2024
Climate Update

Securing a Cost-effective and Reliable Energy Future for Our Customers Amid Weather Extremes and the Energy Transition

Emera

Table of Contents

1 About this Update

2 Forward-Looking Information

3 Introduction

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

5 CLIMATE RISK GOVERNANCE

6 STRATEGY

9 Severe Weather and Climate Risk Scenario Analysis

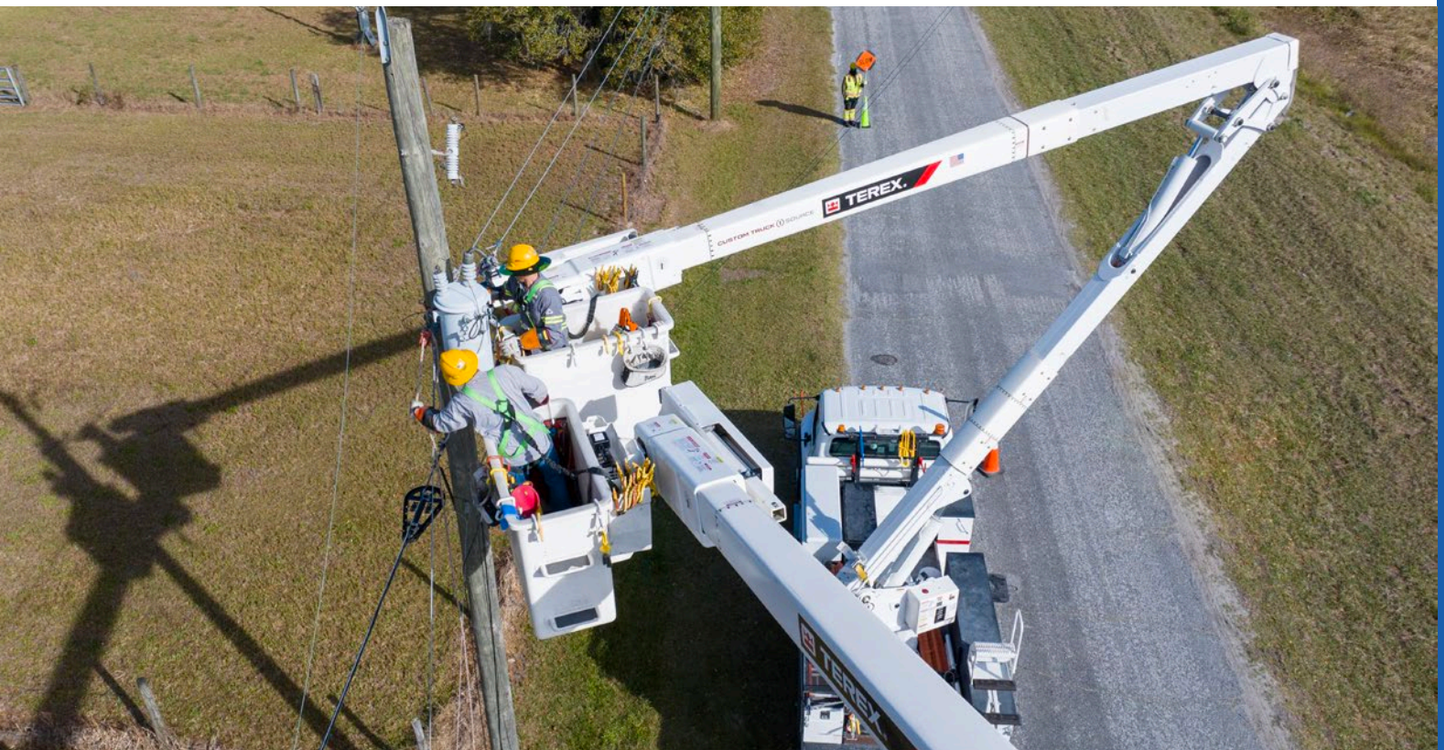
19 RISK MANAGEMENT

19 Corporate Risk Management

19 Risk Management at Our Operating Companies

20 METRICS AND TARGETS

22 Net-Zero Roadmap



About this Update

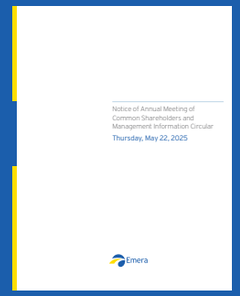
Our 2024 Emera Climate Update complements our 2024 Sustainability Report and provides additional information about our approach to managing climate-related risks amid weather extremes and the energy transition.

Informed by the Task Force on Climate-related Financial Disclosures (TCFD), this Update includes a detailed overview of our progress on mitigating severe weather risks and the transition to cleaner energy as we focus on delivering a resilient and sustainable grid for our utility customers.

This publication is one of several reports in our annual suite of disclosure documents. For more information about Emera, please see our other reports:

2024 Sustainability Report

2024 Annual Report



2025 Management Information Circular

2024 Modern Slavery Report

Currency

Please note, unless otherwise stated, all currency is in Canadian dollars.

Learn More at emera.com/sustainability

Forward-Looking Information

This climate update contains forward looking information and forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking information"). Words such as anticipates, believes, budget, continue, could, estimates, expects, forecast, goals, intends, may, objectives, plans, projects, schedule, should, strategy, targets, will, would and similar words and expressions are often intended to identify forward looking information, although not all forward looking information contains these identifying words. References to "Emera" in this section include references to the subsidiaries of Emera.

The forward-looking information includes, but is not limited to, statements which reflect the current view of Emera's management with respect to Emera's goals, objectives, plans, strategies, financial and operating performance; climate risk governance and oversight; carbon dioxide (CO_2) reduction goals; net-zero by 2050 vision and Net-Zero Roadmap; development of a formal enterprise-wide qualitative scenario analysis framework for severe weather and climate change impact mitigation; plans for strategic, cost-effective investments in grid reliability, resilience and modernization; investment in new and emerging technologies to manage the evolving industry demands and meet utility customers' needs, including affordability; plans and pace of investment in systems and technology to integrate more renewable and non-emitting energy generation; increased demand for electrification, transmission and storage; delivery of cleaner, reliable energy; fuel switching or conversion; planned reduction and phasing out of coal generation; electricity grid modernization, storm hardening, resiliency, reliability and system integrity; expanding capacity to add further stability to our systems; renewable energy integration, such as solar, wind and energy storage; new and emerging technologies, including customer facing solutions; system expansion to support increasing demand, mitigate the impacts of severe weather and minimize outage duration; alignment of our system with government mandates and to meet government-led energy targets; and other business prospects, investments and opportunities. All such forward-looking information is provided pursuant to safe harbour provisions contained in applicable securities laws.

The forecasts and projections that make up the forward-looking information are based on reasonable assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate decisions; collaborative effort by utilities, governments, regulators, customer stakeholders and Indigenous communities; expectations regarding the nature, timing and costs of capital investments of Emera and its subsidiaries; continued investment in solar, wind and hydro generation and energy storage; sufficient liquidity and capital resources; changes in customer energy usage and behaviour patterns due to electrification; availability and commercialization of new technologies and solutions to address the clean energy transition, including grid-scale battery storage; availability of cleaner energy imports from other jurisdictions; availability of additional renewable energy through power purchase agreements; continued investment in grid modernization, storage, resiliency, reliability and system maintenance to support increased intermittent renewables and withstand increasingly severe weather events; continued support for clean energy research and development and partnerships to advance innovation; the absence of significant changes in government energy policies, plans and environmental laws and regulations that may materially affect Emera's operations and cash flows; opportunities to access government clean energy transition programs, including incentives, grants and tax credits to accelerate the development of technologies and help reduce customer costs; and sufficient human resources to deliver service and execute Emera's capital investment plan.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors that could cause results or events to differ from current expectations include, but are not limited to: regulatory, policy and political risk; change in law risk; operating and maintenance risks; changes in economic conditions; commodity price and availability risk; liquidity and capital market risk; changes in credit ratings; timing and costs associated with certain capital investments; expected impacts on Emera of challenges in the global economy; potential impacts of trade disputes and impositions of tariffs; estimated energy consumption rates; availability and maintenance of adequate insurance coverage; changes in customer energy usage patterns; developments in technology that enable the replacement of existing energy supply sources with renewable or lower carbon sources; developments in technology that could reduce demand for electricity; climate change risk and related physical risks; weather risk, including increased frequency and severity of weather events; increased frequency and severity risk of wildfires; unanticipated maintenance and other expenditures; system operating and maintenance risk; interest rate risk; inflation risk; counterparty risk; disruption of fuel supply; country risks; supply chain risk; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental legislation, financial reporting and tax legislation; loss of service area; risk of failure of information technology infrastructure and cybersecurity risks; uncertainties associated with infectious diseases, pandemics and similar public health threats; market energy sales prices; reputational risk; labour relations; and availability of labour and management resources. Readers are cautioned not to place undue reliance on forward-looking information as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information. For additional information with respect to certain of these risks, uncertainties and/or other factors, refer to the continuous disclosure materials filed from time to time by Emera with Canadian securities regulatory authorities and the United States Securities and Exchange Commission. All such forward-looking information is qualified in its entirety by the above cautionary statements and, except as required by law, Emera undertakes no obligation and disclaims any intention to revise or update any forward-looking information as a result of new information, future events or otherwise. Forward-looking information in this climate update is presented for the purpose of assisting our stakeholders in understanding certain aspects of our climate-related progress, goals and objectives in the context of our anticipated operating environment. Such information may not be appropriate for other purposes.

Introduction

In the utility sector, there are numerous risks that must be carefully managed, with weather extremes and climate risk among the most critical.

Severe weather poses significant challenges to energy systems risking reliability, infrastructure and supply stability. To ensure resilience at our utilities, these impacts are being continuously assessed and mitigated through proactive planning, cost-effective infrastructure investments and adaptive strategies.

We know utility customers want reliable energy at a cost they can manage. And governments have mandated clean energy targets in some of our operating jurisdictions that are guiding our work today and into the future. Considering these objectives, for us, weather and climate brings risks and opportunities within two distinct, but related, streams of action – the need to adapt to the physical impacts of weather extremes and the transition to cleaner energy. We've already achieved a 49 per cent reduction in CO_2 emissions[1] to date as we work to meet government-mandated targets, making significant progress towards a 2050 net-zero vision. The path to net-zero is complex and evolving. However, we have options moving forward that we will update regularly to address the variables influencing our approach as we navigate the right pace for this transition.

We're also actively preparing for future weather and climate scenarios to prudently strengthen the resilience of our energy delivery systems.

Physical Risk

As demand for energy increases exponentially, expectations for reliability are also rising. This focus on reliability and resiliency is pushed even further into the spotlight with weather conditions challenging our systems more frequently and more severely.

We're focused on addressing the physical risks of weather extremes and climate to deliver the reliable energy customers expect. We're working to expand system capacity to support increasing demand and mitigate the impacts of severe weather and, in the event of outages, to minimize duration. We're storm hardening and making cost-effective investments in new facilities and equipment to help our systems better withstand changing physical conditions. For instance, we're advancing battery storage projects and exploring intelligent grid technology to further enhance reliability for customers.

Transition Risk

When it comes to the pace of the clean energy transition, governments and regulators take the lead role.

In several of our operating jurisdictions, governments have set clean energy targets and we're working hard to achieve them. We've invested in the integration of cost-effective renewables, such as wind and solar, in lower-emitting sources of energy including natural gas, and in shifting away from fossil fuels in generation. We've made significant progress to date. Compared to 2005 levels, we've achieved a 49 per cent reduction in our CO_2 emissions[1] and reduced our use of coal in generation by 80 per cent.[2]

While we share in the vision for a clean energy future and achieving net-zero CO_2 emissions by 2050, the path to 2050 is not fully clear and must be adjusted regularly as we proceed. As we continue working to meet clean energy mandates, we must maintain reliability and affordability for customers. We will continue to be transparent and share our progress and plans toward 2050 with investors and all stakeholders.

Our $20 billion capital plan over the next five years is focused on addressing the physical and transition risks and opportunities associated with changes in weather and climate. More than 90 per cent of the plan will be invested in: reliability, resiliency and grid modernization (including enhanced vegetation

1 Includes CO_2 Scope 1 generation emissions for Tampa Electric and Nova Scotia Power only and is compared to 2005 levels.
2 Reduction in GWh generated from coal since 2005.

management and storm hardening), and expanding capacity to add further stability to our systems; renewable energy integration (such as solar, wind integration and energy storage); and on new and emerging technologies (including customer-facing solutions).

This Climate Update includes additional information about our work in these areas, and our plans as we continue to manage weather extremes and climate risk across the organization.

New this year, we've included an overview of a qualitative climate risk scenario analysis conducted at the enterprise level to assess future physical and transition risks and opportunities. This analysis also supports continual improvement in the asset risk assessments conducted at our operating companies.

We've updated our Net-Zero Roadmap to highlight options and projects, both those that are completed and in-progress, as well as planned investments that help deliver cleaner energy.

As we continue our efforts to mitigate risk, our utility customers, and their expectations for reliable energy, remain at the centre of everything we do.

Task Force on Climate-related Financial Disclosures (TCFD)[3]

Our Climate Update includes the most recent information about how we're addressing climate-related physical and transition risks which are fully integrated into our risk management processes and subject to strong oversight and governance.

Our approach aligns with TCFD's four core elements:

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

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

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

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

KEY DEFINITIONS

Clean/cleaner energy
Sources of energy generation that emit little to no greenhouse gases (GHGs). It may also include natural gas when used to displace higher-carbon alternatives like coal or oil, and where it supports emissions reductions and grid reliability as more renewable energy is integrated.

Renewable energy/renewables
Sources of energy generation that are derived from natural sources that can be replenished at a rate that is equal to or faster than the rate at which they are consumed over time, such as solar, wind, hydroelectric and biomass.

Net-zero CO_2 emissions
Reducing the amount of Scope 1 CO_2 emissions emitted through energy generation at our electrical generating facilities, through measures such as switching to lower carbon fuel sources, increasing the amount of renewable energy sources, and offsetting any remaining CO_2 emissions that cannot be fully eliminated.

3 The International Financial Reporting Standards (IFRS) Foundation has assumed responsibility for monitoring progress of companies' climate-related disclosures including company alignment with recommendations of the TCFD. The IFRS has fully integrated the TCFD recommendations into its sustainability reporting framework.

Severe Weather & Climate Risk Governance

Strong governance and oversight are core to our approach for addressing the impacts of weather extremes and climate on our businesses and managing our impacts on the environment.

BOARD OVERSIGHT

Emera's Board of Directors oversees our strategy and the management of climate-related risks and opportunities. The Board's Safety and Risk Committee (SRC) provides oversight and guidance on our approach to managing climate risk and the energy transition.

Based on Emera's strategic objectives and the nature of its operations, the Board has established a list of core skills and qualifications of Board members that are essential to providing effective oversight and guidance to the management team. The Board strives to nominate Directors with an appropriate mix of these skills and qualifications. Emera's Directors have varying degrees of experience in sustainability, climate and environment, and governance, having led or overseen sustainability/corporate social responsibility programs and practices.

Emera's operating companies each have local Boards of Directors that oversee planning and performance related to sustainability, risk management, health, safety and environmental accountabilities, including climate risk. Most activities that support our climate risk management and energy transition efforts take place within our operating companies.

MANAGEMENT FOCUS

Emera's Sustainability Management Committee (SMC) is comprised of senior leaders from across the business and is chaired by our CEO. Working closely with the SRC, the SMC plays a central role in establishing our sustainability priorities and advancing our planning, disclosures and performance including those related to weather and climate risk and the energy transition. The SMC receives guidance and input from the SRC and addresses concerns and action items in its quarterly meetings.

Climate risks and opportunities are evaluated by the management team and Board of Directors when planning and advancing major projects, risk management policies, asset management plans, forecasts, performance objectives, capital expenditures, acquisitions, and divestitures. The SMC and SRC Charters outline the governance and objectives of each Committee and their responsibilities for oversight of climate-related risks and opportunities.

The management teams within our operating companies are responsible for planning and implementing initiatives that put climate-related priorities into action within their respective businesses, as applicable in their operating jurisdictions.

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Our established EMS, which is equivalent to the ISO 14001 standard, provides Emera-wide guidance for appropriately addressing environmental risks, opportunities, and compliance obligations, including those related to climate. The EMS has several key components that drive the management and continual improvement of all aspects of environmental performance, including those related to climate, such as reducing CO_2 and other air emissions, as well as climate risk and adaptation.

Aligned with the process outlined in our EMS, climate risks and opportunities across Emera are integrated into the business practices, strategies, and objectives of our respective operating companies.

See the ***Risk Management*** section of this update for more information.

LEARN MORE

- 2025 Management Information Circular – Skills and Experience
- Board of Directors and Committee Charters
- Sustainability Management Committee Charter
- Safety and Risk Committee Charter
- Sustainability Governance Structure

Strategy

Climate-related risks and opportunities are integrated into our long-term strategy. We assess extreme weather and climate impacts on our operations and assets and pursue grid solutions that support resiliency and sustainability. As risks evolve, we continue to evaluate the impact and ensure ongoing integration of climate-related risks and opportunities into our strategy.

We are investing in grid modernization to support the changing ways that energy is used by our customers across our operating jurisdictions. We adapt our assets and address weather and climate impacts on a continual basis, with a focus on energy reliability, storm hardening and system expansion to meet customer energy demands. For all initiatives, we prioritize the cost effectiveness of our investments and affordability and benefits for customers.

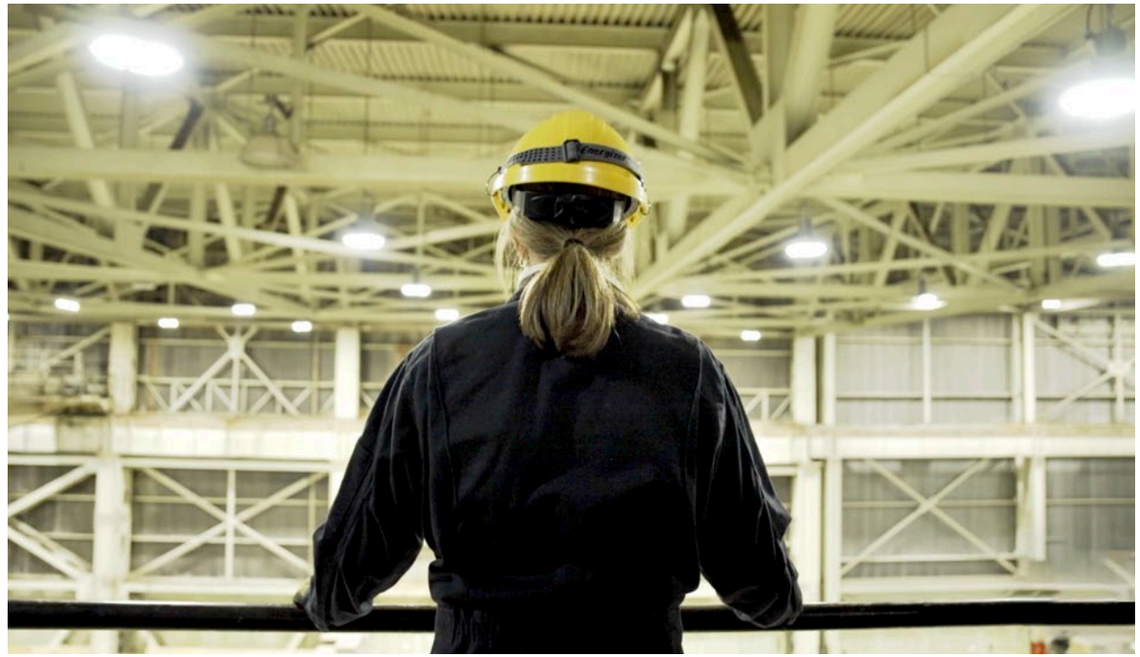
Building on more than two decades of cost-effective investments, we're proud of our track record of system enhancements and reductions in CO_2 emissions.

In 2021, Emera established a net-zero 2050 vision which continues to guide the direction of our climate-related efforts as we balance energy affordability and reliability priorities of our customers.

We're tracking our CO_2 emissions reductions against corresponding 2005 levels using the internal targets we set in 2021 as guideposts – a 55 per cent reduction in carbon emissions by the end of 2025 and an 80 per cent reduction in carbon emissions by the end of 2040.

The energy ecosystem has undergone significant changes in recent years, including impacts from electrification and increasing energy demand, growing concerns about affordability, energy security, shifts in policy and regulation, decentralization of energy production, shifting stakeholder expectations, and technological advancements, among other influences. We recognize these, and other factors, may impact our ability to achieve climate targets that were set several years ago under different conditions.

Looking ahead, we recognize that it will take longer than originally anticipated to achieve a 55 per cent reduction in CO_2 emissions. We originally set internal targets to achieve this reduction by 2025. Factors contributing to this include shifting delivery dates for independent power producer renewable projects, accelerating load growth and customer affordability concerns. We continue to work to help ensure that our system is ready to accept new external generation when available.



For our part, we've made system improvements and continue to prepare our grid to accept new projects as energy becomes available, including interconnection facilities.

As we move forward, we will continue to balance affordability, reliability, and cleaner energy on behalf of our utility customers. These are complex challenges facing the entire energy sector and they require thoughtful action and innovation. While external factors may make adjustments to specific timelines necessary, we will continue to develop projects and partnerships in alignment with these three customer expectations.

In addition, in some of our jurisdictions, our regulated utilities must comply with mandated climate legislation as it exists, while providing the most cost-effective energy to customers.

In 2021, we established a target to retire our last coal unit no later than the end of 2040. Since then, Canadian and Nova Scotian governments have, and may continue to, set targets regarding the phasing out of coal. We will continue to work closely with the Canadian Federal and Nova Scotia governments to align our coal unit timelines with government requirements.

Strategy

Our ability to achieve climate-related targets on these timelines will be highly dependent upon legislation and governmental policies, supportive regulatory decisions with respect to the related costs and capital investments, and the degree to which lower-carbon energy sources are cost-effective for customers.

In addition, our net-zero 2050 vision has always been aspirational in nature and the exact pathway to achieving it will also be highly dependent on the development and commercialization of new and emerging technologies and could include carbon offsets.

In Nova Scotia, the shift to an independent system operator and greater involvement of the provincial government in energy procurement will impact Nova Scotia Power's role in long-term system planning and the degree to which we directly impact the generation mix in Nova Scotia.

Our path to net-zero (see page 22 graphic) captures the scenarios currently contemplated in long-term planning documents of our largest electric utilities which we continue to regularly refine.

CLIMATE PROGRESS

Building on more than two decades of cost-effective investments, we're proud of our track record with system enhancements and reductions in CO_2 emissions that have addressed government requirements along a path to net-zero by 2050.[1]

TRACK RECORD

Delivered:

- ✓ Florida solar & coal conversion
- ✓ Nova Scotia wind[2]
- ✓ Maritime Link hydro

2024 PROGRESS

Achieved:

- ✓ **49%** reduction in CO_2 emissions[3]
- ✓ **80%** reduction in coal used in generation[3]

2025+ MOMENTUM

$20B

2025-2029 Capital Plan investments include:[4]

- Grid reliability & modernization
- Renewable integration
- Technological innovation

Continuing focus:

- New solar + wind[2]
- Coal unit retirement (incl. fuel switching/ conversion)
- Emerging technology

2040 GOAL

80% reduction in CO_2 emissions and **retirement** of our **last coal** unit by end of 2040

2050 VISION

Net-Zero CO_2 emissions

1 Achieving our vision on this timeline is subject to external factors beyond our control and dependent upon decisions of, and/or support from, others including government, regulators, independent system operators, independent power producers, interconnected utilities, partners, investors, customers and Indigenous communities. It is also reliant on the development and/or commercialization of new and emerging technologies and/or the use of offsets. Shifts in government and regulatory policies/programs may impact our projects and progress. We will only proceed with forward-looking investments where we can demonstrate to the satisfaction of regulators that such investments are prudent and the most cost-effective solution for customers within the applicable legislative and regulatory regimes.

2 Includes provincial procurement programs and independent power purchase agreements.

3 Our reductions in CO_2 emissions, coal used in generation (GWh), and our net-zero vision are compared to 2005 levels and include CO_2 Scope 1 generation emissions for Tampa Electric and Nova Scotia Power only. We have previously shared an internal 2025 target to achieve a 55% reduction in CO_2 emissions compared to 2005 levels.

4 90%+ of our 2025-2029 capital plan is focused on cost-effective investments in grid reliability and modernization, renewable integration and technological innovation.

Strategy

Significant Capital Investment – Reliability, Affordability, Renewables & Technology

Across Emera, we take a holistic view of severe weather and climate risks, identifying opportunities to adapt as risks evolve.

We're making strategic, cost-effective investments in grid reliability, resilience and modernization, renewable integration, and new and emerging technologies, to manage the evolving demands of our industry and meet the needs of our utility customers.

More than 90 per cent of our five-year (2025-2029) $20 billion capital plan is focused on these areas. This includes $13 billion in projects aimed at upgrading, strengthening and modernizing the grid, all while maintaining affordability for customers as a key consideration. These initiatives will improve reliability, efficiency and resiliency, and are designed to allow us to meet evolving customer needs while driving operational and cost efficiencies.

For example, at Tampa Electric we're making cost-effective investments to expand transmission and distribution networks to support customer growth and in our Storm Protection Plan (SPP) to harden the grid. At Nova Scotia Power, we're investing in the Nova Scotia-New Brunswick Intertie to enhance regional resilience, the integration of more renewable energy, and in storm hardening, including enhanced vegetation management.

Approximately $3.6 billion of our capital plan is allocated to expanding our renewable energy capabilities to deliver increased reliability and fuel cost reductions for customers. This includes integrating more renewable energy and investing in energy storage to mitigate the intermittent nature of renewables. For example, we're continuing to expand our cost-effective solar generation capacity at Tampa Electric, adding more hydro and wind capacity at Nova Scotia Power, and incorporating cost-effective grid-scale battery storage at both utilities. These initiatives are expected to reduce customers' exposure to volatile fuel prices and in Nova Scotia, support the achievement of our legislated carbon emissions reduction targets.

We expect to invest more than $2 billion in strategic technology and customer-focused initiatives to help promote affordability, advance greater operational efficiency, achieve cost savings and enhance service delivery across our operating companies.

EMERA'S 2025-2029 CAPITAL PLAN

90%+ of Emera's Capital Plan is focused on the following three areas:

Reliability & Grid Modernization

$13.2B

TAMPA ELECTRIC
- Electrical grid modernization
- Generation expansion & efficiency
- Storm hardening

PEOPLES GAS
- Distribution expansion
- Infrastructure reliability

NOVA SCOTIA POWER
- T&D investments
- Generation reliability investments
- New Brunswick intertie
- Storm hardening

Renewable Energy Integration

$3.6B

TAMPA ELECTRIC
- Solar
- Energy storage

NOVA SCOTIA POWER
- Hydro investment & wind integration
- Energy storage

Technological Integration

$2.1B

- Strategic customer-focused growth opportunities
- Information technology projects

Strategy

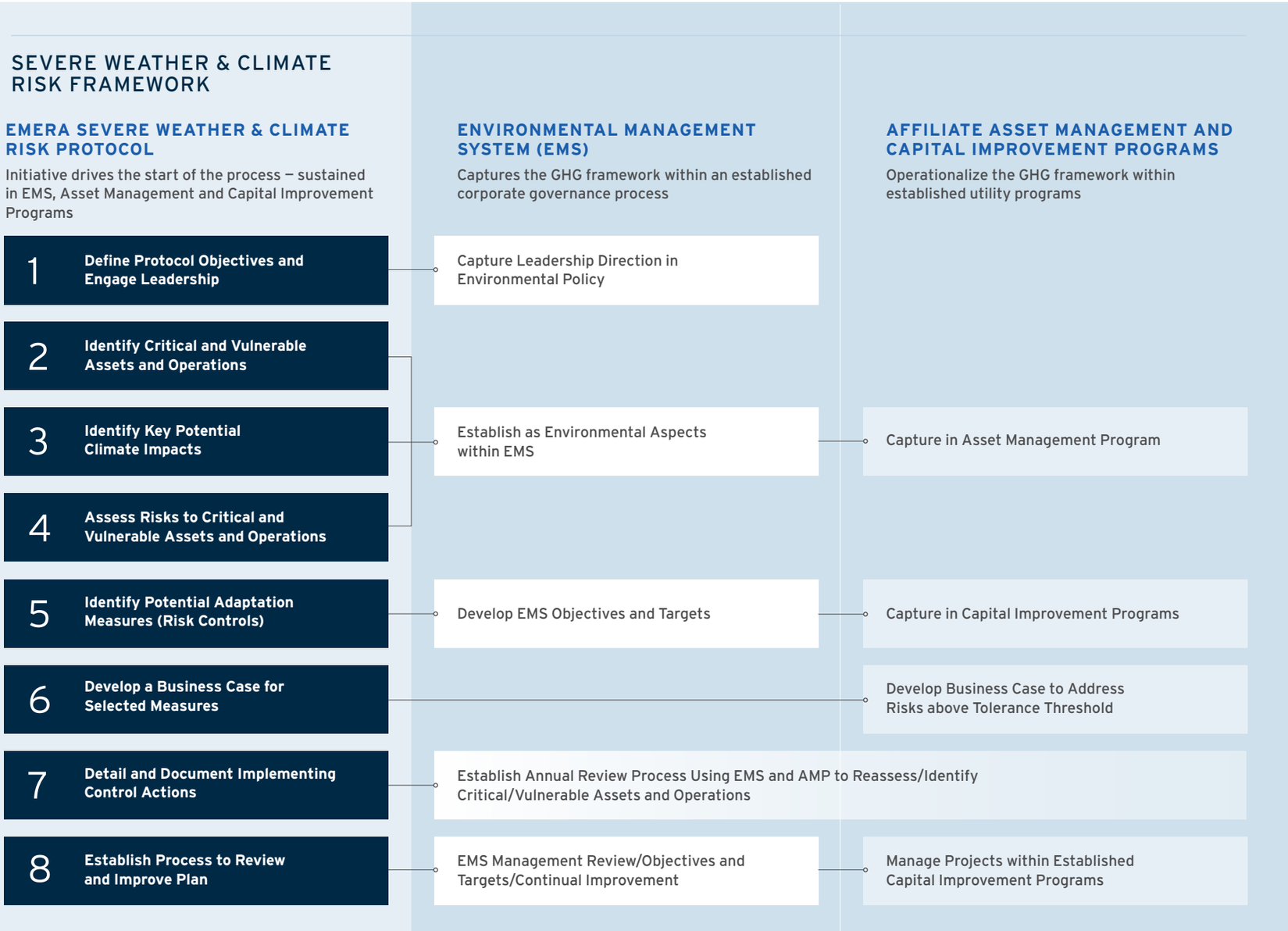
Climate Risk Scenario Analysis

INTEGRATED RESOURCE PLANNING AND ADAPTATION FRAMEWORK

To prepare our energy systems for a range of potential futures, our electric and gas utilities use short-, medium- and long-term modelling that outlines the resources needed to achieve shared objectives.

These traditional resource planning exercises incorporate many aspects of scenario analysis based on transition risks and opportunities. For example, modelling at our operating companies focuses on key variables, such as coal unit and plant retirement dates; the level of demand-side management; the level of renewable generation; and the potential for power purchase agreements with other utilities and renewable and non-emitting energy providers. The plans also consider current and future renewable energy availability at each operating company, technology changes and the needs and expectations of our utility customers.

In addition to resource planning for the future, we've been focused on assessing our physical assets, such as generation facilities, transmission and distribution systems and other infrastructure, and their ability to withstand the impacts of increasingly severe weather. Our Adaptation Framework provides our operating companies with a consistent, proactive approach for assessing weather and climate-related risks and potential impacts, as well as implementing management and adaptation strategies.



Strategy

ENHANCED QUALITATIVE SEVERE WEATHER & CLIMATE RISK SCENARIO ANALYSIS ASSESSMENT

Grounded in our resource planning and adaptation work across our operating companies, in 2024 we engaged a third-party consultant to complete a qualitative severe weather and climate risk scenario-analysis assessment at the enterprise level. The goal was to enhance our understanding of physical and transition risks and opportunities and to support continual improvement of extreme weather and climate risk assessments at our operating companies. Our assessment included updated qualitative insights on the potential financial and operational impacts of severe weather/climate-related risks and opportunities to our operating companies and the business overall. Our work resulted in the development of a more formal enterprise-wide qualitative scenario analysis framework, based on leading industry standards and methodologies, for assessing severe weather and climate-related risks and opportunities now and for the future.

OUR APPROACH

1 Identify Risks & Opportunities	2 Assess Current State	3 Prioritize Risks & Opportunities	4 Qualitative Assessment
Identify relevant severe weather/climate-related risks and opportunities based on insights from industry and peer reviews, internal subject matter advisors and prior assessments.	Assess and document current state impacts of the identified risks based on the review of available data and interviews with key stakeholders at the enterprise and operating company levels.	Prioritize the identified severe weather/climate-related risk and opportunities to select material risks and opportunities for the subsequent assessment.	Focus on three physical and transition risks and opportunities impactful at the enterprise level, under three global climate scenarios over three time horizons.

PHYSICAL RISKS

ASSESSED PRIORITIES[1]	• Wind events • Inland and coastal flooding • Heat waves
OTHER RISKS	• Wildfires[2] • Electrical storms • Ice storms and freezing rain • Water stress and drought • Increasing mean temperatures • Shifts in species, pathogens and diseases

TRANSITION RISKS & OPPORTUNITIES

ASSESSED PRIORITIES[1]	• Investments in resiliency and low-carbon solutions • Decarbonization policies • Increase in electricity demand
OTHER RISKS	• Increase in cost of capital • Access to skilled labour • Supply chain disruptions • Delay in development approvals/land use rights • Climate litigation and reputational risks

1 Priorities selected for qualitative assessment reflect enterprise-level risks. Top physical and transition risks can vary between operating companies.

2 We have created an internal working group dedicated to the assessment and mitigation of the risk of wildfire

Strategy

Time Horizons and Scenarios Applied

Based on a review of select power and utility organizations' targets and scenario analysis assessments, we selected baseline (recent history of events), 2030, and 2050 as the time horizons for our assessment. We also considered provincially mandated targets in Nova Scotia and Canadian federal aspirations for a net-zero economy by 2050.

When selecting scenarios for our assessment, we considered internationally accepted global climate scenarios, including International Energy Agency (IEA) Scenarios, Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). Of the following three scenarios, we used scenarios 1 and 2 to assess physical risks, and scenarios 1 and 3 to assess our transition risks and opportunities at the enterprise level.

1 Limited Global Climate Action Scenario Pathway (Physical – SSP5-8.5/RCP8.5, Transition – IEA Stated Policies Scenario (STEPs)):

Characterized by high emissions with no additional future climate policies to reduce emissions. The Intergovernmental Panel on Climate Change (IPCC)[5] projects warming to be approximately 4.4°C by the end of the century with significant changes in the frequency and intensity of both acute and chronic severe weather and climate-related physical risks.

2 Middle of the Road Global Scenario (Physical – SSP2-4.5/RCP4.5):

Characterized by a medium-level of emissions with large expansions in renewable energy anticipated between 2050-2100. The IPCC[5] projects warming under this scenario to be approximately 2.7°C by the end of the century with both significant physical and transition risks.

3 Aggressive Global Mitigation Scenario (Transition – IEA Net-Zero by 2050 Scenario (NZE2050)):

Characterized by low global emissions requiring global collaboration between governments, industry, and society. The IPCC[5] projects warming under this scenario to be approximately 1.8°C by the end of the century. Transition risks are significant under this scenario with short-term stranded asset risk and high carbon pricing but long-term sustainability.

5 IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

Results of Our Assessment

Our assessment indicates the intensity and frequency of extreme weather events are expected to rise in the near-term (2030) and medium-term (2050), increasing our exposure to negative operational and financial impacts, with the greatest risk to our electric utilities. We will continue to mitigate these risks by investing in storm hardening in our operating companies and implementing our asset management programs. Depending on the pace and extent to which the global economy transitions to a low-carbon future, we could be further exposed to transition risks, such as increasing regulatory pressures or changes in electricity demand. We will continue to mitigate these risks by investing in system resiliency and low-carbon solutions that reduce future costs while also unlocking future revenue potential.

Strategy

Table 1. Enterprise-Level Physical Weather & Climate Risk Impacts and Reliability Response Examples

Physical Risk	Potential Business Impacts	Reliability and Resiliency Key Examples
WIND EVENTS (Incl. Wind Gusts, Hurricanes, and Tornadoes)	Most of Emera's electric and gas utilities are located along the coast and have historically been exposed to hurricane force winds in Florida and the Caribbean, tornados in Florida, and high winds (gusts of more than 80 km/h) in Atlantic Canada. • In 2024, both Tampa Electric (TEC) and Barbados Light and Power (BLPC) experienced winds more than 160 km/h during Hurricanes Milton and Beryl. • In Nova Scotia, for the period 2020-2024, there was an average of 115 hours per year where wind gusts were at or above 80 km/h. This is nearly two times higher than the average for the 2010-2014 period (65 hours). This increase aligns with data from Environment and Climate Change Canada. According to the IPCC Sixth Assessment Report (2021), severe weather/climate changes are related to increases in global average surface temperature. In the near-term (2030), global average surface temperature increase is predicted to be similar under both the middle of the road global scenario, SSP2-4.5/RCP4.5, and limited global climate action scenario, SSP5-8.5/RCP8.5, with a larger increase expected in 2050, under SSP5-8.5/RCP8.5.[5] In our electric utilities, high wind events generally have a larger impact on our transmission and distribution (T&D) infrastructure, with winds directly damaging or destroying equipment or indirectly via vegetation falling on equipment. Hurricane winds and tornados can also result in damage to solar generation sites, and lead to saltwater intrusion at thermal generating sites. With most of our gas utility assets located underground, high winds have minimal direct impact on our gas T&D assets. There is potential for indirect impacts related to uprooted trees and/or line strikes during storm restoration.	Emera's operating companies consider the following when working to improve the reliability and resiliency of our systems due to high wind events: • Strengthening infrastructure – reinforcing transmission and distribution lines to withstand high wind speeds and using advanced materials and design standards to enhance the resiliency of assets. • Vegetation management – implementing regular tree trimming and vegetation management programs to reduce the risk of wind-related outages. • Emergency response planning – developing, and regularly updating, emergency response plans to quickly restore power after a high wind event. TEC's 10-year Storm Protection Plan (SPP) for 2022-2031 includes approximately $150 million USD of investments each year in protecting and strengthening infrastructure to withstand extreme weather conditions, and to reduce restoration costs and outage durations in a cost-effective manner. The SPP consists of targeted investments in distribution lateral undergrounding, vegetation management, transmission asset upgrades, substation extreme weather hardening, distribution overhead feeder hardening, infrastructure inspections and legacy storm hardening initiatives. In January 2025, TEC filed an updated SPP detailing reliability investment for 2026–2035. The updated plan is under review by the Florida Public Service Commission. Nova Scotia Power (NSP) has updated several design standards associated with parameters such as wind gusts for overhead lines and poles. As older T&D lines are upgraded and refurbished, these lines are becoming more resilient to the impacts of extreme weather. In 2024, NSP filed its Five-Year Reliability Plan with the Nova Scotia Utility and Review Board, detailing $1.3 billion of investments in reliability programs from 2025-2029. This plan is crucial for severe weather/climate adaptation with investments informed by an in-depth analysis of outage causes and focused on enhancing and storm hardening T&D systems through vegetation management, targeted equipment replacements and upgrades, and advanced grid modernization. Grand Bahama Power's (GBPC) $50 million capital investment plan includes continued investment in maintaining existing generation, T&D assets to address system resilience and reliability. The plan also reflects the transition to a sustainable energy future through cost-effective investments in renewable energy systems, energy storage and renewable energy integration technologies. The team at BLPC continued storm hardening investments in 2024 including upgrading and converting a 24kV substation to an indoor substation protecting it from the elements. All of BLPC's 18 substations have now been upgraded and converted to indoor substations. Additionally, approximately 60% of BLPC's transmission lines are now underground, which allows for better resilience during and after extreme weather events.

5 IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

Strategy

Table 1. Enterprise-Level Physical Weather & Climate Risk Impacts and Reliability Response Examples (continued)

Physical Risk	Potential Business Impacts	Reliability and Resiliency Key Examples
INLAND AND COASTAL FLOODING (Storm Surge, High Precipitation Events and Erosion, Sea Level Rise)	The last few major hurricanes experienced in our operating regions (i.e., Hurricane Dorian (GBPC), Hurricane Fiona (NSP, Emera Newfoundland and Labrador (ENL)), Hurricane Beryl (BLPC) and Hurricanes Helene and Milton (TEC, Peoples Gas) have resulted in unprecedented storm surge levels. In Nova Scotia and Florida, heavy precipitation events, in some cases combined with storm surge from the major hurricanes, resulted in coastal and inland flooding that took days to recede. As with high wind events, a rise in global average surface temperature increases the frequency and intensity of extreme weather, such as heavy precipitation and tropical cyclones (with potential for storm surge), with a larger increase expected in 2050, under SSP5-8.5/RCP8.5. According to IPCC Sixth Assessment Report (2021), on a global scale, extreme daily precipitation events are projected to intensify by about 7% for each 1°C of global warming.[5] Also, global mean sea level is expected to rise by 0.44 – 0.76 m under a middle of the road global scenario (i.e. SSP2-4.5/RCP4.5), and 0.63 – 1.01 m in a limited global climate action scenario (i.e., SSP5-8.5/RCP8.5) by the 2100 (IPCC 2021).[5] Storm surge has the potential to flood our thermal generating stations, which are largely located along the coastline, and wind driven rain could de-energize thermal generating assets. Both coastal and inland flooding have the potential to impact substations and underground equipment located in low lying areas, and inland flooding has the potential to impact our solar sites. Sea level rise has the potential to further amplify these impacts, particularly in the Caribbean. With respect to our gas utilities, inland and coastal flooding could damage customer meters, and along with heavy precipitation events, lead to erosion of sediment and exposure of underground assets.	Emera's operating companies consider the following when working to minimize risk from inland and coastal flooding: • Elevating infrastructure – elevating critical infrastructure such as substations and control centres above expected flood levels. • Flood barriers and defences – constructing flood barriers and levees to protect key facilities from flooding and implementing green infrastructure solutions like wetlands and permeable surface to manage stormwater. • Monitoring and early warning systems – installing advanced monitoring systems to provide early warnings of potential flooding events. One of the aspects of TEC's "2022-2031 SSP" is substation extreme weather hardening – the hardening of a subset of strategic substation assets with flooding or storm surge risk. Mitigations include raising equipment/control houses to limit any flood damage. This program originally identified the need to harden nine substations, however, as a result of Hurricanes Helene and Milton, TEC is proposing to harden additional substations by 2035. Hurricane Milton also resulted in lessons learned and planning changes. Construction continued on TEC's new, more resilient energy control center in 2024. The facility is being built to withstand a Category 5 hurricane and is located on higher ground to prevent flooding. In 2024, NSP made significant investments to protect its assets from more frequent and severe precipitation events that can lead to overland flooding. For example, investing in its hydroelectric dam infrastructure, such as the Governor Dam on the Sheet Harbour Hydro System, and other water control equipment (e.g., gates and hoists) across various hydro systems so that dam assets are better able to handle these extreme weather events without impacting downstream residents.

5 IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

Strategy

Table 1. Enterprise-Level Physical Weather & Climate Risk Impacts and Reliability Response Examples (continued)

Physical Risk	Potential Business Impacts	Reliability and Resiliency Key Examples
HEAT WAVES	With assets located in Florida and the Caribbean, we are experienced operators in areas with high ambient temperatures. As is the case with the severe weather/climate hazards discussed above, as the global average surface temperature continues to rise, the frequency and intensity of heat waves is also expected to increase, with the more extreme events expected to occur in the mid-term (2050) under a limited global climate action scenario, SSP5-8.5/RCP8.5.[5] According to Climate Mapping for Resilience and Adaptation (CMRA), and the US Climate Resilience Toolkit, the annual number of days with maximum temperatures greater than 35°C under a limited carbon action scenario in Hillsborough County, Florida is expected to increase from 5 to 70 in the mid-term.[6] Unlike high winds and flooding, which have the potential to damage and/or destroy electrical assets, heat waves have the potential to impact system capacity by leading to increased electricity consumption. In addition, heat waves have the potential to reduce combustion turbine capacity in thermal generation facilities. Efficiency could be reduced in T&D systems through the loss of energy in the form of heat, lines are at risk of sagging, transformers are at risk of overheating, and intense heat has the potential to accelerate the aging of equipment. Additionally, if electricity demand increases beyond capacity, there is the added impact of potential rolling blackouts. In our natural gas utilities, heat waves have less impact on operational and system capacity. As the health and safety of our employees is a top priority, we must also continue to consider the challenging current and future work conditions created by heat waves.	Emera's operating companies' existing reliability and resiliency planning and asset management programs include aspects focused on adapting our electrical systems to operate under heat waves, including: • Infrastructure hardening – as aging equipment is replaced, its future design requirements are evaluated, including potential impact from increased ambient temperatures, such as enhancing the efficiency of cooling systems for power plants and substations to maintain performance during high temperatures. • Grid modernization – initiatives focused on updating and enhancing our existing electrical grid to be resilient during extreme heat. • Demand response programs – implement demand response programs to reduce peak load during heat waves and prevent grid overload. TEC is working toward compliance with the Federal Energy Regulatory Commission (FERC) order no.811 which requires operators of electrical transmission systems and substation equipment to operate their equipment using ambient adjusted ratings (ADR) to enhance the efficiency of their transmission grid. NSP also employs comprehensive operational practices to prepare for extreme ambient temperature events. These include thorough asset risk reviews and the mobilization of resources to enhance operational readiness. In anticipation of extreme cold weather events, and heat waves, NSP stages mobile substations and other resources to provide additional support where needed. They also ramp up generating stations to maximize electricity production and work with other power producers to ensure sufficient power supply. Additionally, the company conducts regular maintenance and upgrades to critical infrastructure to withstand temperature extremes.

5 IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001.

6 Hillsborough County Climate Adaptation Mapping Tool, US Climate Resilience Toolkit. Accessed February 2025 at https://cmra-reports.s3.amazonaws.com/county/12057.html

Strategy

A CLOSER LOOK:

Wildfire Mitigation Framework Helps Manage Risk

A formal wildfire risk management governance structure is helping Emera assess and manage wildfire risk across our operations.

"Our utilities think about wildfire risk in the same way as storm protection, preparation, and restoration," says Paul Casey, Emera's Vice President, Asset Integrity. "Our enterprise-wide approach has been critical to understanding and managing this evolving risk."

Based on industry best practices, Emera's Wildfire Mitigation Framework contains critical elements from well-established wildfire mitigation guides and plans. It provides oversight of wildfire mitigation strategies and action plans that Emera's operating companies have created and are regularly updating. These plans reflect the unique wildfire risk profiles that exist across our operations and are driven by several factors including geography, population density, vegetation, weather patterns and climate change.

We've developed risk mapping tools and an integrated approach to evaluate conditions that may affect fire risk. Many system hardening projects, such as vegetation management, also help to mitigate against emerging wildfire threats.

Team members stay closely aligned with industry associations and peers as we build upon wildfire capacities and planning. The Emera-wide framework focuses on continuous improvement and benchmarking, and we are reassessing risk and approach on an ongoing basis.

Strategy

Table 2. Enterprise-Level Transition Risks and Opportunities and Investment Key Examples

Transition Risk/Opportunity	Potential Business Impacts	Investment Key Examples
INVESTMENTS IN RESILIENCY AND LOW CARBON SOLUTIONS (Incl. Grid Modernization)	Across our operating companies, we've been actively investing in clean energy, grid resiliency, reliability and modernization. The aggressive global mitigation scenario, IEA NZE2050,[7] assumes significant continued deployment of renewable energy technologies, the further electrification of various sectors and the widespread adoption of clean technologies. The limited global climate action scenario, IEA STEPS,[7] assumes a business-as-usual approach and that renewable energy grows at a slower pace compared to ambitious scenarios. We see the business benefits of continued investment in grid resiliency and modernization. However, as a business primarily composed of rate-regulated utilities, the amount and pace of our investments in resiliency and low carbon solutions depends on several factors including affordability for customers and decisions/support from various stakeholders such as governments, regulators, independent system operators, independent power producers, interconnected utilities, partners, investors, customers, and Indigenous communities in the near term (2030) and medium term (2050).	In the near term, we have allocated more than 90% of our $20 billion capital plan (2024-2029) to grid reliability and modernization, renewable integration, and technical innovation across our operating companies. This includes $4.5 billion in electric grid modernization and $2 billion in solar generation at TEC. At Peoples Gas, we continue to form partnerships to advance renewable natural gas (RNG). Approximately $110 million is earmarked for renewable natural gas expansion.
DECARBONIZATION POLICIES	Currently, all the countries in which we operate are signatories to the Paris Agreement. In January 2025, the United States initiated the process to withdraw from the Paris Climate Agreement for the second time. The aggressive global mitigation scenario, IEA NZE2050,[7] assumes achievement of net-zero CO_2 emissions by 2050, globally. Conversely, under the limited global climate action scenario, IEA STEPs,[7] global CO_2 emissions do not reach net-zero. This scenario models emissions plateauing in 2030 but remaining too high to meet the Paris Agreement 2050 goals. Much of our investment to date, aside from infrastructure renewal and expansion, has been focused on decarbonizing our electric generation fleets to comply with policy mandates (i.e., NSP is required to meet government mandated climate targets in the province of Nova Scotia) and/or when it is cost-effective for customers (i.e., solar generation expansion at Tampa Electric leading to fuel savings). In parallel, we've been advancing gas decarbonization through investments in RNG and other initiatives within our gas utilities. This trend is expected to continue in the near- to medium-term. To achieve a net-zero CO_2 emissions vision by 2050 (medium-term) requires a reduction of emissions at TEC and NSP, our two largest operating companies. Emissions reductions to date have been achieved at TEC through our investments in solar and natural gas generation and at NSP through hydroelectric power, transmission, and wind integration.	We recognize the ongoing value of cost-effective, customer-driven investments in solar energy and battery storage in the State of Florida to drive further fuel savings for our customers. At NSP, we're investing $350 million in planned hydroelectric capital work and the integration of more wind energy and $180 million in energy storage in the near-term (2029-2030). Peoples Gas constructed pipelines to two renewable natural gas (RNG) producers to connect additional RNG into Florida's natural gas supply. In addition to the three RNG facilities already connected, the team built pipelines to connect the Polk County municipal landfill and Southern Cross Dairy facilities to the intrastate transmission pipeline. The Dairy connection will be bidirectional, allowing the facility to access natural gas as a reliable backup during a power outage. Both connections were completed in the spring of 2025.

7 International Energy Agency (IEA) Global Energy and Climate Model Documentation (2024)

Strategy

Table 2. Enterprise-Level Transition Risks and Opportunities and Investment Key Examples (continued)

Transition Risk/Opportunity	Potential Business Impacts	Investment Key Examples
INCREASE IN ELECTRICITY DEMAND	Increasing electricity demand, driven by factors such as electrification, population growth, electric vehicle expansion, and other large industrial load growth (such as data centres), is expected to drive current and future growth across our utilities. However, as technology and trends continue to evolve, the magnitude and velocity of this growth comes with a level of uncertainty. The aggressive global mitigation scenario, IEA NZE2050,[7] assumes increased electrification such as EV vehicle expansion. In contrast, the limited global climate action scenario, IEA STEPs,[7] assumes fossil fuel use remains prominent in industries and transport, despite electrification increases. Increase in electricity demand from electrification under an aggressive mitigation scenario in the near term (2030) could negatively impact our company-wide carbon emissions reductions as we help other sectors decarbonize through electrification. Under a limited climate action scenario, our operating companies would have more time to transition to more renewable energy to meet this growing electricity demand with clean energy sources. Increasing electricity demand will shape evolving energy system dynamics, with natural gas continuing to play a critical role in ensuring reliability and affordability. In the near to medium term, Peoples Gas anticipates potential shifts in load profiles and customer mix, and is actively exploring opportunities for renewable gases, such as hydrogen and RNG, to complement the changing energy landscape.	Approximately $13.2 billion of Emera's $20 billion capital plan (2025-2029) is earmarked for grid reliability and modernization, and $3.6 billion for renewable energy integration. These are two key investment areas helping our electric utilities prepare for increased electricity demand in the near-term (2030) and medium-term (2050). This includes: $4.5 billion in electric grid modernization at TEC, $1.7 billion in generation expansion and efficiency at TEC, and $1.6 billion in T&D investments at NSP.

7 International Energy Agency (IEA) Global Energy and Climate Model Documentation (2024)

Strategy

A CLOSER LOOK:

People Transition Planning at NSP

The energy transition is fundamentally changing how we generate and deliver energy.

At NSP, we continue to work with employees, union leaders, government, environmental groups, low-income advocates and Mi'kmaw communities and organizations to gather input to help enable a fair and clean energy transition.

Our adaptable employee transition framework is designed to support employees through various organizational changes, including shifts in business priorities, restructuring, and technological advancements. In Nova Scotia, this framework is applied to all transition plans, including the Path to 2030[8] initiative.

The framework is guided by five key principles: maintaining business operations, addressing future workforce needs, ensuring effective communication and engagement, managing labour relations, and providing individual plans and support. These principles help us maintain safe and reliable operations while planning for future workforce requirements. We strive to communicate clearly and transparently with our employees, unions, external stakeholders, and communities. Additionally, we are committed to recognizing the talents of our team members and aligning their skills with our organizational needs. As part of our Path to 2030, we are committed to supporting employees whose roles are connected to our coal facilities. In 2024, we continued to explore transition options, including retraining for other roles within the company or externally, and retirement. We will continue to focus on these efforts as our coal unit retirement targets approach.

A CLOSER LOOK:

Advancing Solar Energy Initiatives at GBPC

GBPC has solar energy in its energy mix for the first time.

The utility has entered into agreements to purchase a total of 14.5 MW from three independent solar sites, two of which were commissioned in 2024. The 6 MW Fairfield Solar Plant – celebrated as the start of a 'new era of renewable energy' in Grand Bahama – opened at the end of April, while the 5 MW Devon Solar Plant started operating in October. GBPC is also working to launch its own 5 MW solar site later this year.

Once complete, solar energy at GBPC will total 19.5 MW, providing the capacity to meet approximately 14.5 per cent of the island's energy needs. And, while solar is helping to reduce CO_2 emissions related to power generation for Grand Bahama, the benefits aren't just environmental.

"Solar power works to reduce and stabilize the cost of power for all of our customers by managing our fuel costs," says Nikita Mullings, Chief Operating Officer at GBPC.

"It protects us from the volatility of the fuel market as we become less dependent on fossil fuel."

Conclusions and Next Steps

Our enhanced qualitative severe weather and climate risk scenario analysis assessment allowed us to engage in renewed conversations corporately and across our operating companies about the evolving risks to our operations and assets, our mitigation and resiliency measures, and our plans for additional action.

We will continue to apply the learnings from this assessment by integrating them into our asset-level planning, risk management frameworks and processes, and our strategic decision making. We will also deploy existing operating company best practices more widely across our business in our ongoing efforts to avoid potential financial losses and disruptions from weather extremes and climate while seizing on further energy transition opportunities.

LEARN MORE

- Emera Strategy
- Environmental Policy
- Environmental Management System

8 The Province of Nova Scotia has committed to generating 80% of its electricity from renewable energy sources and to eliminate coal-fired electricity generation by 2030.

Risk Management

Corporate Risk Management

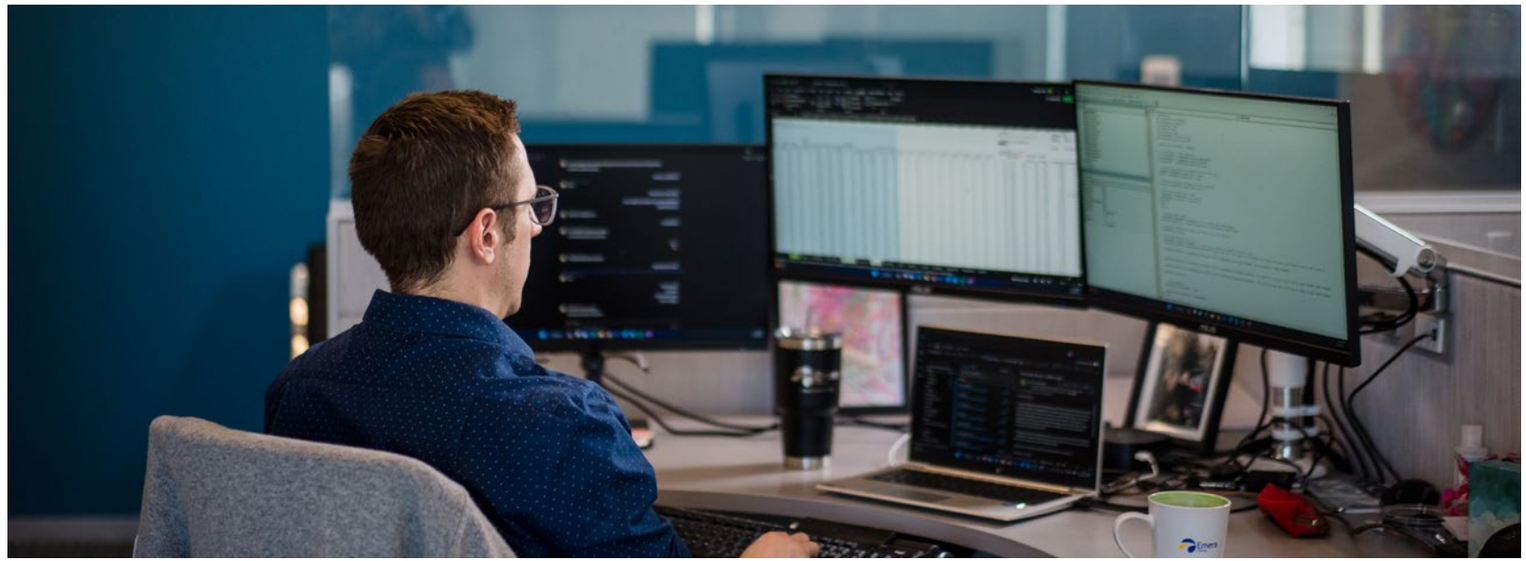
Our weather and climate-related risks are fully integrated into our Emera-wide Enterprise Risk Management (ERM) Program. Emera's Enterprise Risk Management Committee (ERMC) is responsible for this program, with oversight from the Board and Safety and Risk Committee (SRC).

Our approach includes risk identification, prevention and mitigation strategies, residual risk reduction and management action plans. We have a high-impact risk review process to assess evolving risks and to provide a deeper analysis, as required. The ERMC develops the high-impact enterprise risk registry, identifying, analyzing, and ranking inherent and residual risks, including those related to sustainability and weather/climate.

Risks are ranked by severity, velocity of onset, probability of occurrence, control environment, mitigation strategies and action plans. Each risk is assigned an executive owner.

The ERMC reviews Emera's risk registry on a regular basis and updates it as required. It's reviewed by the SRC at each committee meeting, summarized for the entire Board each quarter and carefully reviewed by the Board annually. The ERMC conducts a more in-depth review and analysis each year, informed by input from the Board's annual review.

We examine key transition risks, including policy and legal, reputational, supply chain, insurance, technology, and market, as well as risks related to the physical impacts of weather extremes and climate — both acute and chronic. We also consider potential financial impacts as they relate to generation sources, products and services, and the market.



Risk Management at Our Operating Companies

The assessment of weather/climate risks and opportunities by our operating companies is integrated into their respective risk management and strategy discussions. Each operating company addresses risk management in line with the enterprise level processes, each with its own risk registry, dashboard and heat maps. We conduct a calibration review and comparison of operating companies' dashboards and risk ratings and overall enterprise risk dashboard to identify those requiring further discussion and action on appropriate risk identification and ratings.

Our operating companies' approach to managing material environmental risks and opportunities, including those related to extreme weather and climate, are guided by Emera's Environmental Management System (EMS).

Through the EMS, we identify the elements of our operations that interact with, or have the potential to interact with, the environment, as well as the potential ways the environment can impact our business. Objectives and targets are identified for each of these to ensure they're being managed effectively. For impacts that are common across the organization, Emera's Corporate Environment team sets company-wide objectives. Objectives and targets at both Emera and our operating companies include CO_2 emissions reduction, scenario analysis, and adaptation initiatives.

Metrics and Targets

Steady progress is being made on the integration of renewable energy into our system as we work to align with government mandates and meet government-led energy targets.

At the end of 2024, we achieved a 49 per cent reduction in Scope 1 CO_2 emissions and an 80 per cent reduction in coal as a percentage of total GWh generated compared to 2005 levels.[9]

Reducing Coal and Increasing Natural Gas and Renewables

% Coal[1] in Generation	
Tampa Electric	Nova Scotia Power
2005: 47% **2024: < 1%**	2005: 73% **2024: 33%**

% of Renewables in Generation	
Tampa Electric	Nova Scotia Power
2005: ~0% **2024: 10%**	2005: 9% **2024: 40%[2]**

% of Natural Gas[3] in Generation	
Tampa Electric	Nova Scotia Power
2005: 37% **2024: 83%**	2005: 14% **2024: 22%**

% Imports	
Tampa Electric	Nova Scotia Power
2005: 16% **2024: 7%**	2005: 2% **2024: 6%**

Installed Renewable Generation Capacity (MW) by operating company (excludes purchased energy)

	2023	2024
Tampa Electric	1,252	**1,350**
Nova Scotia Power	590	**587**
Emera Energy	30	**30**
Barbados Light and Power	10	**10**
Total	**1,654**	**1,977**

In 2022, we developed a Climate Targets and Vision Tracking Tool, that allows us to monitor our progress on CO_2 emission reductions. Our tracking tool includes two key components: 1) a dashboard that illustrates our progress, and 2) details and status updates on key projects, including risks and opportunities. The tracking tool is designed to be regularly updated and reviewed by our SMC and SRC as project scheduling and planning evolves, as future projects are planned, and milestones are achieved.

Increasingly, the tracking tool also tracks external generation projects that connect into our system such as those undertaken by independent power producers and/or projects procured by government.

Our tracking is informed by reporting from our Climate Targets and Vision Committee that provides updates on actual and future emissions forecasts and progress against key capital projects. Progress is reviewed at the operating company level through the EMS and regularly reviewed by the Boards of Directors of our operating companies. The Climate Targets and Vision Committee aligns its meeting times with the anticipated timing of updates to planning forecasts such as Nova Scotia Power's integrated resource plans[10] and Tampa Electric's 10-year site plans. The SMC and SRC review the status of key clean energy projects and our ongoing progress.

We strive to ensure all members of our team are aware of and understand our climate progress and government/regulatory requirements. All new hires receive training on our progress as part of onboarding and we distribute updates on our progress annually, at a minimum.

Scope 1 and 2 CO_2 emissions ($ktCO_2$)		Scope 3[11] CO_2e emissions ($ktCO_2e$)	
2024	2023	2024	2023
13,153	13,336	**8,627**	8,301

1 Includes petcoke.

2 Based on GWh of total available generation. Note that this represents 40.5 per cent renewable generation when reported using criteria, including energy sales, under the Renewable Electricity Regulations and associated renewable electricity standard in the Province of Nova Scotia.

3 Includes oil, which represented approximately 1 per cent of the total in 2024.

9 Our reductions in CO_2 emissions, coal used in generation (GWh), and our net-zero vision are compared to 2005 levels and include CO_2 Scope 1 generation emissions for TEC and NSP only.

10 The Nova Scotia Independent Energy System Operator (NSIESO) will be taking over responsibility for energy resource planning from NSP in the next few years.

11 Emera currently discloses two Scope 3 categories under the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our Scope 3 emissions include emissions from purchased electricity (Category 3d) for NSP and TEC and the end use of natural gas (Category 11) (including gas owned by PGS and New Mexico Gas and gas distributed but not owned by PGS and New Mexico Gas).

Metrics and Targets

A CLOSER LOOK:

Implementing advanced leak detection

In 2024, Peoples Gas began automating its systems to fully integrate MobileGuard advanced leak detection technology into its compliance leak survey program.

The initiative, approved by the Florida Public Service Commission in March 2024, will bring together the utility's work and asset management system with its geographic information system and the MobileGuard system to enable better survey scheduling, progress tracking, emissions investigations, leak grading and work order processing.

Systems integration work is continuing through 2025, with the updated compliance leak survey program launching in 2026. Once it is in place, Peoples Gas plans an annual survey of a third of its system, amounting to about 5,000 miles of pipeline per year. This approach aligns with the Pipeline and Hazardous Materials Safety Administration's safety mission and efforts to foster collaboration and transparency.

MobileGuard technology has been in use at Peoples Gas since 2020 and has proven to be invaluable in the aftermath of natural events. In 2024, following Hurricanes Helene and Milton, MobileGuard was rapidly deployed to survey impacted areas, primarily in St. Petersburg and Fort Myers. This swift response enabled Peoples Gas to effectively identify and mitigate potential hazards resulting from the storms, ensuring public safety and preventing potential incidents.

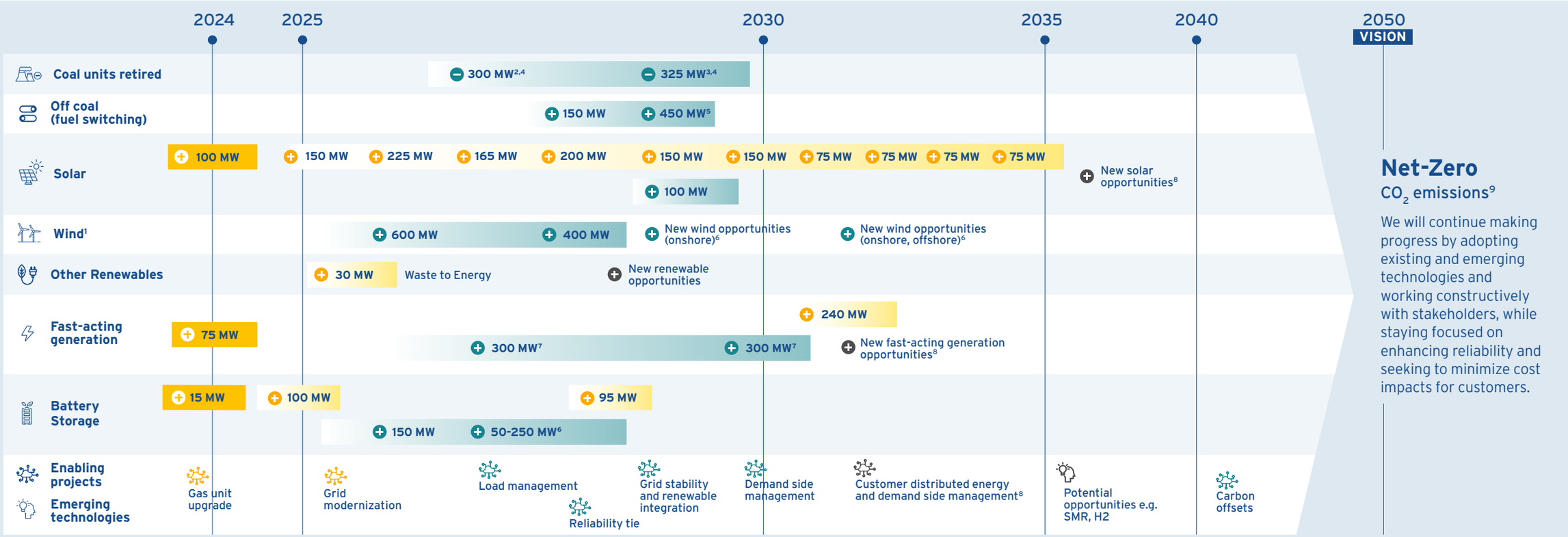
Peoples Gas is continuing to promote and advance this technology with team members. The utility is piloting MicroGuard hand-held leak detection equipment and is identifying opportunities to use it during leak investigations. An advanced leak detection training class is now part of the Peoples Gas training program, with the first class planned for July 2025. All new hires will be required to be trained and qualified to use both MobileGuard and MicroGuard technology.

Net-Zero Roadmap

Emera continues to be responsive to government-mandated climate targets and customer interests within the framework of an affordable and reliable energy system.

The net-zero planning roadmap is a summary highlighting recently completed and in-progress projects and planned investments outlined in *NSP's Path to 2030 (2024 Update)*[12] and integrated resource plans, and TEC's ten-year site plans. To proceed, projects contemplated for the future must prove to be cost effective investments that support customer reliability and affordability priorities.

Note that some projects are not in Emera's direct control (i.e. independent power producers).



- Nova Scotia Power projects/opportunities
- Tampa Electric projects/opportunities
- Nova Scotia Power / Tampa Electric common projects/opportunities

This roadmap is subject to change and matters beyond our control and is dependent upon decisions of, and/or support from, others including governments, regulators, independent system operators, independent power producers, interconnected utilities, partners, investors, customers and Indigenous communities. We will only proceed with forward-looking investments where we can demonstrate to the satisfaction of regulators that such investments are prudent and the most cost-effective solution for utility customers within the applicable legislative and regulatory regimes.

1 Encompasses provincial procurement programs and other independent power purchase agreements.
2 A total of two 150 MW units. Please note an error in our Net-Zero Roadmap (published on May 21, 2025) which noted an extra 150MW coal unit which has been removed from the diagram.
3 A total of two units (160 MW and 165 MW).
4 Timing of coal unit retirements is contingent on replacement capacity being available from the NSIESO
5 A total of three 150 MW units
6 Actual size of additional battery and wind capacity and timing of battery/wind capacity additions will be determined by the NSIESO
7 Capacity conversion
8 With respect to NSP, new projects would be procured by the NSIESO
9 Emera's Net-Zero Roadmap is focused on NSP and TEC and captures 93 per cent of our Scope 1 CO_2 emissions

12 NSIESO will be taking over responsibility for energy resource planning from NSP in the next few years.

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