



OUR PLANET

A better world for a healthy planet

Human-caused climate change has rallied the world in an urgent need for decisive and concerted action to reduce greenhouse gas (GHG) emissions to limit global warming to 1.5°C. We believe that renewable energy is part of the solution. Innergex will continue to increase its share of renewable energy generation by continuing to work in harmony with the natural environment, and by exploring and mastering new technologies. Our goal is to help in the transition to a clean economy, and a better environment for all.



100%
RENEWABLE
ENERGY

Greenhouse Gas Emissions

Fighting climate change is one of the key principles driving our work at Innergex. Generating renewable energy exclusively means we are a low emitter of greenhouse gas (GHG) emissions, relative to other energy sources.

Our results illustrate that our facilities produce electricity with no significant amounts of GHG emissions.

In fact, the amounts of renewable energy generated offset more than our own modest emissions (such as from vehicles or short-term backup generation during outages). In 2019, we committed to disclosing our GHG emissions on an annual basis. Increasing our output of renewable energy will allow us to make a bigger contribution in the fight against climate change to help build a cleaner future.

GHG Inventory (metric tonnes CO₂)

TYPE	2020	2019 ¹
Scope 1 – Direct Emissions	1,277.3 ²	2,165.9
Scope 2 – Indirect Emissions	4,670.1 ³	2,138.4
Scope 1 + Scope 2	5,947.4	4,304.3
Scope 1 – Halocarbon Releases	0	2,861.7
Total – CO ₂ Emissions including Halocarbon Releases	5,947.4	7,166.0

GHG Intensity (kg CO₂e/MWh energy produced)

	2020	2019
Total GHG Intensity	0.620	0.537
Total GHG Intensity including Halocarbon Releases	0.620	0.893



Percentage of total GHG Emissions by Scope in 2020

- Scope 1 - 21.48%
- Scope 2 - 78.52%

¹ 2019 figures updated to reflect inclusion of previously missing data.

² Amount lower than 2019 due to reduction in fuel purchases throughout the year.

³ Amount higher than 2019 due to full year of operation at Foard City (commissioned September 2019) and Phoebe (commissioned November 2019) facilities in Texas in 2020.

* Scope 1 & 2 emissions calculations based on the Greenhouse Gas Protocol.

Note: Halocarbons in this context refers to sulfur hexafluoride (SF₆) and methane (CH₄). In 2019, we had three SF₆ releases from high-voltage electrical systems at two of our facilities, resulting in a release of a total of 171.74 lbs. The majority of the loss occurred during construction of a substation at a facility in the United States.

Emissions Avoided

Our goal is to produce electricity from renewable sources that have no significant GHG emissions thus contributing to reducing CO₂ emissions to fight climate change. We are proud that the energy we generate contributes to offsetting CO₂ emissions from other sources.



Avoided Carbon Emissions (in metric tonnes)

	2020 ¹	2019 ²	2018 ³
Avoided emissions	6,780,613	5,670,558	4,506,241

¹ Based on Innergex's 2020 Production Proportionate of 9,590,140 MWh

² Based on Innergex's 2019 Production Proportionate of 8,021,758 MWh

³ Based on Innergex's 2018 Production Proportionate of 6,361,733 MWh

Note: All results calculated using <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

Protecting Biodiversity

By harnessing the power of the sun's rays, the natural flow of water, and the motion of the air, we work with nature to generate clean energy for a brighter future. Innergex is committed to ensuring that the construction and operation of facilities to harness these resources is conducted in harmony with their host environments.

Our approach, laid out in our Sustainable Development Policy, describes the strategies to avoid, minimize and/or mitigate the effect our facilities could have on local ecosystems. We also consider remediation and restoration as a part of this strategy for not only the land we build on, but adjacent and protected areas.

As many of our projects are located in remote areas, consideration of wildlife plays an important role in the planning, construction and operation phases of our projects. We have a successful record of partnering with government, Non-Governmental Organizations ("NGOs"), conservation groups, academia and local organizations to design and implement solutions to mitigate human-wildlife interaction and disturbance of important species.

For example, concern about construction-related displacement of mountain goats at Innergex's Upper Lillooet and Boulder Creek hydro facilities in British Columbia is being monitored under a 5-year Operational Environmental

Monitoring Plan (OEMP). Results from the first two years contributing of the OEMP found mountain goats in similar numbers actively using migration corridors used prior to the project. The remaining three years will examine if this early trend continues.

In another example the daily water monitoring of the Inukjuak River during the construction of the Innalik Hydro Project on the eastern shores of Hudson Bay (Quebec) ensures the water is not negatively impacted by the construction work. The water monitoring program consists of two daily samplings, one upstream and one downstream from the worksite. Currently monitored parameters include temperature, pH and turbidity, allowing us to immediately identify a significant change / issue that could affect drinking water supplies in the downstream community of Inukjuak. To date results have shown that water parameters are identical at the upstream and downstream monitoring points indicating that the project has no effect on water quality.

Environmental Expenditures

Innergex is advancing an internal mechanism to track annual environmental expenditures from its operations (electricity generation sites and offices). Expenditures disclosed for 2020 consist of all costs at our operating facilities associated with the following categories: operational environmental monitoring programs, waste management costs and spill supplies (including oil recycling, hazardous waste disposal/treatment), environmental compliance costs (permitting, incident response, instream works monitoring), environmental restoration occurring during operations (maintenance of fish habitat compensation sites, additional tree planting and restoration costs).



In 2020 Environmental Expenditures of

over \$1.2 M

Vegetation Management

Natural growth of vegetation varies greatly between Innergex operating facilities – some facilities are located in coastal rainforest areas where vegetation growth is rapid, others are located in sparsely-vegetated desert areas. After vegetation is initially cleared for project construction, varying degrees of vegetation management are required during operations. Some areas require active vegetation control (such as weeds inside a fenced electrical sub-station for fire risk), other sites such as powerline rights-of-way are brushed every few years. Risk of falling trees (windfall) is managed along rights-of-way to reduce the risk of powerline contact, associated outage, and forest fire hazard. A customized, regionally-appropriate vegetation management method is employed at each site.

Global Climate Change Risk Management

The Corporation carefully manages physical risks, including preparing for, and responding to, extreme weather events through activities such as proactive route selection, asset hardening, regular maintenance, and insurance. The Corporation follows regulated engineering codes, evaluates ways to create greater system reliability and resiliency and, where appropriate, submits regulatory applications for capital expenditures aimed at creating greater system reliability and resiliency. When planning for capital investments or asset acquisitions, we consider site-specific climate and weather factors, such as flood plain mapping and extreme weather history. Prevention activities include wildfire management plans and vegetation management at electricity transmission and distribution sites. The Corporation maintains in-depth emergency response measures for extreme weather events. Despite all the measures in place to prepare for and respond to extreme weather events, there is no assurance that there would be no consequences on the Corporation's revenues and profitability.

Global climate change, including the impacts of global warming, represents a risk that could adversely affect the Corporation's business, results of operations and cash flows. Variability in hydrology, wind regimes and solar irradiation and their predictability may be affected by unforeseen climate-related events such as hurricanes, wind storms, hailstorms, rainstorms, ice storms, floods, severe winter weather and forest fires. To the extent that weather conditions are affected by climate change, customers' energy use and the Corporation's power generation could increase or decrease depending on the duration and magnitude of the changes.

Land Management

It is important for Innergex to properly site our projects and then responsibly manage the land that hosts our facilities. Baseline surveys and assessments are performed during the development phase to guide project layout in order to optimize future electricity generation while minimizing disruption to existing ecosystems and surrounding land-use. During land clearing, care is taken to minimize the footprint of the clearing and to remove and stockpile topsoil for future use. Post construction, construction areas (laydowns, construction camps, temporary access roads) are remediated to facilitate soil stability, growth of planted vegetation or natural regeneration. We continue to monitor the area throughout operations to ensure that we are not only compliant with our permits but deliver on the expectations of the surrounding communities, our employees, and our shareholders.

Innergex's hydroelectric projects, by definition, are closely associated with natural waters of rivers and streams upon which the projects are situated. To avoid possible contamination, many Innergex facilities have adopted use of biodegradable, non-toxic, synthetic lubricants (non-petroleum based) in turbine and hydraulic systems where an elevated risk of leaks and a pathway to release exists. Innergex continues to evaluate adoption of biodegradable fluids where environmental risk exists.



Successfully initiated a program to manage vegetation growth at our Phoebe solar facility in Texas with

A FLOCK OF 55-77 SHEEP

throughout the facility's **1,395 ACRES**



Environmental Incidents

	2020	2019	2018
Number of spills >1L ¹	31	20	16
Sulphur hexafluoride (kg)	0	61.63 kg	--
Methane (kg)	0	0.54 kg	--
NOx	0	--	--
SOx	0	--	--
Particulate matter (PM10)	0	--	--
Lead (Pb)	0	--	--
Mercury (Hg)	0	--	--

¹ All spills are cleaned up immediately and any affected soils are disposed of properly in accordance with provincial, state or federal regulations.

Note: Excludes operations in France and Chile.

Water Use

Maintaining the integrity of water resources is a priority in the environments in which we conduct generation activities. As a long-time operator of run-of-river hydro facilities, we are acutely aware of the importance and health of the water systems we work with to generate renewable energy, as well as the limited amounts we consume on a daily basis in our operations. Our 37 hydro facilities generate electricity in a non-consumptive way, by diverting a portion of natural stream flows through turbines and then returning it unaffected back into the original source (i.e. the same river). Our wind facilities do not consume water in their operation.

Solar facilities in general have limited water needs in their cleaning and we have one solar thermal facility in Chile that uses water in a closed loop for heat transfer.

Domestic water consumption is minor and limited to usage at our four offices and at facilities that have washrooms. In 2020, we began calculating our water use as outlined in the table below.

	2020
Total water withdrawn ¹	6,161 m ³
Total water consumed	6,161 m ³
Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations. ²	0



Our 37 run-of-river hydro

facilities temporarily divert water to generate electricity which is then returned to its natural source.

¹ Does not include water temporarily diverted for hydro power generation that is returned to its original water source.

² As defined in SASB reporting framework.

Managing Waste

Innergex promotes recycling and reuse throughout the organization. We have different systems in place to address the specifics at each of our operating sites as they vary from urban office environments to electricity generating facilities in the remote backcountry.

During construction, our Engineering, Procurement and Construction (EPC) contractors are required to provide waste management plans for recycling or disposal of waste in compliance with local, regional and federal regulations as well as Innergex procedures.

Although our facilities do not generate waste directly from their operation, we nonetheless have protocols in place to deal with typical waste generation (i.e. domestic garbage, recycling, metal scraps, used oil recycling). Operators at our facilities sort waste to be sent to recycling facilities or disposal depending on the geographic location and availability of services in that jurisdiction.

Our office staff also plays a role in reducing our environmental footprint. Each of our offices have recycling available and some have more comprehensive programs. Internal initiatives help communicate the importance of recycling and waste reduction initiatives such as a central recycling station that was implemented in 2019 in our Vancouver office. In an effort to reduce disposables, Innergex provided every office employee with a reusable glass lunch container in 2019 to transport food items thus cutting down on packaging waste.