



The Power of Connection

Sustainability Report

2020





About this report

Northland Power Inc. (Northland, or the Company) is proud to present its 4th annual sustainability report.

Our understanding of the global need to transition to a lower carbon economy and recognizing the opportunities associated with this transition have played an instrumental role in the success of Northland's business activities in 2020, despite the significant disruption to the global economy. The demand for renewable energy continues to rise as a result of the growing recognition of the adverse effects of climate change from fossil fuels and the increased adoption of renewable energy policies and targets. We are well positioned to be a part of this transition and have the skills, capability and track record to create new development opportunities to aid in our purpose of developing a carbon free world.

This Sustainability Report has been designed to inform our stakeholders about our overall Environmental, Social and Governance (ESG) focus and performance. We invite comments and dialogue by contacting us at sustainability@northlandpower.com.

Reporting boundaries

This report contains information and data covering the calendar year ended **December 31, 2020**, with comparative information for the year ended December 31, 2019.

All ESG key performance indicators (**KPIs**) are measured using an **operational control approach**, except for specific KPIs related to Health and Safety, where we have full authority to introduce and implement operating policies. The information and data in this report account for the direct effects of all material components of Northland's global activities, except where otherwise noted. Direct effects are those that Northland causes or contributes to through its direct activities and exclude the indirect effects of the activities of our suppliers and other business partners.

This report has been prepared in accordance with the Global Reporting Initiative (**GRI**) Standards: Core option and in alignment with the Sustainability Accounting Standards Board (**SASB**) recommendations.

Accessibility

This report is compliant with the Accessibility for Ontarians with Disabilities Act (**AODA**).

Assurance

Northland received a limited level verification, performed by GHD, over our Scope 1 and 2 GHG emissions inventory as well as select health and safety indicators. The verification statement can be found [here](#).



Assured indicators are denoted throughout the report with this symbol.



We have marked our policies, milestones and accomplishments with the relevant applicable United Nations Sustainable Development Goals (**UN SDGs**) throughout the report.

Frameworks used

This report is informed by the GRI Standards and SASB guidance. We have also committed to align this report with the recommendations from the Task Force on Climate-Related Financial Disclosures (**TCFD**) in 2022. Finally, our actions across the organization also promote the achievement of as many UN Sustainable Development Goals (**UN SDGs**) as appropriate for our industry and operations.

Refer to the ESG KPI Index on pages [34-52](#) for detailed information on our material KPIs and the relevant GRI and SASB indicators.

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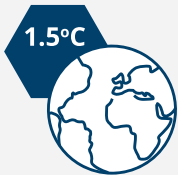
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A world of opportunity

Sustainability and the demand for clean energy are fundamental to the future of our planet and its people.

Business

The challenge:



To meet the Paris Agreement target of a 1.5°C warming world, most businesses will have to meet net zero targets by 2050.

The opportunity:



To meet these targets, companies need to fundamentally change how they do business, starting with how they power their operations.

As a result, there will be an important increase in the demand for reliable and highly efficient renewable energy.

Community

The challenge:



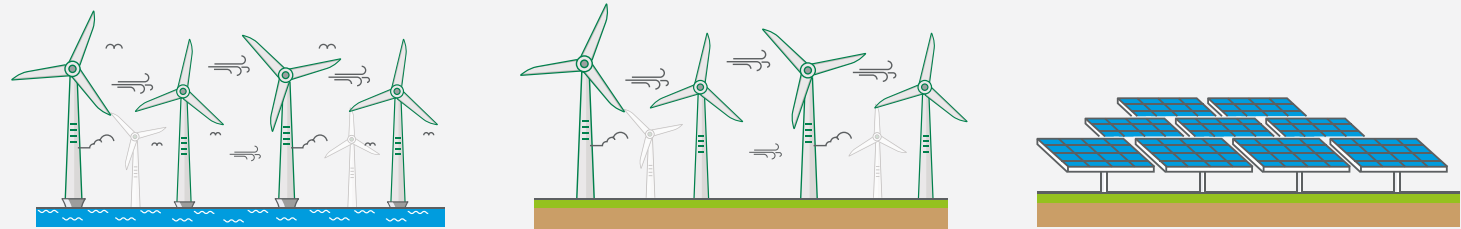
The transition to a low-carbon economy will mean disruption and challenges to the accessibility of reliable, affordable energy for communities.

The opportunity:



Energy companies are uniquely positioned to offer meaningful investment to support basic human needs and create economic opportunities for communities through innovative renewable energy project development.





In developing a carbon-free world, Northland is part of the solution.

Ensuring a sustainable solution to climate challenges has been a key focus for Northland throughout its entire 33 year history and continues to be a fundamental driver of our business going forward.

As a renewable energy company, Northland is supporting government goals by providing reliable and accessible low-carbon energy to communities and businesses around the world.

With our global portfolio of renewable operating assets and a significant development pipeline of renewable projects, anchored by offshore wind, Northland is well-positioned to seize the significant opportunities presented by the transition to a low-carbon economy.

We are committed to delivering on our objectives as a global leader in the development of green energy, safeguarding our environment, supporting our local communities and building lasting partnerships.

Our sustainability mission of developing a carbon-free world will be met by growing our global portfolio of green energy projects.

ESG Framework

In 2020, Northland undertook enhancements to its overall ESG strategy, which led to the establishment of the ESG Steering Committee and the development and launch of our ESG Framework. Our ESG Framework is driven by the mission to develop a carbon-free world and includes four pillars, identified on the right: "Our Planet, People, Community and Business. This mission is built on our strategy to focus on the long-term sustainability of our business and cash-flows. Although resting across four pillars, it is understood that the elements are interconnected and dependent on one another and that each pillar of our framework must be considered in our overall growth strategy.

Our four ESG pillars have objectives addressing specific material issues for our stakeholders and our business. For details on our process for determining material issues and goals please see our [Materiality Assessment](#).



Our ESG Steering Committee has oversight of Northland's ESG strategy and programs. The ESG Steering Committee is led by the CEO and CFO and comprises 9 core members and 14 subject matter experts across multiple functions within the Company.

The Committee's mandate is to set the Company's general strategy and overall priorities with respect to ESG matters, and to consider, recommend and ensure consistency of appropriate policies, practices and disclosures. It also oversees ESG-related communications to all stakeholders and monitors trends and stakeholder concerns relating to ESG matters.

The Committee works collaboratively with our regional offices and Health, Safety and Environment (**HSE**) leaders across the organization to develop strategies and action plans to integrate this framework, effectively report on our performance and work towards achieving and exceeding our goals. The committee is also accountable to the Board of Directors of Northland Power and provides regular updates to this governing body.



Our Planet

Decarbonization and proactive environmental management

- Leading and innovating in the decarbonization shift
- Harnessing climate change opportunities through the ownership and development of renewable energy projects
- Managing our planet's shared resources



Our People

A safe, healthy, inspired and empowered workforce

- Upholding the highest standards of safety and prioritizing the health and well-being of our people, contractors and other stakeholders
- Ensuring our people feel respected, included and empowered to contribute to the advancement, growth and success of Northland
- Developing programs and initiatives to inspire, train and grow our workforce



Our Community

A positive and contributing community partner

- Developing strong relationships with our local and Indigenous communities
- Creating and contributing to socio-economic value and positive impacts



Our Business

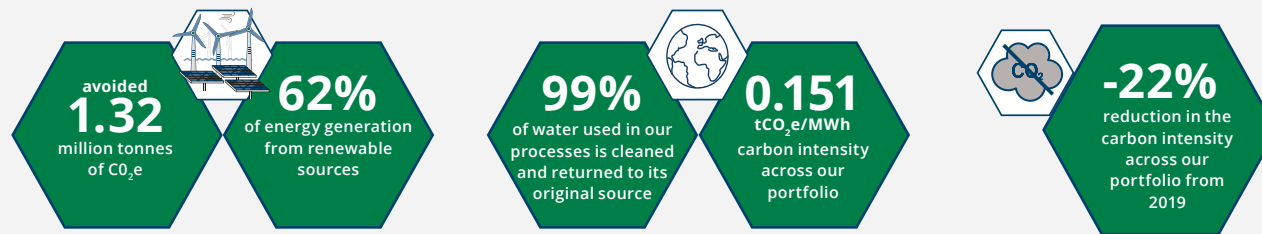
Responsible and transparent governance and long-term value creation

- Creating long-term value for all stakeholders
- Managing risk through accountable, ethical and transparent governance frameworks

2020 ESG highlights

In 2020, we were able to make significant impact across all four pillars. Overarching highlights include:

- Closed the acquisition of Empresa de Energía de Boyacá (**EBSA**), our Colombian utility, in early January 2020 to support business sustainability and the growth of our renewable energy portfolio in Latin America
- Achieved full project completion of our 252 megawatt (**MW**) offshore wind farm Deutsche Bucht
- Acquired a portfolio of onshore wind projects in New York State with a production capacity of approximately 300 MW, once developed
- Created over 10 site-level ESG action plans across the organization with a focus on creating positive impacts across all four pillars of our ESG Framework



The power of connection

A message from Mike Crawley, President and CEO

As I write this letter, the world continues to manage the unprecedented health and economic effects of the COVID-19 pandemic. This past year has had a significant impact on the health and well-being of our people, our families and our communities and materially transformed the way we work and live. Our thoughts are with those that have been ill or suffered losses during this time.

Although 2020 was a year filled with immense challenges, it also presented incredible opportunities for organizations to fundamentally rethink the way they do business and demonstrate their sustainable purpose. For the green and renewable energy sectors as a whole and Northland in particular, this has meant understanding the important role of green, reliable energy in supporting our communities. Throughout this year we saw new projects in new jurisdictions come to life, helping us to support local communities both economically and through COVID relief efforts. This crisis has

highlighted the interconnectedness of our environmental, social and economic systems and how co-operation and collaboration among all stakeholders is critical to recovery. If anything, this past year has shown us the true importance of sustainability, resilience and the power of connection.

Although there is no way to change the difficulties experienced in the last year, we remain committed to continued support of our stakeholders through our actions and activities.

Ensuring the health and safety of our stakeholders

Our commitment to sustainability goes beyond our assets and facilities to include sound management of our economic initiatives and business practices and upholding our social responsibilities to our communities and workforce.

In response to the COVID-19 pandemic, we convened our crisis response team and activated crisis response plans across our global operations. Our top priority was the safety and well-being of our employees and contractors and of the communities where we build and operate. With safety at the core of Northland's values, we responded quickly to protect our more than 1,000 employees located in offices, sites and operating facilities across ten countries on four continents.

As an essential service, our facilities and job sites remained fully functional during the pandemic and we implemented measures to ensure a safe working environment. Everyone who was not needed on site at facilities and construction projects transitioned to remote work

and we hosted frequent virtual town halls, training sessions and interactive activities to ensure employees felt connected and supported.

We continue to adapt and enhance our strategy based on best practices to manage employee and contractor health and safety risks and limit business interruption. Fortunately, Northland's global footprint provided the opportunity to learn from the many regions where we have a presence. For example, our Taiwan offices, which had early exposure to the pandemic, implemented safety protocols in January 2020 to mitigate risks.

Our strategy includes mandatory face coverings, an extensive contact tracing protocol to ensure rapid isolation and response, local incident response teams, significant reduction in business travel and increased manager responsibility for employee health and safety.

We also supported our community, providing over \$750,000 in donations to local organizations supporting the communities where we work.

Providing reliable green energy

Northland started out as a pioneer in the Canadian green independent power sector, building up a portfolio of high-quality assets in Canada helping to transition provinces away from coal. We have since dramatically accelerated our growth and our renewable generation capacity by expanding into European offshore wind, and have experienced firsthand the enormous potential of offshore wind. Now, as a global developer with extensive offshore wind expertise and an estimated 7 GW of capacity comprising our current operating assets and identified development projects, we are strategically positioned to further accelerate the global transition to a low-carbon future.

We are committed to providing reliable green energy that enhances people's lives, while caring for each other and for the earth. Our efforts are focused on creating sustainable strategies that reduce our carbon footprint through renewable energy development, protecting wildlife, maintaining environmental compliance and restoring habitats to build a cleaner and greener future.

Integrating sustainability throughout our business

Our four ESG pillars - our people, our planet, our community and our business - form the foundation of our

ESG framework and are derived from our corporate mission and values. Sustainability is incorporated into the way we approach decision-making and is integrated into everyday activities. We understand that sustainability is good for our world and also looks to enhance the long-term viability of our business and cash flows.

Although sustainability has always been fundamental to Northland's approach to growth, in 2020 we set objectives and targets for ourselves, including committing to a 65% reduction in our own carbon intensity levels by 2030. Part of our commitment to achieving this objective is the decision to not deploy any new capital into gas-fired generation and, therefore, growth elsewhere will reduce the relevance of these assets to Northland.

We are proud of what we do and how we do it. These initiatives are just the first steps in our sustainability strategy and are designed to foster a culture where our employees balance the need to conduct business with the need to respect our environment and communities. As a first step in this demonstration we have made the top level of governance of our company accountable by incorporating ESG metrics into our Corporate Performance Scorecard.

This year we also worked on improving our reporting across our reporting vehicles and aligning ourselves more intentionally with Global Reporting Standards (**GRI**, **SASB** and **TCFD**) and the United Nations Sustainable Development Goals.

Developing a carbon-free world

As I look ahead to 2030, I see remarkable change. The global transition to renewable energy is expected to accelerate as decarbonization efforts by governments and businesses increase. Our collective actions can have an enormous impact when we work together to find solutions. In response to this, I see a much larger and far more diversified Northland with renewable assets across Asia, Europe and the Americas. Carbon is offset by projects that are created, not only those

that are acquired and our investments in renewable power will continue to reduce global carbon intensity.

Finally, I would like to acknowledge and thank our employees whose professionalism and commitment to our business has been exceptional during these challenging times. We know that, as an essential service, Northland has a responsibility to continue to produce and provide energy under the most difficult circumstances. Our teams stepped up to ensure that our facilities continued to operate safely and with high availability, delivering the energy and power that our customers need.

As we look to 2021, we will continue to power connection in the development of a carbon-free world.



Mike Crawley
President and
Chief Executive Officer

Northland at a glance

Our company

Northland Power Inc. is a global power producer dedicated to helping the clean energy transition by producing electricity from clean renewable resources. Founded in 1987, Northland has a long history of developing, building, owning and operating clean and green power infrastructure assets and is a Top 10 global leader in offshore wind. Northland owns and manages a diversified generation mix primarily comprising offshore and onshore wind, solar and efficient natural gas, and distributes electricity through a regulated utility. Headquartered in Toronto, Canada, we have regional development and facility offices in Canada, Colombia, Germany, Japan, Mexico, the Netherlands, South Korea, Taiwan, the United Kingdom and the United States.

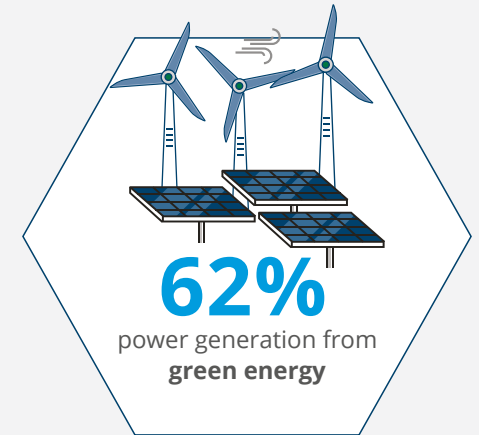
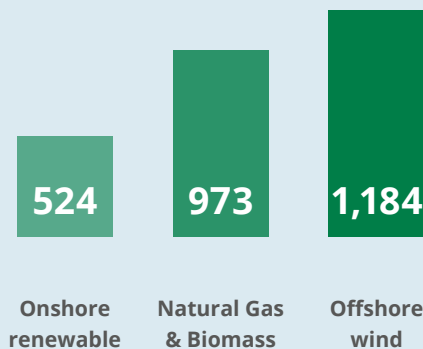
Publicly traded since 1997, we are listed on the Toronto Stock Exchange (TSX:NPI).

Our business strategy

Our business strategy is centred on establishing a significant global presence as a green power provider. We aim to increase shareholder value by leveraging our expertise and early mover advantage in relevant markets to create and operate high-quality, sustainable projects supported by revenue contracts that deliver predictable cash flows.

Gross capacity by asset class

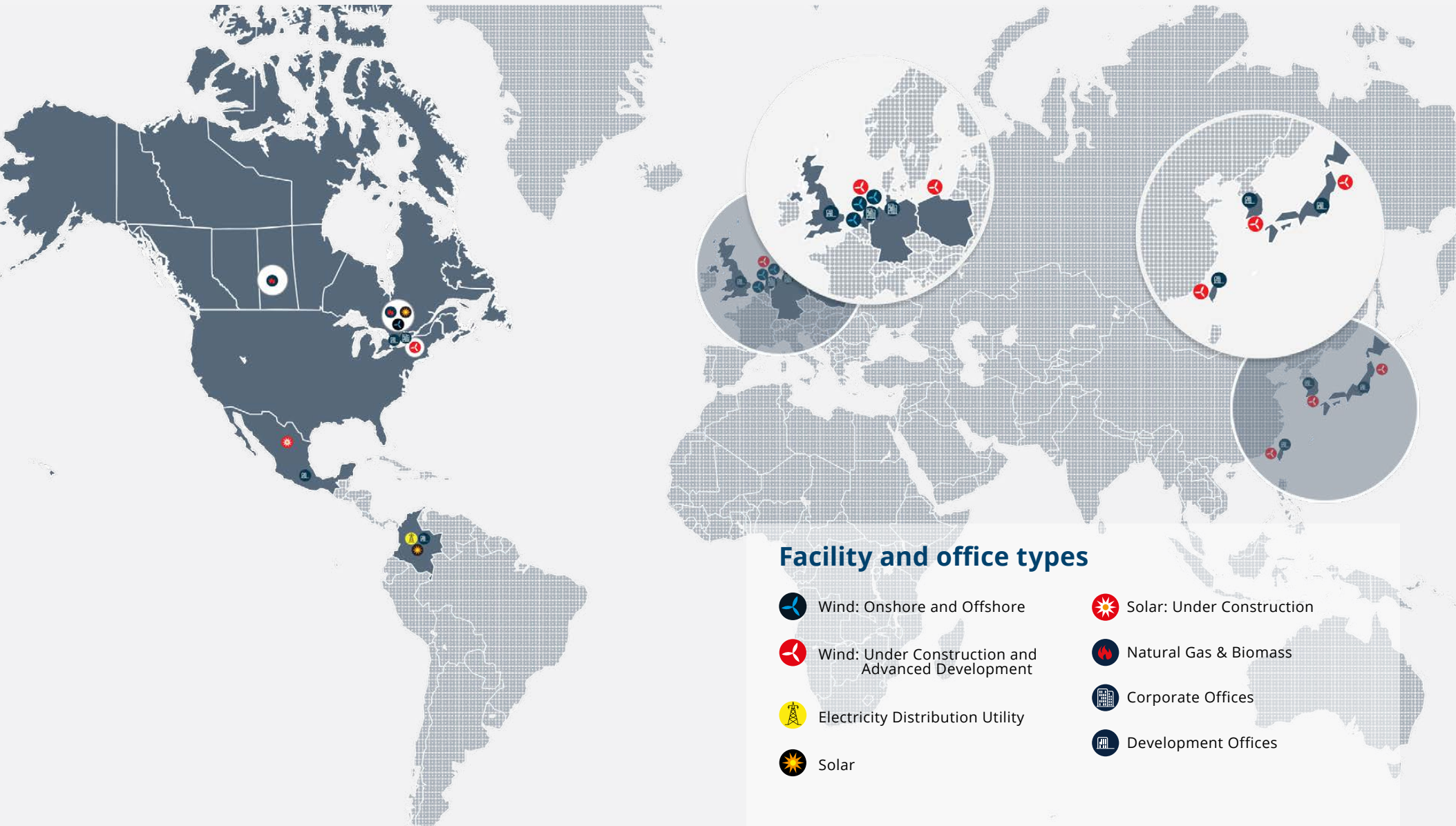
all units in MW



Capacity/pipeline

Northland owns or has an economic interest in 2.7 gigawatts (**GW**) of gross operating generation capacity and a significant inventory of early stage development opportunities, encompassing 4-5 GW of renewable capacity.

Our global footprint



Our Planet

Priority focus:

- Greenhouse gas emissions
- Waste management
- Water management
- Biodiversity

Targets:

- Reduce electricity generation carbon intensity by 65% by 2030 from 2019 levels
- Increase gross renewable energy capacity by 4–5 GW by 2030 from 2019 levels

UN SDGs:



Decarbonization and proactive environmental management

At Northland, we have made the global transition toward a low-carbon economy a significant focus of our ESG efforts. As producers and providers of low-carbon electricity, we actively seek and explore new opportunities around the world to meet the global demand for renewable energy. We also take great care to be responsible stewards of the planet and protect the environment and ecosystems in the communities where we operate. From new construction to ongoing operations at each of our facilities, we carefully maintain environmental standards, efficiently manage resources, such as waste, water, and land, and work to enhance and support increased biodiversity.

GHG by source

	Scope 1		Scope 2
	Energy Generation	Operations	
Offshore Wind	 0 t CO ₂ e	 16,284 t CO ₂ e	 3,624 t CO ₂ e
Onshore Renewables	 0 t CO ₂ e	 343 t CO ₂ e	 74 t CO ₂ e
Natural Gas and Biomass	 1,685 t CO ₂ e ¹	 2,835 t CO ₂ e	 7,168 t CO ₂ e
	 1,347,584 t CO ₂ e		
	Total 1,349,269 t CO ₂ e		
EBSA		 277 t CO ₂ e	 8,038 t CO ₂ e
Northland Offices		 Offices 75 t CO ₂ e	 Offices 304 t CO ₂ e

(1) As per the GHG Protocol, only biogenic CH₄ and N₂O are included in the GHG inventory.

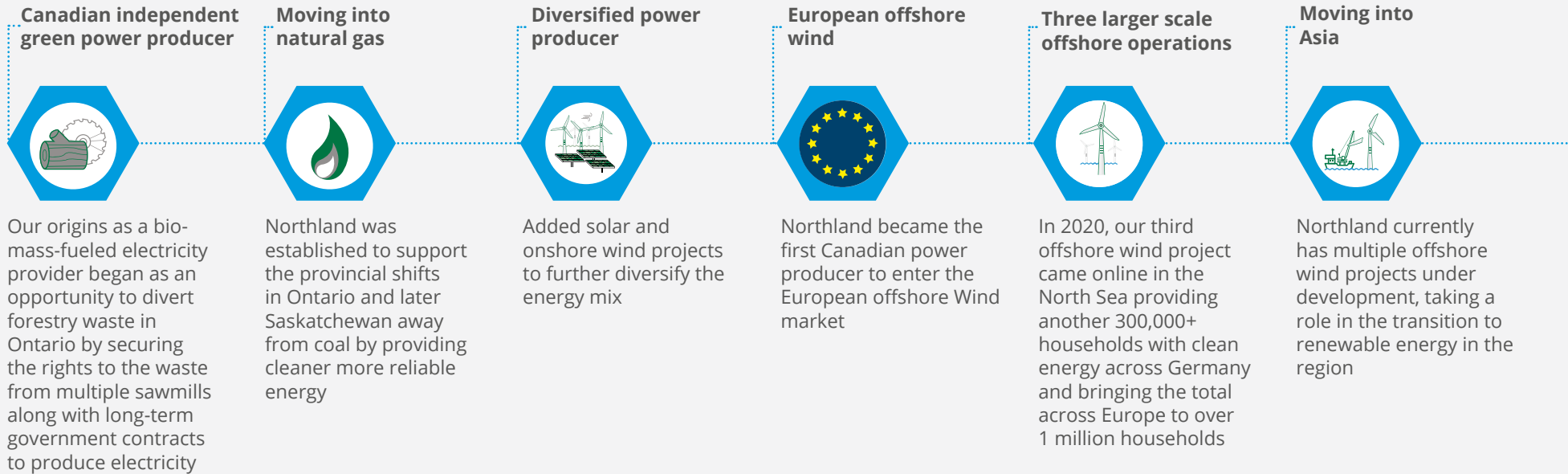
Leading and innovating in the decarbonization shift

We recognize that there are short- and long-term steps toward decarbonization, and on that pathway, we must continue to create value for shareholders and effectively execute our business strategy.

Our origins as a biomass-fueled electricity provider began as an opportunity to divert forestry waste in Ontario by securing the rights to the waste from multiple sawmills along with long-term government contracts to produce electricity from the biomass product. Similarly, our development and operation of natural gas assets arose from a need for cleaner reliable energy for Ontario and Saskatchewan as these provinces moved away from coal. Looking forward, we expect to transition some of our natural gas facilities to more capacity-focused contracts (from production-focused contracts) to further leverage our existing assets to support the transition to a low-carbon economy.

Our strategic focus is to operate our facilities as efficiently as possible and reduce the effects of our operations on the climate, while continuing to grow our renewable generation capacity. We monitor all our operating facilities and offices to quantify GHG emissions sources.

Evolution of Northland's green infrastructure



Our Planet



Target: We aim to reduce our electricity generation carbon intensity by 65% by 2030 from 2019 levels.

Travel and carbon offsets

Though business travel was severely restricted in 2020 due to the COVID pandemic, we continued the carbon offset program that we started in 2019, balancing emissions from corporate business travel. By purchasing Verified Gold Standard credits from offset provider **Less Emissions**, we can support significant Canadian and international projects that reduce or avoid GHG emissions in our areas of operation. Our credits in 2020 allowed us to offset 156 metric tonnes of CO₂e. We plan to continue this carbon-neutral travel indefinitely.

GHG emissions

GHG emissions type	2020	2019	Difference
Scope 1 <input checked="" type="checkbox"/>	1,369,083 t CO ₂ e	1,686,511 t CO ₂ e	-19%
Scope 2 - Location-based <input checked="" type="checkbox"/>	19,208 t CO ₂ e	Not reported	N/A
Carbon Intensity	0.151 t CO ₂ e/MWh (Scope 1 and 2)	0.190 t CO ₂ e/MWh (Scope 1)	-22%

Our Scope 1 GHG emissions have decreased significantly compared to 2019 (by 19%), with a 1% increase in generation, due to our Thorold facility changing to capacity-focused contracts, reducing the natural gas required to meet Northland's contract obligations, as well as a return to a more normal weather pattern after a cold winter in 2019. As a result, our carbon intensity (Scope 1 and 2 emissions per kWh generated) also decreased by 22%.

Our focus on climate change

Climate change, which is increasing the likelihood of unexpected, severe and more frequent weather-related natural disasters such as severe storms, droughts and water stress, heat waves, forest fires, rising temperatures and changing precipitation patterns, presents both opportunities and risks to Northland. These risks are managed through our Enterprise Risk Management (**ERM**) program (see [risk management](#) section). Northland recognizes the long-term importance of sustainability and the role of renewable energy in counteracting climate change and is focused on increasing the capacity of its renewable asset portfolio in response to the threat of climate change.



Opportunities



Reputational advantage

Our business model has and is expected to continue to attract and retain top talent due to employees' growing preference to work for companies whose actions and strategies align with their own beliefs. Northland's sustainability focus provides an advantage in the competition for top talent at all levels of the organization. Similarly, Northland benefits from its positive brand image and reputation when seeking new business partners, exploring new jurisdictions and obtaining regulatory approvals.



Greater access to capital

Northland expects to benefit from increasing capital allocations by large institutional investors to companies pursuing environmentally sustainable business models. Our current shareholder base includes large institutional investors and ESG-focused investors that have found Northland to meet their investment criteria. We also intend to leverage green financial products to raise capital.





New business opportunities

Northland continues to identify new business opportunities due to continued interest and growth in clean and renewable power technologies as well as increased investment by public and private entities in the sector. For example, many commercial and industrial entities are partnering with sustainable power producers to meet GHG emissions targets. Such partnerships and capital investments are expected to lead to enhanced performance and reliability and/or reduced operating costs, improving Northland's operating and financial results.

Risks



Increased variability of results

Climate change may increase the variability of renewable resources, resulting in higher variability of electricity production and financial results, across all time horizons. Under a high emissions scenario, in the long-term, the potential for increased variability in wind speeds in areas we currently operate presents a performance and operating risk. The effects of climate change and severe weather events may also change energy demand patterns and market prices in the regions where Northland operates, to our benefit or detriment.

Our current growth strategy ensures we have diversified energy sources to account for this risk.



Regulatory compliance

With the growing scrutiny of environmental impacts of business activities, we face the risk of increased costs for regulatory compliance such as carbon pricing programs for efficient natural gas facilities, maintenance of air and water quality standards, limiting greenhouse gas emissions and costs of compliance during the construction phase. Climate change related compliance requirements did not have a significant financial or operational impact on Northland's earnings or capital expenditures in 2020.

To address this risk, we continually monitor global regulatory developments and act to manage the related financial and business risks associated with our activities.



Acute and chronic effect on physical assets

Northland's facilities and projects are exposed to climate change related hazards, including extreme temperatures, precipitation, flooding and wind. These hazards can cause downtime, construction delays, production losses and/or damage to equipment and can also cause disruptions to our value chain including suppliers, operations and maintenance crews having limited ability to access disabled equipment to deliver parts and provide services.

We are aware of these risks and, as part of our ERM process, measure and manage these risks. As weather and climate patterns change and the risks due to climate hazards increase, we continue to be prepared for the impacts of climate change with routine inspections and regular maintenance.



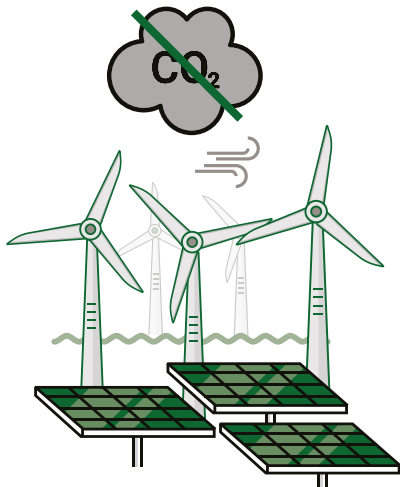
Harnessing climate opportunities through the ownership and development of renewable energy projects

Developing reliable, high quality and efficient renewable energy projects is our continuous focus and what we do best. We have been able to do so by leveraging our expertise and early-mover advantage to secure, develop and operate high-quality renewable projects with long-term revenue projects. As a global developer with extensive expertise in developing offshore wind projects, Northland is strategically positioned as a top ten global offshore wind owner and developer to participate in the decarbonization of global electricity grids that will occur over the next five to ten years. Projects such as those in our pipeline in Europe and Asia will be critical to our growth and to achieving our mission of developing a carbon-free world.



Target: By 2030, we aim to increase gross renewable energy capacity by at least 4-5 GW from 2019 levels.

Our renewable facilities help
**avoid 1.32 million tonnes
of CO₂e**



Equivalent to taking
**287,000 cars off the
road for a year**



Our focus on offshore wind

Wind energy as a source of electricity is growing in use globally and is an efficient means to reduce reliance on fossil fuels for our power needs. According to IEA's Offshore Wind Outlook (2019), Offshore wind is projected to grow significantly over the next two decades as new markets open around the world. Offshore Wind is also uniquely able to help de-carbonize grids in countries and regions with limited land availability for onshore renewables. Our offshore wind expertise and talent will be a key asset both in developing new projects and in securing new partnerships, such as the recently announced partnership with PKN ORLEN on the Baltic Power offshore wind project in Poland. We currently have over **1.2 GW of gross offshore wind operating capacity** and an additional **4-5 GW of gross capacity of identified projects under development**. Our current portfolio and pipeline of projects are working towards helping to support the decarbonization of carbon intensive grids such as those in Taiwan and Poland.

In 2020, we moved 5% closer to our renewable energy capacity target when we reached commercial operations on our 252 MW Deutsche Bucht offshore wind project in the North Sea. Deutsche Bucht is expected to provide enough power to meet the needs of approximately 300,000 German households while avoiding 700,000 tonnes of CO₂ annually.

Hai Long Wind Project

Northland, along with project partners Yushan Energy, are developing the Hai Long offshore wind project located in the Taiwan Strait, 45-50 km off the Changhua coast, a body of water ranked as one of the world's 20 best offshore wind resources. At a capacity of 1,044 MW, the project will directly contribute to our renewable energy goals when it starts delivering electricity in 2025.



Commitment to renewable energy infrastructure and accessibility

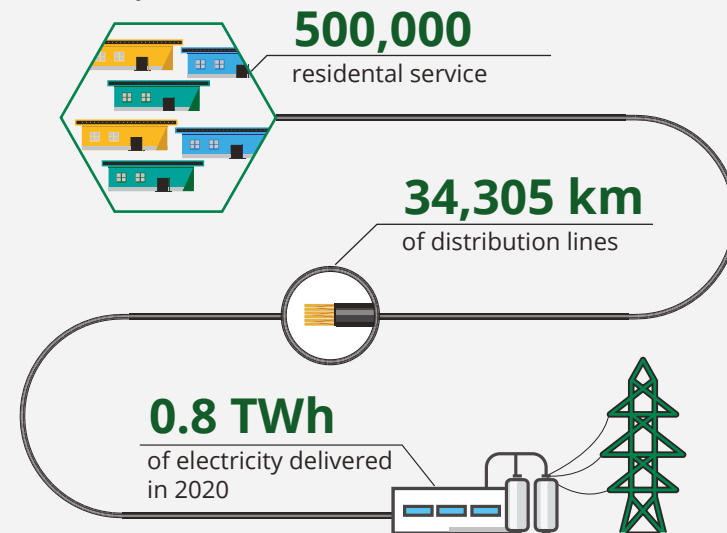
Onshore renewables and new technologies

We are also targeting new opportunities in onshore renewables, utilities and transmission as well as looking to establish a position in new technologies such as renewable fuels and energy storage. Our development teams continue to source opportunities in new technologies and jurisdictions that are seeking increased energy independence, reduction in carbon emissions and overall sustainability.

In 2020, Northland acquired three onshore wind development projects in New York State. Together, these projects will have a capacity of approximately 300MW connected to the existing New York State Electric and Gas Corporation transmission line, delivering power to the New York State grid.

Providing access to renewable energy

In January 2020, Northland closed on the acquisition of EBSA, an electric utility in Tunja, Boyacá, Colombia and began the process of incorporating EBSA into the Northland family.



Beyond providing Northland with a perpetual stream of cash flows, EBSA also provides social benefits, including local community programs discussed in the [Our Community](#) section, and environmental benefits, such as increasing amount of avoided emissions through the addition of renewable energy capacity. We are building internal capacity at EBSA for generation projects that will facilitate further project development. Additionally, EBSA and Northland are taking advantage of climate-related opportunities and directly providing carbon-free energy to industrial clients who are seeking to meet renewable energy targets, including steel, mining, cement and beverage producers.

Developing Renewable Energy Projects through EBSA

EBSA can participate across all segments of the energy chain in Colombia. Leveraging our position with EBSA, we are actively developing renewable energy projects, starting with our 16 MW Helios solar project currently under construction and expected to be operational by the end of 2021. Conveniently, Boyacá has some of the highest irradiation levels in Colombia, which is optimal for solar projects being developed in the region.

Solar energy projects

As part of its environmental commitment, EBSA created a generation management strategy for implementing projects with renewable energy sources, starting with solar energy.

As of 2020, we have one 16 MW solar project under construction in the Department of Meta and looking to develop additional projects in Colombia.



Managing our planet's shared resources

Conscious management of our planet's shared resources including its ecosystems, water systems and waste management is an essential and integral component of our development activities and how we run our business. As part of our commitment to sustainability, we aim to minimize any potential effects that our activities may have on the ecosystems where we operate. Northland monitors and reports on all incidents of non-compliance with environmental laws and regulations and our [Global Environmental Policy](#). We take all spills seriously and report even the smallest incidents to the regulatory authorities (see the [ESG KPI index](#) for more information). No incidents of non-compliance with environmental laws and regulations occurred during 2020.

Our commitment to conserving biodiversity

In our developments

Before selecting or developing a site, we conduct thorough environmental impact assessments of the surrounding area to identify environmentally sensitive vegetation, wildlife or other features and uses. We design our facilities to avoid disturbing any environmentally sensitive species and we work to revive and restore natural environments through activities such as replanting forested areas and grasslands.



**Bees, bats and
bird protection**

Lizard habitat

EBSA rehabilitation

Deutsche Bucht marine protection

Protecting the marine environment is important for offshore wind farms. That's why Deutsche Bucht is located in a commercial zone at a safe distance from the Wadden Sea National Park. An environmental impact assessment was carried out as part of the approval procedure, taking into account the local birds, fish, marine mammals, such as harbour porpoises and grey seals, and organisms that live on the seabed.



The rising air bubbles of the Double Big Bubble Curtain dampen underwater noise caused by foundation installation.



**North Sea oyster
habitat and
whale protection**

**Tree planting
program**

In our operations

Our environmental management teams conduct ongoing monitoring throughout our operations to ensure long-term support and sustainability for wildlife populations and ecosystems. We also work with local partners, including non-governmental, academic and government organizations to support research programs aimed at discovering new ways to protect and manage our planet's plants, animals and ecosystems.

Water management

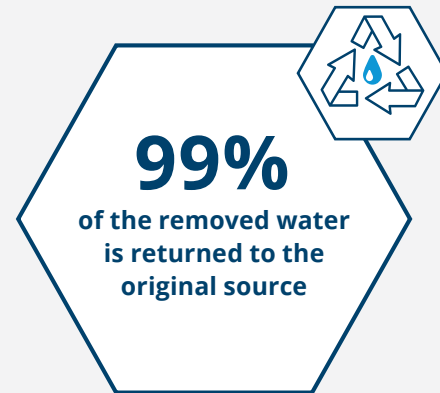
Northland's water management objectives are threefold:

1. minimize the use of water in our operations
2. reduce the effects on all bodies of water in and around our sites
3. recycle as much of the water we use as possible

Water withdrawal occurs primarily at our natural gas facilities. Approximately 99% of the removed water is returned to the original source, with the returned water being in an equivalent state or better. We closely monitor the water discharged to ensure that pH-levels, temperature and other mineral levels meet permit requirements.

Waste management

Northland strives to prevent harmful wastes from entering the water, land and atmosphere near our sites. On the vast majority of our sites, there are few chemical or other hazardous waste stores that could enter these environments. We also work closely with our sites to track and control hazardous waste and work with local partners and regulatory bodies to safely dispose of that waste.



EBSA PCB waste management

Polychlorinated biphenyls (PCBs) are typically found in transformers and capacitors and are known for their non-flammability and electrical insulating properties. However, due to significant adverse health effects from PCBs on humans and animals, there has been a global effort towards removing them from use. During 2020, PCBs were identified in 70 transformers within our Colombian operations at EBSA. As a result, 971 kg of transformer waste and 219 kg of oil contaminated with PCBs was removed and disposed.

Beekeeping in Ontario



Our Ontario solar sites not only produce renewable electricity, but also as of 2020, our very own Northland honey! Our inaugural harvest produced over 40 kg of honey from three beehives at two solar plants (Belleville South and North Burgess). This is an employee-led initiative that introduced apiaries (beehive colonies) on vacant space at project sites. We have since worked with the Canadian Wildlife Federation to identify and plant wildflower species perfect for pollinators.

Beekeeping projects have an immense positive impact since bees are a keystone species, meaning they are crucial to their ecosystems. By planting pollinator-friendly wildflowers at our sites, we are creating a three-season food supply for the bees (and other pollinators such as butterflies, which most Southern Ontario crops do not). Our flowering plants have been chosen to be self-sufficient (i.e. no watering required), withstand the winter season, and attract and nourish the bees.

We are also partnering with the University of Guelph, by participating in their Buckfast bee program to study and cultivate more robust and sustainable bee colonies, as well as with York University to research flowering plants for ground mount solar sites.

Our People

Priority focus:

- Workforce health & safety
- Employee engagement and development
- Diversity & Inclusion

Targets:

- Zero life-changing incidents

UN SDGs:



A safe, healthy, inspired and empowered workforce

Our commitment to our people recognizes that our activities impact our employees and our stakeholders. We understand the importance of inspiring and empowering our workforce and our partners to achieve excellence. This past year, we continued to emphasize the safety and well-being of our workforce, created a more diverse workplace, supported our employees with the transition to remote work due to COVID-19 and fostered strong employee engagement.

Upholding the highest standard of safety and prioritizing the health and well-being of our people and other stakeholders

We continue to eliminate or reduce the risks associated with all our activities, maintaining our focus on risk reduction in the context of COVID-19. Through **strong leadership, regular communication and training**, we continue to ensure that health and safety remains top of mind for our employees and contractors, and that we maintain a **zero life-changing incident target**. We continuously collaborate with our employees and other stakeholders to deliver the vision, values and objectives set out in our [Global Health and Safety Policy](#).



Total recordable incident rate = 0.76 per 200,000 hours



Total hours worked = 3,439,945¹

(1) Total hours worked estimates full-time hours worked based on standard industry weekly rate.

The importance of health and safety

Note from Morten Merlin, Executive VP of Construction

“The health, safety and well-being of all our employees and those working for us is deeply rooted in the Northland culture. 2020 was a year that brought new health and safety challenge across the globe, in the form of the COVID-19 pandemic.

Our teams worldwide have managed to keep our business running without jeopardizing the health and safety of individuals. Multiple precautionary measures have been implemented and embraced by the teams.

To improve the health and safety performance of our organization, we are focused on being proactive in our health and safety measures, enabling the organization to react before a potential hazard can materialize into an incident. We also want to demonstrate our commitment by holding our Executive Team accountable for safety across the organization by integrating it into our culture and compensation structure.

Having health and safety embedded in our culture is paramount in being able to manage our growth.”

Strong health and safety leadership

Northland is deeply committed to maintaining our exceptional health and safety record and standards, and we do this in the following ways:

- 1. System:** Our Health and Safety Management System provides clear monitoring, evaluating and reporting targets and goals for Northland's international locations.
- 2. People:** Internationally certified health and safety professionals manage programs across our operations through our global Health and Safety Office.
- 3. Preparedness:** Each facility maintains its own emergency response plan and regularly completes drills and exercises to reinforce our emergency preparedness.
- 4. Leadership:** Our Executive Team regularly reviews our Global Health and Safety Policy and receives monthly health and safety updates from all regional offices and facilities, along with a Global Health and Safety Scorecard.

Right to a safe workplace

Northland's employees and contractors are guaranteed the right to refuse work and remove themselves from situations that could cause injury or ill health. In any situation where this right is invoked, and action taken, we work quickly to investigate and resolve the situation, following the steps of our Global Risk Management Program. Occupational health services across all our locations are provided by qualified and accredited professionals, comply with legal requirements and follow industry best practices.

Employee health and safety training

Training for our frontline managers and supervisors plays a fundamental role in Northland's outstanding health and safety record. At our European offshore wind facilities, we have adopted the internationally recognized Global Wind Organization (**GWO**) framework, which aligns safety and technical training standards. Before working at our facilities, all technicians, contractors and supply chain partners must complete 140 hours of GWO training. At our Canadian operating facilities, supervisors undertake mandatory health and safety training facilitated by the Canadian Centre for Occupational Health & Safety (**CCOHS**), the national resource for workplace health and safety.

Fourth Annual Global Northland Health and Safety Conference

In December 2020, the health and safety team hosted their Annual Safety Conference. In its fourth year, the conference marked several "firsts": first virtual conference, first conference integrating environmental components, first connecting with all business areas and projects and first event including all four regions where Northland operates. The conference covered how health and safety is integrated across the company, offered focused sessions on health and safety management hosted by HSE experts and provided COVID response review and strategy sessions.



13,608
hours in health and
safety training in 2020
across all locations



37,241
hours of training
in 2020

Ensuring our people feel respected, included and empowered

Promoting diversity and equal opportunity creates important benefits for our employees, our organization and society. We recognize and embrace the benefits that diverse perspectives and talent bring to the organization, resulting in enhanced decision-making, higher job satisfaction and greater opportunities for innovation. In 2019, with our President and CEO, Mike Crawley as the executive sponsor, Northland launched its Diversity & Inclusion (**D&I**) initiative with employees across Northland. Along with setting (and meeting) Board targets on gender diversity, we identified a lead within the Human Resources team to move D&I forward, and we launched the global D&I Council to advise on programs and events surrounding D&I and create more awareness and training across the company.



Website redesign for accessibility

In 2020, Northland also endeavoured to make its website AODA-compliant. With significant effort the majority of the existing web content was made accessible for the visually impaired and the new website was launched at the end of October 2020. The remaining content was made accessible by the end of December 2020. Moving forward, we are committed to ensuring all future content on our website is AODA-compliant. More information related to our Accessibility Policy can be found on our website [here](#).



Pride events

As a global company, we looked at how to make lesbian, gay, bisexual and transgender (**LGBT+**) Pride Months meaningful to all our employees, and hosted a special Pride coffee hour in multiple regions with Kaleidoscope Trust, a UK-based NGO that works to uphold the human rights of LGBT+ people in countries around the world. The session explored LGBT+ rights in all regions where Northland operates, and looked at how - and why - businesses can support the LGBT+ community.

Our commitment to diversity and inclusion

Northland is committed to fostering an environment of belonging and empowerment so all our people, regardless of background, age, gender identity or expression, race, ethnicity, religion, sexual orientation or experiences, feel respected and comfortable being fully ourselves at work. We know that it will take a continuous commitment and effort to create a truly inclusive environment, and there is much work to be done.

We made great strides in 2020, helping our people recognize and minimize our learned biases through an anti-racism awareness, cultural competence and unconscious bias webinar series. We also held roundtable discussions to fully understand the unique experiences faced by our people across different intersections of identity.

In 2021, our global Executive Team is making a collective commitment to bring increased focus to diversity and inclusion. We are committed to creating processes to track our diversity and inclusion progress, and will establish a baseline to measure the ongoing efficacy of our diversity, inclusion and belonging initiatives. We will continue to offer forums where our people can have meaningful conversations around diversity and inclusion, and gain greater awareness of each other's experiences and perspectives. We will also encourage our people to engage in ongoing learning and unlearning regarding unconscious bias, microaggressions, and other relevant topics.

Mike Crawley
President and
Chief Executive Officer

Developing programs and initiatives to inspire, train and grow our workforce

Learning and professional development are key to fostering a diverse and innovative workforce. In 2020, we continued to invest in professional development for our employees, offering reimbursement for **more than 11,700 hours** of work-specific training.

This year was especially challenging on our people, whether they were working on site under strict COVID protocols or, as was the case for most of our employees, working from home. For some, this meant increased isolation and for others, a difficult balance to maintain while caring for children whose schools and daycares were closed. We knew we needed to support our employees through these stressful times, even while working remotely made support and engagement more complex. We upped our engagement opportunities to help stay connected, and communicated frequently on mental and physical wellness, providing information about and access to external resources. We also conducted surveys and increased manager check-ins to help us understand the status of employee mental health and well-being.

COVID may have had a significant impact on the way we work and interact with each other, but it did not slow us down: in 2020, **we hired 190 people across all locations.**



Business Bike Program

2020 saw the first miles logged from Northland Power Europe Germany's participation in the **Business Bike Program**, a global program to encourage employee biking. Two-thirds of the employees in our German offices participated in the program last year.

Through the program, Northland employees can access a bicycle that fits their lifestyle either through subsidies or free rental. This has been a great way to promote a healthy lifestyle and provide an additional benefit to our employees. The physical and mental health benefits from cycling are immeasurable. It also fits within our Overarching ESG mission to reduce our footprint by finding alternative means of transportation.

Message from Rachel Stephenson - Chief People Officer

"At Northland, we all have a responsibility for fostering an inclusive work environment so we can unlock our peoples' potential. We are constantly empowering our people to step out of their comfort zone to take on challenging projects and develop new skills. In order to showcase the many exciting career paths our people can take at Northland, we are currently refreshing our global career framework, which underpins all elements of our people development programs."

Working from home

We understand that the changes to the work environment that people and businesses around the world encountered during COVID are leading to long-term changes. We continue to engage employees and are looking at what our workplace will look like post-pandemic, exploring flexible work hours and spaces, remote work and how to integrate office planning and design. We also provided funding for each employee to outfit their home office as they see fit, including upgrades to monitors, keyboards, headsets, chairs and other items to make the experience as comfortable as possible.

Virtual events

In March 2020, Northland began to hold virtual events for our employees around the globe to maintain interaction and open conversation. Collectively, we held over 30 different virtual events, ranging from purely social (BINGO, Book Club, Photo Contest) to informative coffee hours to training sessions on adapting to remote work and keeping Northland offices safe as they reopened. We also held 11 employee Town Halls to accommodate different time zones and fielded more than 250 questions from employees.

We learned that there are advantages to going virtual, and were able to open our (previously in-person) monthly roundtable sessions with President and CEO Mike Crawley to employees across Northland, giving our CEO the chance to engage with more of our global employees and give more employees an open forum to ask questions and engage in dialogue. In 2021, we are expanding that program to include the rest of the Executive Team.

Our Community

Priority focus:

- Community & Indigenous relations
- Socio-economic impact

UN SDGs:



A positive and contributing community partner

Northland's commitment to stakeholders means that we engage with our communities and community partners early and often throughout the development and operation of our assets and we create partnerships with local communities and Indigenous groups where appropriate. We work to create opportunities for the communities where we operate, and we support these same communities during times of need.

The "S" in ESG also demands that we are responsible for understanding how our activities affect these communities and the people in them. Beyond mitigating these effects, we strive to proactively build strong relationships that help communities thrive. We start by recognizing and respecting local cultures and traditions and finding sustainable ways to support and uphold our neighbours' values, social systems and ways of life. We are members of our communities and play an active role in meeting local needs and participating in the long-term development of our communities.



>50%

Local employment during the construction of the 130 MW La Lucha Solar Farm in Mexico

Beach cleanup in Changhua County, October 2020*. The team cleaned up more than 1,000 kg of garbage from the wetlands.

*Local Covid protocols were followed

Developing strong relationships with our local and Indigenous communities

Northland has a collaborative and holistic approach to community engagement and we are proud of the productive and lasting relationships we've built at all our sites. In 2020, we recorded over 90 community engagements². At the launch of each project, we identify all stakeholders and spend time on the ground understanding the needs, customs, policies and practices of the local communities. Our onsite and development teams undergo cultural sensitivity training to enhance cross-cultural communication abilities and avoid negative impacts or misunderstandings.

We commit to open and transparent communication throughout construction and during ongoing operations. Using a multi-layered communication framework, we establish direct connections with local stakeholders and ensure open and accessible dialogue occurs at multiple levels. This includes clear lines of communication between facility or construction personnel as well as direct channels between local leaders and Northland's corporate offices. We support this framework with weekly meetings and check-ins as well as by engaging with stakeholders at regional and national levels.

(2) Northland has more than 90 relationships with communities. A relationship is defined as a community where we have agreements or sponsorships, from which we draw students or employees or with which we have supply contracts.



Indigenous partnerships

Born from a firm belief in the rights of Indigenous peoples and their lands, we make it a priority to ensure that our activities provide positive benefits to the Indigenous communities where we operate. Many of our renewable facilities in Canada are located within traditional Indigenous territories and we work to develop and maintain positive relationships with these communities.



Some of our First Nations partners:
 Left to right, top to bottom: Whitefish River First Nation, Aundeck Omni Kaning First Nation, Sheshegwaning First Nation, Zhibaaahaasing First Nation, Sheguiandah First Nation, M'Chigeeng First Nation, the United Chiefs and Councils of Mnidoo Mnising and Wahgoshig First Nation

To help build strong, positive, respectful, lasting and mutually beneficial relationships, Northland offers Indigenous and Community Sensitivity and Awareness workshops to our employees.

When COVID-19 hit, we enhanced our support of our local communities and First Nations partners:

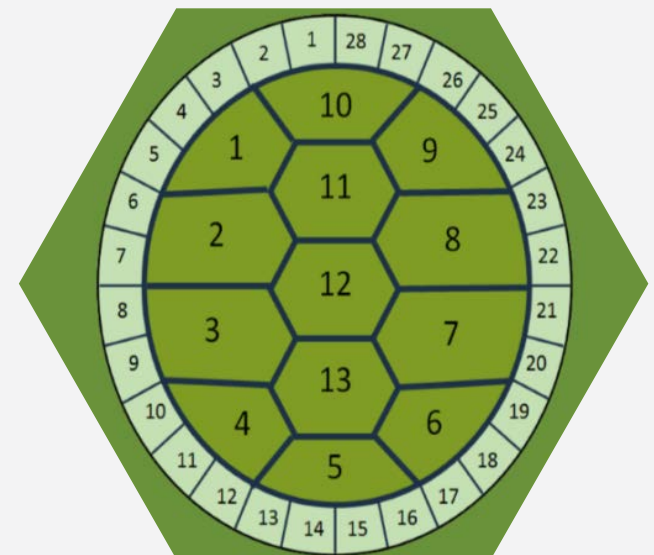
- In Canada, Northland consulted with our First Nations partners and local communities. Based on this consultation we provided funding support to food banks as well as to health and wellness programs in all of our partner First Nations.
- In Mexico, after consulting with community leaders, we provided food baskets and, considering the lack of reliable water in some communities, hand sanitizer and handwashing stations to local residents.

McLean's Mountain Wind Farm Ceremonial Building

Northland worked with the local First Nations communities to support the development of a Ceremonial Building on the site of our 60 MW McLean's Mountain onshore wind farm. The Ceremonial Building is deemed a cultural Indigenous site and is an example of our pledge to recognize and respect our six First Nation partners' values and traditional ways of life. It is also a symbol of our ongoing engagement with our First Nations partners. Each lunar season, Spring, Summer, Fall, and Winter, we are all invited to participate in the Appeasing Ceremony in the Ceremonial Building.

The door faces due east with 13 pillars to represent each of the year's 13 lunar moon phases; like the Anishinaabe lunar calendar seen on a turtle's back (see the image below). Each pillar in the structure has an intrinsic significance about each lunar phase. For example, the first moon according to the Ojibway calendar, representing January, is called the Spirit moon. The ceremonial building is at the centre of the ceremonial area where an Elder or knowledge keeper takes the lead to appease the Creator and spirits to ensure that our place on the land and all our relationships continue harmoniously. From within the building, the First Nation Chiefs and other guests venture out of the structure passing each pillar in a clockwise direction to present specific items as offerings wrapped in coloured sheets. Each coloured sheet is placed around a tree in its representative direction: North, South, East and West.

In our case, the Appeasing Ceremony recognizes the need to be in harmony with the land, elements and creatures.



Creating and contributing to socio-economic value and positive impacts

Donations and sponsorships

Northland has always had a robust sponsorship and donations program that provides value and impact in many of our communities. Last year, though we were unable to sponsor sporting and cultural events that were cancelled due to COVID-19, we understood that the need for support was greater than ever. We also recognized that the pandemic impacted the most vulnerable members of our communities and that we were fortunate to be able to provide support where we could. We therefore donated more than \$750,000 to organizations around the globe that provide on-the-ground services and health care in local communities wherever we have an office, facility or project. These funds went towards social service agencies, food banks, support for frontline health workers and, in Mexico where our La Lucha solar project was being built, we supplied personal protective equipment (PPE) to residents in the surrounding communities. As the map shows, the global charitable reach was extensive, spanning more than two dozen communities in nine countries around the world.

As we came to the realization that end-of-year holiday parties would not be possible for most of our employees, corporately and at many of our sites and offices, we donated our holiday party budget to organizations including a shelter for women experiencing domestic violence in Germany and a program that provides gift cards to help families purchase food and gifts for the holidays. At the Toronto office, we reimbursed each employee up to \$50 for any in-kind donations they made, including purchasing food to donate to a food bank, buying toys for toy drives and supplying needed provisions for agencies servicing people experiencing homelessness.

Beyond charitable giving, we provide positive economic value to surrounding communities through employment opportunities. Our La Lucha project in Mexico employed more than 600 people at the peak of employment. At one time, more than half of the workforce was hired directly from the local community, and over 90% of all project workers lived – and spent their earnings – locally.

Supporting our customers at EBSA

Our Colombian utility EBSA has a rich history of customer and community support through educational programs, outreach and donations, including Conexión Social, a program consisting of training and capacity building workshops that focus on helping the client understand their electrical invoices, electrical security and safety, especially around transmission lines, and the value of energy efficiency and conservation measures in their homes. The result is that customers are better able to understand their energy consumption, how that affects their bills and how they can reduce those costs in an effective and safe manner.

La Lucha economic development

Last year, a number of our employees were lucky enough to be the first customers of a Ceballos-based workshop that created embroidered tote bags for the holidays. This workshop, which makes beautiful traditional Mexican embroidered clothing, is the result of one of the Northland-led programs to support the local women of Ceballos, the closest town to the La Lucha solar project. Northland is helping the women in creating their own enterprises, gaining new skills and generating additional income. The program involves 16 local women, most of whom are single mothers or are elderly. We collaborated with these women to develop and support their business ideas with targeted workshops focused on teaching practical skills such as tailoring and embroidery, as well as business and entrepreneurship skills, such as accounting and finance. We also provided materials to kick-start their chosen endeavours. The program will continue into 2021 with the intention of becoming a long term business.



Women of the Ceballos-based workshop that created our embroidered totes, with some of their embroidered clothing.



Our Business

Priority focus:

- Responsible corporate governance
- Information security
- Board diversity
- Human rights
- Sustainable finance

Targets:

- Maintain at least 30% female representation on Board and Executive Team
- Report in alignment with the TCFD Recommendations by 2022

UN SDGs:



Responsible and transparent governance and long-term value creation

As a leading developer and operator of renewable energy facilities, strong corporate governance and long-term economic prosperity are essential components of Northland's business strategy and sustainability vision.

In 2020, we continued to advance our governance practices by adopting several new policies and initiatives - including the new ESG Steering Committee reporting to the Board of Directors - enhancing cybersecurity and IT policies and surpassing our diversity goals. Early in 2021, we launched Northland's Green Financing Framework, based on international principles and best practices, to guide our investments in renewable energy projects.

Creating long-term value for all stakeholders

The core of Northland's business strategy is creating sustainable, long-term value and prosperity for all stakeholders across our global operations. Our approach is to continually increase value through investments in sustainable infrastructure assets by developing high-quality projects with long-term, contracted revenues. We constantly reinvest in our operating assets to ensure maximum efficiency and viability. We also focus on innovation and development to reduce the cost of renewable power generation and improve efficiency; these drive the competitiveness and economic feasibility of our power generation.



Direct economic impacts

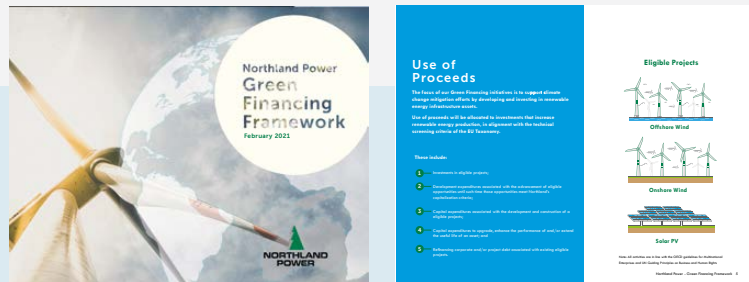
We create and distribute significant economic value to our stakeholders and in the communities where we operate. The direct value we deliver comes in the form of salaries and wages, payments for goods and services, payments to governments and dividends and appreciated value for our shareholders.



Indirect economic impacts

In addition to direct financial impacts, our activities continue to drive indirect economic impact beyond our operations. We take time to work with local communities to determine need and potential impact and make investments in infrastructure and services that contribute to local and regional economies and support the local supply chain. This includes: infrastructure investments; creating jobs (for example, La Lucha had more than 50% local employment); improving conditions for economic activity; supporting the use of local products and services; and investing in programs that support the economic prosperity and overall well-being of our local communities.

In 2020, at EBSA in Colombia and at our development projects in Taiwan and Mexico, Northland supported local communities and economies directly through community sponsorships and programs as well as through construction expenditure.

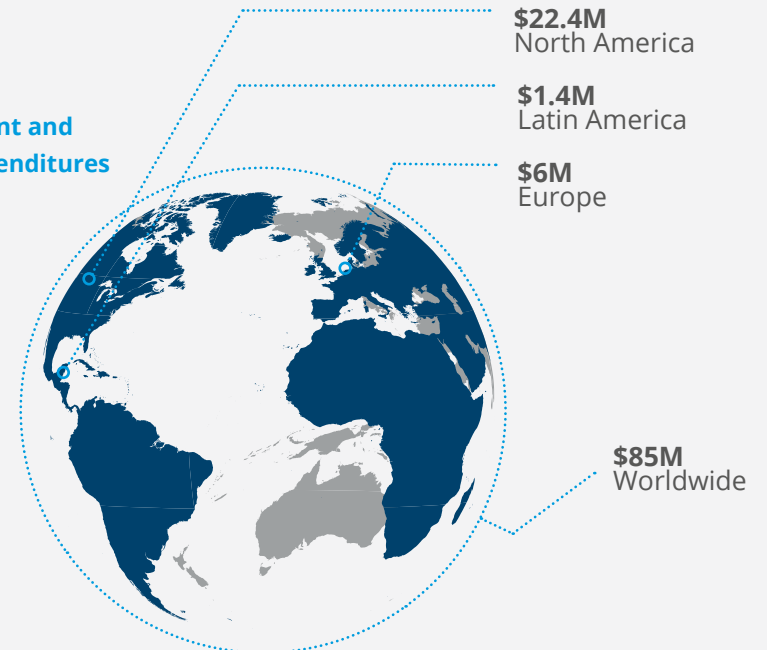


Northland's Green Financing Framework

In 2020, we developed our first Green Financing Framework, enabling us to issue green bonds, loans (corporate and project level) and other financing instruments to support the growth of our renewable energy projects, including our onshore and offshore wind and our solar activities. The Framework also recognizes the significant opportunities that will be provided by the transition to the low-carbon economy as more and more capital flows to low-carbon energy infrastructure.

The Framework was launched in early 2021. More information on our Green Financing Framework can be found [here](#).

Development and Capital expenditures





Identifying and managing risks through accountable, ethical, and transparent governance frameworks

Committed to the highest standards, we are constantly evolving our practices to strengthen our corporate governance and achieve excellence in transparency, integrity and accountability to shareholders. In 2020 we held a virtual Annual General Meeting (AGM), and held several ad hoc Board meetings to keep the Board continually up to date on how the Company dealt with COVID-19 and the changing business landscape. Northland's policies are provided publicly on our website [here](#).

Accountability, ethics and transparency

Board structure and diversity

Northland's Board of Directors primarily consists of independent members with a broad and diversified skillset encompassing finance, audit, business acumen, legal and power industry experience and expertise. The Board also has three fully independent sub-committees: the Audit Committee that oversees accounting, internal controls and financial matters, the Human Resources and Compensation Committee that oversees all compensation and human resource matters and the Governance and Nominating Committee that oversees the Company's governance matters. Northland's Diversity Policy guides the Board and Executive Team and contains metrics and targets. Overall, these policies support the incorporation of not only our ESG Framework but a stronger Board and governance approach.

Business ethics

Northland's [Code of Business Conduct and Ethics](#), applies to employees, officers, Directors, consultants and representatives of Northland and provides guidelines with respect to conflicts of interest, respect in the workplace, social responsibility, privacy, compliance with laws and Northland's commitment to ethical and honest conduct.

Whistleblower anonymity and protection

Northland's **Whistleblower Policy** enables employees and other stakeholders to safely report misconduct or actions that violate the law or our [Code of Business Conduct and Ethics](#). In addition, as approved by Northland's Board of Directors, the Audit Committee established clear procedures for receiving and responding to complaints regarding financial reporting, accounting or auditing matters. All submissions are strictly confidential and any reprisal, retaliation or disciplinary action against the reporting party is prohibited. Supporting and protecting those who report wrongdoing encourages all employees to observe the highest standards of business and personal ethics in accordance with our principal business and practices.

All reports can be made to Russell Goodman, Audit Committee by email at Russell.Goodman@npibm.com.

To send a comment, request or inquiry to Northland's Board of Directors, please contact us at Corporate.Secretary@Northlandpower.com.

Human Rights

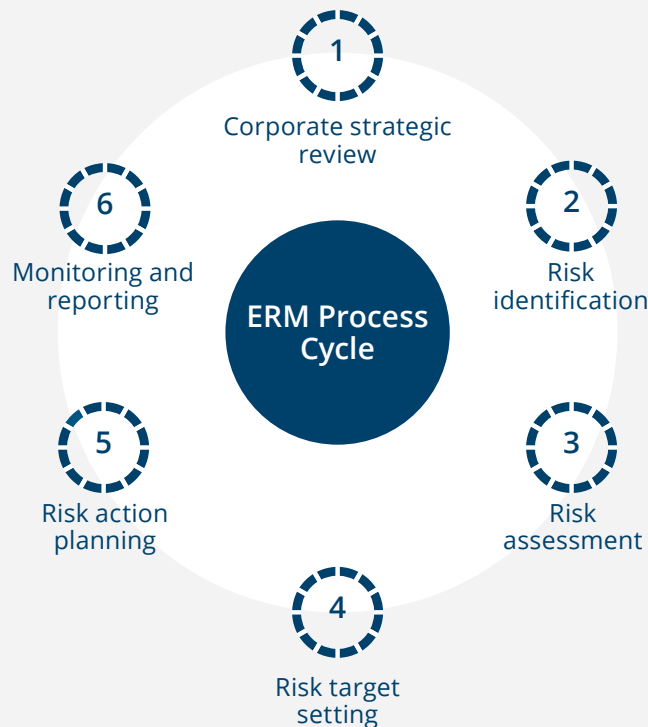
Northland is committed to upholding human rights and in so doing prohibits the use of child or forced labour at our operations, and maintains that all of our employees and contractors have the right to equal employment opportunity, freedom of association, dignity, privacy, safe and fair work without fear of discrimination or violence based on ethnic background, culture, religion, sexual identity or orientation, race, gender, ability or other factors, in accordance with applicable legislation.

Anti-Bribery and Anti-Corruption

Ongoing communication and training are important to our mandate for strong and transparent governance. Our [Code of Business Conduct and Ethics](#) focuses on conflicts of interest and confidentiality. We also have an [Anti-Bribery/Anti-Corruption \(ABAC\)](#) Policy that was affirmed by our Board in the fall of 2019 and is supported by regular employee training and compliance procedures to prevent bribery. The ABAC Policy has been translated into the local languages of the regions in which we conduct business. We strive to ensure that all our global employees, contractors and partners always adhere to these policies and procedures.

Risk management

Northland's ERM Framework was designed to establish a clear process and provide practical guidance on activities to support our long-term sustainability. The ERM program is under the responsibility of the CFO with accountability to the Audit Committee. The ERM framework is designed to achieve a number of objectives: 1) integration of risk management with strategic planning, 2) risk identification and assessment of activities, 3) development of risk responses and action plans and 4) monitoring risk and reporting on the results of the process. Northland assesses key risks based on three criteria: (i) impact, (ii) likelihood and (iii) the need to manage differently or more formally. Within our ERM Framework, we have committed to evaluating key risks on a quarterly basis with accountability from senior leads of all key functions across the company.



Cyber and information technology risks

Cyber security and information technology (IT) risks pose a threat to our ongoing operations, especially in 2020 with most of our employees working from home. We constantly monitor for threats and risks to assess and mitigate them and use a combination of internal and external risk assessments to measure our maturity against international cyber risk frameworks.

The efforts of our global cybersecurity team are reported quarterly as a part of the ERM process. Annually, working with the CFO, we complete an IT General Controls Audit where copies of the security policy and processes are audited to ensure that we have the necessary controls in place and are adhering to them. A full report is then prepared and presented to the Board of Directors.

Our commitment to managing cyber and IT risks is further demonstrated through ongoing policy revisions that reflect the changing environment, allowing us to respond accurately and quickly to changes. In 2020, we updated our policies to address vendor access and increased the frequency of employee training for cybersecurity (from annual training to monthly training) in response to the remote work/access required as a part of our COVID-19 strategy.

Materiality assessment

Our approach

This report addresses the ESG issues that Northland considers material. Material issues are those that matter most to our business and stakeholders and that are expected to affect decision-making and signal where we should closely focus our ESG efforts.

In 2020, a new materiality assessment was conducted to understand the material issues and to inform the development of our ESG Framework.

To understand and identify our material issues, we conducted a high-level materiality assessment focused on alignment with ESG metrics for our industry best practices, peer reporting, strategic focus and stakeholder perception.

- 1 Informal conversations with external stakeholders and Northland department leads.
- 2 Formal consultation with the ESG Steering Committee.
- 3 Research on industry best practise and the SASB business-specific materiality matrices for renewable energy developers, electric utilities and power generators.

This approach examines the key issues in specific business streams with respect to importance to stakeholders, business strategy and purpose.

Our stakeholders

As an organization, we have determined our stakeholders based on those groups most closely impacted by and influencing our business. This is not an exhaustive list but includes those parties considered for this assessment.



Investors

Individuals, investment and pension funds, and the broader investment community, including lenders, who hold or are interested in purchasing Northland's equity or debt instruments.



Community

Municipalities, non-governmental organizations, Indigenous groups, and regulatory authorities in and around the communities where we currently operate or are looking to expand.



Employees

Current and prospective employees and contractors.



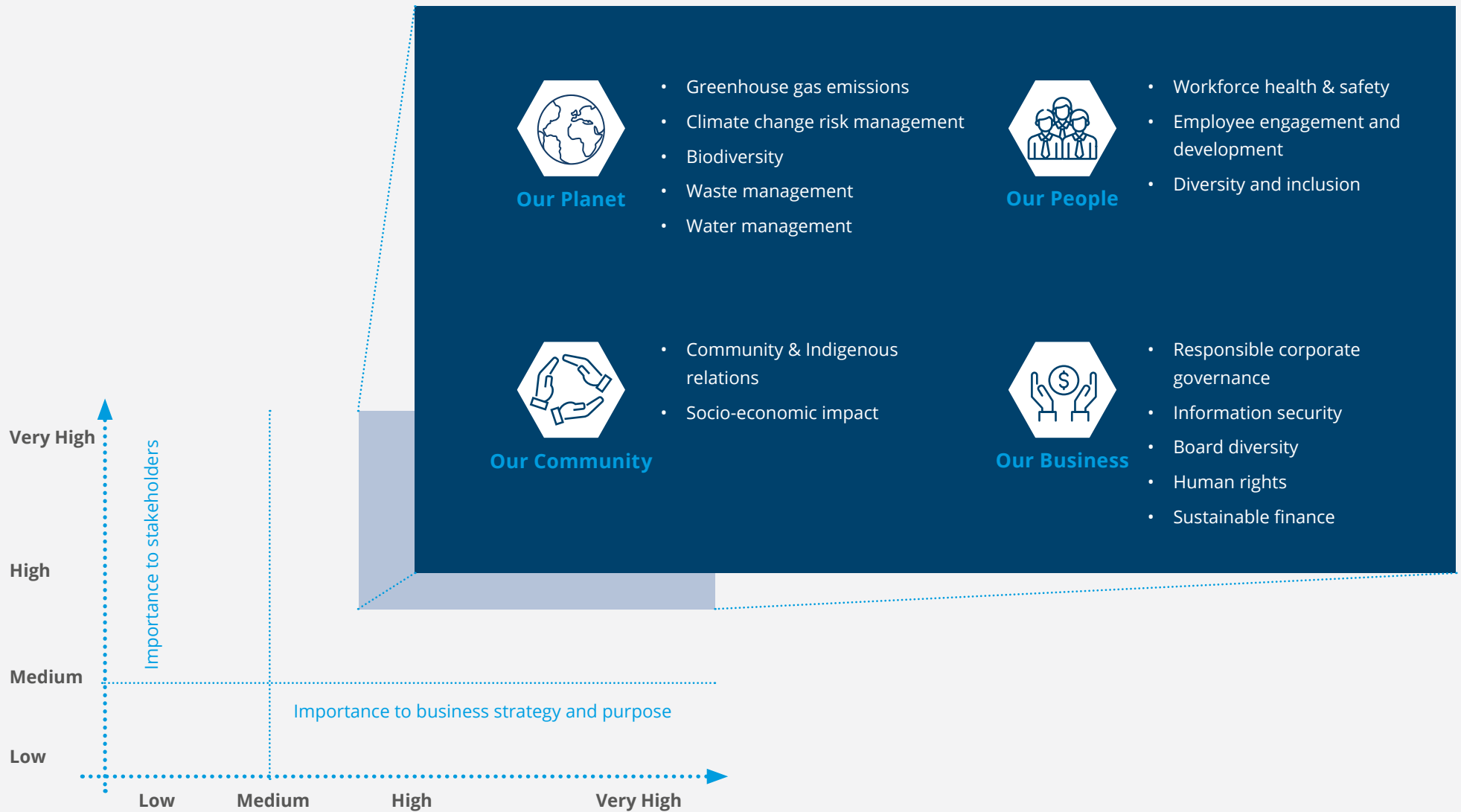
Partners

Our value chain, including those companies we contract with and those that we receive goods and services from or those to which we provide.



Our material issues

Those issues that are considered to have high and very high importance to both stakeholders and Northland's business strategy, identified in figure below, comprise our ESG Framework and will be our primary focus for ESG efforts over the coming years.



Moving forward

Letter from CFO

A company's success is measured not only by its short-term results but also by its long-term sustainability.

Sustainability is integral to Northland's business. Our core purpose and expertise is to safely and reliably deliver the clean energy people need while generating long-term economic value to our shareholders. In 2021, Northland formally launched its ESG Framework which provides greater transparency in how we mitigate risks, meet our ESG reporting obligations and broader stakeholder expectations, while at the same time, creating long-term value for our shareholders and partners.

We are committed to enhancing our disclosures in order to further demonstrate our transparency and effective management. Doing this, we believe, will enhance Northland's ESG performance while improving our ability to attract long-term capital on favourable terms to develop our large renewable energy pipeline projects around the globe.

Our general approach to our ESG framework entails improving our reputation and social goodwill with our investors and

stakeholders and better positioning our business for opportunities through an elevated ESG profile and communication strategy that, of course, starts with the Board and the Executive Team.

The prominence of ESG has moved beyond simple disclosures to investors and is having a more profound impact on our business. We are seeing it have an impact on our ability to attract investors, our goodwill, our ability to attract and retain employees and as a means to create longer-term value and expand opportunities for Northland.

We believe Northland's renewable energy business coupled with our ESG strategy have the opportunity to support us in our targeted growth objectives over the next few years.

Enhancing our ESG reporting alignments

This year we have further enhanced our disclosures by reporting in accordance with the GRI standard core, also reporting in alignment with the SASB based on our industries and aligning our commitments with the relevant UN SDGs. We have also begun the process to report in line with the TCFD and have committed to doing so by 2022.

Identifying and mitigating our risks

We integrate ESG risks into our overall corporate ERM program. In so doing, we pro-actively identify ESG risks that could potentially impact Northland's ability to achieve its strategic objectives, understand the interrelationships of risk, design and oversee the implementation and execution of our risk action plans. This allows us to ensure ESG risks are being managed by risk monitoring and ensures governance and accountability by senior leaders throughout the organization.

Increasing our financial flexibility

We launched our Green Financing Framework in early 2021 to secure green corporate and project financings to finance our renewable energy projects going forward. The financings will be required to meet several green bond reporting standards and our framework received an independent second-party opinion from Sustainalytics® which confirms that our framework meets

these standards. These green capital issuances will allow us to capitalize on strong investor demand for renewable power investments, diversify our funding sources, decrease our cost of funds, while allowing for better matching of tenors and/or currencies to our asset base. We are targeting to secure our first green financing later this year.

These are some of the actions and responses that we have implemented to address the ESG risks and opportunities facing our business. ESG is not static – our positioning and expectations from external stakeholders are constantly changing. We as a company need to have foresight about what will change in the future and monitor changing trends to be leading and best in class. Our ongoing goal is to ensure that our ESG strategy is properly established, measured, disclosed and adapted as our business changes.

Thank you for your interest in and support for our business and our sustainability.



Pauline Alimchandani
Chief Financial Officer



ESG KPI Index

This ESG KPI index is a summary of our performance against a number of the indicators we track annually. These indicators align with the pillars of our ESG Framework and have been sourced from both the GRI and SASB Standards. For some indicators, we have included 2019 and 2020 data. Where 2019 data do not exist or were not provided in previous years, the data are not reported. As this is the first year Northland has reported against specific SASB indicators, no data for those indicators are available for 2019.

For additional information, refer to

- [2020 Annual Report](#), for Northland's financial performance
- [2021 Management Information Circular](#), for information on Northland's Governance initiatives, Executive Team and Board of Directors
- [2020 Annual Information Form](#), for information on Northland's business and key risks
- northlandpower.com, for all of the above, including general corporate information and current developments

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Our Business

In 2020, the most significant change to our business was the acquisition of a Colombian electricity utility, EBSA. This has had an impact on our reporting as well as our KPIs across all four ESG pillars. This section of our ESG index focuses on general information on our company, our economic impact, governance, and risk management processes. For details on our approach, please see the full sustainability report. For more details on our financial performance or details on our governance and practices, please see the [2020 Annual Information Form](#) and our [Management Information Circular](#).

GRI, SASB reference indices	Key performance indicator	2020			
GRI 102-1	Name of organization	Northland Power Inc.			
GRI 102-2	Activities, brands, products, and services	See 2020 Annual Report (Page 15)			
GRI 102-3	Location of headquarters	Toronto, Ontario, Canada			
GRI 102-4	Location of operations	See Our Global Footprint			
GRI 102-5	Ownership and legal form	See 2020 Annual Information Form (page 2)			
GRI 102-6	Markets served	See Our Global Footprint			
GRI 102-7	Scale of the organization	See 2020 Annual Report (pages 15, 19, 58, 59), 2020 Annual Information Form (pages 11, 19)			
GRI 102-9	Supply chain	Northland's supply chain decisions are made based on the specific project and location, with an aim to procure the most efficient and relevant technology and human resources to ensure our projects are sustainable economically and environmentally. We aim to partner with suppliers that align with our values and Code of Conduct. We also prioritize, where possible, especially on our projects, local suppliers, to ensure there are direct economic benefits to local communities during project construction and operation. In 2021, we will provide more details on our efforts to manage our supply chain risks.			
GRI 102-10	Significant changes to the organization and its supply chain	Northland acquired EBSA, a Colombian utility, in 2020. No other significant changes.			
GRI 102-11	Precautionary Principle or approach	No changes this reporting cycle.			
GRI 102-12	External initiatives	Northland aligns our business practices with the UN Charter for Business and Human Rights.			
GRI 102-13	Membership of associations	<table border="0"> <tr> <td> Alliance for Clean Energy New York, Inc Appro Association of Power Producers of Ontario Wind Europe ASBL Canadian Wind Energy Association Energy Storage Canada Independent Power Producers of New York, Inc. Offshore Wind California Asia Wind Energy Association Ltd Pembina Institute for Appropriate Development Canadian Solar Industries Association </td> <td> Renewable UK Association American Clean Power Taiwan Offshore Wind Industry Alliance Japan Wind Energy Association Taiwan Renewable Energy Alliance Polish Wind Energy Association Polish Offshore Wind Energy Society BWO - Federal Association of Wind Farm Operators Offshore Scottish Renewables World Forum Offshore Wind Catapult ORE </td> <td> European Chamber of Commerce (Taipei) Canadian Chamber of Commerce American Chamber of Commerce (Taiwan) Asociación Mexicana de Energía Solar (ASOLMEX) Asociación Mexicana de Energía Eólica (AMDEE) Asociación de Comercializadores de Energía Canadian Chamber of Commerce (CanCham) </td> </tr> </table>	Alliance for Clean Energy New York, Inc Appro Association of Power Producers of Ontario Wind Europe ASBL Canadian Wind Energy Association Energy Storage Canada Independent Power Producers of New York, Inc. Offshore Wind California Asia Wind Energy Association Ltd Pembina Institute for Appropriate Development Canadian Solar Industries Association	Renewable UK Association American Clean Power Taiwan Offshore Wind Industry Alliance Japan Wind Energy Association Taiwan Renewable Energy Alliance Polish Wind Energy Association Polish Offshore Wind Energy Society BWO - Federal Association of Wind Farm Operators Offshore Scottish Renewables World Forum Offshore Wind Catapult ORE	European Chamber of Commerce (Taipei) Canadian Chamber of Commerce American Chamber of Commerce (Taiwan) Asociación Mexicana de Energía Solar (ASOLMEX) Asociación Mexicana de Energía Eólica (AMDEE) Asociación de Comercializadores de Energía Canadian Chamber of Commerce (CanCham)
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Governance

Northlands strong governance structure help to support all of our sustainability initiatives. Greater details on relevant structures, policies and processes can be found on our [website](#) and in our related reports

GRI, SASB reference indices	Key performance indicator	2020
GRI 102-14	Statement from senior decision-maker	Letter from President and CEO
GRI 102-15	Key impacts, risks, and opportunities	See Annual Report
GRI 102-16	Values, principles, standards, and norms of behavior	Northland publishes its corporate policies, including its Code of Conduct here . These are developed with the Board of Directors.
GRI 102-17	Mechanisms for advice and concerns about ethics	Concerns about unethical or unlawful behaviour are reported directly to the Lead Independent Director of the Board. Code of Business Conduct and Ethics (page 3). See Accountability, Ethics, and Transparency.
GRI 102-18	Governance structure	2021 Management Information Circular (pages 25-31)
GRI 102-22	Composition of the highest governance body and its committees	For a list of our Executive Team and Board of Directors as well as mandates of specific board committees, see here .
GRI 102-23	Chair of the highest governance body	John Brace, Chair and Director See 2020 Annual Information Form (page 36)
GRI 102-28	Evaluating the highest governance body's performance	2021 Management Information Circular (page 28)
GRI 102-32	Highest governance body's role in sustainability reporting	Our annual Sustainability Report is reviewed by the President and CEO and Board of Directors prior to publication.
GRI 201-4	Financial assistance received from government	As at December 31, 2020, Nordsee One had accrued a government grant of \$63 million (€40 million) (2019 - \$73 million or €57 million), including \$43 million (€27 million) in "other assets" and \$20 million (€13 million) classified as current and included in "trade and other receivables". The grant relates to the construction of the wind facility and will be collected from 2021 to 2022.
GRI 205-2	Communication and training about anti-corruption policies and procedures	Accountability, Ethics, and Transparency
GRI 205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption occurred during the reporting period.
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no incidents or legal actions for anti-competitive behavior, antitrust, or monopoly practices taken against Northland during the reporting period.

Economic impacts

The following information has been taken from our [2020 Annual Report](#) and adapted to the requirements of the GRI. We have noted calculations used in the footnotes.

GRI, SASB reference indices	Key performance indicator	2020	2019 ¹
GRI 201-1	Direct economic value (\$CAD thousands)		
	Economic value generated		
	Revenues ²	\$2,072,650	\$1,671,331
	Economic value distributed		
	Operating costs ³	\$646,153	\$346,454
	Employee wages and benefits	\$100,064	\$73,875
	Payments to capital providers ⁴	\$683,614	\$619,854
	Payments to governments ⁵	\$90,282	\$49,236
	Community investments	\$1,116	\$964
	Total economic value distributed	\$1,521,229	\$1,090,383
	Net economic value retained	\$551,420	\$580,948
GRI 203-1	Extent of development of significant infrastructure investments and services supported		
	Development prospecting expenses (\$CAD thousands)		
	North America	\$9,678	\$3,444
	Latin America	\$1,035	\$2,749
	Europe	\$5,976	\$4,661
	Asia	\$30,882	\$13,219
	Total	\$47,571	\$24,073
	Capital expenditures		
	North America	\$12,822	\$5,718
	Latin America	\$407	\$36,932
	Europe	-	\$723,388
	Asia	\$24,361	-
	Total	\$37,590	\$766,038

(1) Certain comparative information has been restated to adhere to current year measurement and presentation.

(2) Revenues include sales and finance lease income.

(3) Operating costs include cost of sales, plant operating costs and general and administrative costs.

(4) Includes payments for interest and dividends to common shareholders, preferred shareholders and non-controlling interest partners, disclosed on a cash basis.

(5) Limited to current year tax expense recognized on an accrual basis.

Stakeholders

Our list of stakeholders and engagement process relevant to this report is outlined in our Materiality section.

GRI, SASB reference indices	Key performance indicator	2020
GRI 102-40	List of stakeholder groups	Materiality assessment
GRI 102-41	Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements is 56%.
GRI 102-42	Identifying and selecting stakeholders	Materiality assessment
GRI 102-43	Approach to stakeholder engagement	Materiality assessment
GRI 102-44	Key topics and concerns raised	Materiality assessment
GRI 103-3	Evaluation of the management approach	The approaches taken to manage, evaluate and adjust the approach to each material topic are the responsibility of the ESG Steering Committee, the Director of Sustainability, and ultimately, the Board of Directors. See Developing a carbon-free world .

Risk management

Our enterprise risk management process helps us to assess, prepare and mitigate risks across the organization. Additionally, risk management is performed regularly at the site level to ensure we are proactively addressing and mitigating site-specific risks.

GRI, SASB reference indices	Key performance indicator	2020
GRI 403-2	Hazard identification, risk assessment, and incident investigation	<p>Safe and efficient operations depend on rigorous monitoring and management of workplace hazards and risks. Our Global Risk Management Program is used at all our facilities to ensure compliance with regional laws, regulations and industry best practices.</p> <p>To manage risk globally, we also:</p> <ul style="list-style-type: none"> • Enabled our Corporate and European offices to work with the Taiwan Ministry of Labour on the development of guidelines for safe construction and operations for the emerging offshore wind market. • Worked with our team in Europe on the Deutsche Bucht project and our team in Latin America on the La Lucha project to develop an emergency and crisis response plan, to test the communication lines in cases of emergency and/or crisis and to better evaluate the effectiveness of the plan. • Implemented a revised Hazard Identification and Risk Assessment (HIRA) methodology for routine tasks that are undertaken at our Canadian facilities. The HIRA helps employees identify occupational hazards, assess risks and eliminate or mitigate them. • Completed a health and safety risk assessment of EBSA prior to acquisition. <p>See Enterprise risk section of this report.</p>
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Our focus on climate change

Our Planet

Although our focus has been on better understanding our environmental impact on our air, land and oceans, as our first utility came into our portfolio this year, we have expanded our KPIs to look at those material to that industry under the GRI and SASB. Note that this year as well we have calculated our Scope 2 emissions for the first time to provide greater transparency and to help us reduce our footprint.

GHG and other air emissions

Although most of our emissions come from our natural gas facilities, we also have emissions across our value chain as well as one operating biomass facility for which we have included biogenic emissions.

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 305-1, SASB IF-EU-110a.1	Scope 1 GHG emissions <input checked="" type="checkbox"/>	1,369,083 t CO ₂ e Biogenic emissions: 76,834 t CO ₂ e	1,686,511 t CO ₂ e
SASB IF-EU-110a.1	Percentage covered under emissions-limiting regulations and emissions-reporting regulations	98.61%	Not reported
SASB IF-EU-110a.2	GHG emissions associated with power deliveries	40,403 t CO ₂ e	Not reported
GRI 305-2	Scope 2 GHG emissions <input checked="" type="checkbox"/>	Location-based: 19,208 t CO ₂ Market-based: 19,208 t CO ₂	Not reported
GRI 305-4	GHG emissions intensity	0.151 t CO ₂ e/MWh (Scope 1 and 2)	0.190 t CO ₂ e/MWh (Scope 1 only)
GRI 305-5	Reduction of GHG emissions	-19% compared to 2019 (Scope 1 only)	Not reported
GRI 305-7, SASB IF-EU-120a.1	VOC emissions	228 t	211 t
GRI 305-7, SASB IF-EU-120a.1	NOx emissions	2,182 t	2,021 t
SASB IF-EU-120a.1	NOx emissions (%) in or near areas of dense population	3.56%	Not reported
GRI 305-7, SASB IF-EU-120a.1	SOx emissions	16 t	8.7 t
SASB IF-EU-120a.1	SOx emissions (%) in or near areas of dense population	8.9%	Not reported
GRI 305-7, SASB IF-EU-120a.1	PM ₁₀ emissions	100 t	104 t
SASB IF-EU-120a.1	PM ₁₀ emissions (%) in or near areas of dense population	3.95%	Not reported
SASB IF-EU-120a.1	Lead (Pb) emissions	0.05 t	Not reported
SASB IF-EU-120a.1	Pb emissions (%) in or near areas of dense population	3.25%	Not reported
SASB IF-EU-120a.1	Total mercury (Hg) emissions	0.008 t	Not reported
SASB IF-EU-120a.1	Hg emissions (%) in or near areas of dense population	15%	Not reported

Energy and Electricity

For our energy use and generation it should be noted that although consumption accounts for all of our facilities and operations, as a utility, EBSA is excluded from any energy consumption generation calculations.

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 302-1	Total energy consumption	28,879,653 GJ	28,759,088 GJ
	Total fuel consumption (Non-renewable)	26,869,034 GJ	Not reported
	Total fuel consumption (Renewable)	1,869,633 GJ	Not reported
	Electricity consumption	140,987 GJ	Not reported
	Electricity sold	33,021,871 GJ	Not reported
	% of electricity consumed from renewable sources	0%	Not reported
	SASB IF-EU-000.C	Length of transmission and distribution lines	34,305 km
SASB IF-EU-000.D	Total electricity generated	9,172,740 MWh	Not reported
	Percentage of solar energy sources of total electricity generated	2%	Not reported
	Percentage of onshore wind energy sources of total electricity generated	12%	Not reported
	Percentage of offshore wind energy sources of total electricity generated	47%	Not reported
	Percentage of biomass energy sources of total electricity generated	1%	Not reported
	Percentage of natural gas energy sources of total electricity generated	38%	Not reported
SASB IF-EU-000.E	Total wholesale electricity purchased (for distribution)	875,800 MWh	Not reported

Biodiversity

We design our facilities to avoid disturbing any environmentally sensitive species and work to revive and restore natural environments through activities such as replanting forested areas and grasslands to give back to the planet. We also hold public consultation meetings and meet with municipal staff.

Throughout operations, our environmental management teams conduct ongoing monitoring to ensure long-term support and sustainability for wildlife populations and ecosystems. Additionally, for our wind facilities, we operate in “reduced” noise, de-rated mode to minimize noise impacts.

GRI, SASB reference indices	Key performance indicator	2020
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None – see Managing our planet's shared resources
GRI 304-2, SASB RR-ST-160a.2, SASB RR-WT-410a.3	Significant impacts of activities, products, and services on biodiversity, community, and ecological impacts	<p>Wind Facilities (on and offshore) Total approx. land area: 9,550 hectares (Europe offshore wind facilities are not included) Total endangered species impacted: eight birds, one mammal, three turtles, three snakes and three bats Net loss plants or animals: None observed</p> <p>Solar Facilities Total approx. land area: 1,265 acres Total endangered species impacted: four Bobolink habitats and eight butternut trees Net loss plants or animals: None observed</p> <p>Natural Gas Facilities Total approx. land area: 82.5 acres Total approx. transmission line length: 15.25 km Total endangered species impacted: None Net loss plants or animals: None observed</p>
SASB RR-ST-160a.1	Number of project delays related to ecological impacts	0
	Duration of project delays related to ecological impacts	0
SASB RR-WT-410a.1	Average A-weighted sound power level of wind turbines, by wind turbine class	No turbine deliveries for 2020.
SASB RR-WT-410a.2	Backlog cancellations associated with community or ecological impacts	0 \$CAD

Environmental management

At Northland we consider environmental due diligence and management to be at the forefront of every project we undertake and throughout our operations. For this report we have begun expanding our reporting of related indicators for water and waste to further demonstrate our continued commitment to managing the impacts of our projects.

Water management

Water management focuses on the water used at our Natural Gas facilities.

GRI, SASB reference indices	Key performance indicator	2020	2019
303-1	Interactions with water as a shared resource	Water management	
303-2	Management of water discharge-related impacts	Water management	
GRI 303-3, SASB IF-EU-140a.1, IF-EU-140a.3	Water withdrawal (total)	82,457,107 m ³	83,498,912 m ³
	Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>Nearly all of Northland's water withdrawal is used for cooling purposes at our thermal facilities. The total withdrawal is affected by production levels as well as water temperature.</p> <p>All of our water withdrawal used for process water or system cooling is surface water. Minimal amounts of groundwater are removed for domestic or sanitation purposes, generally at renewable energy facilities without municipal water supply.</p> <p>At our Kingston natural gas site, there is a risk of the line breaking from the pumphouse. To mitigate this risk, we use best practices to avoid the fire pumps from starting and shocking the system. Otherwise, our facility uses a cooling tower to cool the steam after the useful heat has been utilized in the steam turbine. This cooling water process represents the bulk of our wastewater when the plant is operating.</p> <p>Northland does not operate in any areas of water stress.</p>	
GRI 303-4	Water discharge (%)	99% ¹	98%
<p>(1) The water return rate in 2020 is not significantly different than in 2019. All discharged water is monitored and returned at equal or better-quality levels than it was withdrawn. Water loss is generally due to evaporative cooling systems used at Northland's thermal plants.</p>			

Waste management

This is the first year we have undertaken voluntary reporting on our waste management with a focus on hazardous waste and reported spills. At all our facilities, we use third party contractors to dispose of our waste safely and effectively. It should be noted that for waste and spills, we follow the legal requirements of the jurisdictions where we do business and in compliance with our environmental permitting.

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 306-3	Waste generated (hazardous waste)	119,530 kg	Not reported
	Number of reportable spills	0	Not reported
SASB RR-ST-150a.2 ¹	Aggregate quantity of reportable spills	0 Kg	Not reported
	Quantity of spills recovered	0 Kg	Not reported

(1) This KPI is only relevant to our Solar photovoltaic sites.

Environmental Compliance

At Northland we have a strong commitment to environmental compliance ensure to comply with all applicable laws as well as obtain and maintain permits at all our construction and operation locations across the globe. Details of these permits and related reports can we found on project websites.

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 307-1	Non-compliance with environmental laws and regulations	No incidents	No incidents

Our People

2020 was an important year for Northland's teams as we grew exponentially with the acquisition of EBSA (accounting for over 500 new employees). We also refocused our efforts on diversity, inclusion and engagement to address the challenges faced by our employees globally.

Demographics, diversity & inclusion

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 102-8	Information on employees and other workers		
	Number of employees ¹	1,104	425
	Number of employees, by gender		
	Male	830	335
	Female	230	90
	Undeclared	44	-
	Number of employees, by age		
	Age <30	171	61
	Age 30 – 50	549	239
	Age >50	350	125
	Undeclared	34	-
	Number of employees, by region		
	Full time		
	Canada	272	254
	Colombia	573	-
	Germany	124	118
	The Netherlands	12	12
	Mexico	34	15
	Other	78	16
	Part time		
	Canada	3	3
	Germany	5	4
	The Netherlands	3	3

(1) This number does not include long-term contractors which are included in our headcount in our [Annual Information Form](#).

GRI, SASB reference indices	Key performance indicator	2020	2019
GRI 401-1	New employee hires		
	Number of new employee hires	190	138
	Number of new employee hires, by gender		
	Male	101	109
	Female	45	29
	Undeclared	44	-
	Number of new employee hires, by age		
	Age <30	58	42
	Age 30 – 50 ¹	125	79
	Age >50	7	17
	Number of new employee hires, by region		
	Canada	37	36
	Germany	26	75
	The Netherlands	3	4
	Mexico	19	16
	Colombia	40	-
	Other ²	65	7
	Employee turnover		
	Total number of employee turnover	62	43
	Total employee turnover, by gender		
	Male	46	32
	Female	16	11
	Total employee turnover, by age		
	Age <30	9	11
	Age 30 – 50	27	23
	Age >50	26	9

(1) All German hires were placed in the category age 30-50 since Northland Power Europe reported an average age for all new hires (38 years old).

(2) Other includes Japan, Korea, Latin America, Taiwan, the United Kingdom and the United States of America.

GRI, SASB reference indices	Key performance indicator	2020	2019
	Total employee turnover, by region		
	Canada	15	30
	Germany	15	7
	The Netherlands	1	2
	Mexico	4	1
	Colombia	25	-
	Other ¹	2	3

(1) Other includes Japan, Korea, Latin America, Taiwan, the UK and the USA

GRI, SASB reference indices	Key performance indicator	2020																																																	
GRI 405-1	Percentage of individuals within the organization's governance bodies by gender	<table border="1"> <thead> <tr> <th></th> <th colspan="2">2020</th> <th colspan="2">2019</th> </tr> <tr> <th></th> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Board of Directors¹</td> <td>67%</td> <td>33%</td> <td>71%</td> <td>29%</td> </tr> <tr> <td>Executive Team</td> <td>63%</td> <td>37%</td> <td>86%</td> <td>14%</td> </tr> <tr> <td>Audit Committee</td> <td>75%</td> <td>25%</td> <td>100%</td> <td>0%</td> </tr> <tr> <td>Human Resources and Compensation Committee</td> <td>50%</td> <td>50%</td> <td>100%</td> <td>0%</td> </tr> <tr> <td>Governance and Nominating Committee</td> <td>75%</td> <td>25%¹</td> <td>67%</td> <td>33%</td> </tr> </tbody> </table>		2020		2019			Male	Female	Male	Female	Board of Directors ¹	67%	33%	71%	29%	Executive Team	63%	37%	86%	14%	Audit Committee	75%	25%	100%	0%	Human Resources and Compensation Committee	50%	50%	100%	0%	Governance and Nominating Committee	75%	25% ¹	67%	33%														
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(1) The directors category at Northland includes all non executive senior management (including directors, senior directors and VPs) across the organization.																																																			
GRI 406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the reporting period.																																																	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Northland policies prohibit child labour.																																																	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Northland policies prohibit compulsory labour.																																																	
GRI 411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples occurred during the reporting period.																																																	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	No operations have been subject to human rights reviews or impact assessments.																																																	

Talent development

Helping to empower and grow our people continues to be core to who we are. This year, despite many trainings going online or being postponed we still supported training and development opportunities for our staff wherever possible.

GRI, SASB reference indices	Key performance indicator	2020					
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	<p>We encourage learning and professional development for our employees and offer reimbursement for work-specific training. Skills and knowledge building are encouraged through corporate activities, such as Northland's monthly Coffee Hour sessions, which ranged in scope from a deep dive into Hai Long to supporting refugees in Canada.</p> <p>Northland's Work Reintegration Program provides our employees with the resources and tools to successfully return to work after a work-related injury or illness. Through goal-oriented transition plans, employees collaborate with their supervisor, health professionals, union representatives and the Worker's Compensation Board to return to work at a pace and in a role that best suits their recovery.</p>					
	Employee courses and training	<table border="1"> <thead> <tr> <th colspan="3">\$CAD thousands (including EBSA as of 2020)</th> </tr> </thead> <tbody> <tr> <td>Investment in training and education</td> <td>\$636.17</td> <td>\$610.00</td> </tr> </tbody> </table> <p>(1) Certain comparative information has been restated to adhere to current year measurement and presentation.</p>	\$CAD thousands (including EBSA as of 2020)			Investment in training and education	\$636.17
\$CAD thousands (including EBSA as of 2020)							
Investment in training and education	\$636.17	\$610.00					
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	An enhanced performance review process, supported by training sessions, was rolled out to all Toronto corporate office employees in 2018. This was expanded to our European offices by the end of 2019.					

Health and safety

Health and safety is core to everything we do at Northland, and this was even more true during 2020 when our emergency response teams and local management had to ensure not only day-to-day safety and health of our employees but help to integrate proactive measures to keep our doors open during the COVID-19 pandemic. This showed us that our systems were strong and resilient and able to adapt to new and emerging risks.

GRI, SASB reference indices	Key performance indicator	2020
GRI 403-1	Occupational health and safety management system	<p>We work collectively as an organization to deliver our services safely, responsibly and efficiently, ensuring a healthy and productive environment for all employees and contractors. We are committed to minimizing accidents, injuries and work-related illnesses at all our facilities, offices and construction sites around the world.</p> <p>Northland Health and Safety Management System</p> <ul style="list-style-type: none"> • Management Leadership Commitment • Employee Involvement • Communication and Training • The Management System Manual • Performance Evaluation and Improvement <p>Our Health and Safety Management System provides clear targets and goals for all Northland's international offices and facilities to monitor, evaluate and report on their health and safety performance. Internationally certified health and safety professionals manage programs across our operations through our global Health and Safety Office.</p> <p>Each facility maintains its own emergency response plan and regularly completes drills and exercises to reinforce our emergency preparedness. At the Executive level, Northland is deeply committed to maintaining our exceptional health and safety record and standards. Our Executive Team regularly reviews our Global Health and Safety Policy and receives monthly health and safety updates from all our regional offices and facilities along with a Global Health and Safety Scorecard.</p> <p>Northland also adheres to internationally recognized occupational health and safety standards. In 2019, our team in The Netherlands at the Gemini offshore wind farm achieved ISO 45001 certification for upgrading their occupational health and safety management system, enhancing their work to reduce occupational injuries and disease. This certification also affiliates within Gemini's IMS framework as part of the broader ISO 55001 certification previously achieved for asset management.</p>
GRI 403-3	Occupational health services	<p>Northland's employees and contractors are guaranteed the right to refuse work and remove themselves from situations that could cause injury or ill health. In any situation where this right is invoked and action taken, we work quickly to investigate and resolve the situation, following the steps of our Global Risk Management Program. Occupational health services across all our locations are provided by qualified and accredited professionals and comply with legal requirements and follow industry best practices.</p>
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	<p>At all operational sites and corporate offices we have a formal Joint Health and Safety Committees, consisting of management and workers, which meet regularly to discuss updates and ensure regular monitoring</p>
GRI 403-5	Worker training on occupational health and safety	<p>Northlanders have received over 13,608 hours of health and safety training in 2020 including training that aligns with, in Europe, the Global Wind Safety (GWO) training standards and, in Canada, the Canadian Centre for Occupational Health and Safety (CCOHS)</p>
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Northland requires all contractors or partners to comply with all jurisdictional occupational health and safety acts, regulations and codes, and to follow known industry safe-work practices and standards. When awarding major contracts or acquiring a company, their safety records, including recent investigations, citations or notices of violation issued, emergency response policies, and results of incident investigations are considered to ensure they comply with the law.</p>

GRI, SASB reference indices	Key performance indicator	2020		
GRI 403-9, SASB IF-EU-320a.1	Work-related injuries	Health and Safety¹	2020	2019
		Employees in Joint Health and Safety Committees ²	63	51
		Total hours worked (all sites) ³ <input checked="" type="checkbox"/>	3,439,945	922,584
		Lost-time injuries	7	0
		Lost-Time Injury Frequency Rate (LTIFR) ⁴	0.41	0
<p>(1) Employees at all 26 power generation facilities and Toronto corporate office only, does not include contractors. (2) Health and Safety Committees represent management and workers. (3) Total hours worked estimates full-time hours worked based on standard industry weekly rate. (4) LTIFR is the number of lost-time injuries per 200,000 hours worked. LTIFR = (# cases x 200,000) / total hours worked.</p>				
SASB IF-EU-320a.1	Work-related injuries	Health and Safety¹	2020	2019
		Total recordable incident rate (TRIR) <input checked="" type="checkbox"/>	0.76 (employees and contractors) per 200k hours	Not reported
<p>(1) Employees at all 26 power generation facilities and Toronto corporate office only, does not include contractors.</p>				

Our Community

Our commitment to community can be seen through the building of strong relationships and partnerships and our continued socio-economic support of these communities through employment, suppliers, and donations. A detailed description of this process and examples of our performance across these areas is included in the [“A positive and contributing community partner”](#) section of our 2020 Sustainability Report. This section of the report is focused on the impacts of our utility, EBSA, as a provider of reliable energy to its community. As this is the first year we are reporting on this information for EBSA, we will not be including their performance in previous years but will use 2020 as the Northland base year.

GRI, SASB reference indices	Key performance indicator	2020
SASB IF-EU-240a.1 ¹	Average retail electric rate for residential customers	\$0.19/kWh
	Average retail electric rate for commercial customers	\$0.17/kWh
	Average retail electric rate for industrial customers	\$0.17/kWh
SASB IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh of electricity delivered per month	\$19.68
	Typical monthly electric bill for residential customers for 1,000 kWh of electricity delivered per month	\$20.56
SASB IF-EU-240a.3	Number of residential customer electric disconnections for non-payment	26,238 Article 40 of Law 142 of 1994 addresses non-compliance with service contracts and empowers companies to suspend services for non-payment of invoices. Colombian regulation establishes that the reconnection of the service must be done within 24 hours after the report of payment EBSA typically suspends service for all accounts that have not paid their first bill for a balance greater than COP 60,000. Likewise, service is suspended for accounts with two unpaid invoices within the established term. Some users are protected from this measure by the Constitutional Court. Hospitals and health centers, educational centers, police accounts, the army, prisons, etc. are prohibited from having their service suspended.
	Percentage of residential customers reconnected within 30 days of disconnection	100%
SASB IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	During 2020, market performance was seriously affected by the impact of COVID-19. The government implemented a series of economic and social measures that affected the behaviour of the energy market in Colombia, including the following: <ol style="list-style-type: none"> 1. Application of a tariff path that froze rates from May to December 2020, and from January 2021, controlled increases. 2. Automatic financing of unpaid consumption for level 1 to 4 residential users from April to June. No service suspensions were made for non-payment from April to October 2020.

(1) Rates reported are an average of rates by voltage level for each customer type.

GRI, SASB reference indices	Key performance indicator	2020
SASB IF-EU-550a.1	Number of incidents of non-compliance with physical standards or regulations	0
	Number of incidents of non-compliance with cybersecurity standards or regulations	0
SASB IF-EU-550a.2	System Average Interruption Duration Index (SAIDI)	6.1891 mins
	System Average Interruption Frequency Index (SAIFI)	7.7516
	Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	0.8335 mins
SASB IF-EU-000.A	Number of residential customers served	457,198
	Number of commercial customers served	37,795
	Number of industrial customers served	2,915
SASB IF-EU-000.B	Total electricity delivered to residential customers	419,687 MWh
	Total electricity delivered to commercial customers	131,105 MWh
	Total electricity delivered to industrial customers	68,335 MWh
	Total electricity delivered to all other retail customers	112,178 MWh
	Total electricity delivered to wholesale customers	28,793 MWh

Reporting

The reporting boundaries and details are set out within the report. The table below provides alignment with the GRI core guidelines for reporting.

GRI, SASB reference indices	Key performance indicator	2020
GRI 102-45	Entities included in the consolidated financial statements	See 2020 Annual Report (page 64)
GRI 102-46	Defining report content and topic Boundaries	About this report
GRI 102-47	List of material topics	Materiality assessment
GRI 102-48	Restatements of information	There were some minor restatements of information in this report to account for comparability after EBSA was acquired.
GRI 102-49	Changes in reporting	No significant changes in the list of material topics and topic boundaries since previous reporting period.
GRI 102-50	Reporting period	January 1, 2020 to December 31, 2020
GRI 102-51	Date of most recent report	June 18, 2020
GRI 102-52	Reporting cycle	Northland reports annually on its sustainability progress and performance.
GRI 102-53	Contact point for questions regarding the report	Northland Power Inc. 30 St. Clair Avenue West, 12th Floor, Toronto, Ontario, Canada M4V 3A1 sustainability@northlandpower.com www.northlandpower.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option
GRI 102-55	GRI content index	ESG KPI index
GRI 102-56	External assurance	GHD is the external assurance provider for Northland. Northland has committed to obtaining external assurance in 2020 for the following indicators: <ul style="list-style-type: none"> • Scope 1 and 2 GHG emissions • Total recordable injuries rate • Total hours worked As our data processes are improved and refined, we may seek assurance for additional indicators. You can find the Verification Statement here . GHD is an independent, third-party entity from Northland. The external assurance engagement was managed by the CFO, Pauline Alimchandani.
GRI 103-1	Explanation of the material topic and its boundary	About this report Materiality assessment
GRI 103-2	The management approach and its components	See throughout report

Disclaimer

This report contains certain forward-looking statements that are provided for the purpose of presenting information about management's current expectations and plans. Readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". These statements may include, without limitation, statements regarding future adjusted EBITDA or adjusted EBITDA, cash flows and dividend payments, the construction, completion, attainment of commercial operations, cost and output of development projects, plans for raising capital, and the future operations, business, financial condition, financial results, priorities, ongoing objectives, strategies and outlook of Northland and its subsidiaries. This information is based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the design specifications of development projects, the provisions of contracts to which Northland or a subsidiary is a party, management's current plans, its perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances.



10 MW North Burgess solar facility, Tay Valley Township, Ontario, Canada



NORTHLAND POWER

30 St. Clair Avenue West
12th Floor,
Toronto, Ontario, Canada
M4V 3A1

northlandpower.com
sustainability@northlandpower.com

