off by the affiliate CEO or General Manager.<br><br>Work activities of contractors are addressed in the SMS within the Contractor Safety Management Program (CSMP). | | | | |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 403-2 | HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION | As part of the Safety Management System (SMS), Emera operating companies have utilized Hazard Risk Registers (HRRs) to identify the hazards associated with the various tasks/activities that their organizations perform. Operating companies, in collaboration with Emera Safety, have assessed these common activities to arrive at consistency for severity levels of activities contained within the HRR.

From a consistent hazard register, operating companies created Task Inventories, which identify work tasks or jobs commonly performed by the organization. The ability to relate hazard information contained within the risk register to the task to be performed allows the organizations to make certain that effective controls are implemented. Once operational tasks have been identified, operating companies make certain that processes, policies and procedures, inclusive of safe work practices, safety rules, and job safety analyses, are aligned. Regular safety audits, field level compliance checks and other assurance practices review the effectiveness and continually improve the process. Emera has instituted common processes for incident reporting, including near-miss and proactive reporting.

Emera and its operating companies are increasingly focused on proactive leading indicators, such as proactive reporting, monitoring senior management field safety engagements and employee participation in high-risk job reviews, and actively promotes a "speak up" culture. Employee safety committees have been instituted, where employees have an opportunity to raise safety concerns, discuss these amongst peers and determine recommended courses of action. Identification and reporting of safety hazards and concerns is promoted by all levels of management within the business by various forms of positive employee recognition programs. Under Emera's Code of Conduct, managers and supervisors are responsible for encouraging open communication and ensuring that employees are not retaliated against for reporting concerns in good faith.

Employees across Emera and operating companies have the right to refuse work they feel is unsafe. These practices allow for employees to identify when they have concerns about working safely, report concerns to management so they can be addressed, and communicate concerns so that others are made aware of the status, refusals, or work modifications. Emera's Code of Conduct safeguards employees from retaliation for reporting concerns in good faith.

Employees are made aware of their safety responsibilities under the SMS through ongoing education and training. This includes incident reporting and investigation processes, identification of effective corrective actions, and consideration of continual improvement opportunities. Learnings are shared across Emera. |
| 403-3 | OCCUPATIONAL HEALTH SERVICES | Emera operating companies have health and wellness resources that provide information and services to employees in areas including, but not limited to, ergonomics, strength and mobility assessments, and physical and psychological wellness participation programs. Confidential post incident debriefing discussions and support are provided.

Some Emera operating companies have programs that allow for early access to assessment and treatment to eliminate or minimize lost time associated with an incident, early return to work, or other measures to improve workers' well-being.

Where regular hazard exposure is known, Emera operating companies have health monitoring programs, such as audiometric testing and respiratory fit testing programs, which are administered by certified safety professionals and industrial hygienists. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 403-4 | WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY | As part of the Safety Management System, Emera operating companies have various processes in place for employee participation and consultation, including Emera's "speak up" safety culture, regular corporate-wide safety checkpoints, pre-shift/meeting safety talks, annual safety initiatives, communication of safety incidents, and Occupational Health and Safety bulletin boards.<br><br>Occupational Health and Safety Committees (OHSC) have been established at operational levels within each Emera affiliate, and Emera employees are represented on the safety committee. Safety committees have established terms of reference that outline meeting schedules, activities and representation. Meetings are held regularly throughout the year. Representation on committees include unionized and non-unionized employees, as well as management and non-management employees. |
| 403-5 | WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY | There are various mechanisms where safety information/training is provided to employees, visitors or contractors, depending on job requirements and different learning techniques within Emera. This includes:<br><br>• Safety moments at the start of meetings;<br>• Site orientations where work related safety considerations are reviewed;<br>• Review of Emera safety policies and requirements;<br>• Training and awareness requirements under the Emera Safety Management System; and<br>• Job specific safety training.<br><br>A process for identification and tracking of training requirements for each affiliate is an aspect of Emera's Safety Management System. The effectiveness of communication and training is reviewed through regular inspections and audits. |
| 403-6 | PROMOTION OF WORKER HEALTH | Emera is committed to providing a safe and healthy workplace that supports leadership effectiveness, respectful workplace practices and employee health and wellness. Emera offers a range of services, program and incentives in their efforts to promote safe and healthy living to reduce lifestyle risk factors and prevent injury/illness.<br><br>Emera organizes regular health challenges – friendly competitions that encourage positive, healthy habits. These initiatives have increased awareness of the importance of overall wellness across Emera. Some operating companies also have implemented field work stretching programs to help prevent musculoskeletal injuries.<br><br>The Employee Assistance Program is inclusive of all employees across Emera, allowing Emera employees and their families to receive high-quality support services for a variety of service offerings. |
| 403-7 | PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS | Emera and its operating companies have implemented a Safety Management System (SMS) that addresses safety performance and injury prevention for employees and contractors. A key element of the SMS is a comprehensive approach to risk management, which includes tools to assist with effective recognition, evaluation of hazards and implementing of appropriate controls. The effectiveness of the SMS and of Emera's overall safety performance are reviewed regularly through ongoing audit and compliance checks. |
| 403-8 | WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM | The Emera Safety Management System (SMS) includes all employees. Contractor requirements are also covered as part of the Emera SMS. The SMS is audited regularly both internally and externally based on the Safety Department's annual audit plan. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 403-9 | WORK-RELATED INJURIES | In 2021, for Emera employees, there were no fatalities and 70 OSHA recordable injuries, with a rate of 1.06, based on approximately 13.2 million hours. For contractors, there were two fatalities and 11 OSHA recordable injuries, with a rate of 0.42, based on an estimate of approximately 11.4 million hours worked. All rates for Emera employees and contractors are based on a 200,000-hour conversion. Please note that consultants' exposure hours are not included within the contractor data provided. However, incident reports associated with consultants working at Emera locations are captured. |
| | **SASB WORKFORCE HEALTH AND SAFETY** | |
| IF-EU-320A.1 | (1) TOTAL RECORDABLE INCIDENT RATE (TRIR), (2) FATALITY RATE, AND (3) NEAR MISS FREQUENCY RATE (NMFR) | (1) Total Recordable Incident Rate (TRIR) – Emera reports an OSHA Injury Rate. In 2021, our OSHA rate was 1.06. <br><br>(2) Fatality Rate – Emera had two contractor fatalities in 2021. <br><br>(3) Near Miss Frequency Rate (NMFR) – Emera reports the number of proactive reports per 100 employees (PAIR) rather than a near miss frequency rate. PAIR in 2021 was 234. PAIR is a leading measure used to promote prevention of incidents and positive safety culture. |
| **404** | **TRAINING AND EDUCATION** | |
| 404-2 | PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS | Emera's ability to deliver service to its customers and to execute its growth plan depends on its ability to attract, develop and retain a skilled workforce. Emera works hard to attract top-quality talent and to provide people the tools they need to achieve greater success. Emera offers many opportunities for employees to grow in their careers by taking on new roles in different parts of the business. <br><br>Emera's annual performance review process provides an opportunity for employees, in conjunction with their leaders, to identify development areas and formal and informal training opportunities. Emera affiliates offer longer-term career planning to employees through the Employee Development Assistance program for Canadian affiliates and other tuition assistance programs, which allows employees to apply for funding for training outside their current role. Emera's workforce planning programs function to understand the required skillsets and competencies to successfully execute on the company's business strategy. Emera places emphasis on identifying future leaders and building leadership talent within the company. In 2021, all company leaders were fully assessed and included in the Emera Talent Review and Succession Planning activities, with a focus on Talent to Watch. <br><br>Emera companies contribute to apprenticeship programs, offer meaningful co-op student programs and support scholarship and bursary programs to attract top talent early on. These scholarship and bursary programs promote diversity, equity and inclusion to help remove barriers, and advance education and awareness in Nova Scotian communities. NSPI offers 28 scholarships and bursaries including those for emerging leaders, women in trades, engineering, technology and innovation, African Nova Scotians and Mi'kmaq. <br><br>In 2021, Emera was named one of Canada's Top 100 Employers, one of Canada's Top 100 Employers for Young People, Atlantic Canada's Top Employers and Nova Scotia's Top Employers. <br><br>In 2020, Emera launched the Emera Leadership Academy, a global learning program offered across all Emera companies. The content within this program delivers foundational skills and knowledge for developing leaders at all levels. Through a blended learning approach and delivery methods, leaders are given the opportunity to immediately apply what they have learned and gain the support they need through long-term reinforcement. We have been able to turn complex principles into practical tools, models, and approaches that are pragmatic, immediately applicable, and easy to use. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| 404-3 | PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT | Employees of all Emera companies complete an annual performance and career development review. The program includes employees and leaders working together to set goals and measures of success, and identify development areas to be reviewed and evaluated throughout the year. |
| **405** | **DIVERSITY AND EQUAL OPPORTUNITY** | |
| 405-1 | DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES | |

| **Employees** | |
|---|---|
| Women in workforce | 30% |
| Percentage of all employees that identify as minorities[1,2] | 25% |
| Percentage of employees that identify as underrepresented (Canada and US)[3] | 12% |
| **Management and Senior Leaders** | |
| Women on Emera's senior leadership team[4] | 34% (45% at Emera Inc.) |
| Percentage of management and senior leadership that identify as minorities[1,2,4,5] | 19% |
| **Emera Inc. Board** | |
| Percentage of the Emera Board that are female | 36% (including the Chair) |
| Percentage of Emera Board that identify as diverse | n/a[6] |

1  The term "minority" is based on the local definition in each of the jurisdictions where we operate.
2  In addition to the self-identification data gathered from employees in the US, in 2020 we also began gathering anonymous self-identification data from our teams in Canada on a voluntary basis. As of December 31, 2021, 59 per cent of Canadian employees had participated. Note that self-identification process for the Caribbean was better defined in 2021 to align with US and Canada. As a result, it was determined that they were not completing self-identification as it relates to the newer definition.
3  Underrepresented groups defined as LGBTQ+, veteran, person with disability. In 2020, we reported a veteran-only US highlight which has now been incorporated into the updated highlight.
4  Senior leadership is defined as Director level and above.
5  Management is defined as supervisors, managers and senior managers.
6  Defined as Indigenous, a member of a visible minority, or as having a disability or other diverse characteristics apart from gender. We began gathering anonymous, voluntary self-identification data from our Board of Directors in February 2022. Two Board members have indicated that they identify as diverse. See pp. 39–40 on Board Diversity, in Emera's 2022 Management Information Circular, for more information.

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| **408** | **CHILD LABOUR** | |
| 408-1 | OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR CHILD LABOUR | Emera Inc., including all affiliates, is committed to following all jurisdictional laws that determine how old an employee may be to legally work and what jobs they are able to do. Emera is committed to ensuring the Health and Safety of all employees and will not support practices that place children at risk. |
| **411** | **RIGHTS OF INDIGENOUS PEOPLES** | |
| 411-1 | RIGHTS OF INDIGENOUS PEOPLES | 2021 Emera Sustainability Report: Indigenous Relations, pp. 46-47 |
| | | Indigenous communities are an important and valued partner across Emera's operations. We are committed to building and maintaining strong, collaborative relationships that are based on trust, open communication, and respect. We know that by working together we can create a more collaborative future for all, everywhere we work. We acknowledge and respect the culture, heritage, and traditions of Indigenous peoples. There have not been any legal cases involving the rights of Indigenous peoples associated with Emera operations. |
| | **SASB ENERGY AFFORDABILITY** | |
| IF-EU-240A.1-4 | ENERGY AFFORDABILITY | 2021 Emera Sustainability Report: Customer Experience, pp. 41-42; Community Investment, pp. 43-45 |
| | | Barbados Light & Power Tariffs and Riders – Residential and Businesses |
| | | Grand Bahama Power Rates |
| | | Nova Scotia Power Rates and Tariffs |
| | | Tampa Electric Rates |
| IF-GU-240A.1-4 | ENERGY AFFORDABILITY | 2021 Emera Sustainability Report: Customer Experience, pp. 41-42; Community Investment, pp. 43-45 |
| | | New Mexico Gas Company Rates |
| | | Peoples Gas Rates |
| | **SASB END-USE EFFICIENCY & DEMAND** | |
| IF-EU-420A.1 | PERCENTAGE OF ELECTRIC UTILITY REVENUES FROM RATE STRUCTURES THAT (1) ARE DECOUPLED AND (2) CONTAIN A LOST REVENUE ADJUSTMENT MECHANISM (LRAM) | (1) Emera electric utilities do not have rate structures that are decoupled. Therefore, no revenues are derived from this rate structure. |
| | | (2) Emera electric utilities do not have rate structures that contain a lost revenue adjustment mechanism. Therefore, no revenues are derived from this rate structure. |
| IF-EU-420A.2 | PERCENTAGE OF ELECTRIC LOAD SERVED BY SMART GRID TECHNOLOGY | At the end of 2021, Emera had approximately 1.4 million smart meters installed across our electric utilities. Approximately 95% of our load is served by smart meter technology. At Tampa Electric and DOMLEC 100% of our customers have smart meters. At Barbados Light & Power, approximately 96% of our customers have smart meters. Continued deployment of smart meters across our remaining operating companies continues to occur. Smart meters will help our customers better manage electricity costs, improve response time in the event of an outage, and make connecting or disconnecting power easier and faster. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-EU-420A.3 | CUSTOMER ELECTRICITY SAVINGS FROM EFFICIENCY MEASURES, BY MARKET | **Florida**<br><br>Tampa Electric received approval for its 2020–2029 Demand-side Management Plan in August 2020. This plan supports the approved Florida Public Service Commission (FPSC) goals, which are reasonable, beneficial and cost-effective to all customers as required by the *Florida Energy Efficiency and Conservation Act* (FEECA). Tampa Electric files annual reports with the Florida Public Services Commission and the US Energy Information Administration, which summarize its DSM program accomplishments. Examples of DSM programs at Tampa Electric include free energy audits, numerous energy rebate and incentive programs, and energy education, awareness, and outreach. Note that several of the company's DSM programs were impacted by the pandemic as Tampa Electric paused in home interactions. At the end of 2021, the company restarted these in-house visits and is working through the backlog of customer requests. In 2021, Tampa Electric's conservation programs reduced the use of energy by 36.8 GWh (36,800 MWh) related to Residential and Commercial/Industrial initiatives. In addition, Tampa Electric converted street and outdoor lighting to LED technology, saving an additional 42 GWh (42,000 MWh). The company incurred DSM costs of approximately $17 million USD.<br><br>**Nova Scotia**<br><br>In Nova Scotia, DSM programs are funded by NSPI pursuant to legislation requirements within the *Public Utilities Act*. This legislation requires that NSP purchase electricity efficiency and conservation activities from EfficiencyOne, which is a public utility regulated by the Nova Scotia Utility and Review Board. Examples of these activities include home energy assessments, numerous energy rebate and incentive programs, free energy efficient products, and energy efficiency education and advice. In 2021, the energy savings achieved were 109 GWh (41 GWh (41,000 MWh) Residential and 68 GWh (68,000 MWh) Business/Non-Profit/Institutional). The approved contribution to EfficiencyOne by NSPI was $35.9 million CAD. |
| IF-GU-420A.1 | PERCENTAGE OF GAS UTILITY REVENUES FROM RATE STRUCTURES THAT (1) ARE DECOUPLED OR (2) CONTAIN A LOST REVENUE ADJUSTMENT MECHANISM (LRAM) | (1) Emera gas utilities do not have rate structures that are decoupled. Therefore, no revenues are derived from this rate structure.<br><br>(2) Emera gas utilities do not have rate structures that contain a lost revenue adjustment mechanism. Therefore, no revenues are derived from this rate structure. |

| Disclosure/Code | Description/Accounting Metric | Response |
|---|---|---|
| IF-GU-420A.2 | CUSTOMER GAS SAVINGS FROM EFFICIENCY MEASURES, BY MARKET | **Florida**<br><br>Peoples Gas also offers conservation programs, which include rebates on energy efficient natural gas appliances for residential and commercial customers. Program costs are approved annually by the Florida Public Service Commission (FPSC) with the cost recovered through a clause rate  on the customer's gas bill. In 2021, these programs saved approximately 71,800 MMBtu (718,000 therms) and cost approximately $15.2 million USD.<br><br>**New Mexico**<br><br>Utilities in the state of New Mexico are required to offer energy efficiency programs to customers through the *Efficient Use of Energy Act*. New Mexico Gas Co. (NMGC) provides energy efficiency programs designed to incentivize residential and commercial customers to purchase or install high efficiency measures that decrease the use of natural gas in their homes or businesses. For example, NMGC offers residential water heating and spacing heating programs and its Efficient Buildings Program offers multiple natural gas saving measures for commercial and school facilities. The NMGC 2021 energy efficiency programs saved approximately 180,000 MMBtu (18 million therms). The annual program runs from April 1 to March 31. |
| | **SASB GRID RESILIENCY** | |
| IF-EU-550A.1 | NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH PHYSICAL AND/OR CYBERSECURITY STANDARDS OR REGULATIONS | There were no reportable cybersecurity breaches in 2021.<br><br>2021 Emera Annual Report, pp. 58<br><br>2021 Emera Sustainability Report: Cybersecurity, p. 54 |
| IF-EU-550A.2 | (1) SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI), (2) SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI), AND (3) CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI), INCLUSIVE OF MAJOR EVENT DAYS | (1) System Average Interruption Duration Index (SAIDI) – Emera's System Average Interruption Duration Index (SAIDI) over the course of the year was 4.98 (all-in) and 3.16 (MEDS & Planning Outages not included). SAIDI is calculated using total customer interruption duration (over one-minute long) against average number of customers for the 2021 reporting period. Emera meets and exceeds the minimum IEEE Standard 1366-2012 requirements, which includes the beta method for calculating major event days.<br><br>(2) System Average Interruption Frequency Index (SAIFI) – Emera's Report System Average Interruption Frequency Index (SAIFI) over the course of the year was 2.76 (all-in) and 2.19 (MEDS & Planning Outages not included). SAIFI is calculated using total number of customer interruptions (over 1 minute long) against average number of customers for the 2021 reporting period. Emera meets and exceeds the minimum IEEE Standard 1366-2012 requirements, which includes the beta method for calculating major event days.<br><br>(3) Customer Average Interruption Duration Index (CAIDI) – Emera does not currently track an Emera-system CAIDI. |