



**Emera Inc.**  
**Sustainability Management Committee Charter**

**July 2023**

## TABLE OF CONTENTS

### Contents

I.	INTRODUCTION AND PURPOSE .....	2
II.	SUSTAINABILITY MANAGEMENT COMMITTEE COMPOSITION AND REPORTING .....	2
III.	SUSTAINABILITY MANAGEMENT COMMITTEE RESPONSIBILITIES .....	3
IV.	ROLE OF THE ENTERPRISE SUSTAINABILITY TEAM.....	4
V.	REVIEW OF THE CHARTER .....	4
	APPENDIX A GLOSSARY – KEY TERMS.....	5

## **I. INTRODUCTION AND PURPOSE**

Across Emera we continuously strive to deliver value to customers, employees, communities, and investors. We achieve this through our commitments to the environment, safety, to being an employer of choice, to inclusion and diversity, to strong relationships and by giving back to our communities. We believe our strength and resilience come from our shared commitment to managing the risks and opportunities that are important to our customers, teams, investors and communities through our Environmental, Social and Governance (ESG) commitments.

Sustainability is a broad term defined as meeting our needs without compromising the ability of future generations to meet theirs.

Emera's ESG commitments focus on a subset of material Sustainability priorities of interest to external stakeholders, as defined in Appendix A.

The objective of the Sustainability Management Committee ("Sustainability Committee") is to provide oversight, advice and support to Emera and its affiliates regarding the management of ESG risks and opportunities and guide key disclosure decisions. The role of the Sustainability Committee is to monitor the process to identify and assess relevant ESG risks and opportunities, ensure that they are being managed, and to monitor the company's overall ESG performance.

## **II. SUSTAINABILITY MANAGEMENT COMMITTEE COMPOSITION AND REPORTING**

The Sustainability Committee requires involvement from those with authority to make and execute decisions with input from operational and subject matter experts on Sustainability matters.

The Sustainability Committee is comprised of twelve (12) members:

- [President & Chief Executive Officer, Emera Inc.]
- [Chief Financial Officer, Emera Inc.]
- [EVP Project Develop & Operations Support, Emera Inc.]
- [EVP Business Development & Strategy, Emera Inc.]
- [Chief Human Resources Officer, Emera Inc.]
- [Chief Risk and Sustainability Officer, Emera Inc.]
- [EVP Legal & General Counsel, Emera Inc.]
- [President & Chief Executive Officer of Nova Scotia Power]
- [President & Chief Executive Officer of TECO Tampa Electric]
- [President & COO, Emera Energy]
- [President, PGS]
- [President, NMGC]

And in support, from the Emera Sustainability, Environment & Safety and Investor Relations Departments, the following representatives are invited to attend each meeting:

- [Vice President, Investor Relations & Pensions, Emera Inc.]
- [VP, Safety and Environment, Emera Inc.]
- [Director, Safety and Environment Quality Management Systems, Emera Inc.]
- [Senior Director, Sustainability, Emera Inc.]

- [Manager, Sustainability, Emera Inc.]

The Sustainability Committee is chaired by the President & CEO of Emera. The Chair may designate the Chief, Risk and Sustainability Officer to act as meeting Chair, as required. The Chair has the authority to appoint additional permanent or advisory members to the Sustainability Committee. Emera's EVP Business Development & Strategy will represent the Caribbean affiliates. Advisory members are temporary members who are appointed to assist with a certain issue or task.

The Sustainability Committee can assign authority to sub-committees or working groups, if deemed appropriate.

The Chair has the authority to invite any directors, officers, employees, consultants or other people to attend specific meetings of the Sustainability Committee.

The Chair will appoint a person responsible for preparing and circulating meeting minutes including any action items arising from the meetings.

The Sustainability Committee meets quarterly at a minimum and more frequently, as needed and determined by the Chair.

The Chair of the Sustainability Committee, or a designate, will provide regular updates to the Emera Risk and Sustainability Committee of the Board and/or the Board of Directors on matters that were dealt with by the Sustainability Committee since the last meeting and on the company's ESG performance, or more frequently for any urgent matters.

Members are responsible for staying current on key ESG developments to ensure their knowledge of relevant ESG issues is kept up to date given how rapidly the ESG space is evolving.

A quorum at any meeting of the Sustainability Committee will be seven (7) members (or 58%).

### **III. SUSTAINABILITY MANAGEMENT COMMITTEE RESPONSIBILITIES**

The Sustainability Committee is ultimately responsible for assessing Emera's ESG risks and opportunities. In addition, the Committee will oversee progress on established Key Performance Indicators (KPIs).

Affiliates are responsible and accountable for directly implementing the Sustainability strategy and managing their specific ESG risks and opportunities, with oversight, advice and support from the Sustainability Committee.

To fulfill this oversight role, the Sustainability Committee is responsible for the following:

- Monitoring the management of material ESG risks and opportunities
- Setting ESG priorities (and the supporting goals, objectives and targets)
- Overseeing systems and procedures to manage ESG risks
- Overseeing and approving sustainability-related policies
- Monitoring progress towards ESG goals, objectives and targets
- Overseeing ESG data governance processes
- Assessing effectiveness of the sustainability strategy on an annual basis
- Reviewing the strategy for material ESG disclosures

- Reviewing the annual sustainability report
- Approving the ESG materiality assessment, as required
- Ensuring that Emera is staying on top of emerging ESG issues, policies and regulations
- Ensuring Emera is connected to industry peers and best practices for ESG and sustainability
- Ensuring ESG decisions are aligned with Emera's values

#### **IV. ROLE OF THE ENTERPRISE SUSTAINABILITY TEAM**

The Sustainability Committee may delegate some of its responsibilities to the Enterprise Sustainability Team ("EST").

The objective of the EST is to provide recommendations and support to the Sustainability Committee as the Sustainability Committee fulfills the responsibilities outlined above. The role of the EST is to execute on the specific Sustainability-related actions required to identify, assess and manage ESG risks and opportunities.

The EST will be Chaired by the Chief, Risk and Sustainability Officer, who may delegate the chair role to the Senior Director, Sustainability or the Manager, Sustainability.

The EST meets quarterly and more frequently, as needed.

#### **V. REVIEW OF THE CHARTER**

This Sustainability Committee Charter will be reviewed annually by the entire Sustainability Committee. The Committee's purpose, composition, responsibilities, and reporting/escalation processes will be updated as required considering the evolution of industry norms and best practices for Sustainability and approved by the Chair.

## APPENDIX A

### Glossary – Key Terms

**Environmental, Social and Governance (ESG)** – Environmental, social and governance priorities that can impact company value and investor decision-making. At Emera we draw on a range of resources to determine the most material risks and opportunities for our stakeholders and business. These resources include third-party materiality assessments, industry standards, guidance from the SMC and the Risk and Sustainability Committee (RSC) of our Board of Directors, as well as our Enterprise Risk Management (ERM) Program. Based on this we have adopted a set of core ESG priorities which include:

#### *Environment*

- Air emissions
- CO<sub>2</sub> emissions
- Methane emissions
- Climate adaptation
- Coal unit closures
- Low-carbon transition
- Waste management
- Water management
- Biodiversity

#### *Social*

- Community investment
- Customer affordability
- Diversity, equity and inclusion
- Indigenous relations
- Safety
- Talent management
- System reliability and grid resiliency

#### *Governance*

- Business ethics and transparency
- Corporate governance
- Cybersecurity
- ESG governance
- Political and regulatory requirements

**Our assessment of materiality also considers best practices and guidance from:**

**Sustainability Accounting Standards Board (SASB)** – SASB has developed a set of industry-specific standards for 77 sectors that identify a core set of sustainability-related topics most likely to be financially material. SASB also specifies accounting metrics for the disclosure of each material ESG topic. The SASB Standards are voluntary and widely endorsed by large investors.

**Task Force on Climate-related Financial Disclosures (TCFD)** – The TCFD was created under the auspices of the Financial Stability Board (FSB) to address the systemic risk posed to the global financial system by climate change. It developed a set of climate disclosure

recommendations for companies, based on four key areas: governance, strategy, risk management, and metrics and targets. The recommendations of the TCFD are widely endorsed by large investors.

**Global Reporting Initiative (GRI)** – The GRI is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on sustainability-related issues. The GRI Standards are widely adopted global standards for sustainability reporting and are intended to communicate sustainability information to a broad range of stakeholders.