



COMMUNITY

SUSTAINABLE DEVELOPMENT REPORT 2019

Innergex Renewable Energy Inc. (“Innergex” or the “Corporation”) is an independent renewable power producer which develops, acquires, owns and operates hydroelectric facilities, wind farms and solar farms. As a global Corporation, Innergex conducts operations in Canada, the United States, France and Chile.



INNERGEX

Renewable Energy.
Sustainable Development.



FOR 30 YEARS, INNERGEX HAS BELIEVED IN A WORLD WHERE ABUNDANT RENEWABLE ENERGY PROMOTES HEALTHIER COMMUNITIES AND CREATES SHARED PROSPERITY. WE LEARNED LONG AGO THAT RESPONSIBLE AND SUCCESSFUL ENERGY DEVELOPMENT IS DRIVEN BY THE WILL OF HOST COMMUNITIES.

Since our inception in 1990, we have been driven by the philosophy that collaboration and integration with the communities that host our projects is essential to growing renewable energy generation and creating opportunities for shared prosperity. We have seen first hand how renewable energy projects can make positive, long-term impacts on society, economies and the environment.

BUILDING A CLEANER FUTURE

Working with the communities that host our projects, together we help power the equivalent of over 850,000 households with clean energy, reduce the use of hydrocarbons to help fight climate change, and generate prosperity through job creation and sustainable economic development opportunities. We are extremely proud of our long history of developing successful and meaningful relationships with communities to create a better world with renewable energy.

In 2019, we powered the equivalent of

850,490

HOUSEHOLDS WITH CLEAN, RENEWABLE ENERGY¹

¹ Based on Innergex's 2019 Production Proportionate in each country in which we operate, divided by the local average household consumption, with data from the World Energy Council (2014).

On May 23, 2019, the Corporation announced completion of the sale of its wholly owned subsidiary Magma Energy Sweden A.B., which owns an equity interest of approximately 53.9% in HS Orka hf, owner of two geothermal facilities in operation, one hydro project in development and prospective projects in Iceland. As a result, they are not included in this document.

All data in this report are for the year ended December 31, 2019.



Innergex was proud to make a contribution to the Cascade Falls Bridge, a legacy project in British Columbia.

INNAVIK HYDRO

In 2019, we solidified a partnership with the Inuit community of Inukjuak on the shores of Hudson Bay to develop the Innalik hydroelectric project. The project, a 50-50 ownership structure, is a 7.5 MW run-of-river hydroelectric facility that will replace diesel fuel electricity generation for almost all of Inukjuak's energy needs over the 40-year Power Purchase Agreement signed with Hydro-Québec.

The Project originated from the community's desire to reduce greenhouse gas emissions, promote self autonomy, and create long-term prospects for sustainable development. Innalik is expected to make significant social and economic impacts for the 1,800 inhabitants of Inukjuak, Nunavik's second most populated community.

A portion of the revenues generated from the project will be re-invested into the community to promote social, educational, and heritage needs of children, youth and elders, and develop future economic entrepreneurship opportunities. This partnership was nurtured over many years and through trust, collaboration and respect, have positive long-lasting impacts for the community, the planet, and our stakeholders.



WORKING TOGETHER

One of the principles that has guided us for the last 30 years has been our commitment to lend support to groups, initiatives and organizations that share our vision of creating a better world of tomorrow.

We are proud of the trust we have earned with the communities in which we operate and welcome the opportunity to make a positive impact with grassroots organizations where we conduct business. Our sponsorships and donations strive to make a difference in these communities and are committed to promoting the following areas:

- Environment and sustainability;
- Community and culture;
- Health and research;
- Sports and leisure;
- Education and engagement.

In 2019, Innergex had a wider reach with financial or in-kind support to

174 ORGANIZATIONS,
54 MORE THAN IN 2018

All of the projects Innergex has contributed to are diverse, environmentally responsible, broad in scope, and began with the support of community leaders and residents alike.

Innergex employees in action at a fundraising event in Quebec



For years, our proven partnerships have provided communities, municipalities, local or Indigenous communities, with reliable revenues and other yearly income that has been reinvested into those communities to drive economic and social development opportunities. Substantial tax revenues are also generated by our projects that make a significant contribution into local, regional, and provincial or state economies.

GIVING BACK

In only its second year, we expanded the Stair Challenge to our Vancouver Office in the fourth quarter of 2019. This initiative encourages employees to climb the flights of stairs to the 10th floor in the head office in Longueuil or the 11th floor at the Vancouver office. For every climb, Innergex donates \$3 into a pool that accumulates and is delivered to a charity at the end of the year. Not only are we promoting a healthier work environment, we have also increased the money raised that goes to the Heart and Stroke Foundation every year through this initiative.

We look forward to expanding the program in our Vancouver office to promote greater health.



In 2019, our employees raised

\$7,051 FOR THE
**HEART AND
STROKE
FOUNDATION**

A GOOD NEIGHBOUR

Innergex is proud of its track record of nurturing strong, long-term relationships with the communities that host our facilities. From conceptualization to commissioning through operation, working with our host communities and sharing the benefits that arise from a renewable energy project is a core element of our sustainable development strategy. Beginning with extensive pre-development consultations and community outreach, we take the time to learn about a community's needs and oftentimes work with them to ensure we design the best possible facility that meets a mutually beneficial conclusion.

We believe in strong relationships with our host communities, built on bilateral two-way communication and mutual understanding. We achieve these relationships through our commitment to conducting ourselves with integrity, transparency and respect.

The positive impacts of a renewable energy project on a community can be vast and long-term. Some of the benefits include:

- Own source of revenues
- Investments in community infrastructure projects
- Skills training and job creation
- Directing sustainable land resource development
- Promoting healthy communities
- Promotion of Indigenous rights and territory
- Contracting opportunities for Indigenous-owned businesses
- Building capacity for future development projects
- Fighting climate change

Several of our projects today stand as testaments to our commitment of working diligently with our host communities to produce a mutually beneficial outcome. For instance, our Kwoiek Creek project in British Columbia is a 50-50 partnership that, over the life of the project (at least 40 years), is expected to provide the Kanaka Bar Indian Band with consistent own-source revenue that is being reinvested into the community through social development programs. More recently, our Mesgi'g Ugju's'n wind project, a 50-50 partnership with the Mi'gmaq of the Gaspé region of Quebec, will provide the three communities that make up the partnership with a source of long-term revenue from the 20-year operational life of the project.

CREATING OPPORTUNITIES

Our investments in renewable energy projects bring hundreds of new job opportunities in our value and supply chain to the benefit of regional districts and local communities.

During the early development phase, we conduct our due diligence to ensure a successful project outcome. Our team works with independent third-party contractors on various essential services including engineering, environmental monitoring and assessments, legal, and community relations. During the construction phase, we endeavour to employ workers, as well as procure the parts, materials, and components as locally as possible. Depending on the size of the project, there can be over 300 workers at the height of the construction phase who also make a positive impact on the local community.

Operators manage the daily activities at each facility providing skilled services for the life of the project which is typically anywhere between the facility's 20-40-years. Furthermore, the facility continues to rely on an extended supply chain that provides the necessary parts and regularly attracts service providers, for instance environmental consultants, for regulatory oversight or monitoring during its life cycle.

At Innergex, the trust and mutual respect we develop with the communities in which we operate is something we strive hard to earn and keep. We remain committed to delivering long-term value through strategic and innovative investment opportunities.

TWO OF THE CORPORATION'S MOST IMPORTANT AND CONSEQUENTIAL POLICIES THAT FORM THE BACKBONE OF OUR COMMITMENT TO THE COMMUNITIES ARE:

SUSTAINABLE DEVELOPMENT

We remain driven by the belief that the three pillars of sustainability – environmental protection, social development and economic development – are mutually reinforcing. Innergex has adopted a Sustainable Development Policy that articulates its commitment to integrating sustainable development considerations in all aspects of its business, including its strategic planning, decision-making, management and operations.

HEALTH, SAFETY AND ENVIRONMENT

Our priority is to minimize the impacts of our operations on the environment and provide safe work conditions for our employees. Our Environment, Health and Safety Policy outlines our commitment to conducting operations in a manner that respects and protects the environments in which we operate and the health and safety of our employees, contractors and visitors.

For more information on Community please visit our Sustainability Reporting Initiative at sustainability.innergex.com

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