



EVERSOURCE 2017 SUSTAINABILITY REPORT

EXECUTIVE SUMMARY

Our 2017 sustainability report highlights our progress on sustainability efforts and our ambitious plans for the future. The report focuses on four key aspects of these efforts—our business, our environment, serving our customers and our employees.

Each of these areas offers challenges and opportunities for the future, and in this summary we touch upon some highlights in our efforts to promote sustainability in these areas.

Our Environment

- Release of our *Commitment to Environmental Sustainability* outlining our priorities in the areas of climate leadership, clean energy, accountability and stewardship.
- Addressing the region's energy challenges through clean energy initiatives such as Northern Pass and Bay State Wind are a continued focus, with electric vehicles and other state clean energy initiatives also meriting investment.
- Overall emissions for Eversource declined in 2016 primarily due to reduced operation of our generation facilities. A combination of market forces, fuel supply, and customer demand influenced our generation output, resulting in a reduction in our generation of over 50%.
- Fugitive emissions from the Eversource gas distribution system have steadily decreased over time and are anticipated to continue to decrease thanks to our proactive steel and cast iron main replacement program and robust leak mitigation plans.
- In 2016, [Ceres](#) ranked Eversource #1 in energy efficiency among investor-owned utilities and in 2017 the American Council for an Energy-Efficient Economy (ACEEE) 's 2017 Utility Energy Efficiency Scorecard ranked Eversource in Massachusetts #1 and Eversource in Connecticut #4 among the 51 largest U.S. electric utilities.

Our Business

- Total return to shareholders in 2016 was 11.6 percent, the seventh time in eight years that we have provided shareholders with a double-digit return.
- No other electric utility peer matches our financial profile. In 2016, Moody's Investors Service and Fitch Ratings raised their credit ratings on Eversource operating subsidiaries, while Standard & Poor's also raised its outlook on the Eversource family of companies from stable to positive.
- Our customers continue to count on us for reliable power, thanks in part to nearly \$2 billion in capital investments in our distribution and transmission systems in 2016, an increase of about 11 percent over 2015.

Serving Our Customers

- To ensure a consistent experience and provide information and resources our customers value, Eversource implemented several enhancements in 2016 to drive customer satisfaction across channels, using a combination of advertising, interactive online experiences, proactive notifications, call center interaction and a new bill design.
- We continue to rank in the upper tier in the electric industry for overall system reliability. Our electric customers can continue to count on us for reliable power, thanks in part to nearly \$2 billion in capital investments in our distribution and transmission systems in 2016, an increase of about 11 percent over 2015. We also significantly increased capital expenditures associated with our natural gas system, investing close to \$300 million in 2016 to install new pipes and equipment, and connect more customers. This represents a 55 percent increase in our annual level of investment since 2013.
- In 2016, through our foundations and corporation giving, Eversource provided over \$5 million in grants to local and regional organizations to support economic and community development, the environment and initiatives that address local, high-priority concerns and needs. We target our giving to ensure the greatest community benefit.



Our People

- Eversource has a strategic plan in place to advance diversity and inclusion by improving workforce diversity, building an inclusive workplace, increasing supplier diversity and committing resources to the diverse communities we serve. In 2016, we exceeded our goals in the areas of diversity of leadership promotions and hires, diverse external hires, supplier diversity, and resources to the communities we serve.
- A diverse workforce and inclusive culture contributes to our success and sustainability by driving innovation and creating trusted relationships with employees, customers, suppliers and community partners. In 2016, Our Diversity and Inclusion state teams organized and delivered more than 50 presentations and engagement sessions to field workers and corporate departments, reaching well over 3,000 employees in our area work centers and corporate locations.
- Safety is of paramount concern, and last year, we reduced our DART (Days Away Restricted or Transferred) injury rates by 20 percent over the previous year; as well as achieving best safety performance in past five years and first quartile DART performance. We also reduced PMVA (Preventable Motor Vehicle Accidents), reducing rates by more than 25 percent over the previous year and achieved best safety performance in past five years and first quartile PMVA performance.
- Eversource leaders strive to engage employees through continuous communication, talent development, fostering teamwork, and building a diverse, inclusive workplace. In 2016, over 70 percent of our employees participated in our various programs and initiatives to promote diversity of thought, to nurture inclusion, and to demonstrate ethical, honest and respectful behavior.