



We live here.
We power here.
We grow here.



SUSTAINABILITY REPORT 2016

Welcome

Sustainability is at the heart of who we are and what we do at Emera. We have a great story to tell, and we are pleased to share it here in Emera's first sustainability report.

We have been successfully delivering our strategy of cleaner, affordable energy for more than a decade, and creating shared value as a result. At Emera, sustainability means:

- working together safely as a team
- continuously finding better ways of delivering for our customers
- creating value for our shareholders
- enabling innovation and growth in our communities
- honouring our commitment to the environment

By doing this, we provide the energy our customers count on every moment of every day, and the energy solutions they need for a sustainable tomorrow.

We are building solutions that make the most sense for customers where they live, combining the right mix of renewables, transmission and energy technologies. We understand that customers want energy to be clean, affordable and "always on." That's why we're investing in innovations that will make the energy grid smarter and more reliable, while also giving customers more control and choice.

When we adopted our strategy in 2005, Emera had assets valued at almost \$4 billion. Today, we have \$29 billion in assets in Canada, the U.S. and the Caribbean. We've been growing consistently and, with the \$10.5 billion USD TECO Energy transaction in 2016, we essentially doubled our size and became a Top 20 North American energy leader.

I am extremely proud of Emera's growth because of what it has allowed us to do in the communities we serve. It means we can invest in even better ways to deliver the energy that powers the places our customers live and work. And it means we can invest in initiatives that keep our communities strong and growing—including partnerships that support the next generation of innovators, leaders and entrepreneurs.

While this is our first sustainability report, sustainability is not new for Emera. This report represents the integrated story of our business, and highlights the connections between innovation, stakeholders, the environment, our communities and our team. Our ability to connect people to shared value is key to our business, and it's key to powering a sustainable energy future.



President and
Chief Executive Officer





ABOUT OUR 2016 SUSTAINABILITY REPORT THEME

We live here. We power here. We grow here. recognizes that “here” is an important idea at Emera. “Here” means the places we live and serve, powering customers’ homes, workplaces and communities. “Here” means our position as a growing North American energy leader that delivers cleaner, affordable energy in ways that make the most sense in each region we serve. “Here” means having sustainability at the heart of our strategy, and a focus on creating shared value in our relationships. And “here” is where we live, power and grow.

ON THE COVER

(Top left) Emera Energy marketing and trading floor, Nova Scotia; (middle) St. Lucy solar facility, Barbados; (top right) Maritime Link transmission construction; and TECO Young Professionals group, Florida (bottom).



Inside our report, look for the book icon to show sustainability stories from across the Emera companies.



All dollar figures in this report are Canadian dollars unless otherwise indicated.

Table of Contents

EMERA AT A GLANCE 2

CODE OF CONDUCT PRINCIPLES 4

CORPORATE GOVERNANCE 6

2016 SUSTAINABILITY HIGHLIGHTS 8

INNOVATION 10

Electrification: Powering More
Storage: Growing Reliability
Smart Grid: Growing Intelligence

CLEANER, AFFORDABLE ENERGY 16

Cleaner Energy
Powering Transformation
Affordable Energy
Customer Experience

ENVIRONMENT 32

Reducing Emissions
Pricing Carbon
Improving Air Quality
Managing Water
Extreme Weather Response
Managing Waste
Protecting Biodiversity

COMMUNITIES 50

Powering Community Innovation & Growth
Growing Our Relationships
Public Safety

OUR TEAM 64

Journey to World-Class Safety
Promoting Wellness
Growing Our Team & Collaboration Focus
Employee Relations
Valuing Diversity

REPORTING APPROACH 78

About Emera

From our origins as a single electrical utility in Nova Scotia, Emera has grown to become a North American energy leader serving customers in Canada, the U.S. and the Caribbean. Our companies include electrical and natural gas utilities, natural gas pipelines, independent power producers, energy marketing and trading, and utility services.

Sustainable energy has been at the heart of our strategy for over a decade, driving our key initiatives:

- We are **innovating in our electric and gas utilities** so that, increasingly, we can be “always on” for customers, ready to serve when they need energy.
- We are investing in **renewables and natural gas as cleaner sources of energy** and transmission to get cleaner energy to where people need it.
- We are **integrating our investments and expertise** to build energy solutions that make the most sense in the regions we serve.
- We are enabling **innovation and growth in our communities** through strategic investments and partnerships.
- We are **delivering shareholder value** through reliable regulated earnings and dividend growth.

Our values guide how we work every day across Emera, focusing on Safety & Health, Relationships and Excellence. We know our people are our greatest strength, which is why we invest in their development as leaders and celebrate the diversity of our teams.



NEW MEXICO GAS



Emera in 2016 by the numbers



\$29b
IN ASSETS



\$4.3b
IN REVENUE



6
COUNTRIES*



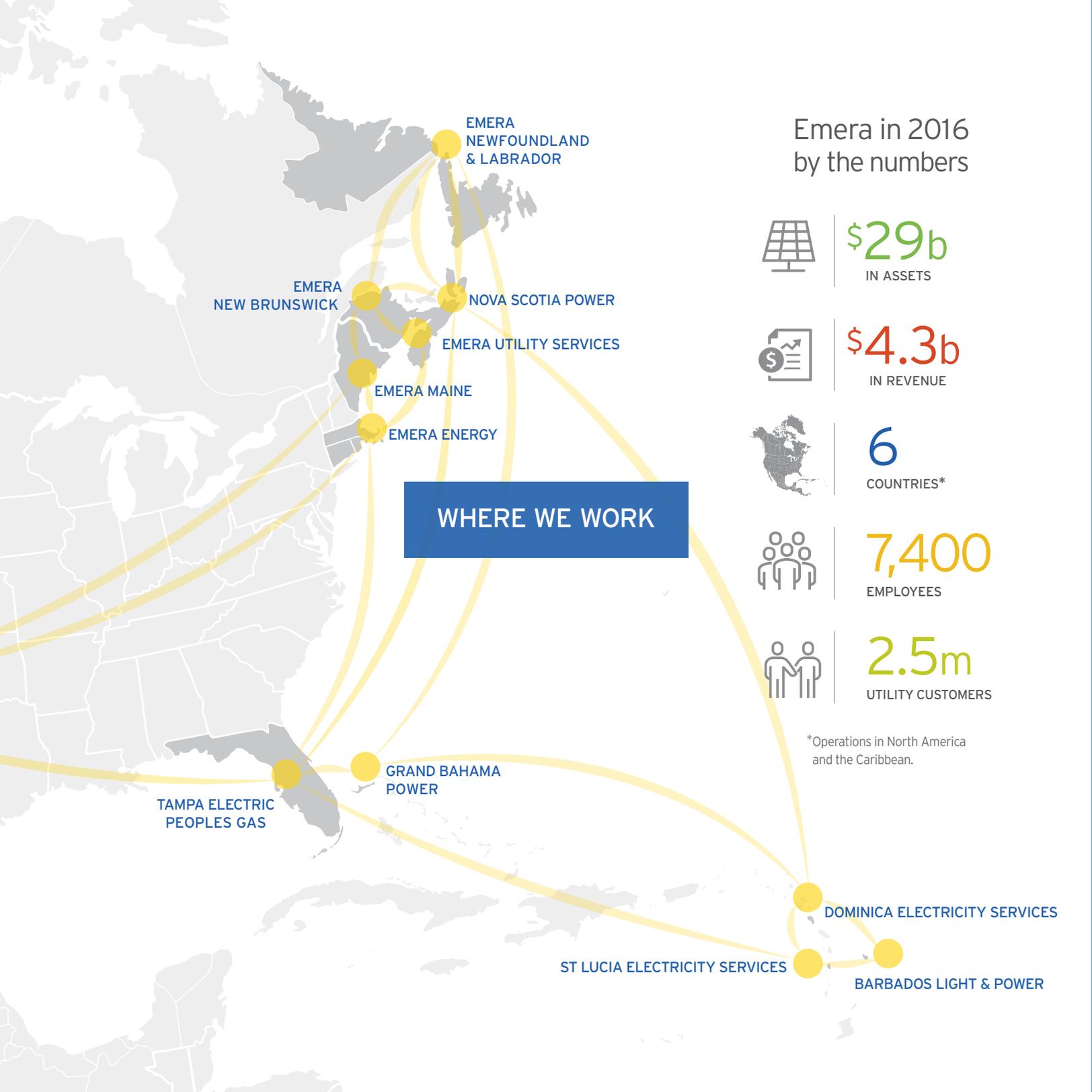
7,400
EMPLOYEES



2.5m
UTILITY CUSTOMERS

*Operations in North America and the Caribbean.

WHERE WE WORK



- EMERA NEWFOUNDLAND & LABRADOR
- EMERA NEW BRUNSWICK
- NOVA SCOTIA POWER
- EMERA UTILITY SERVICES
- EMERA MAINE
- EMERA ENERGY
- TAMPA ELECTRIC PEOPLES GAS
- GRAND BAHAMA POWER
- DOMINICA ELECTRICITY SERVICES
- ST LUCIA ELECTRICITY SERVICES
- BARBADOS LIGHT & POWER

Emera at a Glance



Tampa Electric¹ ®

Vertically integrated electrical utility serving 743,000 customers in West Central Florida

Peoples Gas¹ ®

Natural gas utility serving 372,000 customers in Florida

New Mexico Gas¹ ®

Natural gas utility serving 522,000 customers in New Mexico

Nova Scotia Power ®

Vertically integrated electrical utility serving 510,000 customers in Nova Scotia

Emera Maine ®

Transmission and distribution utility serving 157,000 customers in northern and eastern Maine

Emera Caribbean ®

Vertically integrated utilities serving 182,000 customers on the islands of Barbados, Grand Bahama and Dominica

Emera Energy

Energy marketing and trading, asset management and optimization. Owns natural-gas fired generation fleet in Canada and the northeastern USA

Emera Newfoundland & Labrador² ®

Delivering the Maritime Link and managing Emera's investments in associated projects

Emera Utility Services²

Utility services contractor working in Atlantic Canada and other regions

Emera New Brunswick² ®

Manages the Brunswick Pipeline, a 145-km natural gas pipeline in New Brunswick, Canada

Cape Sharp Tidal²

A partnership between Emera and OpenHydro to deliver tidal energy to Nova Scotia

RI = Regulated Investment

1 Reported under Emera Florida and New Mexico in Emera's financial statements.

2 Reported under Corporate and Other in Emera's financial statements. Emera Newfoundland & Labrador's investment in the Maritime Link and Labrador Island Link are accounted for as equity investments in Emera's financial statements.

This report includes full reporting (performance data and stories) of Emera's wholly owned subsidiaries and entities where Emera has operational control, and partial reporting (stories only) of Emera's investments. Performance data is not included for certain investments, including Cape Sharp Tidal, OpenHydro, Labrador Island Link, Bear Swamp, Maritimes & Northeast Pipeline and St. Lucia Electricity Services. For a full description of Emera's structure and investments, see the Emera 2016 Annual Report.

Financial Highlights

We believe creating value for customers goes hand-in-hand with growing value for our shareholders.

In 2016, we closed our merger with TECO Energy and became a North American energy leader with \$29 billion in assets and \$4.3 billion in revenue.

In 2016, we reported record adjusted net earnings of \$475 million and we realized another step change in our cash flow from operations, which exceeded \$1 billion.

We raised the dividends paid to shareholders by 20 per cent in 2016, and delivered a total shareholder return of 9.6 per cent. We're committed to delivering:

Notes: All figures in this report are 2016 financial highlights unless otherwise stated. Financial figures related to TECO are reported as of July 1, 2016, the date on which we closed our merger.

See Reporting Approach for scope and Forward Looking Statements: www.emera.com/sustainability.

Visit www.emera.com/investors for our most recent investor presentations.

Stable Earnings

We're exceeding our
75-85%
regulated earnings
target

We've delivered
adjusted earnings
per share CAGR of
5.8%
over the last 10 years

Growing Dividends

8%
Annual Growth Rate
target through 2020

Dividend Yield of
4.4%
Dividend per share
CAGR of
8.8%
over the last 7 years

Growing Operating Cash Flows

Secure cash coverage
on our dividend

13.0%
CAGR in operating
cash flows over the
last 10 years

Visible Growth Plan

>\$6.5b
capital investment plan
to drive growth

Strong project pipeline

Our Code of Conduct Principles

Drawing on our shared purpose and approach to how we work, our Code of Conduct Principles are the foundation of everything we do at Emera. You will see that these values infuse our business and are woven throughout the chapters and stories of this sustainability report.



Safety, Health & the Environment

- We are committed to health and wellness, and strive to live and work injury-free.
- We believe that all injuries are preventable and that safety of life outweighs all other considerations.
- We are committed to meeting our business objectives in a manner which is respectful and protective of the environment.



Customers

- We safely deliver cost-effective and reliable energy to meet our customers' needs.
- We seek cleaner, affordable and more sustainable energy solutions.
- We are deeply invested in our communities.



Integrity

- We build trust by finding common interest and always acting with integrity.
- We hold ourselves to high ethical standards.
- We comply with the laws, regulations and policies that govern us.



Respect & Collaboration

- We treat all people with respect and value diversity.
- We achieve results through collaboration.



Excellence

- We deliver on our commitments to customers, shareholders, other stakeholders and each other.
- We seek continuous improvement and tenaciously pursue creative solutions.
- We invest in the growth of our people and the development of leaders.

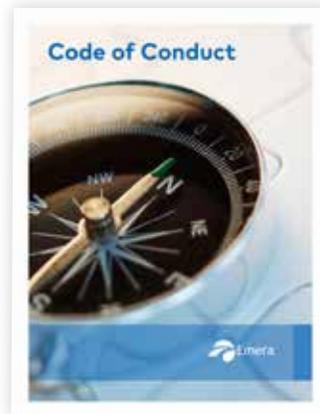
Code of Conduct

Emera's Code of Conduct and the principles on which it is based help every team member in our companies to do the right thing while we deliver a sustainable energy future.

Our code applies to everyone at Emera, from our board of directors to our frontline team members. Everyone is expected to know and use our code to guide their decisions and actions at work, making sure we are complying with the right laws and policies, and acting with integrity in an ethical and respectful way.

To make our code easier for team members to understand and apply, we've taken a values-first approach and included tools like questions and answers to aid in decision-making.

We encourage everyone to speak up if they see or hear something that runs counter to our code. Our team members can raise concerns with their leaders directly, or use a confidential hotline.



Learn more about Emera's Code of Conduct
at emera.com/code

Corporate Governance

Strong and effective corporate governance is a priority at Emera. Guidance from our board has been critical to our success to date. The board's rigorous oversight of both the strategy development process and the strategy itself is vital to the future growth of our business.

In 2016, our board established the Health, Safety and Environment Committee. Recognizing the new size and scale of our business, the committee will assist our board in carrying out its oversight and coordination responsibilities of Emera's health, safety and environmental programs.

In 2016, 97 per cent of shareholders given the opportunity to have a "Say on Pay" voted in favour of Emera's approach to executive compensation. Shareholders' views are considered very seriously by our board and management, and this opportunity for feedback on executive compensation is particularly important.

As we continuously strive for improvement, our board annually assesses its performance and that of the chair, individual directors and the board committees to find ways to enhance overall effectiveness. The major areas of focus that emerged from the 2016 Board and Director Performance Assessment included corporate strategy, management succession and leadership development, board processes and longer-term succession planning.



Full details on Emera's corporate governance structure and approach are available in the 2017 Management Information Circular at emera.com/mic

#1

The Emera board was ranked first in Canada by the Globe & Mail's Board Games in 2016. This is an annual ranking of corporate governance practices of 231 companies and trusts included in the S&P/TSX composite index.

Sustainability Governance

Driven by Emera's business strategy, sustainability issues are managed day-to-day within each business unit across the company and are reported to the respective executive team members.

Affiliate and corporate-level scorecards contain targets relevant to our sustainability performance to ensure our strategic goals are delivered.

At the executive level, our sustainability program is the responsibility of the Executive Vice President of Stakeholder Relations & Public Affairs, who reports to the Chief Operating Officer.

At the board level, the Health, Safety and Environment Committee has oversight of all matters related to these specific issues. All other sustainability issues are reported to the full Emera board at its regular meetings throughout the year.

The Emera Code of Conduct sets out the ethical standards and behaviours expected of all our team members.

Managing sustainability issues every day is important to teams across our operating regions, which include:



**Northeastern
North America**



Florida



New Mexico



Caribbean

Emera 2016 Sustainability Highlights

Sustainability is at the core of who we are and what we do at Emera.

It means continuing to deliver on our cleaner, affordable energy strategy, and creating shared value today and for future generations.

Note: all figures in Sustainability Highlights are 2016 performance and include six months of TECO data since the date of acquisition, unless otherwise stated. Historical generation and emissions performance has been adjusted to include TECO data for all years reported.

For details on individual calculations, see the relevant sections of the report.

Team

GOAL: An injury-free workplace and a team that's engaged and diverse



0.58
Lost time injury frequency rate



1.27
All injury frequency rate



74%
Employee engagement index



33%
Women on board of directors. Employees: 28% women, 72% men

Customers

GOAL: Cleaner, reliable and affordable energy



2.5m
Utility customers



55%
Reduction of coal as a fuel source for generation since 2005



31%
Increase in renewable energy since 2005



\$116m
Funding for energy-efficiency programs

Shareholders

GOAL: Reliable regulated earnings and dividend growth



>85%

Exceeding regulated earnings target



8%

Annual dividend growth rate target to 2020



\$8.4m

Community investment



\$4.1b

Economic value distributed



15k

Employee hours volunteered

Environment

GOAL: Operations with lower environmental impacts



14%

Reduction in GHG emissions from thermal generation since 2005



0.58

tCO_{2e} per MWh sales in 2016



44%

Reduction in mercury emissions from coal-fired generation since 2012



66%

Fly-ash repurposed



Innovation

The energy landscape is changing rapidly. New players and new technologies are challenging the way utilities have traditionally done business. The price of renewables and energy storage continues to fall, at the same time that energy companies are still learning how best to use intermittent renewables and deliver reliable power. And customer expectations about energy choice and control grow stronger every year.

Emera is well positioned to be a leader in the face of this change. Our approach has always included embracing innovation to deliver cleaner, affordable energy. Innovation is a key driver of how we continue to improve and grow as a business - and it will play a critical role in getting us to a sustainable energy future that's "always on" - reliably available to meet the needs of our customers anywhere, anytime.

We're building that future by investing in renewables, by making other kinds of energy use cleaner through the electrification of transport and heating, and by investing in technologies that make the increasingly complex energy grid more reliable and intelligent.

Electrification: Powering More

Our companies have a record of making energy cleaner. We know that to achieve a sustainable energy future, we need to think bigger and ensure other kinds of energy use are becoming cleaner too - which is why we are focused on the electrification of vehicles and heating, bringing the benefits of renewable energy to our customers in more ways.

Electric Vehicles

Electric vehicles deliver an emissions-free ride that's quiet, powerful and requires less maintenance than internal combustion engines. Instead of depending on imported high-carbon fuels, electric vehicles can be powered by locally produced cleaner energy. And as the grid becomes more intelligent, electric vehicles have the potential to act like batteries when they're not in use, returning surplus electricity to help balance demand on the energy grid.

Emera's electric companies are all taking steps to promote the benefits of electric vehicles. We are incorporating them into our corporate fleets. We are partnering with government and industry to roll out electric vehicle infrastructure. We are also delivering online resources and real-world events that help our customers learn about the future of clean, electric transportation.



HyperLINK: A first for Florida and US

In Florida, our team at Tampa Electric collaborated with industry and municipal partners to deliver a transit solution that's the first of its kind in the U.S. Tampa Electric provided funding to incorporate four Tesla Model X electric vehicles into the Hillsborough Area Regional Transit Authority's (HART) HyperLINK program, supporting HART's first-mile, last-mile initiative that takes drivers to and from bus stops.

TECO Energy Chief Operating Officer, Rob Bennett helps launch HyperLINK in Tampa, FL.



Nova Scotia Power partnered with other businesses to create ShareReady, a pilot fleet of EVs.



EV excellence in Nova Scotia

It's no accident that Nova Scotia Power won an Electric Vehicle Excellence Award from Electric Mobility Canada in 2015. Our team in Nova Scotia is sharing the benefits of electric vehicles with customers through initiatives like Ride & Drive, an event that enabled hundreds of community members to see and test-drive electric vehicles, as well as meet with manufacturers and dealers. We are also investing in charging infrastructure in Nova Scotia, partnering to install Atlantic Canada's first DC Fast Charging Station.



Neo-G, which stands for "no emissions or gas", was the first EV at Barbados Light & Power.



Driving towards a cleaner Barbados

The case for electric vehicles is clear in Barbados, Emera's showcase for achieving 100 per cent clean energy and electrification by 2045. With more than 200 electric vehicles on the road already, our team at Barbados Light & Power deployed a high-speed charger in late 2016. Work continues on an Electric-Vehicle-to-Grid pilot project, which would take advantage of the ability to draw surplus electricity from electric vehicles when they are not in use.

Heat Pumps

Just as electric vehicles will make transportation cleaner, heat pumps are displacing the carbon-heavy and energy-intensive ways we've traditionally cooled and heated our homes and workplaces.

An efficient heat pump can pay for itself through energy savings, and offer as much as an 80 per cent reduction in greenhouse gas emissions relative to heating oil.

Emera's electric companies in Florida, Nova Scotia and Maine are all working hard to help customers embrace heat pumps, by delivering information about the potential for customer savings and accredited local installers. Nova Scotia Power also offers access to rebates and financing.



Nova Scotia Power's customers can save up to 50 per cent on average on their home heating bills by switching to a heat pump. Their contractor network has installed around 50,000 heat pumps in homes since the program started, which is estimated at close to 85 per cent of the total heat pump market.

Storage: Growing Reliability

Renewable sources of energy like wind and solar have a big part to play in making energy cleaner. We are advancing plans to use storage technology in all of our electric companies so we can capture and keep intermittent renewable energy until it's needed by customers.



Helping customers install storage solutions in their homes is a growing component of our sustainable energy strategy.



Integrating storage large and small in Nova Scotia

In Nova Scotia, we are integrating energy storage solutions of varying sizes so we can better understand how to connect customer-owned batteries to the energy grid. In late 2016, our team at Nova Scotia Power announced an Intelligent Feeder project - the first pilot in Emera's history of a completely integrated intelligent grid, including renewable generation, energy storage and data systems. The pilot will include a large-scale Tesla Powerpack battery and up to 10 Powerwalls in the homes of customers, all powered by wind or other clean energy sources. We will use sensors to gather information about how all the components are working together in real time, helping us understand how to manage and scale up these complex systems in the future.



Capturing Barbados solar

When Barbados Light & Power completed the 10 MW St. Lucy solar facility in 2016, Barbados came one step closer to being 100 per cent powered by clean electricity by 2045. Now our team in Barbados is working with Tesla to integrate a 5-MW, 20-MWh Powerpack battery system that will capture the energy from St. Lucy and make it available anytime. The project will improve reliability for customers and provide an estimated saving of \$1 to \$2 million BBD per year, meaning that the costs of the storage system would be more than offset by fuel savings.



Rolling out AMI: Barbados

The team at Barbados Light & Power is rolling out a four-year AMI deployment, which will play a key role in integrating renewables and balancing energy sources, while responding to changes in peak demand and ensuring reliable supply for customers. This is another important step in the process of achieving a Barbados that is 100 per cent powered by clean electricity by 2045.

Smart Grid: Growing Intelligence

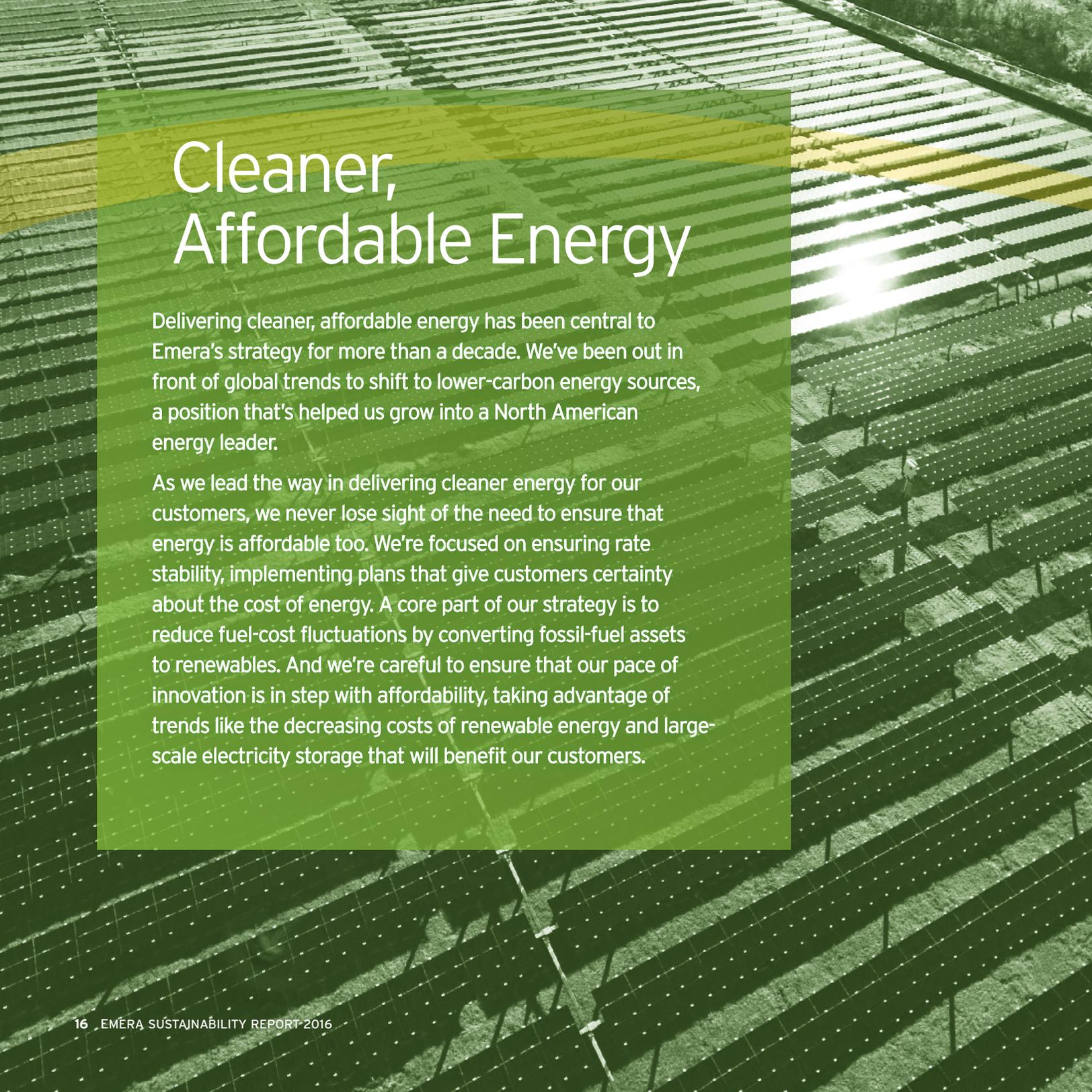
As we roll out more renewables and storage across our system and as customer expectations about choice and control continue to grow, we need to find ways to understand and manage the increasingly complex energy grid. Enter grid intelligence - technologies that help our companies capture information from multiple points across the grid in real-time, helping us respond to demand and system issues more quickly than ever before. And for customers, grid intelligence means the ability to track their energy use and make decisions about when it's a good time to use energy.

Emera companies are collaborating across our operating regions to take advantage of combined purchasing power and to share best practices. Through grid intelligence technology, including Advanced Metering Infrastructure (AMI, or smart meters), customers are gaining more visibility into their energy usage, allowing them to manage consumption and to see firsthand how renewable energy is part of our fuel mix.



Rolling out AMI: Florida

The team at Tampa Electric rolled out an initial AMI pilot in April 2016, deploying 2,500 smart meters in Hillsborough County. This was just the first step towards a goal of providing every customer in Tampa Electric's service territory with a smart meter by 2020. A second phase of the pilot is currently underway, as the team works to install more than 20,000 smart meters in 2017. These pilots are helping the Tampa Electric team explore how AMI can pinpoint outages more quickly, speed up connection times, and enable information to be shared with customers about usage.



Cleaner, Affordable Energy

Delivering cleaner, affordable energy has been central to Emera's strategy for more than a decade. We've been out in front of global trends to shift to lower-carbon energy sources, a position that's helped us grow into a North American energy leader.

As we lead the way in delivering cleaner energy for our customers, we never lose sight of the need to ensure that energy is affordable too. We're focused on ensuring rate stability, implementing plans that give customers certainty about the cost of energy. A core part of our strategy is to reduce fuel-cost fluctuations by converting fossil-fuel assets to renewables. And we're careful to ensure that our pace of innovation is in step with affordability, taking advantage of trends like the decreasing costs of renewable energy and large-scale electricity storage that will benefit our customers.

Cleaner Energy

We're making energy cleaner by investing in renewables like wind, solar, hydro, tidal and biomass. We're investing in natural gas as a cleaner fuel for electricity generation and customer use. We're building transmission to bring cleaner energy to where our customers need it. And our utilities are finding new approaches and technologies that will empower our customers with even more reliability and choice.



Wind farm at Digby Neck, Nova Scotia.

55% 
COAL

In 2016 Emera reduced the percentage of coal used as a fuel source for generation by over half compared to our generation profile in 2005.

Notes: A full breakdown and description of how our energy mix has changed from 2005 to 2016 is available on page 33 of this report.



Renewables in Nova Scotia:
Sissiboo Hydro (top) and South Canoe
wind farm (bottom).

Powering Transformation

Emera has a record of powering the transformation of energy to cleaner sources. We are always striving to improve our performance, which includes taking the lessons we learn in one region and applying them in other parts of our business.

Renewables Here

Investing in renewables is one of the pillars of the Emera strategy, and a key way we are making energy cleaner for our customers. We have a diverse renewables portfolio across our companies, including wind, solar, hydro, tidal and biomass generation.

We work hard to match the right renewable energy source with each region. In places like Florida and Barbados, where sunshine is plentiful, we are focused on developing solar investments and looking at ways to integrate electric vehicles as part of the intelligent grid. In places like Nova Scotia and Maine, our focus is on developing access to renewables like wind, hydro and tidal power.



Exceeding renewable energy targets in Nova Scotia

The Nova Scotia Power team has led Canadian utilities in carbon reduction by investing in renewable energy. Over the past 10 years, we have tripled renewable energy production in Nova Scotia to 28 per cent and reduced greenhouse gas emissions by over 30 per cent. We are on track to reach a 58 per cent reduction in emissions by 2030. We have made great strides in the past five years with the development of renewable energy projects that contributed to our exceeding the 2015 requirement of 25 per cent renewable electricity, including:

- *South Canoe Wind Project (2015)*, a 78-megawatt wind project, majority-owned by Oxford Frozen Foods, and a 24-megawatt project, majority-owned by Minas Basin Pulp and Paper, both near the settlement of Vaughan, southwest of Windsor.
- *Sable Wind Project (2015)*, a 13.8-megawatt project near Canso, majority-owned by the Municipality of the District of Guysborough.
- *Port Hawkesbury Biomass Plant (2013)*, a 60-megawatt biomass co-generation facility adjacent to the pulp and paper mill in Port Hawkesbury.



Barbados is on track to be powered by

100%

clean electricity by 2045, thanks to projects like the St. Lucy solar facility.



Find out about all of our energy generation assets at emera.com/generation

RENEWABLES

31% 

In 2016 Emera generated a third more renewable energy compared to our generation profile in 2005.

Notes: Based on absolute GWh of renewable energy generated by Emera in 2005 and 2016 respectively, excluding purchases. Includes 6 months of generation by Tampa Electric since the date of acquisition in 2016.



100/100 initiative in Barbados

Emera has put forward an ambitious vision for the clean energy future of Barbados. Our team at Barbados Light & Power are leading the 100/100 initiative - a target that will see the Caribbean island nation 100 per cent powered by clean energy and 100 per cent electrified by 2045. In late 2016, the Barbados Fair Trading Commission took a significant step in achieving this goal when they reviewed and modified Barbados Light & Power's Renewable Energy Rider. The Renewable Energy Rider compensates renewable energy producers who sell their excess electricity to the grid, which is operated and maintained by the utility.

Everywhere we are investing in cleaner energy, we are also investing in partnerships and technologies that we believe will help us overcome some of the challenges posed by renewables, including the intermittency of generation sources like solar and wind. Our energy storage and grid intelligence initiatives go hand-in-hand with growing

the amount of renewable energy we can deliver to customers and meet expectations that energy is “always on.”

Our investments in renewable energy took significant leaps forward in the past year, with major solar installations coming online, testing the potential of tidal energy and moving our clean energy transmission projects forward.



Tampa International Airport



Big Bend Solar



LEGOLAND



Tracking the sun in Florida

In Florida, the Tampa Electric team has provided renewable energy options since 2000. The ribbon was cut in March 2017 on the Big Bend Solar installation, the largest of its kind in the Tampa Bay area to date. This 23-MW installation includes more than 200,000 panels that track the sun, with capacity to power nearly 3,300 homes. The array

is the largest in the Tampa Bay area and will provide environmental savings of over 27,000 tonnes of carbon dioxide every year - the equivalent of removing up to 6,000 cars from the road. Tampa Electric has a track record of developing solar, including a 2-MW installation at Tampa International Airport and a 1.8-MW array at LEGOLAND Florida.



Solar in Barbados

In 2016, the Barbados Light & Power team flipped the switch at St. Lucy, Emera's first large-scale solar generating facility. The 40,000 panels generate over 20,000 MWh per year from the sun - enough power for approximately 7,700 homes - and offsets 21,000 tonnes of CO₂e emissions per year. The amount of electricity generated at St. Lucy displaces 70,000 barrels of oil per year, which will save enough to pay for the project in only four-and-a-half years.



Breaking records in Nova Scotia

The Nova Scotia Power team continues to make progress in increasing renewable energy, with 28 per cent of the electricity used by Nova Scotians in 2016 coming from renewable resources. This record topped the previous high mark of 26.6 per cent, set in 2015. Nova Scotia's growth in renewable electricity has been largely through the development of wind power. There are now more than 300 commercial wind turbines generating electricity in Nova Scotia, making the province a national leader in wind energy as a percentage of total generation capacity.



Harnessing tidal energy

Cape Sharp Tidal is a partnership between Emera and OpenHydro to explore the clean-energy potential of the Bay of Fundy, home to the world's highest tides. In November 2016, the Cape Sharp team successfully deployed and grid-connected the first 2-MW turbine in a pilot. A second deployment is planned for later in 2017. This is an important demonstration project that explores the potential of tidal energy.

Our renewable assets include:



Biofuel
Grand Bahama



Solar
Barbados



Wind
Nova Scotia



Tidal
Bay of Fundy

In 2016, Emera had

12,199

kilometres of electricity
transmission lines

63,865

kilometres of electricity
distribution lines

Transmission Here

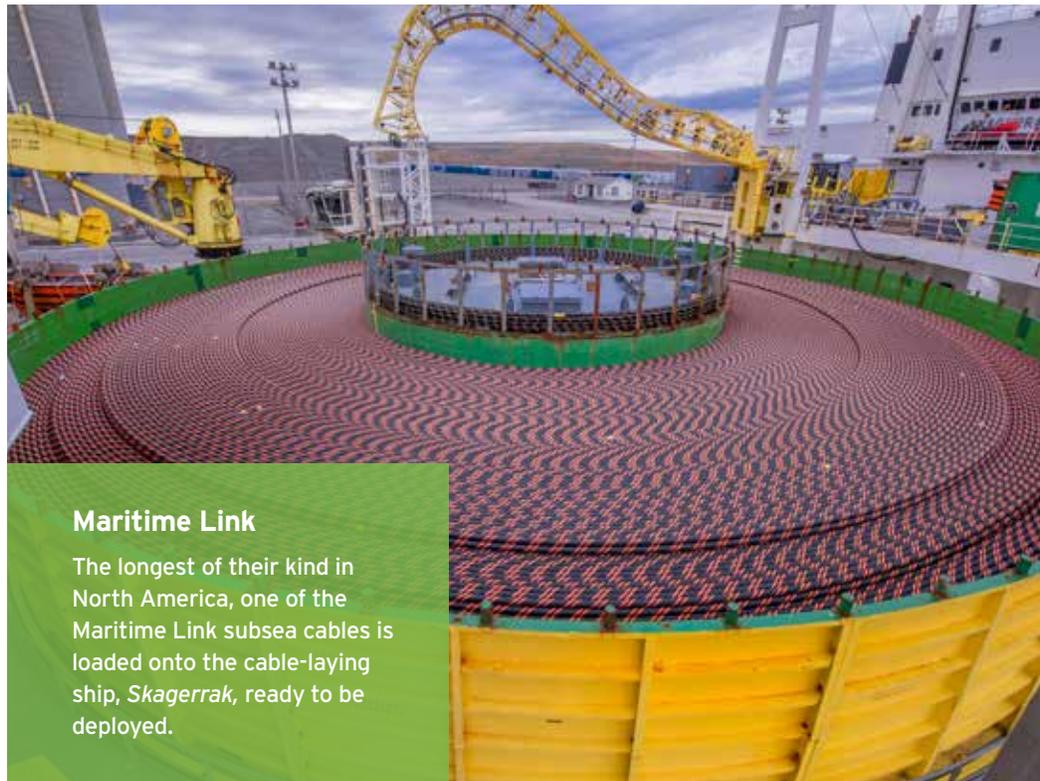
Getting cleaner energy to where our customers need it by investing in transmission is another important component of the Emera strategy, and part of how we build regional energy solutions.

That's why we are investing in transmission projects like the Maritime Link, which will enable the transmission

of clean and reliable hydroelectricity from Newfoundland and Labrador to Nova Scotia and beyond. This transformative project includes building 170 kilometres of subsea HVdc transmission cables under the Cabot Strait, the longest cables of their kind in North America. The project is due to be completed in late 2017.



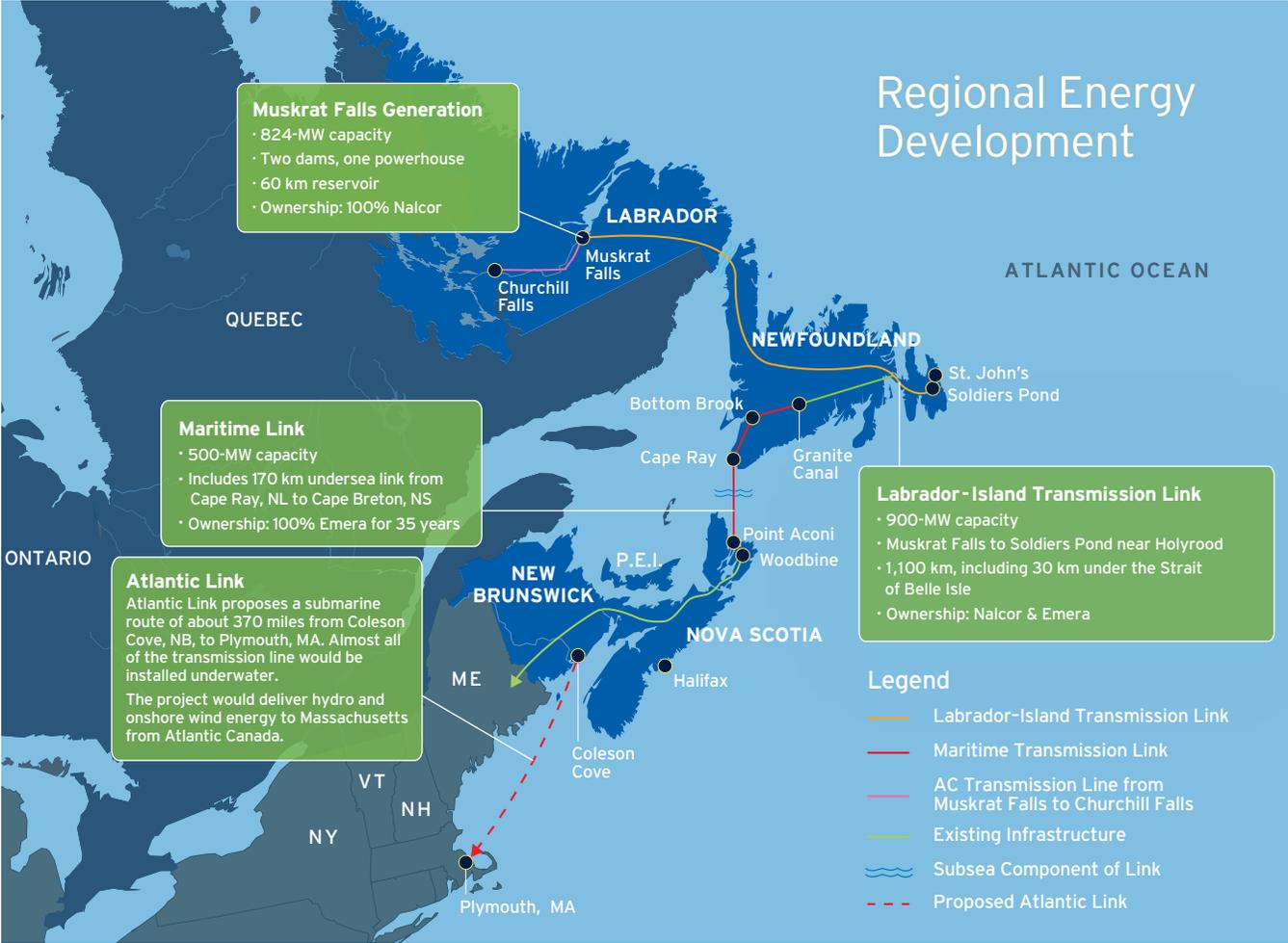
Emera Utility Services employees working on the land-based transmission for the Maritime Link in Nova Scotia.



Maritime Link

The longest of their kind in North America, one of the Maritime Link subsea cables is loaded onto the cable-laying ship, *Skagerrak*, ready to be deployed.

Regional Energy Development



Linking regions

For customers in Nova Scotia, the Maritime Link will create more energy options and reduce dependency on coal-fired generation. For the residents of Newfoundland and Labrador, the Maritime Link will connect the island of Newfoundland to the North American grid for the first time in history, creating a regional energy loop across eastern Canada.

Emera is working on a proposal to expand that regional energy interconnection and meet the renewable energy requirements of New England through the proposed Atlantic Link, a 900-MW subsea cable that would run 563 kilometres from New Brunswick to Plymouth, MA.

In 2016, Emera had:

36,350

kilometres of
natural gas mains

11,265

kilometres of
natural gas
service lines

Natural Gas Here

We believe natural gas makes sense as a cleaner energy source in some markets, which is why we have invested in natural gas retail companies, marketing and trading, transportation and gas-fired electricity generation in Canada and the U.S.

One major advantage for Emera in completing our merger with TECO Energy in 2016 has been expanding

our operations to include natural gas retail companies. Our teams at Peoples Gas and New Mexico Gas have strong records of safely delivering natural gas directly to customers to help power their homes, workplaces and vehicles. For residential and commercial customers, natural gas is an efficient and cleaner way to power things like water heating, appliances, outdoor lighting, furnaces and space heating.



Natural Gas: At home, work and on the road

As the largest natural gas distribution utility in Florida, Peoples Gas' priority is serving our 372,000 customers across the state. But, we are also focused on innovative ways to grow. We've worked closely with local communities to lower the environmental impact of their fleets of refuse vehicles by helping them transition to natural gas. There are currently 45 fueling stations servicing 1,731 natural gas vehicles on our system, and we plan to add two stations in 2017.

Similarly, New Mexico Gas is focusing both on serving our 522,000 customers in New Mexico and exploring opportunities for growth. Here, too, we collaborate locally to encourage the use of cleaner-burning natural gas to fuel transportation. With 16 fueling stations across the state, and an agreement to provide fuel to the UPS Albuquerque facility, we're making great strides.



New Brunswick pipeline.



Pipeline expertise

Emera companies are also ensuring the safe and reliable transportation of natural gas for industrial partners. Emera New Brunswick's 145-kilometre Brunswick Pipeline delivers 850,000 dekatherms per day of natural gas from New Brunswick to markets in Canada and the US Northeast. TECO's SeaCoast Gas Transmission, Florida's first intrastate pipeline, delivers 100,000 MMBtus of natural gas per day to the Jacksonville area through 40 kilometres of pipeline.



Bridgeport Energy, CT.



Gas-fired generation

We're also investing more in gas-fired generation to create electricity, whether through upgrades to the plants in our regulated utilities or the Independent Power Producers owned by Emera Energy. Our energy marketing and trading business owns four gas-fired generation facilities in Canada and New England, drawing on industry and regional knowledge built over more than 15 years of market experience.



Grand Bahama

Our team at Grand Bahama Power was successful in stabilizing electricity rates. All-in rates for all customers will remain stable and consistent with 2016 rates from 2017 to 2021. This lays the groundwork for the integration of renewables into the energy mix, resulting in a decrease in dependence on fossil fuels.



Nova Scotia

To provide customers with more predictable, affordable and stable power rates, the Nova Scotia Power team worked with customer representatives to create a 2017-19 Rate Stability Plan. In each of the three years of the plan, average electricity rates will increase by 1.5 per cent. By providing rate stability over three years, customers will be impacted less and will benefit from the renewable energy contracts and the fuel used to generate electricity. This provides customers with the predictability and stability they need while still benefiting from a cleaner electricity grid.

Affordable Energy

We work hard to balance the growing customer demands for cleaner energy with our commitments to affordable rates and the environment. Across Emera, we help our customers learn how to use energy efficiently at home and at work. When our customers are in need, we offer programs, rebates and other incentives to encourage smart energy use. When our customers provide feedback on rates, we listen.

Powering Rate Stability

Our customers tell us that affordable and predictable rates are important to them. That's why at the same time we're working to make energy cleaner and more reliable, we are also committed to providing rate stability plans that work to keep energy costs stable, predictable and affordable.



Florida

Tampa Electric's residential rates continue to be among Florida's lowest and are 19 per cent below the national average. Through forward-looking base rate step-increases over the past few years, customers saw slight increases that were offset by declining fuel costs due to the decreasing price of natural gas. The final step-increase was effective in January 2017 when the Polk Power Station's efficient combined-cycle natural gas unit became operational, bringing an additional 460 megawatts of generation, improving transmission reliability and reducing emissions.

Growing Energy Efficiency

Efficient energy use is as important to Emera as it is to our customers. Through our outreach efforts and our variety of programs and rebates, we're helping our customers use energy wisely and achieve savings. All of our energy companies offer customers tips on how to be smart about their energy usage, including tools to calculate the cost to run typical household appliances.



Four decades of efficiency at Tampa Electric

For more than 40 years, Tampa Electric has been providing energy-saving programs to customers across West Central Florida. In that time, we've performed more than 458,000 free energy audits and paid more than 482,000 rebates. We offer more energy-saving programs than any other investor-owned electric utility in the state, including the innovative Energy PlannerSM program that lets customers adjust temperature settings and appliance run times through an encrypted online portal.



Offering rebates

Our natural gas companies in Florida and New Mexico offer rebates and incentives for customers switching to more efficient natural gas appliances. And Nova Scotia Power offers a variety of programs through Efficiency Nova Scotia to provide customers with energy solutions. We're also encouraging customers to switch to electric heat pumps in Nova Scotia with rebates and financing, and in Maine through a discounted electric rate for the heating season.

\$116 million

funding for energy efficiency programs across Emera in 2016

Note: total amount is rate-recoverable.



New Mexico Gas: Energy Star Partner

The New Mexico Gas team has a strong record when it comes to energy-efficiency work with customers. In 2016, we were named Energy Star Partner of the Year by the U.S. Environmental Protection Agency - the fifth time the team received the designation in the past seven years. The Energy Star Partner initiative recognizes companies with outstanding energy-efficiency programs, products and services. New Mexico Gas helps customers cut back on their energy use through initiatives like rebates on low-flow shower heads, smart thermostats and space heating.



How HomeWarming helped in 2016

548

electrically heated homes
were assessed

503

of these homes had
efficiency upgrades completed

1.52 GWh

total energy saved¹

That's enough to power

140 homes

for one year

Notes: based on average NS household annual energy usage of 10,833 kilowatt hours (kWh).

¹based on 346 evaluated homes.

Helping Customers In Need

We recognize that some customers can be challenged to pay their energy bills each month and we want to help. Through local programs and partnerships, our companies are making a real difference to ensure that energy is shared across our communities.



HomeWarming in Nova Scotia

The HomeWarming program offers no-charge energy assessments and home upgrades to income-qualified homeowners in a partnership between Nova Scotia Power, the Clean Foundation, Efficiency Nova Scotia and the Province of Nova Scotia. The program offers eligible Nova Scotians the opportunity to reduce their energy use and take control of home operating costs through free energy-efficiency upgrades such as draft-proofing and insulation. Emera is providing \$37 million towards this program over a 10-year period.



For more information on HomeWarming,
visit homewarming.ca



Weatherization in Florida

Tampa Electric's Neighborhood Weatherization program helps qualified customers manage energy costs by making their homes more energy efficient. We collaborate with local contractors to assess customers' needs, educate them about smart energy use and outfit their homes with upgrades that help them save energy and reduce their bills.

Partnering with the Salvation Army

Florida's Share, New Mexico's Heat New Mexico and Nova Scotia Power's Good Neighbour Energy Fund programs are charitable funds administered by the Salvation Army. They help families facing an emergency financial situation with assistance to pay their energy bills, including all forms of home heating such as firewood, fuel oil, propane and electricity. Our customers and team members can make donations to the charitable funds, which are partially matched by our companies to make an even bigger impact.





Peoples Gas consistently performing

In 2017, Peoples Gas received the highest overall score in the nation for the fourth year in a row in the Cogent Reports residential Trusted Brand study. Cogent also designated Peoples Gas as an Environmental Champion. We received our sixth and seventh J. D. Power awards, ranking highest in both commercial and residential customer satisfaction among natural gas companies in the south region. This is the second consecutive year we received the commercial award. And, for five consecutive years, we have been honoured to be ranked highest in customer satisfaction in residential natural gas service among mid-sized gas utilities in the south.



Customer Experience

With customers at the heart of Emera's purpose, providing excellent customer service is central to how we do business. We welcome customer feedback because it helps us do better and be better for tomorrow. We are rolling out solutions like smart meters that will give customers more information and control over their energy use. We look at customer satisfaction drivers such as price, reliability, payment options and community involvement. And, by working to address and improve the things that matter most to our customers, we are seeing an increase in customer trust and favorability.



New customer tools in Florida

The Tampa Electric and Peoples Gas teams upgraded their customer information and billing systems in early 2017 to provide customers with more mobility, control and convenience over their accounts and energy usage. Our customers in Florida can now access a mobile-friendly online account 24/7 from any device to view and pay their bills, update contact information, report power outages and more. Customers are also receiving a new, easy-to-read bill that allows them to monitor their energy usage.

We upgraded our customer systems to modernize the technology, streamline and standardize business practices, and to meet customers' growing expectations for online services.

Improving customer experience in Maine

At Emera Maine, as in all Emera companies, customer experience is front and center. Focus on strengthening the Customer Contact Center has improved speed to answering calls. In fact it is the best it's been in five years. The Emera Maine team is also working on improving customer experience by delivering proactive high bill alerts and more accessible information about customers' usage that is easier to understand on an improved website.



Committing to performance standards in Nova Scotia

Nova Scotia Power's commitment to customers is embedded in performance standards. To date, Nova Scotia Power has been meeting or exceeding the targets, which include things like connection and restoration times. These standards allow us to report to customers on our achievements, providing measures on our service.



Customer radio in the Carribean

Emera's Caribbean electrical companies are taking to the air waves to ensure their customers are informed about ongoing improvements and the importance of public safety. Customers of Grand Bahama Power Company can tune into the monthly "Watts Current" radio program to hear about the ways our team is delivering cleaner, affordable and reliable energy. In Barbados, customers of Barbados Light & Power can listen to "Watts New" for updates on our journey to make the island a clean-energy showcase by 2045. And in Dominica, customers can listen to DOMLEC's PowerTalk for important energy information.



For more information, visit <http://www.nspower.ca/en/home/about-us/performance-standards.aspx>

Environment

We believe that delivering sustainable energy means taking care of our customers, communities and the environment in which we all live, power and grow. Emera is committed to doing business in ways that are respectful and protective of our environment.

You can see our environmental commitment at work in our disciplined approach to managing environmental risk. Emera companies use environmental management systems (EMS) that conform to the ISO 14001 international standard. Our environmental commitment underpins how we are adopting new clean-energy technologies, reducing emissions, managing coal ash waste, and protecting habitats.



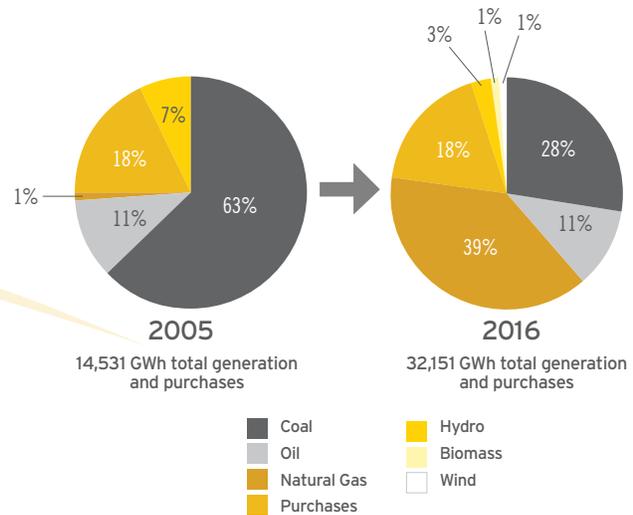
For a full description of Emera's environmental commitments and our ongoing approach to environmental management, visit emera.com/environment

Reducing Emissions

For over a decade, our strategy has been the driving force in reducing greenhouse gas (GHG) emissions from our fossil-fuel generation.

Between 2005 and 2016, our GHG emissions fell by 14 per cent - from 27.3 megatonnes CO₂e to 23.5 megatonnes CO₂e (adjusted to account for our merger with TECO Energy in 2016). This is due in large part to our changing energy generation mix. Over the same period, the percentage of coal used as a fuel source for generation at Emera decreased by 55 per cent, and was replaced by our investments in wind, solar, hydro and lower-carbon natural gas.

Emera's Evolving Fuel Mix 2005 - 2016



Notes: based on sources of energy as a percentage of total GWh generated by Emera in 2005 and 2016 respectively, including purchases. 2005 figures are based on Emera's company structure and assets at that time.

Direct (Scope 1) GHG emissions from Emera's generating capacity in 2016

23,424,741 (tCO₂e)

Indirect (Scope 2) GHG emissions from electricity purchased by Emera in 2016

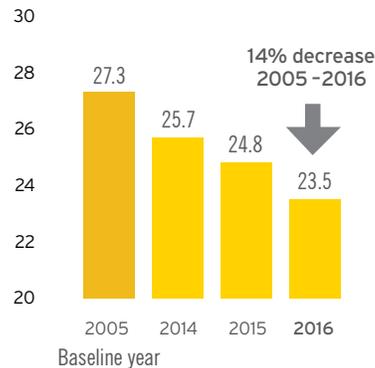
5,582 (tCO₂e)

GHG emissions intensity ratio from Emera's Scope 1 and Scope 2 emissions in 2016

0.58 (tCO₂e per MWh of total sales)

Note: as reported in Emera's 2017 CDP submission.

Emera Annual Scope 1 GHG Emissions from Thermal Generation (MtCO₂e)



Note: Scope 1 and Scope 2 GHG emissions are adjusted to include 12 months of TECO data, as well as Emera's historical emissions, to align with CDP reporting.

Emera's 2016 CDP score (B) compared to industry benchmarks



Source: 2016 Climate Change Basic Performance Review Report for Emera, Inc., ADECO Innovations.



Our 2017 CDP report and annual scores are available at emera.com/environment

Reporting Our Progress

In 2016, Emera received a CDP score of B (Management). This means Emera was recognized by CDP for taking coordinated action on climate change issues. Our score of B was higher than the average scores for other companies in our industry, our region and the CDP program as a whole. TECO Energy has been incorporated in our 2017 submission to CDP with scoring on our submission expected in late fall.



Nova Scotia

In Nova Scotia, we've reduced our greenhouse gas emissions by more than 30 per cent since 2005 and have helped contribute to Canada's emissions reduction commitment under the Paris Climate Accord. We tripled renewable energy production in Nova Scotia over the past decade. As a result, in 2016 we reached 28 per cent renewable energy with the highest amount of wind as a percentage of generation in Canada. We've achieved the most rapid transition to renewable energy of any utility in Canada and we're on track to meet our 40 per cent renewable energy target by 2020.

Nova Scotia Power's website, Today's Power, makes renewable energy use visible and relevant to our customers. The online tool shows real-time information about our generation mix and forecasts how our energy mix will look in 2020.

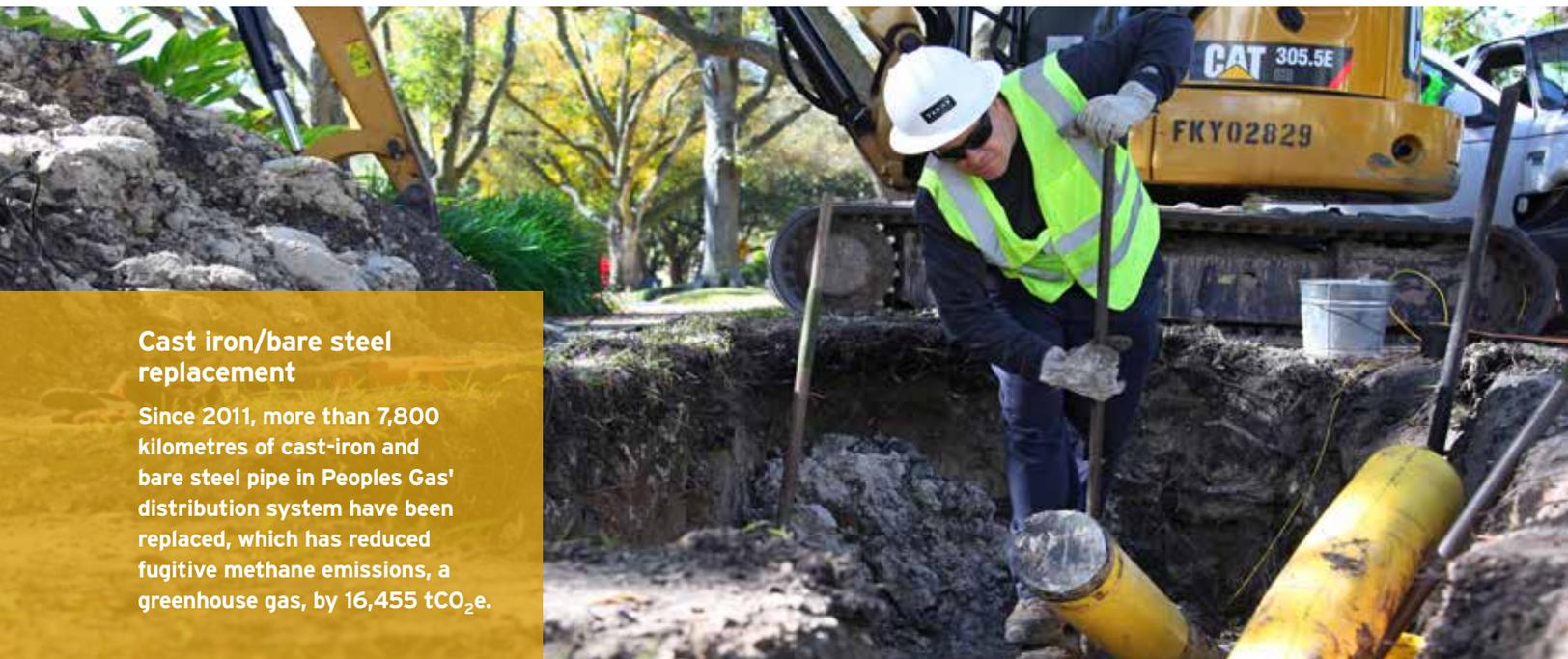


Barbados

We believe that by 2045 we can power Barbados from 100 per cent renewable energy, and that 100 per cent of energy used on the island will be from electricity. This will be a remarkable transformation, considering the island was completely reliant on fossil fuels just a few years ago. Solar is already a big part of our generation plans. Our new 10-MW St. Lucy solar installation in Barbados means 70,000 barrels of oil are no longer imported and burned, cutting carbon emissions by 21,000 tonnes a year. As we develop a smarter grid, we will be able to retire legacy fossil-fueled plants, slashing GHG emissions from our generation in Barbados.



Visit nspower.ca/todayspower



Cast iron/bare steel replacement

Since 2011, more than 7,800 kilometres of cast-iron and bare steel pipe in Peoples Gas' distribution system have been replaced, which has reduced fugitive methane emissions, a greenhouse gas, by 16,455 tCO₂e.



Florida & New Mexico

Tampa Electric is one of the lowest-emitting utilities with coal-fired generation, and we continue to outperform the U.S. electric sector in GHG emissions reductions. We made a further significant investment in solar generation in 2016 by building the 23-MW solar array near Tampa Electric's Big Bend Power Station. It began operations in 2017 and is the largest solar array in the Tampa Bay area with the capacity to power more than 3,300 homes, cutting CO₂ emissions by 27,000 tonnes per year.

In early 2017, Tampa Electric completed an upgrade to four existing simple-cycle, natural-gas fired units at Polk Power Station to a more efficient combined-cycle unit. The unit captures the waste heat from the existing combustion turbines and increases the output of the gas-fired units by 70 per cent. This expands the generating capacity at the site by 460 MW, or enough electricity to power more than 100,000 homes. The project will reduce emissions of carbon dioxide by 37 per cent per MWh. It will also reduce nitrogen oxide by 86 per cent per MWh.

The teams at Peoples Gas and New Mexico Gas are also doing more to reduce methane emissions. Both have joined the U.S. Environmental Protection Agency's voluntary Natural Gas STAR Methane Challenge Program, which targets reducing methane emissions by 40 to 45 per cent below 2012 levels by 2025. Launched in 2016, the challenge allows us to make and track commitments in collaboration with the Environmental Protection Agency (EPA) to reduce methane emissions and demonstrate their efforts to improve air quality.

Nova Scotia Power is on track to reach

58%

reduction in GHG emissions by 2030



The US Regional Greenhouse Gas Initiative

Emera Energy was our only affiliate required to participate in an emissions trading framework in 2016. Under the legislated Regional Greenhouse Gas Initiative (RGGI), Emera Energy acquired offsets for emissions from their natural gas generating facilities located in the United States.

Pricing Carbon

Emera's cleaner, affordable energy strategy means we are working to reduce GHG emissions across our operations. We work with government and regulators on emissions policy, bringing forward solutions that are in the best interest of our customers and making energy cleaner.

Carbon Pricing in Canada

Beginning in 2018, every Canadian province will be required by the federal government to set a price on carbon. This will help Canada achieve its target of 30 per cent reduction of GHG emissions from 2005 levels by 2030 and commitment to the Paris Climate Accord.

Carbon pricing in Nova Scotia will be implemented under a cap-and-trade system and is inherent in the hard carbon cap on the electricity sector. Under our current plans to continue our investments in renewable energy, Nova Scotia Power is on track to reach 58 per cent reduction in GHG emissions in Nova Scotia by 2030. The Nova Scotia Power team continues to provide input into the Canadian framework and the Nova Scotian approach in conversations with government.



Canadian government phasing out coal

By 2030, the Canadian government wants 90 per cent of electricity in the nation to come from non-emitting sources, up from 83 per cent today. This is another step in achieving targeted reductions in Canada's GHG emissions. The 90 per cent target means that coal generation will be phased out across Canada.

The Nova Scotia Power team has been working with governments, stakeholders and regulators over the past decade to plan the transition to renewable energy in a way that balances carbon reduction targets and costs for customers. Currently, Nova Scotia Power's coal units play a role to support variable wind generation and provide peak load during the cold months of winter. We are working on innovative solutions to support increased renewables on our grid, such as grid and home battery storage solutions and microgrids.

In November 2016, the Province of Nova Scotia and the Government of Canada announced a new equivalency agreement that will enable the province to move directly from fossil fuels to clean energy sources.

Improving Air Quality

We carefully monitor ambient air emissions from our thermal generating stations, including mercury (Hg), nitrogen oxide (NO_x), sulfur dioxide (SO₂), and particulate matter (PM). Air emissions are measured, verified and reported under our Environmental Management System.

Changes that we've made to the way we generate thermal energy have led to emission reductions in recent years. In the period from 2012 to 2016, this has resulted in a 44 per cent drop in mercury emissions from our coal-fired generation at Tampa Electric and Nova Scotia Power. We also achieved an 8 per cent decrease

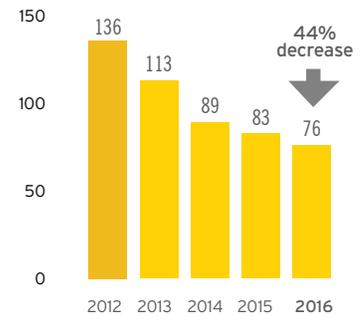
in SO₂ and a 2 per cent decrease in NO_x over the same period from our thermal generation across Emera. As we continue to invest in cleaner sources of energy, we expect to see further reductions in air emissions from our energy generation in the future.



Tufts Cove

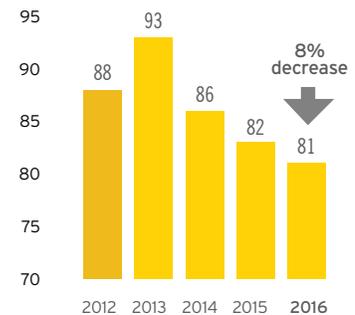
Tufts Cove Waste Heat Recovery Unit captures waste heat from the exhaust steams of two natural gas combustion turbines, and uses it to power a steam turbine and generator. This generates 25 MW of electricity without any additional fuel or emissions.

Emera Annual Mercury Emissions from Coal-Fired Generation (kg)



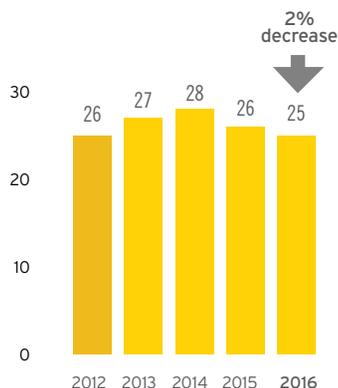
Notes: Mercury (Hg) emissions as measured at coal-fired generation stations at NS Power and Tampa Electric only, as mercury emissions do not apply to the other Emera companies. Includes 12 months of TECO data in 2016 and historical emissions to 2012.

Emera Annual SO₂ Emissions from Thermal Generation (thousand tonnes)



Notes: Sulfur Dioxide (SO₂) emissions as measured at thermal generation stations at NS Power, Tampa Electric, Emera Energy and Emera Caribbean. Includes 12 months of TECO data in 2016 and historical emissions to 2012.

Emera Annual NO_x Emissions from Thermal Generation (thousand tonnes)



Notes: NO_x emissions as measured at thermal generation stations at NS Power, Tampa Electric, Emera Energy and Emera Caribbean. Includes 12 months of TECO data in 2016 and historical emissions to 2012.

Controlling Emissions

Over a decade ago we began adding pollution control/abatement technology at our thermal generation stations in Nova Scotia and Florida. This has reduced emissions and improved air quality, meeting our regulatory requirements.

In Nova Scotia we have:

- “Low-NO_x” combustion systems which control the emissions of nitrogen oxides at all of our generating units, except for Tufts Cove Units 1, 4 and 5, and Trenton Generating Station Unit 5. Tufts Cove Units 4 and 5 have a water-injection system to control emissions of NO_x.
- Electrostatic precipitators at our units to control emissions of particulate matter. Baghouses are operated at Trenton Generating Station Unit 5 and Point Aconi Generating Station to filter out particulate matter.
- Activated carbon capture systems for mercury control at all of our coal-fired generating units, with the exception of Point Aconi Generating Station. Point Aconi is a circulating fluidized bed (CFB) unit, which is an inherently lower emitter due to the injection of limestone into the process.

At Tampa Electric’s Big Bend generation plant we have:

- Reduced sulfur dioxide and particulate emissions by improving existing control technologies on all four coal-fired units.



Tampa Electric’s Big Bend Power Station.

- Installed selective catalytic reduction technology to reduce nitrogen oxide emissions.
- Optimized flue gas desulfurization (scrubbers) and electrostatic precipitators to further reduce sulfur dioxide and particulate matter on all four coal-fired units.

Nova Scotia Power and Tampa Electric monitor the ambient air quality near coal-fired generating stations using networks of equipment located in nearby communities. These tools operate all day, year round, to make certain operations continue to meet requirements around local air quality. Particulate matter (PM) emissions are tested when completing stack tests at regular intervals, and these levels are reported to regulators as required.

Managing Water

Water plays a critical role in generating electricity at our hydro and thermal power plants. Whether we are drawing water to turn hydro turbines, or to create steam or cooling water in our thermal plants, we take care not to impact plants or animals in the area.

Our companies discharge water in compliance with current environmental regulations and operating permits and make every effort to avoid unplanned discharges. No water bodies were significantly affected by discharges from Emera's facilities in 2016.

WATER WITHDRAWALS BY SOURCE IN 2016 (million cubic metres):

Surface Water	2,340
Ground Water	0.9
Rain Water	6.2
Reclaimed Water	9.6
Potable Water	1.5
Total Withdrawals	2,359

Notes: includes TECO and NS Power only as these Emera companies withdraw the most significant volume of water.



Managing water use in Florida

Polk Power Station initially used groundwater drawn from wells to supply process and cooling water for the plant. Now, through Tampa Electric's Reclaimed Water Project, the team collects reclaimed water from the city of Lakeland, treats it and uses it as cooling water. A future phase will include water from other neighboring communities. The award-winning project is a partnership between Tampa Electric, the city of Mulberry, Polk County and Southwest Florida Water Management District. Our



At Polk Power Station, reverse osmosis treats reclaimed water from a nearby community which is then used to cool the power station.

largest electric utility, Tampa Electric had 252,152,673 litres of water discharged in 2016.

Big Bend and Bayside generation stations circulate large amounts of saltwater from Tampa Bay for cooling water. The water is returned to the bay from the plants by a process known as "once-through cooling." This return also serves as the intake for the Tampa Bay Seawater Desalination plant, which provides up to 25 million gallons per day of drinking water to the region. The reverse osmosis facility benefits from using seawater that has already passed through the intake system at Big Bend. Reusing water from Big Bend eliminates the need for a second intake and reduces the salinity of the water discharged into Tampa Bay.

Big Bend and Bayside also reuse rainwater and process water through diversion and collection systems. The drainage system at Big Bend diverts reuse water to the station's lined industrial wastewater ponds. And, to offset potable water use, Big Bend receives about 2.5 million gallons per day of treated wastewater effluent from Hillsborough County.

Sustaining Hydroelectric Generation

Hydroelectric facilities have been part of the backbone of electricity generation in Nova Scotia since the early 20th century, and continue to play a critical role in achieving renewable energy targets. Nova Scotia Power operates 32 hydroelectric generating stations in 16 river systems across the province. We operate our hydroelectric systems to create a sustainable balance between public and team member safety, protection of the environment, generation of renewable electricity, and recreational uses of the watercourse. All the systems are run-of-river, following the natural seasonal flow of the rivers.

Nova Scotia Power has made a considerable investment in its hydroelectric generation systems to ensure dam safety requirements are met, to improve fish passage and to redevelop generation infrastructure. We manage our hydroelectric dams in accordance with the Canadian Dam Association safety guidelines. We perform dam safety reviews on a seven-year cycle, including flood studies, comprehensive hydrological reviews and climate assessments. This information is used to determine the capital investment required to upgrade the hydroelectric infrastructure. In 2016, the budget for hydroelectric infrastructure renewal was almost \$8 million, with another \$225 million planned over the next five years.

Similarly, Dominica Electricity Services has the capacity to generate about one-third of its electricity using hydroelectricity, drawing from three run-of-the-river hydro plants on the Roseau River. The steep terrain in Dominica means the hydro system can be powered by smaller river diversions, without the need for larger dams, which ultimately leads to a smaller environmental impact. In 2016, our team in Dominica completed significant restoration work to hydro systems, required after Tropical Storm Erika caused widespread damage the previous year. As a result of the team's investment and hard work, hydroelectric generation was restored to full capacity in 2016.

Fresh water reservoir that feeds into the Dominica Electricity Services hydro plant.



Extreme Weather Response

Extreme weather is becoming increasingly common as the global climate shifts, which means we expect to see more frequent and intense storms, more extreme temperatures, shifting rainfall patterns, rising sea levels and storm surges. All these factors have the potential to increase the frequency and duration of outages that our customers experience.

We work hard to prepare our systems for extreme weather. When storms hit, we work around the clock to restore service to our communities as quickly and safely as possible. Each of our affiliates has emergency services restoration plans that set out the process and standards we work to achieve.

Storm Hardening

When the skies are clear, we spend time strengthening and upgrading our network to reduce the impact of storms and severe weather. This can include right-of-way widening, trimming or removing trees that are too close to power lines, replacing older equipment with new technology, and adding new equipment to help improve reliability. Since 2010, Nova Scotia Power has spent more than \$70 million on storm hardening the electricity system, above and beyond our normal \$60 million reliability budget. And Tampa Electric invests more than \$55 million USD annually in a 10-point plan to strengthen the grid.



Emergency Response

“Be prepared” is a sentiment that goes hand-in-hand with our No. 1 priority, safety. Emera companies face different challenges year-round, and work hard to be ready. In Nova Scotia, our Emergency Operations Centre serves as the nerve center during storm restoration planning and response, and is staffed with team members representing all aspects of the company. Tampa Electric’s seven Fold Out Rigid Temporary Shelters (FORTS) are a new and innovative addition to our fleet. These mobile command posts are designed for quick set-up at any location where crews are needed, providing temporary office space in the field.



FORTS

Tampa Electric’s Fold-Out Rigid Temporary Shelters (FORTS) are portable offices designed to get storm leaders into the hardest hit areas for more efficient restoration efforts.



For more information, visit tampaelectricblog.com/new-teco-mobile-command-posts/



Emera-wide collaboration after Hurricane Matthew

In October 2016, Hurricane Matthew caused widespread damage in Grand Bahama, resulting in an island-wide outage for customers. The Grand Bahama Power team collaborated with visiting teams from across Emera companies to work tirelessly on restoration in the weeks that followed. Grand Bahama Power spent approximately \$28 million BSD in power restoration and storm hardening infrastructure. In addition to operational support, team members from across Emera responded with donations to purchase personal care items for people impacted by the hurricane.



Managing Waste

We focus on reducing waste at its source and minimizing the amount of non-hazardous and hazardous waste that is produced and in need of disposal. Despite the magnitude and complexity of electric operations, our efforts result in a relatively small quantity of hazardous waste.

The primary industrial waste produced by our operations is the fly ash from burning coal and oil. When possible, we sell some of the fly ash produced by our thermal generating stations to be used for other purposes. For example, fly ash can be used as a substitute for cement in concrete. Our companies produced a total of 1,223,656 tonnes of fly ash in 2016. Of that, 66 per cent (811,256 tonnes) was reused.

Polychlorinated biphenyls (PCBs) are a group of organic compounds that were used as fluids to cool and insulate electrical equipment. We've been removing PCBs from service over the past two decades in line with regulatory requirements. Our companies disposed of 90.52 tonnes of PCB-contaminated solid waste, such as metal transformer casings, and 62,072 litres of PCB-contaminated liquid waste in 2016.

Across Emera
66%
 of fly ash was
 repurposed for other
 industrial use in 2016

Note: includes 12 months of Tampa Electric data.



Fly ash is used to make cement and other concrete products.

Protecting Biodiversity

Emera's environmental commitment drives our focus on protection, preservation, recovery and education. Throughout our operating regions in 2016, less than 0.07 per cent of our electrical transmission area and less than 0.06 per cent of our natural gas distribution area overlapped with land designated as having high biodiversity value. Our operations encountered 23 species that are listed as protected, vulnerable, or endangered by various agencies in 2016. All of our companies follow applicable rules and regulations when we encounter these species.

Tampa Electric's Manatee Viewing Center



Protecting manatees and marine habitat

Tampa Electric's Manatee Viewing Center near the Big Bend Power Station celebrated 30 years and 5 million visitors in the 2016-2017 season. Manatees flock to the warm waters of Big Bend's discharge canal, now a state and federally designated manatee sanctuary that provides critical protection from the cold for these unique, gentle animals. The center also features an educational building, gardens, a 900-foot tidal walk and a habitat trail loop with a 50-foot observation tower.

In 2016, the Tampa Electric team completed Newman Branch Phase III Restoration Area in Apollo Beach, Florida. Under this program, 100 acres have been restored including the removal of invasive plants, creation of upland and wetland coastal ecosystems, and reconnecting Newman Branch Creek to upstream waters. The work was completed in partnership with the Gulf of Mexico Foundation, Tampa Bay Estuary Program and the Southwest Florida Water Management District. The site is used for outdoor education and research.



Protecting habitats and species in New Mexico

New Mexico Gas Company supports federal laws, such as the U.S. Endangered Species Act, by reviewing our impacts on critical habitat and threatened and endangered species. For example, threatened cacti have been transplanted from construction areas on numerous projects. We also conduct biological surveys before major projects and protect active bird nests until the young have fledged. Our environmental specialists also make certain that sediment from projects is managed to comply with the U.S. Clean Water Act, which limits runoff from washing into waterways. We currently have about 10 projects being monitored for erosion control. Finally, when bees were found inside our Business Center in Albuquerque, management brought in a bee specialist to relocate the bees instead of eradicating them.



New Mexico Gas transplants Bureau of Land Management (BLM) sensitive species and New Mexico endangered plants, which include Brack's hardwell cactus and the Aztec Gilia. A bee specialist relocated honey bees found in the Albuquerque Business Center.



Maritime Link environmental benefits

The Maritime Link transmission project will not only deliver cleaner hydroelectricity to customers in Nova Scotia and beyond - it also has been constructed in a way that's respectful of the environment and minimizes impacts. In 2013, the Emera Newfoundland and Labrador team received Environmental Assessment (EA) approval from the Canadian Environmental Assessment Agency, Nova Scotia's Department of Environment, and Newfoundland and Labrador's Department of Environment and Conservation. This approval was the result of a comprehensive study and submission from the project team, which became the blueprint for ensuring environmentally responsible construction.

The EA submission included commitments to reduce the environmental impact of the project by taking advantage of areas already set aside for existing transmission and infrastructure. This reduces the amount of disturbance to animal habitat and increases the land available for predation and hunting.

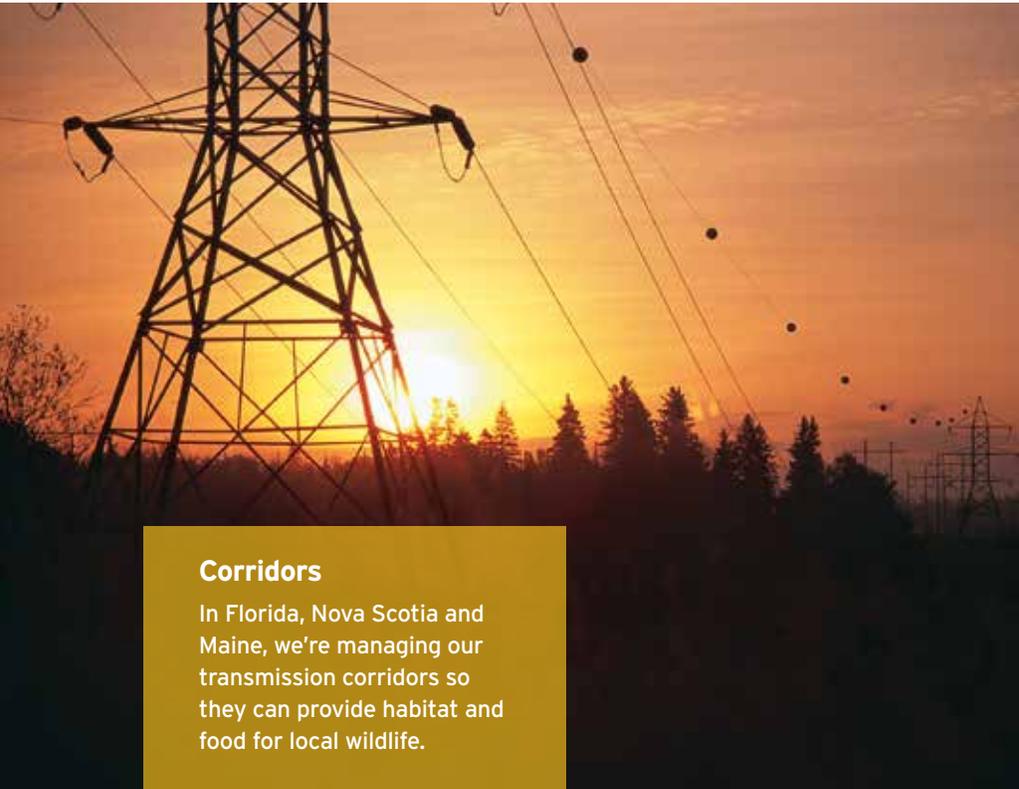
In addition to minimizing environmental impacts, the Maritime Link project has also been working

to enrich wildlife habitat. We provided 10.78 hectares of wetland compensation for the Maritime Link project in 2016, developed in agreement with Nova Scotia's Department of Environment and Ducks Unlimited Canada. We also worked with contractors to create four new nearshore rock reefs at Big Lorraine in Cape Breton. These reefs, made from different-sized rocks, will increase the productivity of the local marine ecosystem by providing new habitat for a variety of species.

Additionally, Emera Newfoundland and Labrador is conducting baseline studies and ongoing monitoring programs of species such as snow crab, lobster, caribou and American pine marten. Through these studies, we are able to collect scientific data that can be used to help assess the overall health of various species and effectiveness of mitigation measures initiated by our company.



Caribou monitoring is part of the Maritime Link's environmental commitment.



Corridors

In Florida, Nova Scotia and Maine, we're managing our transmission corridors so they can provide habitat and food for local wildlife.

We also recognize that many of our power lines share territory with bird species, and we have processes in place to make certain that habitat and nesting sites for critical bird species are maintained near our assets. Tampa Electric has an avian protection program to safeguard ospreys. Nova Scotia Power and Emera Maine also have osprey relocation programs and procedures.



Line crews check nesting sites

Managing Vegetation Responsibly

Our electric companies use environmentally sensitive vegetation management programs to help maintain the reliability of our over 12,000 kilometres of transmission and 63,000 kilometres of distribution lines. In Nova Scotia and Maine, for example, we work to nurture compatible shrubs and trees near our power lines that will provide habitat and food for wildlife, while also helping to control the growth of tree species that can interfere with power delivery. This work includes fostering species that are important to natural pollinators, recognizing the key role these insects play in our ecosystems. And in bird nesting season, crews look for nests, chicks and eggs and create buffer zones where nesting sites are found. In addition, we provide information and resources to help our customers understand the best kinds of plants to foster around power lines.



Fish Ladder

Nova Scotia Power invested \$4 million into building the largest fish ladder in the province at Sandy Lake Dam, helping in recovery of the Gaspereau fish who have returned to spawn in the Indian River for the first time in well over 100 years.



Working with wildlife

The team at Nova Scotia Power is actively involved in the conservation efforts and recovery planning of several species at risk in the province. In addition to careful environmental planning prior to any wind construction work, we also conduct post-construction environmental monitoring for moose, birds and bats. In particular, the moose monitoring provides information to the Nova Scotia Department of Natural Resources that is useful in determining the success of the mainland moose recovery plan under the Nova Scotia Endangered Species Act. Nova Scotia Power also plays an important role in conservation and recovery planning of several species of aquatic animals and plants in Nova Scotia, including the Inner Bay of Fundy Atlantic salmon, Southern Upland Atlantic salmon, American eel, Atlantic coastal plain flora and Blanding's turtle.



Read about how we manage biodiversity protection at [emera.com/environment](https://www.emera.com/environment)



Communities

Emera's story happens here, in the places we serve. Our companies have grown up with their communities and, in some cases, share a heritage going back more than a century.

Every day we deliver the energy that powers our communities. We are also contributing to the economic and cultural vitality of the places we work, supporting jobs through our projects and supply chains, and investing in initiatives that promote public health and education. Our team members volunteer thousands of hours to support local causes. And, increasingly, we are investing in partnerships that build a culture of entrepreneurship and innovation, ultimately making our communities even stronger for tomorrow. Emera invested a total of \$8.4 million in the communities we serve in 2016.

We are deeply invested in our communities because these are our communities too. We live here, we power here and we grow here.

Powering Community Innovation & Growth

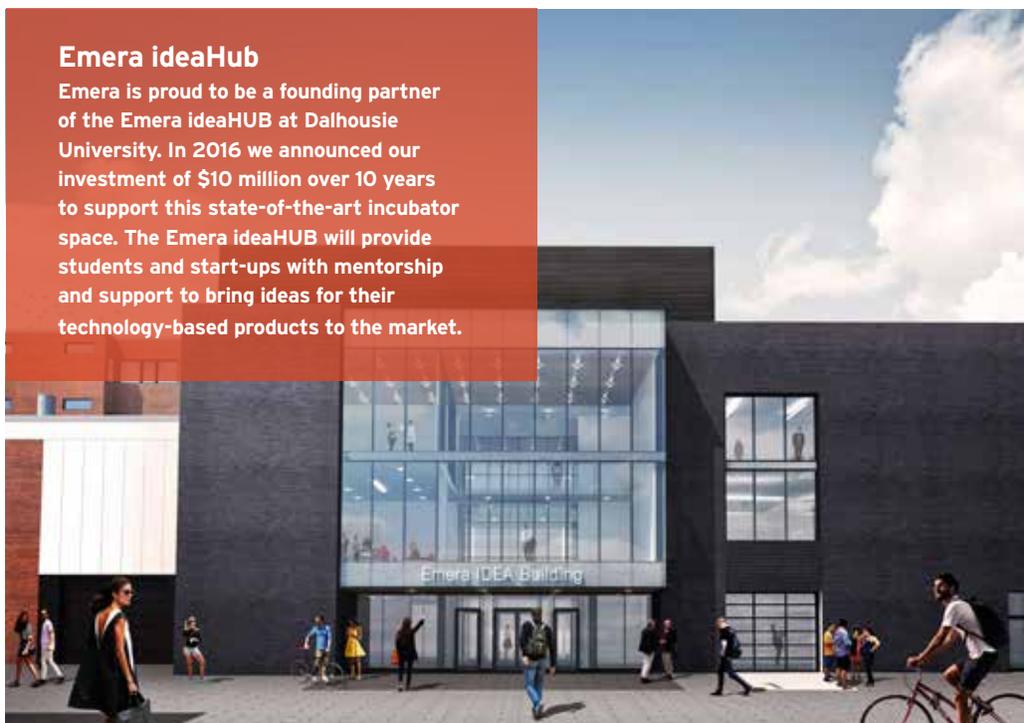
Emera has a strong record of supporting initiatives that make our communities stronger. More and more, we are focused on partnerships that will make our communities smarter too. By collaborating with a range of public and private-sector partners, we are helping to power a culture of innovation and entrepreneurship, supporting the leaders of tomorrow. We also are growing the economies of the places we work, as our innovation focus and projects bring new jobs, essential infrastructure, and economic development to our communities.

Innovation Partnerships

In 2016 Emera collaborated to create important partnerships that will champion future-focused education and incubator programs. We believe these investments will inspire and support young people to pursue careers in science, technology and engineering, fostering the next generation of innovators, leaders and entrepreneurs.

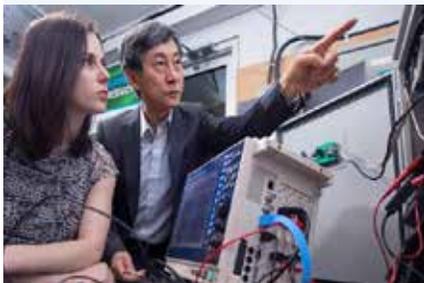
Community Donations	\$1.7m
Strategic Community Investment	\$5.5m
Community Sponsorships	\$1.2m
2016 Total Community Investment (CAD million)	\$8.4m

Notes: Includes 6 months of TECO Energy data from date of acquisition. Local currencies converted to CAD using average exchange rate for 2016.



 **Research Centre for Smart Grid Technologies**

Smart grid technology has a critical role to play in how we generate, store and share electricity. In 2016 we announced a \$6.2 million investment over six years to the Emera & NB Power Research Centre for Smart Grid Technologies at the University of New Brunswick (UNB). The contribution will support an Emera Chair in Smart Grid Technologies at UNB, as well as provide direct funding for smart grid research. This state-of-the-art research facility is enabling R&D and industry partnerships.



Emera is investing
\$6.2m
 over six years in the Emera & NB Power Research Centre for Smart Grid Technologies



 **New Mexico innovation funding**

New Mexico Gas supported Innovate ABQ, an entrepreneurial district in Albuquerque, with a \$500,000 USD contribution in 2016. This is a space where multi-purpose companies are working to create technological innovations and opportunities for expanded business growth throughout the state. We also awarded a \$200,000 USD contribution to the Arrowhead Center at New Mexico State University, an initiative to commercialize technology to help small businesses start and grow. Emera's contribution will increase capital investment for innovation-based ventures by funding training programs and business model development. These partnerships are part of a \$5 million USD economic development fund established by Emera in New Mexico as part of our settlement agreement to merge with TECO Energy in 2016.

 **Discovery Centre**

The Discovery Centre is inspiring Atlantic Canada's next generation of innovators, delivering education and experiences that promote STEAM (Science, Technology, Engineering, Arts and Music). In 2016 the new Discovery Centre was built alongside Nova Scotia Power's headquarters in Halifax, Nova Scotia, and opened in the spring of 2017. Nova Scotia Power and Emera are supporting the Discovery Centre by providing a rent-free space for 25 years and \$1 million to fund ongoing operations.



Florida Conservation and Technology Center

The Florida Conservation and Technology Center will pack a lot into its 500-acre site, including research, wildlife rescue and energy technology education. Tampa Electric is supporting the center in partnership with the Florida Fish and Wildlife Conservation Commission and The Florida Aquarium. It's also home to the Suncoast Youth Conservation Center, which opened in 2016 and serves as the educational hub.



Electricity and Renewable Energy Science Exposition

In January 2016, Barbados Light and Power supported the inaugural Electricity and Renewable Energy Science Exposition in Barbados. The competition deepens students' interest in electricity generation and renewable sources of energy. Our team in Barbados has been a long-standing supporter of initiatives focused on youth education and fitness.



 **Forestry Innovation Hub**

The forestry and resource sectors are vital to Nova Scotia's economy. That's why in 2016 Emera invested \$1 million in the Forestry Innovation Hub, a partnership with the Canadian and Nova Scotian governments. The hub is helping start-ups use wood byproducts in new ways, such as testing the market for bio-fuels in marine diesel and heating oil.



Investing in Our Economies

Our companies play an important role in the economies of the regions we serve. Through our innovation focus, we're investing in demonstration projects that have the potential to develop into thriving industries. We are a major employer, both at our central offices and across our distributed network of assets. And we provide opportunities for local and diverse suppliers, helping to create and retain jobs.

The economic value that we create is distributed by Emera in several ways. Suppliers are paid to provide materials and services to help us operate, our employees receive wages and benefits, governments receive tax payments, shareholders receive dividend payments, lenders receive interest payments, and community organizations receive donations and community investments. In 2016 we distributed \$4.1 billion in economic value.

 **Cypress-Ford Road project**

The Peoples Gas team is investing more than \$9 million USD to expand the gas transmission and distribution systems near Jacksonville, Florida. This expansion will support the growth of Jacksonville Electric Authority and other industrial customers, including the Pivotal Liquefied Natural Gas facility that will compress and ship natural gas to world markets. The Cypress-Ford Road project will bring a brand-new industry to the Port of Jacksonville and support the economic growth of a key region in Peoples Gas' service area.





Nova Scotia's tidal industry potential

Emera's Cape Sharp Tidal demonstration project has the potential to create a tidal energy industry in Nova Scotia, generating up to 950 direct and indirect jobs in the process. To date, more than 300 people have been working on the project across the province. In addition, the project has made contributions to economies of the rural communities closest to the test site in the Bay of Fundy, through local office space rentals, local contractor hires and project staff housing.



Maritime Link driving economic benefits

At the height of work on our Maritime Link transmission between the island of Newfoundland and Nova Scotia, over 700 people were working on construction and other roles. The Emera Newfoundland and Labrador team has been committed to providing opportunities to local suppliers. To date, more than 250 companies in Atlantic Canada have been awarded work on the Maritime Link Project, the vast majority in Nova Scotia and Newfoundland and Labrador. More than \$500 million in contracts have been awarded to local contractors in both provinces.



Investing in Nova Scotia

Emera is proud to call Nova Scotia home, and we are committed to keeping our headquarters in Halifax. Our companies employ approximately 2,500 people in Nova Scotia, where our annual operations directly boost the province's GDP by roughly \$605 million. That's a total of \$1.1 billion when supply-chain spending and induced effects are included. In 2016, our business spent roughly \$620 million in the province with just over 3400 vendors. This economic activity supported more than 6,600 full-time equivalent jobs in Nova Scotia.



Commitment to local suppliers

Emera's companies in Florida and New Mexico have long-term commitments to support local suppliers. In 2016, we spent more than \$177 million USD with small businesses, many of them owned by women, veterans or minorities. TECO's spending with minority-owned businesses increased by 45 per cent in 2016, and spending with women-owned businesses increased by 76 per cent over the previous year.

Corporate Giving & Volunteering

At Emera, we have a long history of supporting initiatives that make our communities stronger and more vital places to live today. We've sponsored educational, sports and recreational

facilities, and programs that support local not-for-profits. And our team members are passionate community members too, volunteering thousands of hours to worthy causes. Emera contributed a total of \$1.7 million in donations to our communities in 2016.



Supporting United Way

Emera companies in Canada, Maine and New Mexico are long-time supporters of United Way. Each year we partner with the non-profit for our largest workplace campaign, enabling employees to give to the charities and non-profits of their choice through payroll deduction. In 2016, Emera and its team members donated over \$755,000 to United Way, including contributions from our retirees.

Matching Funds

We offer several matching programs to help make the most of our team members' charitable contributions. Our Good Neighbour initiative in Canada, Maine and in our other New England operations creates opportunities to match corporate sponsorship to qualifying non-profit organizations where our team members and, in some areas, retirees donate their time. We also match funds donated by employees for individual or team fundraising initiatives, and we have an arrangement with United Way that enables employees to give to the charities and non-profits of their choice through an annual payroll deduction. In our Florida operations, team members can tap into the Matching Gifts Program, which will match a team member contribution made toward a physical capital project of an organization within our Florida service areas.



Investing in youth

Emera is proud to support Junior Achievement initiatives in many of our communities, including Newfoundland and Labrador, Nova Scotia, New Brunswick, Maine, Florida and New Mexico. Collectively, we donated more than \$44,090 USD in 2016. From fostering young business minds to keeping young bodies healthy, our companies in Florida donated \$98,000 USD in 2016 to youth sports programs, helping children develop their physical health and well-being.

Team Member Volunteering & Giving

Our team members are passionate about making a difference in the communities where we live and work. We contribute thousands of hours to volunteer and fundraising initiatives each year and give generously through direct donations to local charities and non-profits.

In 2016, team members across the business volunteered with many organizations on behalf of Emera, striving to make a positive social impact.

Volunteering highlights in 2016 include:

- New Mexico Gas team members set out to weatherize homes of vulnerable seniors in the Albuquerque and surrounding Bernalillo County areas. More than 60 team members volunteered, successfully helping 18 customers in need stay warmer during the cold months while using less energy and saving money.
- In 2016, team members donated more than \$20,000 to the IWK, the leading Women's and Children's hospital in Atlantic Canada, and presented the donation while volunteering for the hospital's annual telethon in Halifax, Nova Scotia.
- Team members at Tampa Electric donated and assembled more than 600 items for the Salvation Army's Stuff-a-Stocking campaign in Florida.
- Emera Energy's Bridgeport Energy team donated more than 140 back-to-school backpacks to a local community centre.



Emera's volunteering and matched giving programs enabled:

- EMPLOYEES TO VOLUNTEER

15,000+ hours

- MORE THAN

\$200,000

DONATED TO OVER

400

CHARITIES



Workers from the Qalipu First Nation assemble transmission components for the Maritime Link project.

Growing Our Relationships

Fostering relationships is an important part of how we work at Emera. Our approach includes building trust by finding common interest, and achieving results through collaboration. We recognize that the best outcomes happen when we work together, finding the solutions that create value for everyone involved.

Indigenous People & Native Americans

Emera recognizes the importance of building mutually beneficial relationships with indigenous people. Our goal is to establish these relationships on a foundation of respect and trust that acknowledges the culture, heritage and traditions of indigenous people.

We acknowledge that traditional knowledge is held orally within indigenous communities and better understood through meetings and conversations. Community visits, participation in events and ceremonies are central to our approach.



Nova Scotia Power

The Nova Scotia Power team continues to work towards establishing mutually beneficial relationships with the Nova Scotia Assembly of Mi'kmaq Chiefs, KMKNO (Kwilmu'kw Maw-Klusuaqn Negotiation Office) and the 13 Mi'kmaq First Nation communities in Nova Scotia. In 2016, Nova Scotia Power visited communities, participated in ceremonies, attended celebrations and continued to develop connections with Aboriginal organizations in Nova Scotia.

In 2016, some of the ways Nova Scotia Power built relationships included:

- Signed a five-year funding agreement with the KMKNO to address resource, capacity and participation in projects and activities;
- Established an archaeology program for a capital project that employed two Mi'kmaq Observers and three Mi'kmaq Archaeological Technicians;
- Partnered with two Mi'kmaq First Nation communities and Clean Foundation for a pilot in energy efficiency to address assessment, retrofits, and education in the communities.



Emera Newfoundland & Labrador

Emera Newfoundland & Labrador signed a Socio-Economic Agreement with the Qalipu Mi'kmaq First Nations Band in Newfoundland and the Assembly of Nova Scotia Mi'kmaq Chiefs for the Maritime Link Project in 2014. These include commitments made during the federal Environmental Assessment process for the Maritime Link such as ongoing engagement, consideration of current land use and resources for traditional purposes, and monitoring of potential interactions. The Socio-Economic Agreement also promotes training, employment and business opportunities for members of indigenous communities.

In 2016, some of the ways Emera Newfoundland & Labrador built relationships and created shared value included:

- Met regularly with the Memski First Nations Band of Nova Scotia and the Qalipu Mi'kmaq First Nations Band of Newfoundland to discuss progress on the Maritime Link;
- Awarded the Caribou Traditional Use Study to the Qalipu Mi'kmaq First Nation Band. This study deepens our collective understanding of the traditional use of Caribou within the Qalipu Mi'kmaq First Nation and builds on an initial study which was conducted in 2014;
- Provided \$75,000 to help further the Qalipu Mi'kmaq First Nations Band's mandate to help preserve and share its heritage and culture with the Qalipu membership and the general population.



New Mexico Gas

With existing natural gas infrastructure that spans across 17 of the 23 tribal government entities in New Mexico, the New Mexico Gas team is working to develop, maintain and continually enhance mutually respectful relations with all New Mexico Pueblos, Tribes and Nations.

Since 2009, some of the ways the New Mexico Gas team has built relationships and created shared value include:

- Developing land use authorizations (ROWs, leases, agreements, etc.);
- Extending mainlines to areas not currently served;
- Delivering ongoing communications and awareness of our projects and efforts;
- Making donations and contributions to projects that benefit tribal communities;
- Offering a Native American Scholarship Program.



Maritime Link project site tours given to Community Liaison Committee members in Cape Breton, Nova Scotia.

Community Engagement

We recognize that how we operate and grow our business makes a difference to our communities. To better engage with our customers and community members on issues related to our operations, we set up Community Liaison Committees in Nova Scotia, New Brunswick and Newfoundland & Labrador. Similarly, in Florida, we invite community members and leaders to open house meetings where they can ask questions one-on-one with the Tampa Electric team about upcoming projects. We incorporate the outcomes of these conversations, meetings and committees into our plans. This keeps us close to our customers and ensures that our future is built on a strong foundation of collaboration and understanding.



Engaging on the Maritime Link

In addition to delivering an important new transmission project, the Emera Newfoundland & Labrador team have another significant goal – being the best source of information for stakeholders about the Maritime Link project. Team members began community engagement efforts in the spring of 2011 and since then have consulted with stakeholders including regulatory agencies, residents, landowners, commercial fish harvesters, industry, the business community, guide outfitters, hunters, anglers, special-interest groups and the general public. Community engagement opportunities have included one-on-one meetings, technical workshops, supplier sessions, public-information sessions and presentations to industry groups. As the project approaches completion, the team will continue to meet with stakeholders who have an interest in the Maritime Link.

Public Safety

Across Emera, our team members share an unwavering focus on safety. We are committed to being safe in the workplace and at our homes. We strive to achieve world-class safety standards and compliance. And, through involvement and education, we are highlighting the importance of safety to our customers and our communities.



Safety training in Tampa, FL.



Find out more about our commitment and how we manage safety across Emera at emera.com/safety

 **First responder training in Maine**

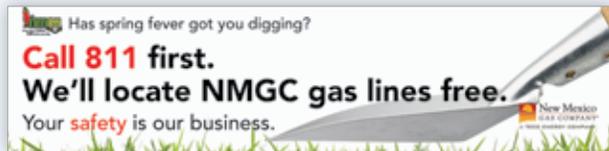
The Emera Maine team set up the First Responder Electrical Safety Program to help firefighters, police officers, EMTs, forest rangers and other emergency workers recognize electrical hazards. Since the program's launch in 2013, our public safety team has presented to 60 separate departments and agencies, covering 790 personnel. The program continues to grow and has become part of the curriculum for Maine State Police recruit training. Soon, the program will expand to cover industries that regularly work in close proximity to power lines, including contractors, forestry workers and road crews.

 **Natural Gas system upgrades**

Peoples Gas invests more than \$130 million USD each year to grow our natural gas system and keep our existing system safe and reliable. As part of our investment in system upgrades, we're spending \$12.5 million USD annually on a 10-year program to replace our 161 kilometres of cast iron and 570 kilometres of bare steel mains, which is about 3.8 per cent of our system. Cast iron and bare steel pipes were widely installed throughout the country for distribution of natural gas until the 1970s. Current standards call for pipe made of polyethylene or coated steel, which resists corrosion. Since January 2013, we have replaced 338 kilometres of pipe.



In 2016,
Peoples Gas invested
\$130m USD
to expand and maintain
our natural gas system.



Call Before You Dig

Our natural gas utilities in Florida and New Mexico actively support the national “Call 8-1-1” initiative. Natural gas safety is important to our customers and to communities near natural gas pipelines. Our efforts to communicate “*call before you dig*” are not just about safety. When a natural gas line is hit by a shovel or an excavator, service is interrupted and can take several hours to restore. A similar campaign is held each year by the Emera New Brunswick team, operators of our natural gas asset, the Brunswick Pipeline.



Safety education

In 2016, the Tampa Electric team worked with local science teachers to develop and fund electrical safety education kits for all elementary schools across Hillsborough County. Employees met with teachers and curriculum experts to develop the kits, which will be used by fifth-grade science teachers in 150 schools. Valued at nearly \$200 USD each, the kits provide fun activities, information about electricity, and safety cards. Similar safety education programs are offered across Emera’s utilities.



Our Team

At Emera, our team members are proud to live and work in the places we serve. We know our family and neighbours are customers too, and the energy we deliver safely and reliably powers our communities and helps them to grow. Our commitment to customers flows from those relationships, and it's what makes the Emera team our greatest strength.

The Emera team is growing. With the addition of Tampa Electric, Peoples Gas and New Mexico Gas in 2016, we have approximately 7,400 team members working across five countries in North America and the Caribbean. We're learning from one another and sharing the best ideas and practices from all parts of our business.

We recognize our customers count on us for energy to power every moment of every day, and solutions to power a sustainable tomorrow. That's true in all our operating regions and lines of business.

From our shared purpose flows our shared approach to how we work, focusing on safety and health, relationships and excellence. Our business is on a path to achieve world-class safety. We recognize that relationship building is key to achieving value for our stakeholders and our business. And we see excellence as a process, as we strive to continuously improve and evolve how we work by embracing innovations that benefit our customers. As we work, we value the diversity of one another and our teams, growing stronger and smarter as we collaborate and share our different approaches.





Our Story

Our Purpose | Our Business | Our Way

Our Story captures why we work, what we do and how we do it - right across the Emera companies.

Our Purpose: why we work.

Customers count on us for energy to power every moment of every day, and for solutions to power a sustainable tomorrow.



To learn more about **Our Story**, visit emera.com/ourstory

NEW BRUNSWICK 32

NEWFOUNDLAND & LABRADOR 38

NOVA SCOTIA 2,283

MAINE 421

RHODE ISLAND 19

CONNECTICUT 30

NEW MEXICO 695

FLORIDA 3,114

EMERA EMPLOYEES BY LOCATION

TOTAL EMPLOYEES: 7,442

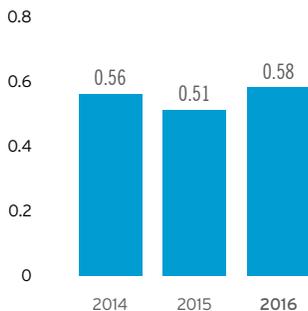
GRAND BAHAMA 235

DOMINICA 242

BARBADOS 333

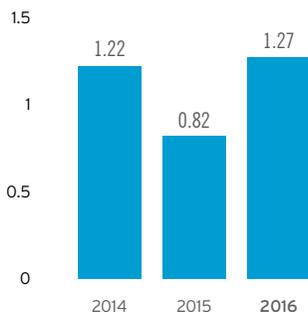
Notes: Nova Scotia includes employees of Nova Scotia Power, Emera Energy, Emera Newfoundland and Labrador (partial), Emera Utility Services and Emera Inc.; Maine includes employees from Emera Maine and Emera Energy; Florida includes employees from Tampa Electric, TECO Services, TECO Partners and Peoples Gas.

Emera Lost Time Frequency Rate (LTF)



Notes: Per 200,000 hours worked LTF rates for TECO Energy have been added retroactively to allow for a more accurate comparison of performance.

Emera All Injury Frequency Rate (AIF)



Notes: Per 200,000 hours worked AIF rates for TECO Energy have been added retroactively to allow for a more accurate comparison of performance.

Journey to World-Class Safety

Emera’s commitment to safety and health is a critical part of how we work. Our business is on a path to achieve world-class safety, and we make progress by deepening our culture of safety and health, and strengthening our disciplined approach to safety performance.

We think about safety as a journey, because we recognize that even as we improve our safety record over time, we have more work to do. This is especially true following serious and challenging safety incidents. When faced with such incidents, we’ve moved quickly to take action - to understand what went wrong, and to adapt and strengthen our safety approach - so we can avoid future harm. We have to do better, and we’re committed to doing what it takes to ensure that everyone at Emera lives and works injury-free.

Responding to Incidents

We are saddened that in 2016 there was a team member fatality at Grand Bahama Power. In 2017, there was another team member fatality in connection with the Maritime Link. Additionally, a workplace accident involving a team at Tampa Electric in 2017 resulted in five deaths and one person critically injured. Each of these incidents is different, but in all cases we have taken immediate steps to ensure team safety, and conducted thorough investigations working with the appropriate experts and authorities to uncover root causes and ways we can avoid future harm. These events are tragic and, while not typical of our strong safety record, they strengthen our team’s commitment and resolve to work and live safely. We must do better.

Common Commitment

Emera companies share a commitment to occupational health and safety. As we work to achieve world-class safety in all

our companies, our teams have detailed safety programs including objectives, measures, reporting, training and tracking systems - informed by international best practices like OHSAS18001. Team members are asked to continually revisit safe work practices and, through programs like Safe Start and Safety by Design, ensure that everyone understands the importance of being properly prepared and protected, and eliminating hazards.

Culture of Safety

At the beginning of shifts and meetings, team members are encouraged to take a moment for safety, sharing information on the best safety practices and lessons learned from our operations. Our companies hold regular safety stand-downs to talk about current areas of safety focus. Team members are encouraged to set safety-related personal development goals, and take part in safety training sessions offered throughout the year. And we take time during annual events, like the National Day of Mourning



Florida team members participate in a safety stand-down at Big Bend Power Station.

Safety & Performance

We back up our commitment to safety by linking it to company performance. Each year, we set safety-related targets and goals in our Balanced Scorecards, which determine annual performance pay. Helping us establish, achieve and monitor those goals are our network of safety professionals, who work collaboratively across companies to develop a common approach to procedures, reporting, training and tracking. Emera's safety professionals meet in person at our annual Safety Summit, a forum to set shared priorities and uncover new approaches.

and North American Occupational Safety and Health Week, to be mindful of the importance of safety in our business.

Focus on Preventative Safety

Emera is increasingly focused on leading safety indicators, which means the things our team members can do that help prevent safety incidents from happening in the first place. In 2016 we increased the number of safety-focused site visits by our leaders, improved our focus on safe work observation practices and encouraged all our teams to take part in near-miss and proactive reporting. Through measures such as these, we reinforce our preventative approach to safety.



Employee Safety Team at Emera Maine

Team members at Emera Maine show their commitment to safety by stepping up and taking part in the Employee Safety Team. Participants take on responsibility for championing and improving various aspects of safety in and around the workplace, including annual safety planning, public safety, tooling, office safety, fleet safety, training days and incident reviews. The efforts of this employee-led team augment the work of the formal safety program at Emera Maine.



Athletic approach

In January 2017, Peoples Gas piloted an innovative ergonomic program focused on fundamental movements to address sprain/strain injuries common to our industry. It's not uncommon for the Peoples Gas team to have one or two of these injuries every year. In fact, over the past 10 years, approximately 50 per cent of injuries involved sprain/strain. Similarly, Tampa Electric has partnered with the University of South Florida's Sports Medicine & Athletic Related Trauma Institute to find new ways to help linemen minimize and eliminate athlete-like injuries. Best practices from that partnership can be witnessed at the company's Skills Training Center's interactive training yard. Emera Maine, with a similar focus on ergonomic injury prevention, has engaged with local occupational health experts in an Industrial Athletics program and individualized injury rehabilitation at work programs.

Achieving Safety Milestones

We take safety seriously, and we believe it's important to recognize when members of our team demonstrate excellence in safety. That was the case for Emera Energy's Bayside Power team in 2016 who achieved 6,000 days without experiencing a lost-time incident - which means no serious safety incident since the plant began operations. That milestone was repeated soon after in 2017 by two other Emera Energy teams: Tiverton Power and Rumford Power. The team at Nova Scotia Power's Tufts Cove generation plant also achieved a major safety milestone in 2017, reaching 4,745 days without a serious safety incident.

Emera Energy's
Bayside Power team
achieved

6,000

days without a lost-time
incident in 2016



Emera Energy's Bayside plant.



For a full description of Emera's safety commitment and our ongoing approach to safety management, visit emera.com/safety



Dominica Electricity Services launches Health, Safety and Environment Month

The Dominica Electricity Services team achieved a safety record in 2016, recording the lowest-ever injury frequency rate in the history of the company. To continue to build on this momentum, the team recently launched an annual Health, Safety and Environment Month that will help to deepen team member commitment and bring wider community attention to the importance of safety. Dominica Electricity Services is targeting zero workplace injuries by 2020.



Dominica's Electricity Services team recorded the

lowest-ever

injury frequency rate in the history of the company in 2016



Safety planning at New Mexico Gas

New Mexico Gas is a relative newcomer to the Emera companies, but the team in New Mexico share in the commitment of our business to attain world-class safety. In 2016, the New Mexico Gas team made significant progress on developing a new five-year safety plan which includes a focus on safety leadership, team member engagement and reducing the rate of safety incidents. This kind of plan is an important tool that Emera companies use to ensure our business-wide safety approach is being put in place everywhere we work.

81%

of Emera's leaders and

76%

of team members received training in mental health and addiction support

Promoting Wellness

Emera's focus on health and wellness goes hand-in-hand with our safety commitment. They are both ways in which we demonstrate our care for our team and people in our broader community.

The Emera Health and Wellness team leads health-related initiatives across our companies, offering a portfolio of services, programs and initiatives under the LiveBright banner that help our team members work and live well. Over the past three years, the health and wellness team has been increasingly focused on helping team members deal with health issues before they turn into long-term issues. Through the introduction of our Mental Health Strategy in 2013 and Stay at Work/Return to Work Program in 2014, the overall health of our team has improved and benefits costs have declined. In 2016, the health and wellness team continued to advance work on integrating our approach across the Emera companies, with a focus on health promotion, and absence and disability management programs.



Health challenges & screenings

Nova Scotia Power's annual corporate scorecard includes challenging targets for team member health. To qualify for an end-of-year performance payout, 60 per cent of team members must have participated in at least two proactive health initiatives. These include things like quarterly health challenges, Weight Watchers at Work, health screenings and immunization clinics. In 2016, we surpassed this goal with 62 per cent of Nova Scotia Power team members participating in at least two proactive health initiatives.



TECO's Wellness Program

Spanning our operations in Florida and New Mexico, the TECO Wellness Program includes monthly health challenges, and tips on healthy eating and disease prevention. Fitness centers, classes that offer cardio workouts, yoga and other exercises provide extra opportunities for team members to feel their best.

Mental health strategy & addiction support

In 2012, we engaged researchers from Saint Mary's University in Nova Scotia to help us develop a mental health strategy for our companies in Canada and the northeast U.S.A. Based on that work, we rolled out a new strategy and related training and support materials. We ensured strong buy-in from team members by gaining support from senior leadership, resulting in training participation by 81 per cent of leaders and 76 per cent of team members in the first two years. We enhanced our intranet resources and have continued to promote mental health messages and resources to our teams.

Addiction issues can impact our team members' ability to stay healthy and safe. Working hand-in-hand with our mental health strategy at Emera are our addictions support services. In 2013, Emera developed an Alcohol and Drug policy. With many of our team members engaged in safety-sensitive work, including the operation of heavy machinery, this takes on special importance. The policy and procedures provide a framework from which everyone can work safely and have a clear understanding of their role and responsibilities.



Emera had a new hire rate of **8.0%** and a turnover rate of **6.8%** in 2016



Team members in Florida take part in learning about a new customer relationship management tool.

Growing Our Team & Collaboration Focus

Across Emera, we work hard to attract top-quality talent, and then give people the tools they need to achieve greater success. We offer many opportunities for our people to grow in their careers by taking on new roles in different parts of the business. And as our business grows, we are also increasing opportunities for team members to collaborate with and learn from co-workers in other parts of the business. Our collaborative approach makes our business stronger and also delivers better results for customers.

Learning & Development

Today, leadership development is more critical than ever as our organization grows and our environment becomes increasingly complex. Leaders determine strategy but, more than that, they engage and align the rest of the organization to execute on strategy. Emera's Leadership Development Program combines programs, training and experience to fit the developing leader's current role. Emera's Leadership Development Framework involves leadership assessment, performance review process, leadership development planning, and succession planning. This can also include a formal 360 feedback process, professional coaching, and mentoring.

Emera's focus on developing a high-performance culture also involves continuously evolving our approach to learning and development. Emera's Learning & Development Strategy is critical to delivering enhanced organizational capacity. In addition to providing leaders with opportunities to work across the organization in a variety of different roles and on stretch assignments, in 2016, Emera created a more systematic approach to training. This involves aligning leadership and future qualifications to corporate strategy, and includes various learning programs such as managing for performance, project management, and leading change and transformation.



Best co-op employer

In 2016, the Halifax Partnership Game Changers initiative recognized Emera as the best large-business co-op employer in Halifax. The Game Changer Action Plan is keeping young talent in Nova Scotia. Each year, 1,300 more youth leave Nova Scotia than arrive. Retaining those young people in the province over the course of their lifetime could provide \$1.2 billion in after-tax income and \$46.4 million in tax revenue to Nova Scotia. Emera is proud to do its part, not only to benefit our wider community, but also because we see great value in fostering the energy leaders of tomorrow.



Emera: A Forbes best employer in Canada

Emera is proud to be on the list of Canada's Best Employers as named by Forbes magazine, placing in the top 10 for utilities in 2017. We work hard to offer our team members competitive rewards and rewarding careers - and we're proud to be recognized in this way.



TECO Young Professionals

TECO's Young Professionals group includes about 200 team members aged 40 or younger working in Tampa Electric or Peoples Gas. More than just building the framework for leadership in the years to come, the group's members are doing their part in a company that donated more than 20,000 volunteer hours in 2015 to help people in need and enhance the environment. From restoring natural habitats to helping the families of hospitalized children at Ronald McDonald House, the Young Professionals' drive points toward a bright future.



Continuous learning

When Emera crews descended on Grand Bahama Island to help restore power after Hurricane Matthew in 2016, team members had a unique opportunity to learn from each other in a high-stakes scenario. Trainers from Grand Bahama have since visited Tampa Electric's Skills Training Center in Tampa. Training is an ongoing focus across Emera, whether team members are stepping up as volunteers for business emergency response teams or participating in intensive sessions to hone their skills on new customer service software. Tampa Electric's renowned Power Pros line worker training program, for example, continues to benefit utilities in the U.S., Caribbean and Latin America.



Emera Caribbean team members visit Tampa Electric.

Approximately

39%

of Emera's employees
were represented by a union
in 2016

74%

Employee Engagement Index
in the 2016 employee survey

Employee Relations

Building respectful and collaborative relationships is part of how we work at Emera - and they're just as important to how our companies work with unions and employee councils.

At Emera, our labour relations philosophy is to partner with our unions in relevant jurisdictions to achieve business success. We are comfortable operating in a unionized environment and have a long history of building collaborative working relationships with union leaders and employees through proactive communication, active engagement and focusing on outcomes that are mutually beneficial.

Emera companies provide a comprehensive range of benefits for our eligible employees which can include health insurance, life insurance, disability insurance, parental leave, pension plans and stock ownership. Stock ownership is being extended to include all full-time employees of Emera's companies in 2017. Forty-three per cent of Emera's employees are eligible to retire in five years, and 56 per cent of employees within 10 years. Eligibility terms of benefits and retirement vary by company and in compliance with local jurisdiction's legal requirements.



Our Maritime Link project includes an Industrial and Employment Benefits agreement.



Employee Council

Emera Maine's Employee Council includes a cross-section of team members who bring forward actions and ideas in response to employee feedback in annual surveys and other channels. In recent years, this employee-led group has spearheaded initiatives like the creation of an online peer recognition tool and an updated Employee Choice Award process. Similar employee councils exist in other Emera companies, providing another way that team members can collaborate with leaders and one another to drive improvements.



Industrial and Employment Benefits Agreement

In 2014, Emera partnered with the governments of Newfoundland and Labrador and Nova Scotia to sign an Industrial and Employment Benefits Agreement for the Maritime Link Project. The agreement includes commitments to equal opportunities for Nova Scotia and Newfoundland and Labrador businesses and residents. It also provides for a fair, open and transparent procurement and contracting process for suppliers and contractors in both provinces. Emera is committed to investing in the economic strength of our communities, bringing benefits to the local economy.



Emera Benefits Committee

The Emera Benefits Committee brings together the International Brotherhood of Electrical Workers union executive and management representatives at Nova Scotia Power to discuss mutually important issues, and to ensure that health premium dollars attract the best value and programs deliver results for members.

At Emera Inc.,
39%
of the executive
leadership team were
women in 2016

33%
of Emera's 12 board
seats were occupied by
women in 2016 including
our board chair

Jackie Sheppard, Q.C., chair of
Emera's board of directors speaking
at the 2017 Annual General Meeting.

Valuing Diversity

As a top-20 North American energy provider working in Canada, the United States and the Caribbean, our team members come from a wide array of cultural backgrounds. This is an important aspect of who we are. Our strength comes from our diversity of identities and expertise. Emera companies are equal opportunity employers and are committed to hiring practices and a workplace environment that provides employment opportunities for all.

Board & Executive Diversity

Demonstrating the importance of diversity starts at the very top. One third of Emera's 12 board seats were occupied by women in 2016, including our board chair. Emera's focus on board diversity was a factor in being awarded the No. 1 spot in the 2016 Globe and Mail Board Games ranking for governance. And at Emera Inc., 39 per cent of our executive leadership team are women.





Supporting women in trades & technology

Emera Newfoundland and Labrador’s Diversity Plan sets out our approach to working with our contractors on the Maritime Link project to ensure that women, Aboriginal Peoples, individuals with disabilities and visible minorities have equal opportunity for roles in which they have been traditionally under-represented in the workplace.

Women Unlimited is an organization that promotes more roles for women in the trades and technology fields. In 2015, the Maritime Link project engaged 19 skilled and talented women from Women Unlimited to complete a steel tower assembly program in Sydney, Cape Breton. From that group, six went on to be hired full time with the project. An additional four Women Unlimited participants also were hired and as a result of the work experience, a number of women have gone on to start apprenticeships as carpenters and industrial electricians.

Employees by gender across Emera in 2016

Females	28%
Males	72%

Employees by age across Emera in 2016

Under 30	10%
30-50	50%
50 plus years	41%



Fostering supplier diversity

Our companies in Florida and New Mexico are building inclusion among business partners through a dedicated Supplier Diversity program. This initiative encourages our team members to engage

small, minority, HUBZone, veteran, service-disabled veteran and women-owned businesses. The program also means that our team members are represented in business associations that represent these potential suppliers groups. In 2016, TECO companies spent 16.4 per cent of the total operating budgets with small and diverse business partners. Spending increased by 45 per cent with minority-owned businesses, and by 76 per cent with women-owned businesses over the previous year.



Materiality

We selected the topics and data to include in this sustainability report based on the issues that we understand are important to our stakeholders and to our business strategy. These issues often overlap, as the views of our stakeholders and the decisions they take are significant drivers of our business success. We are also anticipating the future of the energy industry, and our business strategy is focused on how we continue to transform to lead the way in meeting the demand for cleaner, more affordable energy.

We draw on the opinions and insights shared by our stakeholders in our many daily interactions across the markets we serve. These can include meetings, conferences and events, customer and employee surveys, customer service channels and reviewing media coverage. Our stakeholders include, but are not limited to, our customers, shareholders, team members, our communities, regulators and government, industry associations, business partners, suppliers and NGOs.

In 2016 we also conducted a comparative review of sustainability materiality assessments for the electric utilities industry, many of which were developed using multi-stakeholder input, including:

- CEA sustainability materiality matrix for the Canadian electric utility industry 2014
- Sustainability Accounting Standards Board (SASB) Electric Utilities Research Brief 2016
- RobescoSAM Defining What Matters - Mining, Metals and Electric Utilities 2016
- EPRI Material Issues for the North American Electric Power Industry 2013
- GRI G4 Sector Disclosures Electric Utilities 2013

Based on this approach, we believe the following list of issues best represents the current social, economic and environmental issues that are important for us to focus on at this time. It also guided the selection of topics and data included in this report.

TOPIC	SUB-TOPIC	2016 ACTIVITY & PERFORMANCE
Operations & Innovation	Renewable energy generation and transmission	p. 16-23
	Smart Grid & electrification	p. 10-15
	Infrastructure reliability	p. 41, 16-26
Environmental impacts of energy generation & distribution	Reducing greenhouse gases and other air emissions	p. 33-38
	Climate change adaptation & resiliency	p. 41-43
	Protecting biodiversity	p. 45-49
	Waste management, focusing on coal ash	p. 44
	Water quality and availability	p. 39-40
Customers & Communities	Energy affordability & efficiency	p. 26-29
	Public health and safety	p. 61-63
	Indigenous People and Native American relations	p. 58-59
	Community investment and supporting economic development	p. 51-57
	Community impacts of project siting	p. 60
	Stakeholder engagement and communication	p. 58-60
	Regulatory & public affairs management	p. 36
Our Employees	Occupational Health & Safety	p. 66-69
	Employee recruitment, development & retention	p. 70-75
	Diversity	p. 76-77



For more information about how Emera manages sustainability, visit emera.com/sustainability

Additional analysis and discussion of the issues, risks and uncertainties that management believes are material to Emera can be found in Emera's 2016 Annual Report (Management's Discussion and Analysis, pages 6 to 105).

As this is Emera's first sustainability report, this list of topics may be further refined in the future based on the evolving interests of our stakeholders and our strategic focus.

Report Methodology, Scope and Boundaries

This voluntary sustainability report is based on corporate performance for the 2016 calendar year, unless otherwise stated. "Emera" refers to Emera Inc. and its affiliates. It applies the same reporting boundaries as the 2016 Emera Annual Report. It includes consolidated data and stories covering Emera's wholly owned affiliates and subsidiaries where Emera has operational control, unless otherwise stated. It also includes partial reporting (stories only) of Emera's investments with an explanation of the nature of Emera's involvement. Financial figures related to TECO Energy, which includes Tampa Electric, Peoples Gas and New Mexico Gas, are reported as of July 1, 2016, the date on which we closed our merger.

This report has been informed by the GRI Standards methodology and uses indicators derived from the GRI Standards (2016), GRI G4 Sector Disclosures Electric Utilities (2013), the Edison Electric Institute Sustainability Metrics (2017) and the SASB Electric Utilities Research Brief 2016.



View our 2016 Sustainability Performance Data at emera.com/2016data



This document is printed on Forest Stewardship Council (FSC) paper which comes from sources that support sustainable forestry practices by their suppliers' mills. Proper forest stewardship provides a renewable, minimum impact source of paper fibre, that protects the forestland and watershed, while creating economic value for the landowner.



The inks used are 100% vegetable-based with organic pigment containing low volatile organic compounds. The inks are delivered to the press ink fountain from vacuum-sealed reusable containers to minimize waste and maximize the usage of the ink.

Forward Looking Statements

This report contains “forward-looking information” and statements which reflect the current view with respect to Emera Incorporated’s (“Emera”) expectations regarding future growth, results of operations, performance, business prospects and opportunities and may not be appropriate for other purposes within the meaning of applicable securities laws. All such information and statements are made pursuant to safe harbor provisions contained in applicable securities legislation. The words “anticipates”, “believes”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “schedule”, “should”, “budget”, “forecast”, “might”, “will”, “would”, “targets” 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. These forward-looking statements include references to our projected emissions levels, planned environmental and productivity improvements and other plans and expectations. 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 which could cause results or events to differ from current expectations are discussed in our 2016 Annual Report and may also include: regulatory and political risk; changes in economic conditions; timing and costs associated with certain capital projects; the expected impacts on Emera of challenges in the global economy; estimated energy consumption rates; weather and climate risk; country risks; environmental risks; future base load generation or other changes impacting emissions levels; operating and maintenance risks including the ability to construct and operate equipment as planned and use fuel with the characteristics assumed; and regulatory and government decisions, including changes to environmental legislation.

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 report 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 report should be construed as an offer or sale of securities of Emera or any other person.



1223 Lower Water St.

Halifax, Nova Scotia B3J 3S8

Canada

emera.com/sustainability