



2018

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## SUSTAINABLE DEVELOPMENT REPORT

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## PEOPLE

Innergex Renewable Energy Inc. (“Innergex” or the “Corporation”) is an independent renewable power producer established in Canada, the United States, France and Chile. Supported by a strong and committed team of experts, Innergex develops, acquires, owns and operates hydroelectric facilities, wind farms and solar farms.

**INNERGEX**

Renewable Energy.  
Sustainable Development.

This past year was one of tremendous growth at Innergex. Our many accomplishments, expanding into new markets, pursuing promising development opportunities, diversifying our portfolio and increasing our consolidated output, would not have been achieved with the same level of success without the passion, commitment and expertise that our diverse and talented team brings with them everyday. They once again proved why it is our people that make the difference at Innergex.

On March 25, 2019, Innergex announced that an agreement has been reached to sell its wholly owned subsidiary Magma Energy Sweden A.B. which owns an equity interest of approximately 53.9% in HS Orka hf ("HS Orka"). The activities of HS Orka included two geothermal facilities, one hydro project in development and prospective projects in Iceland which are now treated as discontinued operations. As a result, they are not included in this document.

In 2018, we invested in Energía Llaima, an independent entity located in Chile. This corporation has an autonomous daily management. As a result, data for Chilean staff is not included in this document.

## WORKFORCE DATA

As at December 31

	2018			2017		
	Female	Male	TOTAL	Female	Male	TOTAL
<b>BY EMPLOYMENT TYPE</b>						
FULL-TIME	62	211	<b>273</b>	42	113	<b>155</b>
PART-TIME	15	9	<b>24</b>	--	4	<b>4</b>
<b>BY EMPLOYMENT CONTRACT</b>						
PERMANENT	72	213	<b>285</b>	39	111	<b>150</b>
TEMPORARY	5	7	<b>12</b>	3	6	<b>9</b>
<b>BY REGION</b>						
CANADA	72	202	<b>274</b>	40	109	<b>149</b>
USA	1	11	<b>12</b>	--	4	<b>4</b>
FRANCE	4	7	<b>11</b>	2	4	<b>6</b>
<b>TOTAL</b>	<b>77</b>	<b>220</b>	<b>297</b>	<b>42</b>	<b>117</b>	<b>159</b>

## OUR PEOPLE ARE OUR ADVANTAGE

Our employees personify hard work. They have proven that when you love what you are doing and strive to become better, everything around you becomes better as well. We are extremely proud of our team. It is one that carries out its daily duties with passion, perseverance and adaptability. Their collective knowledge, talent, abilities, experience and sound judgment have been, and will continue to be, the key to our long-term success.

## COMPENSATION AND BENEFITS

Innergex is focused on hiring for the long-term, providing career opportunities for employees to grow as the Corporation evolves. We consider the management of our human resources to be a long-term commitment focused on the collective success of the Corporation as a whole. We seek employees who share our culture and strong work ethic, and we offer them fair wages and generous benefits.

	Canada	United States	France
BASE SALARY	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
BONUS	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
LIFE INSURANCE	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
SHORT- AND LONG-TERM DISABILITY COVERAGE	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
EXTENDED HEALTH CARE	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
SICK DAYS AND PERSONAL DAYS	■ ■ ■ ■ ■	■ ■ ■ ■ ■	■ ■ ■ ■ ■
VACATION TIME BEYOND STATUTORY REQUIREMENTS	■ ■ ■ ■ ■	■ ■ ■ ■ ■	
GROUP REGISTERED RETIREMENT SAVINGS PLAN WITH EMPLOYER CONTRIBUTIONS	■ ■ ■ ■ ■	■ ■ ■ ■ ■	
EMPLOYEE SHARE PURCHASE PLAN	■ ■ ■ ■ ■		

■ Full-time employees ■ Fixed term employees with a contract of two years or more  
■ Part-time employees ■ Fixed-term employees with a contract of less than two years

## EMPLOYEE RETENTION

Innergex is proud of its ability to retain key talent. In 2018, 29 employees celebrated five, 10, 15 or 20 years of service with the Corporation. By offering fair wages, a generous benefits package, and opportunities to learn and grow, we are able to attract and retain skilled and passionate employees.

**In 2018, there were 44 employees with at least 10 years of tenure at Innergex.**

## TRAINING AND DEVELOPMENT

Innergex is committed to the continuous training and development of its employees in both job-related skills training and lifelong learning for personal development. Continued training opportunities enable our team to remain both current on internal policies and guidelines as well as keep abreast of emerging technologies.

We support an employee's initiative to pursue professional development opportunities. We also pay for employees' continuing education requirements pertaining to their professional designations. In some cases, we hire and train new employees to meet the qualification requirements of their position, as part of programs established with our local and Indigenous community partners to promote hiring within the community.

## AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

As at December 31

	2018			2017		
	Female	Male	COMBINED	Female	Male	COMBINED
MANAGEMENT TEAM <sup>1</sup>	20	28	<b>26</b>	13	12	<b>12</b>
OTHER MANAGEMENT POSITIONS	29	24	<b>26</b>	9	13	<b>12</b>
PROFESSIONALS	56	25	<b>32</b>	5	9	<b>8</b>
ADMINISTRATIVES	22	37	<b>25</b>	3	--	<b>3</b>
OPERATIONS <sup>2</sup>	3	24	<b>23</b>	n/a	41	<b>41</b>

<sup>1</sup> Management Team includes officers and senior directors.

<sup>2</sup> In 2017, there were no female in Operations.

We engage in a three-steps performance assessment process throughout the year: objective-setting, mid-year review and year-end assessment. This is an opportunity for managers and employees to discuss expectations and performance and it provides a valuable feedback process for employees to improve their performance and engagement and to pursue their professional development.

At the beginning of every year, all employees undergo an Annual Performance Assessment to review performance and career development. This aids the personal development of individual employees. It also contributes to skills management and to the development of human capital within the organization while enhancing employee satisfaction.

## DIVERSITY & EQUAL EMPLOYMENT OPPORTUNITIES

Innergex celebrates diversity and is committed to creating an inclusive, healthy and safe environment for all employees. Employment decisions are based on qualifications, merit and business need. We believe in the importance of protecting the human rights of individuals belonging to specific groups or minorities and make no discrimination on the basis of origin, race, religion, sex, ethnicity, nationality, social background, gender identity, sexual orientation, age, non-disqualifying physical or mental disability, trade union membership or activities, or any other basis covered by appropriate law. Diversity and inclusion among our team is essential to our success and we will continue to recruit the most skilled individuals from a diverse talent pool.

### GENDER DIVERSITY BY AGE GROUP

As at December 31

Age	2018			2017		
	Female	Male	TOTAL	Female	Male	TOTAL
30 AND UNDER	8	26	34	2	12	14
31 TO 50	52	144	196	32	71	103
51 AND OVER	17	50	67	8	34	42

### GENDER DIVERSITY IN MANAGEMENT

As at December 31

	2018		2017	
	Female	Male	Female	Male
OFFICERS	5	21	4	18
OTHER MANAGEMENT	26	47	12	24

## EQUAL REMUNERATION FOR WOMEN AND MEN

Innergex seeks employees who share our culture and strong work ethic and offer them fair wages and generous benefits. We have created a corporation-wide salary structure using a point-factor method that allows us to determine the appropriate salary bracket for each position within the Corporation, with the exception of officers whose compensation is determined by the Board of Directors. Within each bracket, we determine pay equity by taking into account additional factors, such as employees' seniority and education.

**In 2018, 25.9% of employees at Innergex were women.**

Factors that influence position of job classification include:

- Qualifications required – training, experience, skills
- Responsibilities assumed – accountability, responsibility, supervision
- Efforts required – intellectual, physical, concentration and sensory attention
- Working conditions – physical and psychological environment

In 2018, Innergex has experienced tremendous growth, completing seven acquisitions in total. We have nearly doubled our number of employees with the acquisitions. Consequently, the harmonization of the various compensation plans and employment categories, a colossal work, has not been completed as of today. When this effort is complete, we will be able to calculate the various Ratios of Pay Equity of Women to Men. We plan to integrate the 2018 Pay Equity Ratios of Women to Men into the 2019 report.

Innergex continues to believe in equal pay for work of equal value and will continue to work toward achieving the best ratio possible.

## HEALTH AND SAFETY

Due to the nature of our business, Innergex manages an extensive health and safety program that extends from the office environment to our facility operations. Our operations team conducts its work in challenging rural and remote areas throughout all weather conditions. Innergex's management system is comprised of 23 elements and modeled after the BS OHSAS 18001 Occupational Health and Safety Management standard. Employees are properly trained on Corporate standards and procedures and have all the tools and safety equipment they need to work safely. Innergex provides the training, support and follow-up that its employees need and offers indirect supervision via remote cameras, phone and email. Employees are also invited to take ownership of their own safety and take responsibility for applying prescribed measures and complying with internal standards and procedures. Innergex must trust its employees since it is not possible to directly supervise operators' work on a day-to-day basis.

With its management system, Innergex is able to control its health and safety environment, and proactively identify and mitigate risks to prevent injuries. All facility operators and on-site operations and maintenance employees have access to and are trained on the appropriate use of Personal Protective Equipment (PPE). Control measures are also in place to investigate incidents and near-misses and implement corrective actions to reduce the chances of a similar incident from re-occurring.

## RATES OF INJURY, OCCUPATIONAL DISEASE, LOST DAYS AND TOTAL NUMBER OF WORK-RELATED FATALITIES

As at December 31

	Injury Rate <sup>1</sup>		Occupational Disease Rate <sup>2</sup>		Lost Day Rate <sup>3</sup>		Work-Related Fatalities	
	2018	2017	2018	2017	2018	2017	2018	2017
OPERATORS	3.62	6.19	--	--	4.03	9.19	--	--
OFFICE EMPLOYEES	--	--	--	--	--	--	--	--

1 The injury rate is the number of injuries resulting in Medical aid and Loss time accident per 100 employees.

2 The occupational disease rate is the number of occupational diseases per 100 employees.

3 The lost day rate is the number of calendar days lost due to a work-related injury or disease per 100 employees.

Note: Numbers reflect only Innergex employees and contractors.

TARGET

Zero lost days injuries

When contractors are mandated to perform work on-site, Innergex makes sure that they go through health and safety orientation training allowing them to be made aware of the safety hazards likely present and to follow strict guidelines to ensure their safety at all times while on-site.

### EMERGENCY RESPONSE PLAN

As part of its Corporate Emergency Response Plan, Innergex has identified potential environmental, health and safety emergencies and has prepared response instructions relating to these potential emergencies. This Plan, as well as the Site-Specific Safety Plan, are available at each facility and in the offices as well as on Innergex's IT network. Our Operations, Health and Safety ("OHS") team works diligently to ensure the health and safety of all our employees through education, training, monitoring and one-on-site visits. Site operators are trained to react rapidly to emergencies. The plan is reviewed on an annual basis by management and updated accordingly.

### CODE OF CONDUCT

Innergex's Code of Conduct sets the standard and provides guidance as to our expectations for all employees, officers, consultants, members of the Board of Directors and others when representing the Corporation. Its purpose is to provide guidelines to ensure that Innergex's reputation for integrity and good corporate citizenship is maintained through adherence to high ethical standards, backed by open and honest relations among employees, shareholders, directors, officers, suppliers, host communities, partners and other stakeholders. Innergex revises and updates its Code of Conduct on a regular basis (most recent update completed November 2018) and provides copies and training sessions on its content each year to all employees and directors.

## POLICY ON HARRASSMENT

We strive to create and maintain a work environment in which people are free from threats, harassment, violence or bullying of any sort and are treated with dignity and respect. Therefore, we implemented a policy to address harassment, violence and bullying in the workplace that establishes clear rules for reporting and investigation procedures in relation to such matters and to promote compliance. This policy aims to ensure that Innergex team members will be treated in a fair and respectful manner at all times.

## ENVIRONMENT, HEALTH AND SAFETY

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 it operates and the health and safety of its employees, contractors and visitors. Our Environment, Health and Safety policy was revised in 2018.

## SAFEGUARDING HUMAN RIGHTS

Innergex is committed to respecting human rights in all aspects of its activities and irrespective of the geographical location where it conducts business. We require that all directors, management, employees, as well as third parties acting for or on behalf of the Corporation ("Innergex Team Members") comply with the requirements laid out in this statement in all aspects of our business including in procurement, decision-making, management and operations. When seeking to enter into an agreement for the supply of goods or services, Innergex Team Members should seek to obtain a commitment to comply with the terms of our Statement from their representatives. No violation of human rights will be tolerated by or within Innergex.

Our policy, which supports the principles contained within the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, acknowledges that we all have a responsibility and part to play in ensuring all stakeholders are treated with dignity and respect.

## UPHOLDING THE RIGHT TO COLLECTIVE BARGAINING

Innergex is committed to legal and regulatory compliance and recognizes its employees' right to the freedom of association and collective bargaining. To date, no employee has expressed the desire to join a union. Innergex also complies with applicable regulations and laws as well as industry standards in terms of hours of work. The Corporation upholds labour standards across its operations and value chains which includes a zero-tolerance policy on slavery, human trafficking and child labour.

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Sustainable Development.

[innergex.com](http://innergex.com)

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