



2017

SUSTAINABLE DEVELOPMENT REPORT

GOVERNANCE

Innergex Renewable Energy Inc. (“Innergex” or the “Corporation”) is a renewable power producer incorporated under the Canada Business Corporations Act. Its shares are listed on the Toronto Stock Exchange under the symbols INE, INE.PR.A and INE.PR.C, and its convertible debentures are listed under the symbols INE DB.A and INE.DB.B.

Established in Canada, the United States, France, Iceland and Chile, the Corporation is governed by an experienced and knowledgeable board of directors.

INNERGEX

Renewable Energy.
Sustainable Development.

WHEN ETHICS AND INTEGRITY GOVERN

The primary stewardship responsibility of the Board of Directors is to ensure Innergex's viability. Its mandate is to oversee the management of the business and affairs of the Corporation with a view to evaluating, on an ongoing basis, whether its resources are being managed in a manner consistent with shareholder value enhancement, ethical considerations, and stakeholders' interests. The Board considers sustainability matters to be an integral part of its duties.

INNERGEX RENEWABLE ENERGY INC. POLICIES

- Shareholder Engagement Policy
- Environment, Health and Safety Policy
- Information Disclosure Policy
- Insider Trading Policy
- Majority Vote Policy
- Policy Regarding Minimum Shareholding by Directors and Officers
- Sustainable Development Policy
- Whistle-Blowing Policy
- Workplace Environment Free of Harassment, Violence and Bullying Policy
- Code of Conduct
- Statement of Principle on the Safeguard and Promotion of Human Rights
- Executive Incentive Compensation Recoupment Policy
- Policy regarding Board Diversity
- Anti-Corruption and Anti-Bribery Guidelines

PREVENTING CORRUPTION

Achieving high standards of ethical behaviour at Innergex means that neither an employee, director, board member or third party acting on its behalf will engage, directly or indirectly, in bribery, kick-backs, payoffs or other fraudulent business practices. The [Anti-Corruption and Anti-Bribery Guidelines](#) outline the rules in place to ensure team members act in accordance with Innergex's core values and expectations while complying with applicable anti-bribery or anti-corruption laws. The use of Corporation's funds or assets, as well as the use of personal funds or assets, for any unlawful, improper, or unethical purpose is strictly prohibited. This includes the giving or receiving of gifts, entertainment or charitable donations; relations with public officials; and the conduct of third-party representatives. These guidelines are reviewed every year by the Board of Directors of Innergex.

BOARD COMPOSITION

As of November 2, 2018

	Female	Male	TOTAL
INDEPENDENT MEMBERS	2	5	7
NON-INDEPENDENT MEMBER	--	1*	1
TOTAL	2	6	8
AVERAGE AGE	54.0	62.6	60.5

* The only non-independent member is the President and Chief Executive Officer of the Corporation.

Director independence is determined within the meaning of the Canadian Securities Administrators' Regulation 58-101 – Respecting Disclosure of Corporate Governance Practices. The Chair of the Board of Directors is independent.

WHISTLE-BLOWING POLICY

This [Policy](#) establishes principles and guidance for current and former employees and board members to communicate events of serious concerns about the Corporation. In 2017 Innergex instituted EthicsPoint, a comprehensive and confidential reporting tool to communicate issues and concerns associated with unethical or illegal activities safely and honestly with the management or the Board of Directors while maintaining anonymity and confidentiality.

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 on November 2018) and provides copies and training sessions on its content each year to its employees.

The Innergex Board of Directors, a group made up of seven independent members and one non-independent member, is charged with shaping the direction of the Corporation. Environmental, Social and Governance (ESG) standards have been integrated in the decision-making process to better manage risk and generate sustainable, long-term returns.

LEADING WITH EXPERIENCE

The eight members of the Board bring a long list of professional and wide-ranging skills and experience to oversee the business and the growth of the Corporation, guide Management and properly manage the risks the Corporation is facing. For a complete list of skills and experience of our Board composition please refer to the Skills Matrix in our latest Information Circular.

BOARD COMMITTEES — ROLES AND RESPONSIBILITIES

Charter of the Corporate Governance Committee's primary responsibility is to submit to the full Board recommendations concerning corporate governance, board assessment and, together with the Chairman of the Board, the selection of nominees for election to the Board. The Committee's role is to develop a set of corporate governance documents, including code of conduct, policies and procedures; assess the Corporation's governance; identify, recruit and recommend nominees for election as directors to the Board; and oversee the assessment of the Board and its Committees, and review the Board and its Committees' compensation.

Charter of the Audit Committee's responsibilities include maintaining a relationship with the external auditor; overseeing financial information and public disclosures; complaints regarding auditing matters; hiring policies; succession planning; and review and assess management's program of risk assessment. The role of the Committee is to oversee the compliance of the Corporation with respect to applicable governmental and authorities' legislation and regulation pertaining to financial information disclosure; adequacy of the accounting principles and decisions regarding the presentation of financial statements; fair presentation of the Corporation's financial situation in its quarterly and annual financial statements; timely disclosure of relevant information to shareholders and to the general public; and implementation of efficient internal controls for all of the Corporation's transactions and review of such controls on a regular basis.

Charter of the Human Resources Committee's primary responsibility is to submit to the full Board recommendations concerning directors and executives compensation and compensation plan matters. The role of the Committee is to oversee the senior management compensation policies and practices; supervise the succession planning process for the senior management team; and assess the overall strategy with respect to human capital management.





SUCCESSION PLANNING

The Human Resources Committee oversees Management's succession planning. At least once a year, the Human Resources Committee reviews the progress, examines any gaps in the succession plan, reviews the development plan of each identified potential successor as well as the different scenarios to efficiently address any emergency replacement events. The Human Resources Committee meets at least once a year with the President and Chief Executive Officer and other officers to review the succession plan and identify the development needs of qualified internal candidates for filling potential future openings in key positions.

MAJORITY VOTING POLICY

The Board has adopted a written Majority Voting Policy providing that, in an election of directors, any nominee who receives a greater number of votes withheld than votes in favour of their election must tender their resignation to the Board immediately following the shareholders meeting. Under this policy, the Board shall accept the resignation absent exceptional circumstances. It will make its final decision of whether or not to accept the resignation and announce such decision in a press release within ninety (90) days following the shareholders meeting. If the Board declines to accept the resignation, a press release will fully state the reasons for that decision. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered. The policy does not apply in circumstances involving contested director elections.

SUSTAINABLE DEVELOPMENT POLICY

At Innergex, we believe that the three pillars of sustainability – economic development, social development and environmental protection – are mutually reinforcing. In conducting our business we strive to achieve a balance between economic, social and environmental considerations and we commit to plan, decide, manage, and operate through the lens of sustainable development. We recognize this to be a continuous improvement process, rooted in transparency of our objectives, actions, and results. Innergex is committed to following a clear set of outlined key principles in order to provide a solution to the energy challenges of both today and tomorrow, to protect the environment while optimizing the use of natural resources to produce electricity, and to earn and sustain its social acceptability. This Policy articulates Innergex's commitment to integrating sustainable development considerations in all aspects of its business, including its strategic planning, decision-making, management, and operations.



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