2017

SUSTAINABLE DEVELOPMENT REPORT

ENVIRONMENT

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

Respecting the environment and balancing the best interests of its host communities, its partners, and its investors are at the heart of the Corporation's development strategy.

100% RENEWABLE ENERGY

INNERGEX

Renewable Energy.
Sustainable Development.

NUMBER OF FACILITIES

As of December 31

	2017				2014			
	Canada	US	France	TOTAL	Canada	US	France	TOTAL
HYDRO	30	1	--	**31**	25	1	--	**26**
WIND	7	--	15	**22**	6	--	--	**6**
SOLAR	1	--	--	**1**	1	--	--	**1**
TOTAL	**38**	**1**	**15**	**54**	**32**	**1**	**--**	**33**

GROSS INSTALLED CAPACITY

As of December 31

	2017				2014			
	Canada	US	France	TOTAL	Canada	US	France	TOTAL
HYDRO	722	10	--	**732**	537	10	--	**547**
WIND	764	--	317	**1,081**	614	--	--	**614**
SOLAR	33	--	--	**33**	33	--	--	**33**
TOTAL	**1,519**	**10**	**317**	**1,846**	**1,184**	**10**	**--**	**1,194**

CONSOLIDATED ENERGY OUTPUT (GWh)*

As of December 31

	2017				2014			
	Canada	US	France	TOTAL	Canada	US	France	TOTAL
HYDRO	2,738	37	--	**2,775**	2,200	45	--	**2,245**
WIND	1,159	--	420	**1,579**	677	--	--	**677**
SOLAR	40	--	--	**40**	40	--	--	**40**
TOTAL	**3,937**	**37**	**420**	**4,394**	**2,917**	**45**	**--**	**2,962**

* Production as reported in the Corporation's 2017 and 2014 Management Discussion & Analysis. Takes into account the full or proportionate consolidation of facilities and excludes the Umbata Falls (Canada) and Viger-Denonville (Canada) facilities treated as joint ventures under IFRS.

INNERGEX TRADES ON THE TORONTO STOCK EXCHANGE UNDER THE SYMBOL INE.

All data in this report are for the year ended December 31, 2017 and December 31, 2014. The data do not take into consideration the acquisitions completed in 2018, including the acquisition of Alterra Power Corp. on February 6; the acquisition of Ledcor Power Group's interest in three hydro facilities in British Columbia on May 15; the acquisition of the Phoebe solar project in the United States on July 2; the investment in Energía Llaima for a 50% ownership in Chile on July 3 which completed the Duqueco hydro project acquisition on July 5; and the acquisition of TransCanada's interest in the five Cartier wind farms in Quebec on October 24 or any other potential acquisitions subsequently.

LEADING THE TRANSITION TO A CARBON-FREE ECONOMY

CARBON EMISSION

Innergex is committed to producing energy exclusively from renewable energy sources. Therefore, **our product contributes to reducing greenhouse gas (GHG) emissions** in all countries where we operate.

In 2017, the electricity we produced was derived solely from renewable energy sources, **no significant amounts of GHG were emitted by our operations**.

The annual GHG emissions offset by Innergex's annual production of clean and renewable energy in 2017 was about 3,270,246 metric tonnes of CO_2, equivalent to removing 700,267 gasoline fuel cars from roads[1].

TARGET

Continue to produce electricity from renewable sources to contribute to GHG emissions reduction and meet climate change targets.

WATER

Our facilities **do not consume water** for industrial processes.

Our hydroelectricity facilities make non-consumptive use of water, they only temporarily divert a portion of the river's water-flow through the station to rotate one or more hydroelectric turbine-generator units to generate electricity. All diverted water is then returned to its original source.

Our wind and solar facilities do not require water to produce electricity. Water is only used one or two times a year at solar facilities to clean accumulated dust on the solar panels. The quantity of water used is considered negligible.

TARGET

Continue to produce energy from renewable sources contributing to reducing water consumption.

[1] Based on Innergex's 2017 total generation of 4,394,210,000 kWh and calculated through https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator.

ENERGY CONSUMPTION

Innergex uses 100% renewable energy to power its facilities, except in case of unplanned outage. A very small portion of the renewable electricity produced by each facility is used to operate lights and computer systems. Also, the Corporation's main offices are located in the provinces of Quebec and British Columbia and are connected to provincial power grids which produce electricity mainly from renewable sources. Therefore, almost 100% of the energy used by Innergex comes from renewable sources.

WASTE

Producing renewable energy from hydro, wind and solar sources does not generate waste. The electricity produced is distributed to consumers through the grid. However, maintenance activities produce a small amount of industrial waste and facility operators and office employees produce an average amount of domestic waste. Hazardous waste is stored and then collected by a third-party for proper disposal. Innergex participates in recycling programs in its offices and is currently implementing systematic procedures at each of our sites to manage domestic waste.

LANDS AND BIODIVERSITY

In developing its renewable energy projects, Innergex conducts rigorous environmental assessments that evaluate the possible impacts that a proposed project may have on the existing natural environment. These assessments include environmental, biodiversity, economic, social, health, historical/archeological and engineering considerations and require comprehensive studies completed by independent qualified professionals and typically involve several years of consultation with stakeholders.

Once construction of a project is completed, **Innergex returns any lands temporarily disturbed to their original condition**. Among the measures employed at our hydro, wind and solar facilities are land contouring, stabilization, and revegetation for which plant species selection provide insects and animals with the same food sources as prior to construction. Our hydroelectric projects in Canada must also avoid causing serious harm to fish and fish habitat. When a project is predicted to result in a loss of fish habitat, we build new and enhanced fish habitat to offset the loss.

Environmental monitoring typically occurs in the first years of operation of new facilities. The purpose of these studies is to confirm predictions made about project effects in the environmental impact assessment done prior to project construction. The scope of these studies varies somewhat depending on the governmental requirement of where the project is located, as well as based on the specific issues pertaining to each project.

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ENVIRONMENTAL MANAGEMENT SYSTEM

Innergex maintains an environmental management system for each of its operating renewable energy facilities. This system consists of a combination of standard procedures (for example management and prevention of environmental spills and waste management) as well as procedures that are unique to each facility. Innergex's approach is to view each facility as a stand-alone with specific environmental requirements that derive from permits and approvals pertinent to each facility. This may include, for example, procedures for water use and compliance, fish protection, or road usage at each hydro facility, and procedures for protection of birds, bats and other wildlife, as well as vegetation, at each wind energy facility. These procedures are overseen by an in-house environmental team, and site operations staff are trained to adhere and perform their tasks within these site-specific procedures.

EMERGENCY RESPONSE PLAN

As part of its Corporate Emergency Response Plan, Innergex has identified potential environmental and health and safety emergencies and has prepared response instructions relating to these potential emergencies. This Corporate Emergency Response 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. Site operators are trained to react rapidly to emergencies.

ENVIRONMENT, HEALTH AND SAFETY

Innergex is committed 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. We strive to minimize the impacts of our operations on the environment and provide safe work conditions for our employees. In this regard, we adopted an Environment, Health and Safety Policy.

SUSTAINABLE DEVELOPMENT

Innergex's mission is to increase our production of renewable energy by developing and operating high quality facilities while respecting the environment and balancing the best interest of our host communities, our partners and our investors. At Innergex, we believe that the three pillars of sustainability – environmental protection, social development and economic development – are mutually reinforcing. Innergex has adopted a 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.

PRODUCT CERTIFIED FOR REDUCED ENVIRONMENTAL IMPACT. VIEW SPECIFIC ATTRIBUTES EVALUATED: UL.COM/EL CCD 003

ECOLOGO® CERTIFICATION

We have applied for and received ECOLOGO® Certification for Renewable Low-Impact Electricity Products for 15 of Innergex's hydroelectric facilities and wind farms in Canada. This certification attests to each project's reduced environmental impact and potential benefits, including low net greenhouse gas emissions, limited depletion of non-renewable resources, reduced emissions of other pollutants and reduced impacts on aquatic, riparian, and terrestrial ecosystems and species.