

2020 | Sustainability Report



PUBLISHED SEPTEMBER 2021

About the Report

This is Pattern Energy's second sustainability report. It has been prepared in accordance with the GRI Standards: Core option. It also uses the GRI G4 Electric Utilities Sector Disclosures document and is informed by SASB wind and solar energy sector disclosures. The reporting period covers the calendar year 2020 (January 1, 2020 to December 31, 2020).

The report reflects the company's restructuring in 2020 to combine our operating and development businesses as one private company: Pattern Energy Group LP. All topics discussed and metrics presented are provided in the context of the company's current organization.

Except where indicated, the practices and metrics disclosed in the report apply to our U.S. and Canada activities and assets. Metrics associated with our assets in Japan, which are managed by our Japanese affiliate GPI, and assets in Mexico with our JV partner CEMEX, are out-of-boundary for this report. Where applicable, data limitations and exclusions are described.

No external assurance has been sought specifically for this report. As part of our commitment to continually improve our sustainability disclosures, we welcome stakeholder input. Please send your comments to sustainability@patternenergy.com.

Table of Contents

Message from Our CEO	03	● Social Responsibility	35
Sustainability At-a-Glance	05	Workforce	36
		Our Commitment	
		Management Approach	
		Workforce Practices	
		Performance Metrics	
		Explore Prioritizing Diversity, Equity, and Inclusion	
		Spotlight Empowering Our Interns	
		Pandemic Response	
		Health and Safety	44
		Our Commitment	
		Management Approach	
		Health and Safety Practices	
		Performance Metrics	
		Explore Tracking Safety	
		Spotlight Sharing Insights	
		Pandemic Response	
		Community and Culture	49
		Our Commitment	
		Management Approach	
		Community and Culture Practices	
		Performance Metrics	
		Explore Partnering with Henvey Inlet First Nation	
		Spotlight Upholding Our Standards	
		Pandemic Response	
		● Governance	55
		Our Commitment	
		Management Approach and Board Oversight	
		Governance Practices	
		Performance Metrics	
		Explore Managing Risk	
		Spotlight Transforming Cybersecurity	
		Pandemic Response	
		● Sustainable Growth	59

● Our Company

- Overview
- What Guides Us
- Portfolio
- Performance Metrics
- Global Development Pipeline
- Explore | Japan
- Spotlight | Mexico

● Our Approach to Sustainability

- Governing Our Sustainability
- Managing Our Supply Chain
- Engaging Our Stakeholders
- Advancing Our Industry
- What Matters: Materiality
- Explore | Building Resiliency
- Spotlight | Delivering Energy

● Environmental Responsibility

- Our Commitment
- Management Approach
- Environmental Practices
- Performance Metrics
- Explore | Capturing the Sunshine
- Spotlight | Repowering Gulf Wind
- Pandemic Response

Message from Our CEO

The year 2020 showed us what could go wrong and have profound impacts on humanity. Extreme weather, wildfires, and floods continued to worsen from already dire conditions in 2019. Social unrest forced a public reckoning with racial and economic injustices. And a global pandemic brought daily life as we knew it to a halt.

These challenges and events drove collective reflection and added new context to what it means to be sustainable. As a result, there has been widespread recognition and acceptance that the time for action is now.

The world is transitioning to renewable energy to address our changing climate. In 2020, global additions of renewable energy capacity rose to 260 gigawatts (GW) – exceeding 2019 additions by nearly 50% – and fossil fuel additions fell to 60 GW, the lowest levels in decades.

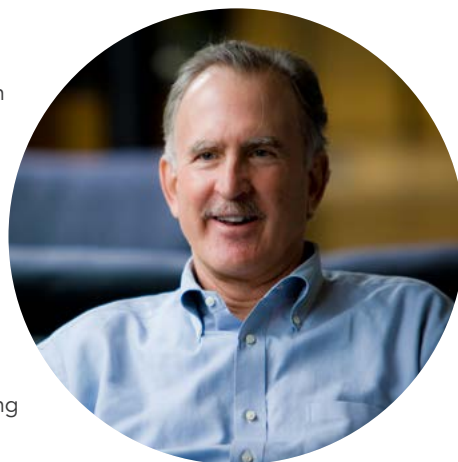
I am proud of Pattern Energy's role in this transition to a clean energy economy. We are active in local and national efforts to expand the use of renewable energy, including building the largest wind energy project in the Americas. There is still more for us to do.

The revolutionary shift to renewables creates opportunities to advance diversity, equity, and inclusion (DEI) in our industry that reflects the communities in which we work. We must foster an energy transition for all. Doing so is not only a fairness issue and the right thing to do. It is also essential from a business perspective.

Pattern Energy performs better with a diversity of ideas, approaches, perspectives, and backgrounds. It allows us to be more creative and identify opportunities. Additionally, our industry needs new workers and leaders to achieve our expansion goals. We have kicked off an industry effort to increase training programs for people from transitional communities and underrepresented groups, such as veterans and coal country workers, and expand contracting with local and women- and minority-owned companies.

We are also acting on DEI issues within Pattern Energy. In 2020, we worked with our Affinity Networks to form an internal DEI Council, publish a statement with actionable DEI commitments to result in meaningful outcomes, and hold our first Diversity Month to enhance awareness and understanding. We are committed to improving our diversity metrics and supporting a work culture where everyone is empowered and feels they belong.

2020 also brought us the COVID-19 pandemic, which is fundamentally an issue of sustainability. It forced companies to quickly adapt to protect their employees and mitigate the business impacts. We performed well during the pandemic due to previous actions of upgrading our Enterprise Resource Planning system and other technologies and having a partial work-from-home environment and a culture of supporting our staff. We provided employees the tools they needed to work effectively from home. We were also able to assist the communities where we have a presence by deploying half a million dollars to our COVID-19 giving program.



Despite the challenges of 2020, Pattern Energy had a transformative year. We reorganized into a vertically integrated private company, which streamlined our governance structure and consolidated our risk profile. As a private entity, we maintained our dedication to strong governance, sustainability, and reporting. In fact, by combining our development, construction, operations, and asset management activities under one company, we have increased the amount of ESG metrics we are measuring and disclosing.

With the support of our Board of Directors, our sustainability program continues to evolve and reflect our long-term strategy. Guided by our cross-functional Sustainability Advisory Committee, we are improving our approach to assessing ESG-related risks and opportunities to create value for our company and stakeholders. We are also developing an overarching ESG policy and an integrated strategic sustainability plan rooted in the UN Sustainable Development Goals. These will set the stage for continued measurable growth on our sustainability journey.

Pattern Energy's 2020 performance highlights are evidence of the increase in renewable energy investment and demand for clean energy. We kicked off construction activities and closed over \$1 billion in financing on the Americas' largest single-phase renewable energy project. Our 1,050 MW Western Spirit Wind project and its accompanying 155-mile transmission line will capture the strong winds in New Mexico and deliver clean electricity to the West. The historic project is creating substantial economic benefits for the state of New Mexico and helping our customers meet their sustainability goals.

We raised \$700 million in capital through the biggest U.S. green high-yield bond sale since 2017. And, with our Japanese affiliate Green Power Investment Corporation, we partnered with some of Japan's most respected financial institutions for a "Tokumei Kumiai" financing of our existing Japanese fleet.

I am immensely proud of our team's achievements during a year of challenges like none we have ever seen. While we were physically apart, in some ways we were able to connect more meaningfully than when we sat next to one another. Our creative spirit and energy fueled imaginative approaches to engage, support each other and our families, and meet our business objectives, which traditionally depended on travel and face-to-face interactions.

Our mission of transitioning the world to renewable energy, and striving for a just transition for all, is more imperative today than ever. Now is the time for action. Companies must act and be held accountable. Together, we can make our world more environmentally, socially, and economically sustainable.

I hope this report inspires readers to act and generates more collaboration and conversation on making Pattern Energy, our communities, and the world more sustainable for all of us and future generations.

Mike Garland, CEO
Pattern Energy

Sustainability At-a-Glance

Environmental, Social, and Governance (ESG) principles relate to everything we do at Pattern Energy. It is not only because we are a renewable energy company. We embed sustainable practices into our governance structure, business model, and approaches to develop, finance, construct, and operate our renewable energy assets.

As with the rest of the world in 2020, we experienced adaptation, transformation, and growth. We did so with the continued pursuit of our mission to transition the world to renewable energy.

In 2020, Pattern Energy ...

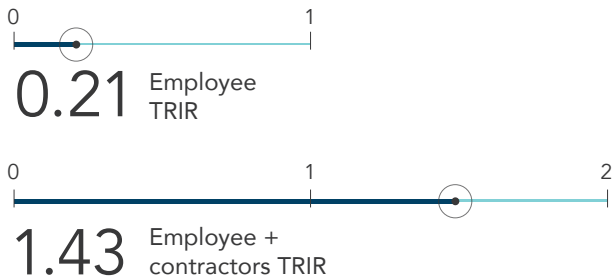
- Demonstrated business resiliency
- Reinforced our culture of safety
- Engaged and empowered our teams
- Promoted diversity, equity, and inclusion
- Supported our communities
- Strengthened sustainability governance
- Invested in a sustainable future
- Managed our risks
- Produced energy sustainably

Demonstrated Business Resiliency

- Launched new Enterprise Resource Planning system
- Transitioned all major business processes to the Cloud
- Established a COVID Response Task Force
- Applied Business Continuity and Disaster Recovery Plan
- Moved to virtual stakeholder engagement
- Enforced strict pandemic protocols with contractors
- Navigated pandemic supply-chain bottlenecks
- Executed Pandemic Response Plan at operating facilities
- Expanded capabilities of our Energy Management Group

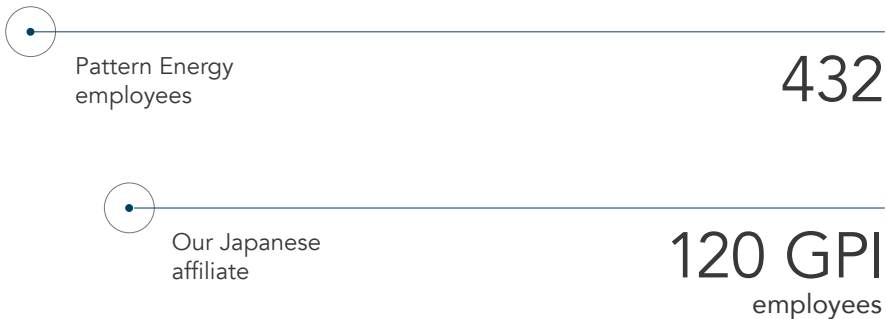
Reinforced Our Culture of Safety

- Restructured to have dedicated construction safety person
- Developed new construction-specific safety policies
- Strengthened approach to vetting construction contractors
- Launched new safety reporting platform



Engaged and Empowered Our Teams

- Held biweekly virtual Pattern Live Town Hall events
- Convened quarterly virtual employee Roundtables
- Field staff averaged 2x training hours as non-field



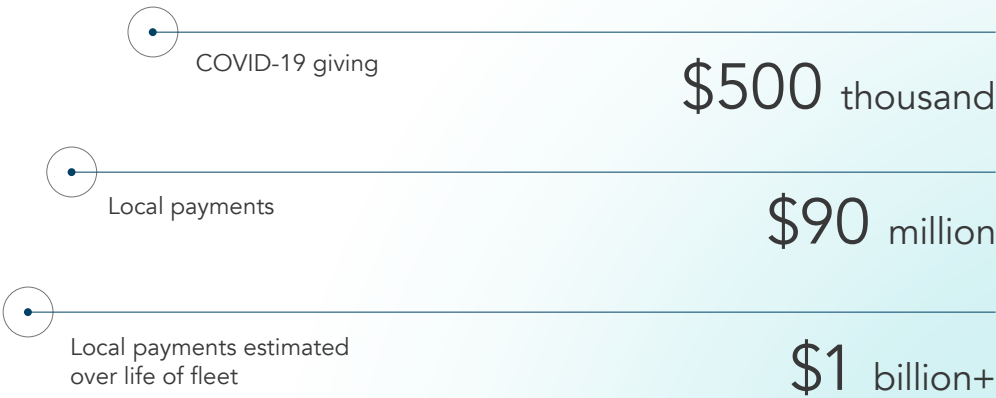
Promoted Diversity, Equity, and Inclusion

- Formed internal DEI Council
- Published Statement of DEI Commitments
- Held our first Diversity Month
- Supported employee-led Affinity Networks



Supported Our Communities

- Launched charitable giving app Cauze
- Employees gave 1,000 donations totaling \$40,000
- Operated largest First Nation wind partnership in Canada

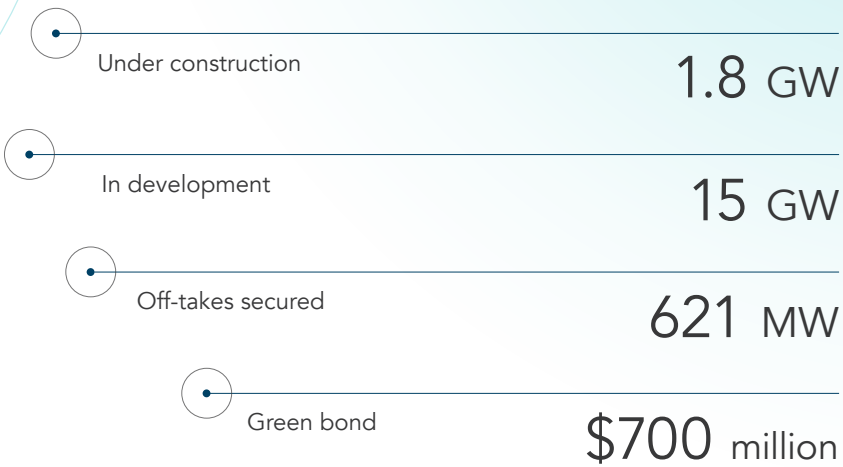


Strengthened Sustainability Governance

- Updated our ESG materiality assessment
- Signed SEIA's Forced Labor Prevention Pledge
- Committed to traceability protocols with solar suppliers
- Refreshed our company commitment statements

Invested in a Sustainable Future

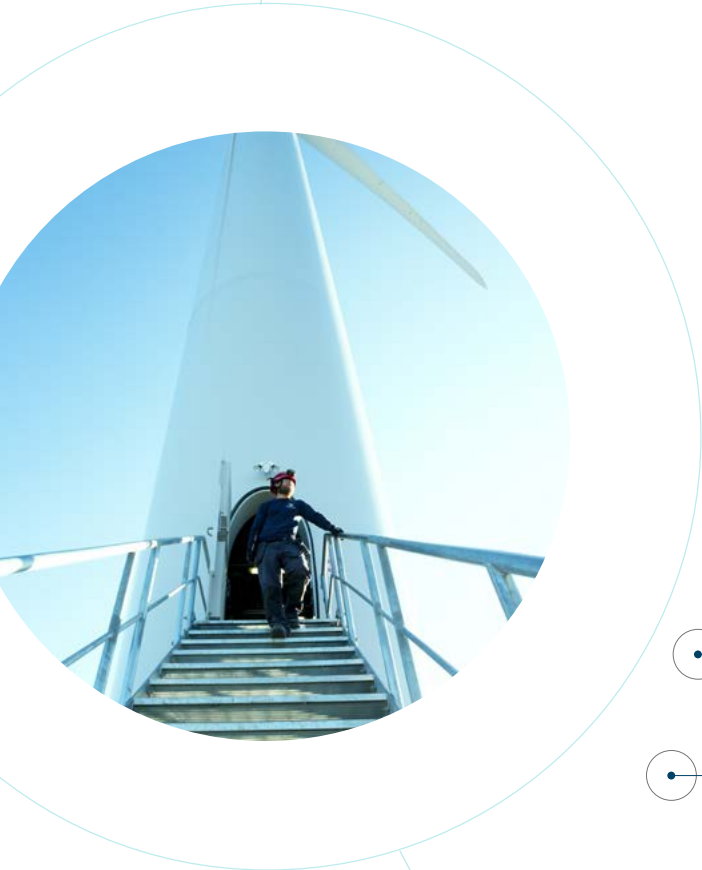
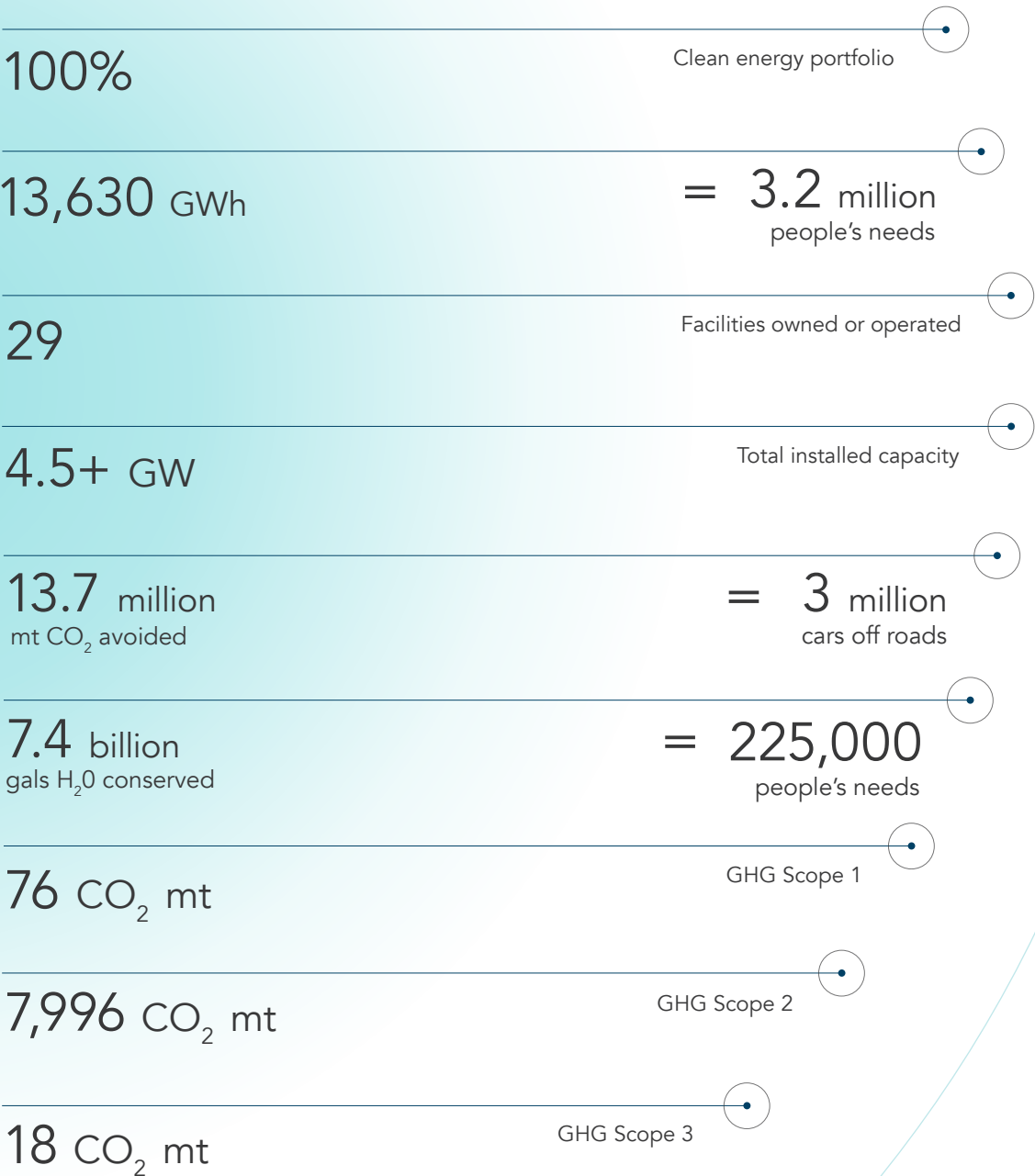
- Underwent company restructuring
- Maintained strong governance policies and controls
- Published Green Financing Framework



Managed Risks

- Launched new Enterprise Risk Management program
- Researched and tracked impact of weather disruptions
- Reduced risk of malware attacks
- Created Land Agent Code of Conduct
- Applied new environmental compliance tracking system

Produced Energy Sustainably



Our Company



Pattern Energy underwent a restructuring in 2020 to vertically integrate our business activities, better enabling us to succeed in our mission to transition the world to renewable energy. While the restructuring creates operational efficiencies, it does not change our mission, values, or commitments that guide everything we do.

Pattern Energy Group Inc.'s operating assets combined with the Pattern Energy Group 2 LP development platform to become Pattern Energy Group LP (Pattern Energy), a partnership among the Canada Pension Plan Investment Board (CPP Investments™), private equity funds managed by Riverstone Holdings LLC, and certain members of Pattern Energy management.

We are headquartered in San Francisco and have offices in Houston, San Diego, Albuquerque, Toronto, Tokyo, and Amsterdam. Our operational portfolio at the end of 2020 consisted of 29 utility-scale wind and solar facilities in the U.S., Canada, Japan, and Mexico, totaling more than 4.5 gigawatts (GW) of installed capacity.

In 2020, we had 1.8 GW of renewable power projects and a 155-mile transmission line under construction. These projects included repowering a wind facility, our first U.S. solar power project, our first Japanese offshore wind power project, and the largest U.S. wind power project to be constructed in a single phase.

Except for the Japanese offshore wind project, we expect those projects under construction to reach operations by the end of 2021. Additionally, we have over 15 GW in our development pipeline, with wind and solar projects at various stages in the U.S., Canada, Japan, and Mexico.

Our Core Competencies

Project Development

Origination and Power Marketing

Project Finance

Supply Chain

Project Construction

Facility Operations

Asset Management

What Guides Us

Pattern Energy's mission is to transition the world to renewable energy. We aim to sustainably develop, construct, and operate clean, renewable energy projects in a safe and environmentally responsible manner and with respect for communities and cultures where we have a presence.

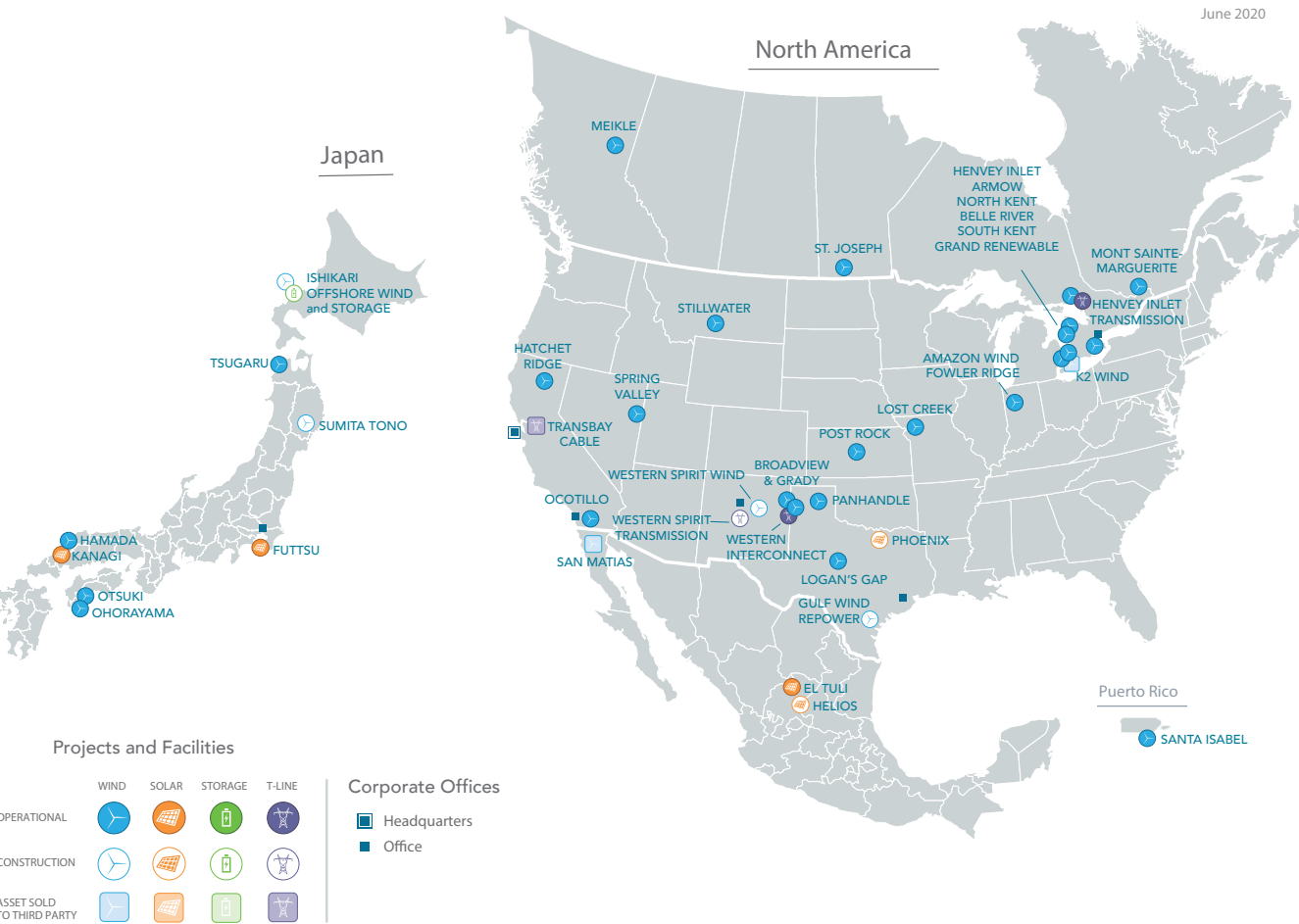
We have adopted commitment statements that are fundamental to our business. In 2020, we updated these statements to reflect how our work has evolved the past decade. We also added a fourth statement to document our commitments to provide a workplace and culture that is diverse, equitable, and inclusive, where all employees feel they belong.

Our Statements of Safety and Health, Community and Cultural, Environmental, and Diversity, Equity, and Inclusion Commitments are signed by our CEO and displayed in our corporate offices and in our renewable energy facilities' operations buildings. Each statement is supported by a management system that provides the programmatic foundation for meeting our commitments.

Core values of creative energy and spirit, pride of ownership, and a team-first attitude guide us in creating a safe work environment, applying rigorous analysis to all aspects of our business, and working proactively with stakeholders. We emphasize our values through goals in our Performance Management process and give annual awards to employees who exemplify them.

Our vision is to be a leading, fully integrated renewable energy company in our target markets, which we achieve by living our mission and values every day, supporting our teams, pursuing new access to funding, and delivering advanced renewable energy products for the customers we serve.

Portfolio



Map not to scale. Portfolio as of December 31, 2020. Visit PatternEnergy.com for current portfolio details.

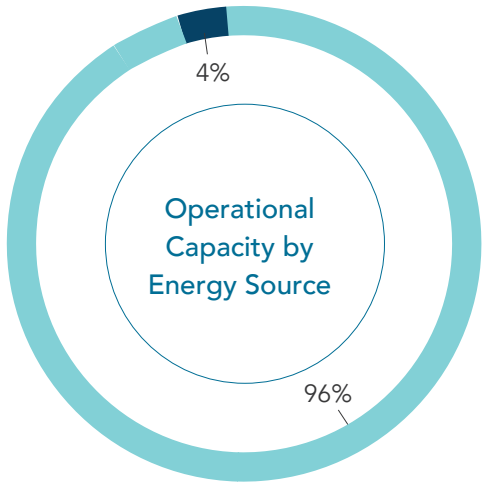
Construction

Project	Country	State / Prefecture	(MW)	Target Commercial Operations
Gulf Wind Repower	U.S.	Texas	271	2021
Phoenix Solar	U.S.	Texas	83	2021
Helios Generation	Mexico	Zacatecas	150	2021
Western Spirit Wind	U.S.	New Mexico	1,050	2021
Sumita Tono Wind	Japan	Iwate	113	2022
Ishikari Wind Offshore	Japan	Hokkaido	112	2023

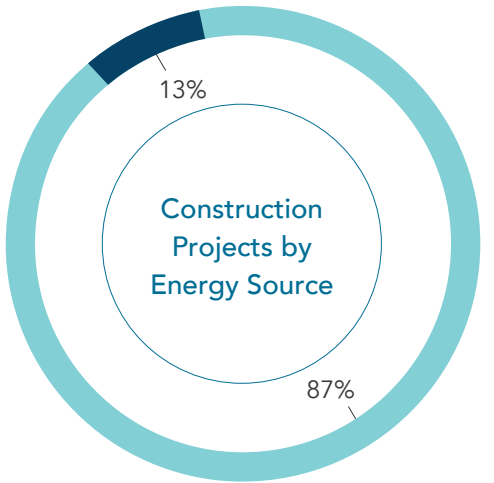
Operations

Facility	Country	State, Province, Prefecture, Territory	Installed Capacity (MW)	Commercial Operation Year
Otsuki Wind	Japan	Kochi	12	2006
Hatchet Ridge Wind	U.S.	California	101	2010
Lost Creek Wind	U.S.	Missouri	150	2010
St. Joseph Wind	Canada	Manitoba	138	2011
Spring Valley Wind	U.S.	Nevada	152	2012
Santa Isabel Wind	U.S.	Puerto Rico	101	2012
Post Rock Wind	U.S.	Kansas	201	2012
Ocotillo Wind 1	U.S.	California	222	2012
Ocotillo Wind 2	U.S.	California	43	2013
South Kent Wind	Canada	Ontario	270	2014
Panhandle Wind 1	U.S.	Texas	219	2014
Panhandle Wind 2	U.S.	Texas	182	2014
Grand Renewable Wind	Canada	Ontario	149	2014
K2 Wind	Canada	Ontario	270	2015
Logan's Gap Wind	U.S.	Texas	200	2015
Amazon Wind Farm Fowler Ridge	U.S.	Indiana	150	2015
Armow Wind	Canada	Ontario	180	2015
Broadview Wind	U.S.	New Mexico	324	2015
Futtsu Solar	Japan	Chiba	31	2016
Kanagi Solar	Japan	Shimane	10	2016
Meikle Wind	Canada	British Columbia	179	2016
Belle River Wind	Canada	Ontario	100	2017
Ohoroyama Wind	Japan	Kochi	33	2018
North Kent Wind	Canada	Ontario	100	2018
Stillwater Wind	U.S.	Montana	80	2018
Mont Saint-Marguerite Wind	Canada	Quebec	143	2018
Grady Wind	U.S.	New Mexico	220	2019
Henvey Inlet Wind	Canada	Ontario	300	2019
Tuli Energy	Mexico	Zacatecas	150	2019
Tsugaru Wind	Japan	Aomori	122	2020

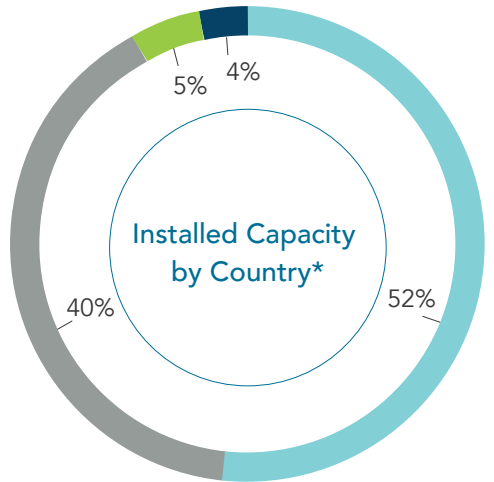
Performance Metrics



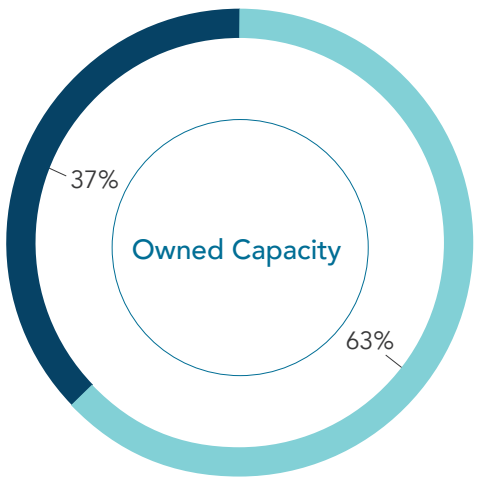
MW	
Wind	4,340
Solar	191
4,531	



MW	
Wind	1,546
Solar	233
1,779	



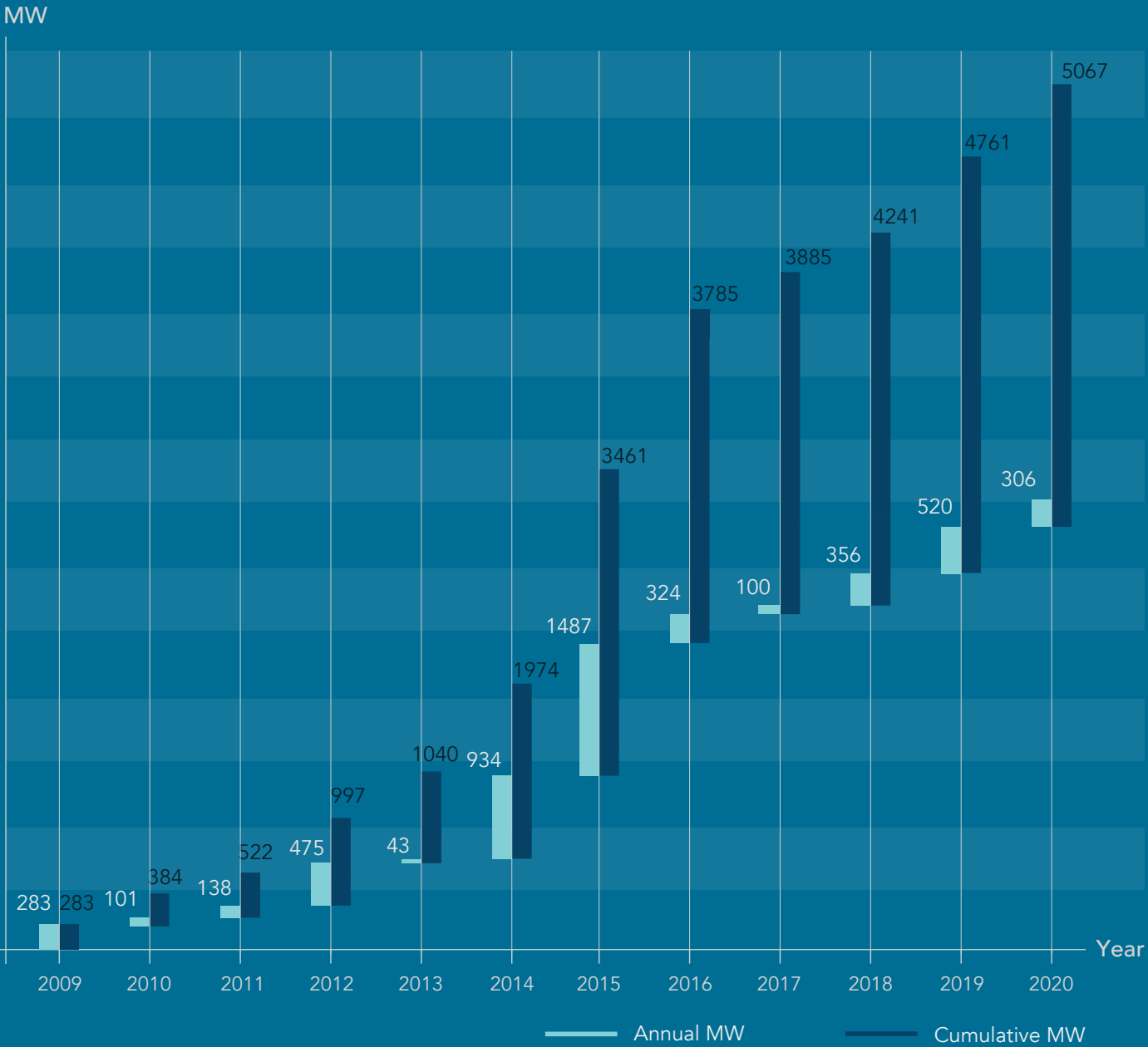
MW	
United States	2,344
Canada	1,829
Japan	208
Mexico	150
4,531	



MW	
Operational Facilities	2,909
Construction Projects	1,704
4,613	

*Pattern Energy currently operates or holds ownership interest

Installed or Acquired Capacity by Year



Global Development Pipeline

Pattern Energy has a history of delivering complex, ambitious projects and being the first to reach certain milestones in our industry. For example, we were the first renewable energy company to bring utility-scale wind facilities to operation in Nevada, Puerto Rico, and the Texas Gulf Coast. And we developed, financed, and managed the construction of the first and only merchant transmission line in California, the 53-mile, 345 kV high voltage direct current (HVDC) undersea TransBay Cable.

We have also used strategic partnerships to drive toward our mission. Our joint venture (JV) with Henvey Inlet First Nation resulted in Canada's largest First Nation wind partnership, the 300 MW Henvey Inlet Wind facility. And our JV with Samsung Renewable Energy led to the development of over 1,000 MW of installed wind capacity in Ontario, helping propel us to the largest wind power operator in Canada.

Pattern Energy's majority stake in our Japanese affiliate, Green Power Investment Corporation (GPI), and JV partnership with CEMEX Energía to develop 1,000 MW in Mexico are other examples of how partnerships facilitated our expansion into new markets.

Currently, we have an approximately 15 GW development pipeline that spans the U.S., Canada, Japan, and Mexico. Our development strategy is diversified, from transmission-enabled projects to greenfield wind and solar combinations, to placements near coal plant retirements.

We are doing what we do best and scaling up to meet the growing demand for the transition to a clean energy economy. The following are some examples of the core development projects we are turning to next.

Transmission-Enabled Renewables

In addition to constructing our 1,050 MW Western Spirit Wind project and its affiliated 155-mile transmission line in New Mexico, we are developing an additional 3,200 MW of SunZia Wind projects, which will tie into the SunZia Transmission project.

This initiative allows New Mexico to reap the economic benefits of using its world-class wind resource to meet clean energy demand in the western U.S. The SunZia wind and transmission projects represent a nearly \$6 billion investment in the state.

In the southeastern U.S., we are advancing development activities on our Southern Cross Transmission project, a 500 kV HVDC transmission line that will connect the Electric Reliability Council of Texas (ERCOT) to the SERC Reliability Corporation (SERC). The 2,000 MW capacity project will triple ERCOT's import capabilities during times of extreme demand in Texas.

The bi-directional feature of the line will also allow ERCOT generators to export power to southeast markets during times of excess production and curtailments, bringing further stability benefits to ERCOT. The Federal Energy Regulatory Commission (FERC) Order granting interconnection to ERCOT maintains ERCOT's status as exempt from FERC jurisdiction.

Strategic Partnerships

Pattern Energy entered a JV with Talen Energy Corporation (Talen) called PT Energy Transitions to pursue the development, construction, and operation of approximately 1,400 MW of utility-scale renewable energy projects over five years, representing roughly \$2 billion of investment. PT Energy Transitions benefits from the collective strengths of its partners while utilizing Talen's asset footprint. Six solar projects and a hybrid solar and wind project comprise the initial PT Energy Transitions portfolio.

The first joint development is the 100 MW Montour Solar One project adjacent to Talen's legacy Montour fossil generating station in Pennsylvania. As part of Talen's announced transformation to a sustainable future, Montour is among the coal-fired facilities that will cease burning coal by the end of 2025.

Heritage Prairie Renewable is a greenfield wind and solar project being jointly developed by Pattern Energy and ConnectGen. We are designing the project for up to 300 MW solar power and 600 MW wind power. It represents a \$1 billion investment that will provide significant economic benefits to northeastern Illinois.

International Growth

We are expanding our footprint in Canada, where we currently operate 10 facilities in four provinces. Lanfine Wind is an approximately 150 MW project in southeastern Alberta that will provide revenue to the local community and family farmers and ranchers participating in the project.

We describe our activities in Japan and Mexico in the next sections.

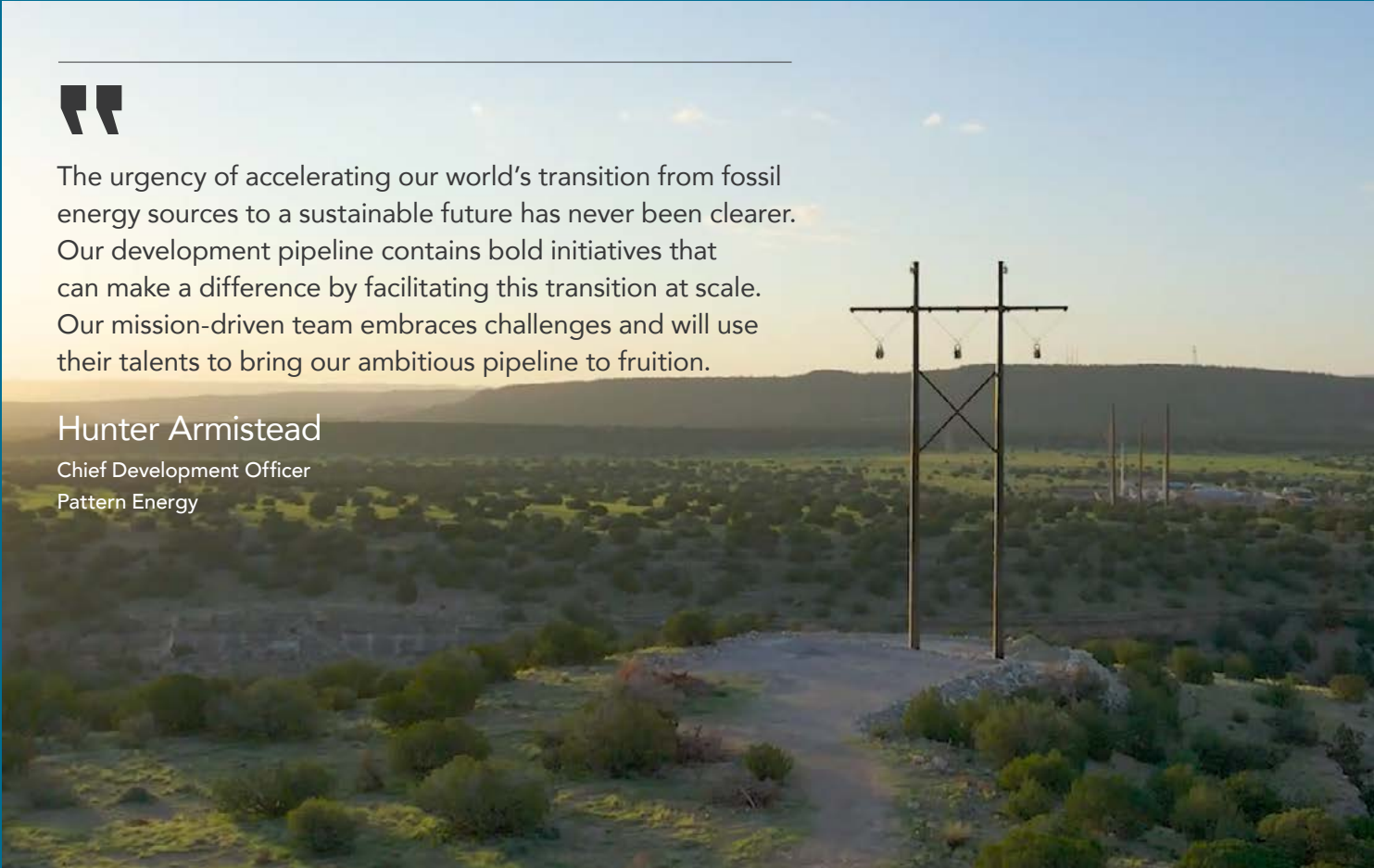
15 GW

Global development pipeline

“

The urgency of accelerating our world’s transition from fossil energy sources to a sustainable future has never been clearer. Our development pipeline contains bold initiatives that can make a difference by facilitating this transition at scale. Our mission-driven team embraces challenges and will use their talents to bring our ambitious pipeline to fruition.

Hunter Armistead
Chief Development Officer
Pattern Energy



Explore: Japan

Pattern Energy develops, owns, and operates renewable energy assets in Japan through our Japanese affiliate, Green Power Investment Corporation (GPI). GPI operates independently with its own management team and Board of Directors, and Pattern Energy has representatives on both. GPI collaborates with our business functions and adopts our policies and standards where they align with Japan’s business culture and law.

Toshio Hori, GPI’s founder, is a pioneer of the renewable energy industry in Japan. He helped establish GPI in 2004 and serves as the company’s current chairman. Pattern Energy acquired majority ownership in GPI in 2015 to partake in the Japanese renewable energy market and share our depth of expertise. At the end of 2020, GPI had approximately 120 employees in its Tokyo headquarters and across its Japan project sites.

The GPI business is aligned with our values and commitments. Innate to Japanese culture are principles that include attention to safety, respect for nature, and creating lasting, meaningful relationships. A strong safety performance stems from GPI and project construction contractors having robust safety policies and an ethos that makes mistakes less common.

In Japan, environmental impact assessments may take multiple years to complete and require approval from the Ministry of the Environment. There are a variety of ways GPI mitigates potential ecological impacts, such as preserving critical habitats. Typically, the assessment process involves a professor highly knowledgeable about a particular local environment and who is often from the project community.

Community engagement and giving are essential components of project development. GPI regularly has team members living in the communities where they are developing projects to facilitate extensive engagement activities with landowners, community elders, and local leaders. Additionally, GPI regularly connects its employees in Tokyo with its project area communities. For example, it has a program that allows Tokyo team members to purchase produce and fish from local farms and port communities.

The GPI team hit several milestones in 2020: construction completed on Tsugaru Wind, Japan’s largest onshore wind facility; construction kicked off on Ishikari Wind, GPI’s first offshore wind power and energy storage project; and GPI and the Pattern Energy team raised a local currency fund with a group of investors in Japan through a “Tokumei Kumiai” or “TK” financing based off the income from its existing Japanese fleet of operational wind and solar projects.

The TK partnership includes some of Japan’s most respected financial institutions. As a result, GPI is now in a unique position in Japan as a “fund manager.” The funding provides capital to recycle across the organization into new assets and development initiatives.

We believe Japan has tremendous potential for growth in renewable energy. Pattern Energy and GPI will continue harmonizing our strengths and sharing best practices while respecting tradition and cultural norms. The GPI portfolio consisting of five operating facilities, two construction projects, and an extensive pipeline of development projects positions it well to help the Japanese government reach its sustainability goals.



Spotlight: Mexico

Pattern Energy has been active in Mexico since 2015 when Pattern Energy Group LP entered a joint venture with CEMEX Energía to develop 1,000 MW of renewable energy projects in the country.

CEMEX Energía is a CEMEX business unit dedicated to the energy sector. Founded in Mexico over 100 years ago and now a global company, CEMEX offers high-quality materials and services to the construction industry. With its long history, experience in renewable energy development, and a strong culture of compliance, CEMEX Energía is a sound and strategic partner.

A committee of Pattern Energy and CEMEX Energía representatives manages the joint venture’s business activities. While the committee discusses all topics during management meetings, CEMEX Energía leads real estate, permitting, and interconnection, and Pattern Energy contributes our expertise in resource assessment, project design and layout, engineering, procurement, financing, and construction management.

Mexico is a signatory to many international treaties and has ratified international conventions that helped shape its robust national environmental permitting regime. Our projects must also meet international standards to receive funding, such as the International Finance Corporation guidelines, international labor standards, and Indigenous Rights consultation requirements, to name a few.

The joint venture has completed the development of two solar projects, totaling 300 MW, in Zacatecas. One began operations in 2020, and we expect the other to declare commercial operations in 2021. Two wind energy projects totaling 600 MW are under development in Tamaulipas. The joint venture supported these project area communities in 2020 by providing funding for food baskets to those in need during the pandemic.

Pattern Energy and CEMEX Energía sold the Fuerza Eolica San Matías (San Matías Wind Farm) in Baja California in 2018 yet continued to manage the project through the completion of construction in 2020.



Our commitments to early and ongoing engagement and community giving apply to all our projects regardless of their country of origin. Throughout our involvement with the San Matías Wind Farm, we sought ways to engage and provide benefits to the local Kiliwas Indigenous People. We held a stakeholder forum to identify their priority needs. As a result, we focused our community giving efforts on education, jobs, and medical care.

In addition to providing items like desks, chairs, and computers, we contributed funding to the local school for an elementary teacher. Project construction created several dozen local jobs, including establishing a kitchen to provide food for the workers. We also sponsored a mobile medical clinic that visits the community annually to perform essential health checkups and eye and dental exams.

Pattern Energy is reconsidering our approach to development in Mexico due to recent electricity industry policy changes, which have created a challenging environment for new private investments in the renewables generation sector.

Our Approach to Sustainability



Governing Our Sustainability

Pattern Energy's commitment to sustainability starts at the top, with our Board of Directors actively supporting our program and discussing ESG-related topics at every meeting. The governance of sustainability falls under the responsibility of the Board of Directors' Nominating, Governance, and Compensation Committee.

Each quarterly board meeting focuses extra time on specific ESG-related topics from a programmatic and strategic standpoint, such as cybersecurity, workforce compensation, risk management, and our sustainability program generally.

Examples of ESG topics the Board of Directors may discuss include:

- Environmental risks and compliance
- Safety practices, metrics, and governance
- Supply chain risks and management
- Workforce benefits, training, succession planning
- Diversity, equity, inclusion
- Stakeholder engagement
- Community giving
- Cybersecurity risks and safeguards
- Tax management
- Public policy and political advocacy

Our Sustainability Advisory Committee consists of leaders from cross-functional disciplines at the company and meets quarterly. They provide validation on our material topics and help shape and implement the program's objectives and strategies, including an enterprise-wide sustainability strategic plan.

Committee members also participate in our Sustainability Working Groups, along with Subject Matter Experts. We have approximately 30 Subject Matter Experts that provide metrics for disclosures and guidance as we improve policies and processes.

Our External Affairs Department leads the sustainability program, focusing on data management and reporting, coordinated decision-making, and stakeholder engagement. Program objectives, progress, and key indicators are reported to our Executive Team and Board of Directors, prompting new guidance and program evolution.

Managing Our Supply Chain

Pattern Energy views our suppliers and vendors as vital partners in bringing sustainable energy to millions of people. Due diligence is imperative to ensure we are working with reputable companies. We use ISNetworld to vet suppliers, including their health and safety programs, records, and liability insurance.

Companies must also meet a certain creditworthiness threshold. We do not cut corners or chase the lowest cost. Our construction team only contracts with companies with years of experience in our business.

First-tier manufacturers with robust sustainability reporting, such as Siemens Gamesa, GE, Vestas, and First Solar, predominantly supply our wind turbines, solar panels, major electrical equipment, and the parts used to build and maintain our sites. These manufacturers and other suppliers have diverse supply chains based in North America, Europe, and Asia.

Pattern Energy signed SEIA's Forced Labor Prevention Pledge in 2020 to state our firm opposition to the use of forced labor within the solar supply chain. The industry is creating a traceability protocol to identify the source of primary raw materials and inputs into finished products. We plan to implement this protocol in our supply contracts, and we will not buy panels using raw materials from Xinjiang, China.

Our business purchases various goods and services to support our activities, including software, office supplies, and professional accounting and environmental services. The vast majority of providers reside in the countries where we use their products, with many based in our site and office communities.

We launched a Vendor Portal in 2020 to collect supplier information more efficiently. The data from the portal feeds into our procurement system and drastically reduces the amount of time it takes to set up a new vendor.

We also implemented an electronic work order management and inventory system to improve efficiencies at our warehouses and worksites. In addition to enabling smart maintenance, the system tracks our parts to anticipate needs and move items between sites.

Pattern Energy will continue to examine our supply chain, procurement process, and contracts to determine where we can further improve practices. We plan to use our new Vendor Portal to capture and track metrics, such as minority-owned businesses, and communicate our Supplier Code of Conduct to vendors when complete.

Engaging Our Stakeholders

Stakeholders

INTERNAL

Board of Directors
Executive, Leadership, and One Pattern Teams
Affinity Networks
Employees

EXTERNAL

Investors
Lenders and bond holders
Rating agencies
Auditors
Customers and off-takers
Vendors and suppliers
Participating landowners
Nonparticipating, nearby landowners
Project area communities
Federal, regional, and local elected officials
Permitting authorities
Regulators and government agencies
Industry associations
Nongovernmental organizations
Industry subject matter experts and academics

Active stakeholder engagement is essential to the success of our business and is the cornerstone of our company approach. We define our stakeholder groups as those that can affect or be affected by Pattern Energy’s performance.

We have diverse groups of stakeholders involved throughout the lifecycle of our renewable energy projects. We work with landowners to study their land for project development, engage community members and local groups to get to know an area, hire experts to conduct environmental studies, and interact with regulators to prepare permit applications.

We also engage with power off-takers to meet their needs better, and we are working to orient our business toward a more customer-focused model.

Once we have a project layout designed, the studies complete, land rights secured, and a customer lined up, we engage with project lenders to satisfy their due diligence and agree on the financial arrangement. Stakeholder engagement continues through project construction and facility operations.

There are other external stakeholders we interact with regularly not explicitly related to our projects. Examples include policymakers, nongovernmental organizations, industry trade associations, media, and corporate investors.

We engage and communicate with our external stakeholders through a variety of methods. These involve in-person and virtual meetings, written and web-based interactions, public meetings, presentations, participation in committees and other decision-making processes, submitting informal and formal comments on public policy and regulatory proceedings, and creating and adopting industry best practices.

We also apply various tactics to engage internal stakeholders and gather valuable feedback. Examples include our One Pattern Team that operates as a committee with representation from every department, and our Pattern Live Town Hall events, employee surveys, social intranet, Roundtables, and Affinity Networks.

Our Human Resources and Workplace Operations and Experience team hosts Roundtables every quarter for employees to ask questions, share feedback, and discuss ideas. Roundtables used to take place in every office. The pandemic caused them to go virtual, resulting in the unexpected benefit of enabling employees from diverse locations to gather and discuss workforce topics.

Working closely with our stakeholders enables us to capture and apply a wide range of input and perspectives to support our business and sustainability goals. Stakeholder engagement helps us deliver products to meet our customers’ and project lenders’ needs, design and operate facilities better suited for their communities, and provide employees with the benefits and training that supports retention.

Advancing Our Industry

Pattern Energy is active in our national and regional trade associations and strives to play a leadership role to drive best practices to make our industry more sustainable.

We saw our national trade associations rebrand and become more technologically diverse in 2020 to better reflect their member companies. The American Clean Power Association (ACP) united the influence of America’s renewable energy industry to further our shared goals.

In Canada, the Canadian Wind Energy Association and the Canadian Solar Industries Association combined to create one national voice for wind, solar, and energy storage solutions through the Canadian Renewable Energy Association.

We held multiple governance positions in 2020 on the boards of directors of our trade associations, including with the American Clean Power Association, Canada Renewable Energy Association, Advanced Energy Economy, and the American Council on Renewable Energy. We also held leadership roles in organizations, coalitions, and committees related to biodiversity, as described in the Environmental section of this report.

In 2020, we were instrumental in kicking off an Energy Transition for All campaign through ACP to plan ways to improve diversity in the renewable energy workforce and help workers from other industries evolve their skillsets through training and education.

In addition to our national trade association involvement, we participate in state-level associations and our project entities typically join local business organizations, such as Chambers of Commerce, in their communities.



What Matters: Materiality

Following the reorganization of our company in 2020, we conducted a materiality assessment that applied the Materiality GRI Reporting Principle to identify and help prioritize topics for reporting and our sustainability efforts. Sustainability experts facilitated the process, and cross-functional teams at Pattern Energy supported it.

GRI defines materiality along two dimensions: (1) the significance of social, environmental, and economic impacts, and (2) the importance to stakeholders for informing their assessments and decisions.

The group leading the analysis identified 22 topics by weighing these two dimensions relative to Pattern Energy’s business activities. They also considered various sustainability reporting standards, the reporting practices of other renewable energy companies, and investor and lender inquiries.

The analysis of topic significance involved a range of factors. Resources included GRI Standards, United Nations Sustainable

Development Goals, Sustainable Accounting Standards Board, Equator Principles, applicable laws and regulations, industry initiatives and research, and investor guidance.

An online survey informed the evaluation of stakeholder perspectives. Approximately 70 internal and external stakeholders, including members of our Executive, Leadership, and One Pattern teams, as well as vendors, suppliers, government officials, and community leaders, took the survey. Eight percent of the survey respondents identified as Indigenous Peoples.

Of the 22 relevant topics assessed, 21 were deemed material for reporting and reflect management importance, and 13 topics represent those identified as key areas of value creation and strategic importance.

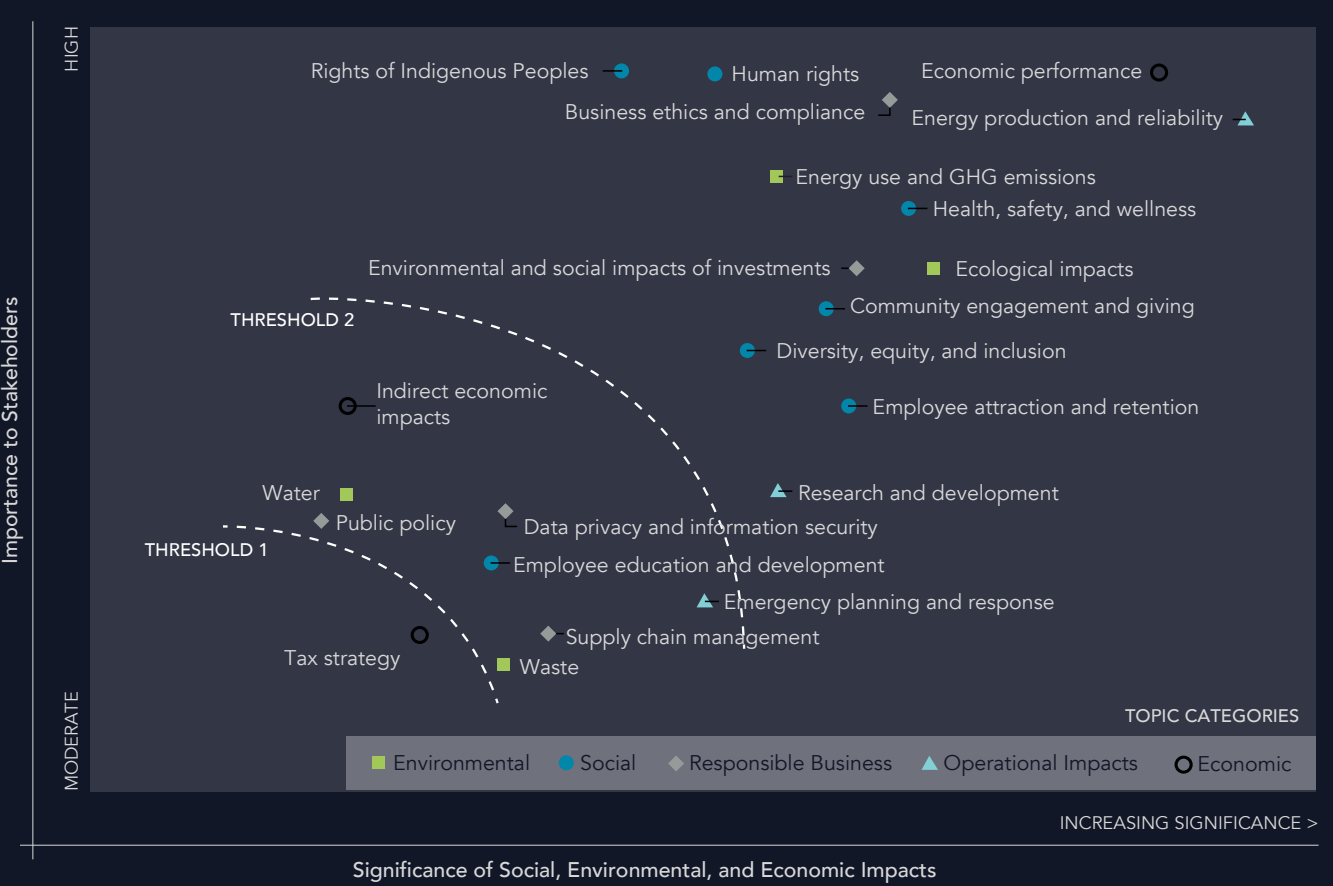
We believe the outcomes of this process reflect the merit of engagement and will continue to shape how we manage our overall sustainability strategy.



Relevant Topics

Category	Threshold 1 Topics	Threshold 2 Topics
Environment	Waste	Ecological impacts
	Water	Energy use and greenhouse gas emissions
Social Impacts	Employee education, training, and development	Health, safety, and wellness
		Employee attraction and retention
		Community engagement and giving
		Diversity, equity, and inclusion
		Human rights
Responsible Business	Supply chain management	Rights of Indigenous Peoples
		Environmental and social impacts of investments
		Business ethics and compliance
Operational Impacts	Public policy	
	Emergency planning and response	Energy production, availability, and reliability
Economic	Research and development	
	Indirect economic impacts	Economic performance

Materiality Matrix



Explore: Building Resiliency

Pattern Energy demonstrated our company’s resiliency in 2020. We mitigated the pandemic’s commercial impact on our business by preparations we made for such an event and our actions in response to it.

Our IT department conducted a disaster-preparedness exercise in 2018 and identified that a future pandemic or other emergencies might necessitate the ability to work from home. In response, we developed a Business Continuity and Disaster Recovery Plan.

We began setting up a robust virtual environment that would enable employees to securely access the resources they need from anywhere and on any device. These efforts were completed in early 2020 and proved invaluable when the COVID-19 pandemic necessitated a swift change to a work-from-home environment.

Launching our new Enterprise Resource Planning (ERP) system and transitioning all major business processes to the Cloud improved efficiencies and flexibility for employees while also yielding savings for the company. We further improved our effectiveness and accessibility in 2020 through deploying Microsoft Teams, among other initiatives.

In response to the COVID-19 pandemic, we established a COVID Response Task Force, implemented our Safety Management System’s Pandemic Response Plan, closed offices to nonessential employees, and increased the frequency of company Pattern Live Town Halls to improve communication and transparency with employees.

The pandemic had a limited impact on our development and construction projects. The development team transitioned well through virtual stakeholder engagement, and the construction team worked to mitigate the effects by enforcing strict protocols with contractors.

Overall, the procurement team could mitigate most disruptions due to solid relationships with our suppliers, anticipating and navigating supply chain bottlenecks, and purchasing additional materials to have in stock.

In several cases, we were able to reschedule maintenance activities to align with altered delivery times for parts and equipment and avoid material impacts on our energy production. We were also able to acquire and distribute personal protective equipment supplies to our essential workers in an equitable and timely manner.

Other transformative business improvements:

Project Relay

Project Relay increases efficiency and accountability by clearly mapping out roles, responsibilities, and deliverables as assets transition from development through construction to operations. In 2021, Project Relay 2.0 will evolve to include a stage gating workflow that requires completing actions and deliverables before moving to the next stage of the process.

Pattern Wiki

Pattern Wiki serves as an institutional database of knowledge for our employees. It covers a wide range of topics, from policies to instructions on how to get things done at the company.

Enterprise Risk Management

Pattern Energy’s ERM program includes a robust process to identify, analyze, and report risks. Corporate and project risk registers track potential business impacts and our plans to address them. Read more about our approach in the Governance section of this report.

Contract Lifecycle Management

Our CLM system is an automated application used to request approvals and final execution for all agreements across the company. The system guides employees through complex requirements and processes. It allows for internal collaboration on contracts and combines approvals and document management into one workflow.

Spotlight: Delivering Energy

To keep pace with the demand for renewable energy and support our growing portfolio of operating facilities, Pattern Energy expanded the power and transmission scheduling capabilities of our Energy Management Group in 2020.

The Energy Management Group includes expertise in risk management, energy markets, and transmission scheduling. From identifying the most efficient way to deliver renewable energy to customers to seeking ways to mitigate summer rate increases, this group is responsible for optimizing commodity delivery and price exposure. They also coordinate with our Meteorological team to account for the impact of forecasted weather disruptions on our anticipated production.

The expanded group moves clean energy from our wind facilities in eastern New Mexico across transmission paths in New Mexico and Arizona to deliver electricity to customers in California. The amount they are responsible for scheduling will triple when Pattern Energy completes our Western Spirit Wind projects at the end of 2021.



Expanding our power and transmission scheduling capabilities increases our competitiveness, allowing us to not only keep up with - but stay ahead of - the changing pace of the market.

Chad Ringley

Senior Director, Energy Management
Pattern Energy



Environmental Responsibility

Our Commitment

Pattern Energy is committed to protecting the environment and conserving natural resources. We believe climate change is the world's biggest environmental challenge and producing energy from renewable sources is essential to reducing the global carbon footprint. Our clean energy facilities displace fossil-fuel generation and reduce hazardous pollution, carbon dioxide emissions, and water use from the energy sector.

We consider it our responsibility to produce and transport renewable energy to consumers in a way that respects the integrity of our environment. We aim to minimize adverse impacts through proper assessment, planning, mitigation, and avoidance. In some cases, we sponsor special wildlife studies and restoration projects to benefit local ecologies around our facilities. We actively participate in industry efforts to develop and improve environmental best practices.

Management Approach

The Pattern Energy Board of Directors regularly discusses the management of our environmental impacts and carbon footprint. We strive to develop, construct, and operate responsibly by complying with all environmental laws and regulations as our minimum standard and implementing best practices where local requirements are not as stringent. Our sound record of performance, with no significant issues of noncompliance, fines, or penalties, is a result of our multidimensional approach.

When we identify a region for potential development, we use a risk assessment process informed by relevant regulations and voluntary industry guidelines. Computer programs model resources in the given area and then overlay information about wetlands, wildlife habitat, the presence of any threatened or endangered plant or animal species, local land use, and cultural sensitivities. This process allows our team to microsite wind turbines and solar panels in a way that minimizes disturbances.

Once a proposed project takes shape, we validate our assumptions by conducting field surveys. Consultations with experts guide us in meeting or exceeding industry best practices. We work with the relevant agencies to obtain the permissions needed to construct and operate.

Construction crew members complete thorough cultural and natural resources training, and we have a third-party environmental monitor on-site during project construction. If there is a discovery of an unexpected plant, animal, or cultural artifact, activity stops to properly assess the situation.

Our Environmental Management System sets forth our environmental commitments and procedures for facility operations. While we have had a process for monitoring compliance with regulations and permits, we implemented a new system in 2020 to follow our contractual and regulatory obligations. The system tracks and categorizes wildlife injuries, spills, agency notices, and self-reporting of environmental issues, assigns roles for critical tasks, and generates quarterly compliance reports to our leadership.

Environmental Practices

- Conduct environmental risk screenings and comprehensive wildlife studies to assess a site's suitability for development.
- For U.S. sites, adhere to the U.S. Fish & Wildlife Service Wind Energy Guidelines to avoid, minimize, or mitigate environmental impacts.
- Incorporate feedback from people in communities and natural resource agencies to help us design projects in a manner that respects wildlife and their habitats.
- Apply our creative spirit and energy to explore sustainable mitigation solutions to minimize adverse effects.
- Construct projects using best practices to protect wildlife, prevent site erosion, conserve natural resources, and manage waste.
- Create, evaluate, implement, and monitor a Bird and Bat Conservation Strategy for each wind energy site.
- Maintain an Environmental Management System and an Emergency Response and Preparedness Action Plan for facility operations.
- Actively train our workforce on our Environmental Management System, environmental compliance, and best practices.
- Comply with tribal, local, state, provincial, and national environmental laws and regulations.
- Maintain a Greenhouse Gas Inventory Management Plan.
- Collaborate with industry peers and conservation organizations on ways to advance industry siting best practices.
- Work to monitor, report, solicit feedback, and continually improve our overall environmental performance.

Protecting Biodiversity

Pattern Energy is committed to sustainable growth. Understanding how wildlife interacts with wind and solar energy facilities is key to this. We take a leadership role in collaborative efforts to advance research to avoid, minimize, and mitigate potential adverse impacts. We work closely with industry peers and environmental nongovernmental organizations through our participation in trade associations and collaboratives.

Our active involvement with the American Wind Wildlife Institute (AWWI) creates opportunities to support research that can help the wind industry expand while protecting and conserving wildlife. Pattern Energy is a founding member of AWWI and currently serves on the Board of Directors and several committees.

The Wind Wildlife Research Fund (WWRF), an innovative mechanism housed within AWWI, was created by the wind energy industry to identify research needs and finance studies. This research advances the understanding of technologies and strategies to reduce or avoid negative wind-wildlife interactions. Pattern Energy is a founding member of the program and makes annual contributions to support its activities.

We also work directly with environmental organizations on research projects. For example, in 2020, we collaborated with Audubon and Defenders of Wildlife in New Mexico to begin mapping the habitat of Pinyon Jays in the Pinyon-Juniper Woodlands throughout the state.



Organizations

Involvement

American Wind Wildlife Institute	Founder; Board of Directors; Co-Chair of the Research Committee and Outreach Committee
Energy Wildlife Action Coalition	Founder; Member of Steering Committee, Policy Committee, and all technical committees
Avian Power Line Interaction Committee	Participant
American Clean Power Association (ACP)	Chair Eagle Subcommittee; Participant on all wildlife-related committees and subcommittees
ACP Migratory Birds Committee	Participant
ACP Bats Committee	Participant
Canada Renewable Energy Association	Founder and participant, National Siting and Environmental Issues Group
Canada Wind Energy Bird and Bat Monitoring Database Steering Committee	Industry Representative

Pandemic Response

Our environmental fieldwork was relatively uninterrupted by the COVID-19 pandemic, as our consultants were considered essential energy workers. We had to adapt in cases where ordinarily in-person meetings or hearings are necessary to meet development milestones. We held virtual public open houses for some development projects and attended virtual county commission meetings to obtain permits for meteorological towers.

The National Environmental Policy Act (NEPA) process entails public comment periods, and the Bureau of Land Management (BLM) typically leads in-person public scoping meetings to solicit comments. Due to pandemic restrictions, we worked with the BLM to hold virtual public meetings over multiple nights for our SunZia Transmission development project. The process was so successful that the BLM is considering continuing virtual venues for public meetings post-pandemic in addition to traditional in-person meetings.

Overall, while we saw some permitting delays due to the closing of county and state offices at the beginning of the pandemic, we did not miss any significant deadlines.



Wind projects like Pattern’s have a development footprint, but the renewable energy they produce is essential to stemming the threat posed by climate change. Renewable energy is key to mitigating the dire impacts of climate change at local, national and global levels.

Jaime Rappaport Clark

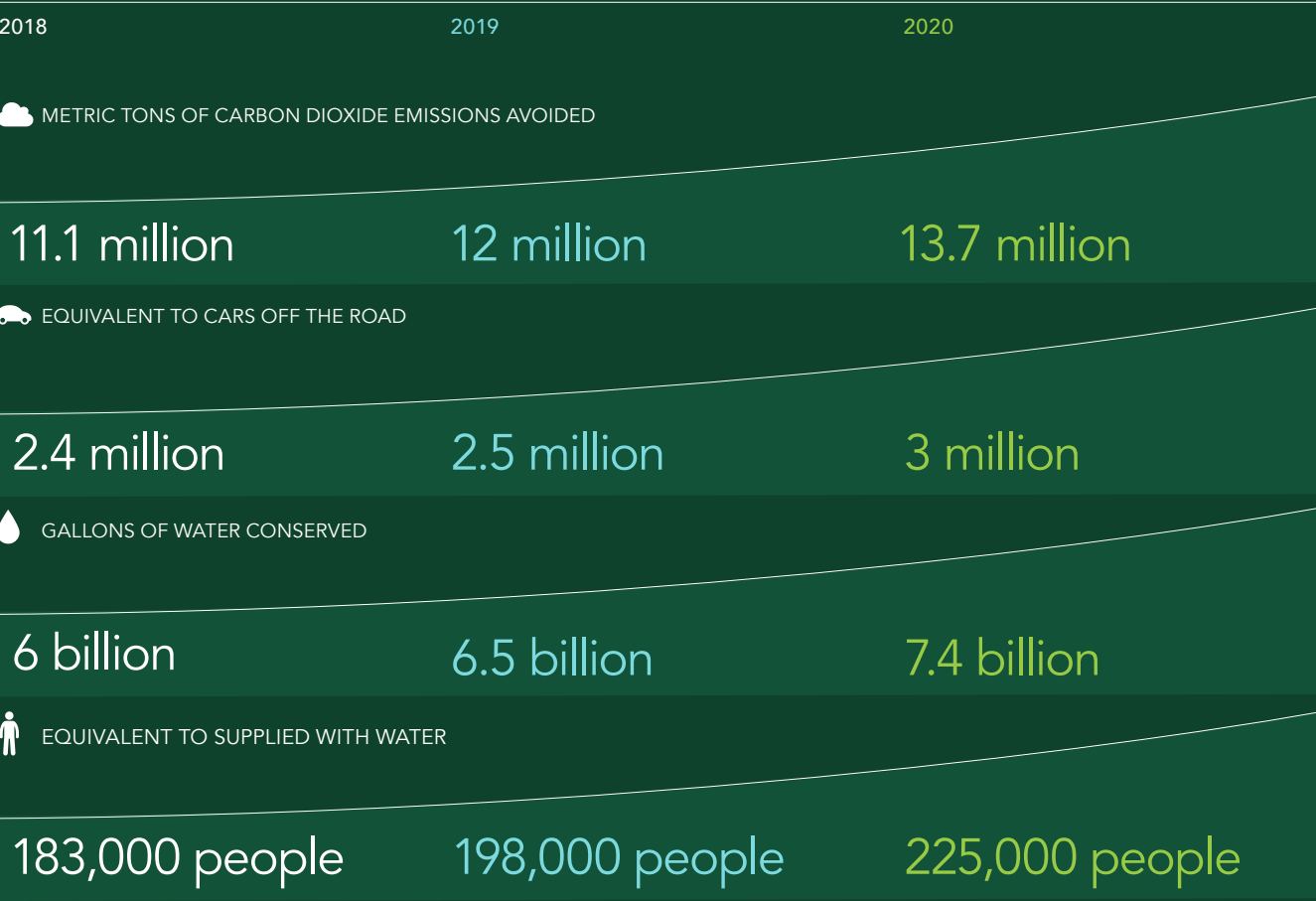
CEO, Defenders of Wildlife
Albuquerque Journal, 2019

Performance Metrics

Clean Energy Generated by Year

	2018	2019	2020
 Electricity generated	11,100 GWh	12,000 GWh	13,630 GWh
 People’s needs met	2,800,000	3,050,000	3,240,000

Environmental Benefits of Our Generation Compared to Coal-Fired Generation



Direct Emissions

As a generator of clean, renewable energy, we have no direct emissions from the operation of our wind turbines and solar panels. In 2020, we created an inventory of stationary emergency generators in our Operations fleet to analyze potential emissions.

The carbon dioxide emissions from all Pattern Energy emergency generators are very low from an industrial or powerplant standpoint. We calculated two scenarios fleetwide: low (100-hour annual run-time) and high (500-hour annual run-time). Neither would require reporting even if all emissions were coming from a single site. Our entire carbon dioxide emissions profile is below the threshold for direct carbon dioxide emissions reporting.

Indirect Emissions

The electricity consumed annually at our corporate offices and our facility sites is less than half of 1% of the clean energy our operating fleet in the U.S. and Canada generates each year.

The electricity we consume at our sites is de minimis compared to our energy production. The energy generated by wind turbines regularly covers their own needs and those of the substation. When this is not the case, facilities purchase electricity to meet such demand. Facilities also purchase electricity to meet the lighting, cooling, and heating needs for their operations and maintenance buildings and connected warehouses, where applicable.

Greenhouse Gas Emissions

	Carbon Dioxide Emissions (Metric Tons)
Scope 1 (Direct)	76
Scope 2 (Indirect)	7,996
Scope 3 (Air Travel)	18

Water Management

Protecting water from pollution is essential for both wildlife and human health. Pattern Energy sites and constructs our projects in ways to minimize impacts to waterways.

Regulations in our jurisdictions govern impacts to groundwater, surface water, and wetlands. For example, all projects in the U.S. are required to prepare a Stormwater Pollution Prevention Plan and submit a Notice of Intent before the start of construction. Construction activities one acre or greater in size also need a plan to protect the community and surrounding environment. When the site completes restoration activities, a Notice of Termination cancels the permit.

Wind turbines and solar panels do not use water to generate energy. Unlike most other forms of energy generation, they do not withdraw, consume, recycle, or discharge water. Solar facilities in some areas may require occasional panel washing, but we do not anticipate this will be necessary at our current sites due to rainfall periodically rinsing the panels.

A sampling of water consumption found an average of 28,000 gallons per site for the year, resulting in an average of two-tenths of a gallon of water consumed per MWh generated.

Waste Management

Operating our facilities generates limited amounts of waste. Our sites comply with applicable federal, provincial, state, and local regulations for waste handling and disposal.

Solar facilities only use small amounts of oil as lubrication sealed inside the tracking motors and does not require replacement or maintenance. Used oil at wind facilities includes gearbox lubrication, hydraulic fluid, and grease for the yaw pitch in the nacelle.

We change wind turbine oils based on analytical results from sampling, which averages about once every seven years per turbine. An approved waste management vendor recycles the oil by filtering out water and metal contaminants. Refineries can then use the oil in their processes to produce gasoline or energy. In other words, this oil lives one life in a wind facility before a second life being burned or refined for energy production.

Each facility has a Waste Management Plan (WMP) to ensure we consistently manage our wastes and follow all relevant laws and regulations. Our teams review WMPs annually to confirm that waste designation forms and vendors are accurate and appropriate.

Explore: Repowering Gulf Wind

Pattern Energy embarked on a repowering of our Gulf Wind facility in Kenedy County, Texas, in 2020. Repowering refers to upgrading the wind turbine technology to produce more energy and extend the facility’s life.

Gulf Wind began operations in 2009. The Gulf Coast is a challenging environment due to hurricanes and saltwater air, and wind turbine technology has made significant advances in the last decade. Advances in technology allow the repowered facility to capture more wind energy per turbine, increasing production and reducing the cost of electricity, which means more affordable power to consumers.

Repowering is also more efficient than building a new facility from scratch. Pattern Energy reused the original turbine pads, foundations, and collection system while replacing the turbine nacelles, towers, and blades.

About 75% of the old blades were recycled or sold to a wind turbine services company that can reuse them.

The turbine light bulbs, gearbox oil, and batteries were also recycled. We are exploring ways to learn from our first repowering experience to reduce landfill waste during future repower projects.

The repowering of Gulf Wind creates benefits for Texas, which needs more power when demand is highest, and that happens to be when the gulf breeze blows the most. On average, Gulf Wind expects to generate electricity equal to the needs of about 90,000 Texas homes, approximately 10,000 more than before the repower. The facility entered into a 20-year agreement with Austin Energy for the purchase of the energy it generates.

Since the repower extends the facility’s life, more payments from Gulf Wind will go to the county, school district, and Kenedy Memorial Foundation, the owner of the Kenedy Ranch that hosts the facility. All funds received by the foundation support its mission to fight poverty, increase education, and build stronger communities.



Spotlight: Capturing the Sunshine

Pattern Energy commenced construction on our first U.S. solar energy project in 2020. Various activities occur before construction to mitigate potential adverse impacts on the environment and wildlife.

An environmental firm performed a critical issues analysis and biological resource assessment during project development to confirm that the site did not include critical habitat for threatened or endangered species. Environmental consultants also reviewed historical and archaeological records and did field checks for cultural artifacts. Both concluded no findings of potential impacts.

All on-site personnel, including employees and contractors, receive environmental awareness training during construction. The construction phase avoids streams and forested wetlands, preventing impacts to aquatic species, and a Stormwater Pollution Prevention Plan minimizes stormwater runoff impacts.

Topsoil in pastures within the project footprint is left intact to the extent possible. Restoration activities after construction include reseeded pasture plants. The project team is working with beekeepers and native species experts to identify local pollinator species that will help maintain and increase the bee population around the area.

The 83 MWac Phoenix Solar project in northeast Texas uses approximately 240,000 panels manufactured in the U.S. by First Solar. First Solar designs state-of-the-art solar panels with a focus on sustainability.

They use semiconductors made from mining byproducts, and the manufacturing process uses significantly less water and energy than other types of solar panels. The estimated “energy payback” occurs after only six months, two to four times faster than comparable panels.

More than 90% of the panel materials are recyclable at the end of their predicted 15-20-year operational life. First Solar built a dedicated facility in the U.S. for this purpose.



Social Responsibility



W O R K F O R C E

Our Commitment

Pattern Energy has a goal to be the best place to work in our industry. Our objectives to attract and retain top talent and create a culture of belonging support this goal. To improve the workplace experience at our company, we incorporate the feedback we receive through employee engagement activities, prioritize training and development, and strive to offer competitive benefits packages.

Our company's success depends upon the dedication of our employees, and in turn, we dedicate the resources necessary to support them. We aim to create a positive, healthy work environment that provides our employees personal and professional development. We hope employees find their careers at Pattern Energy rewarding, challenging, and productive.

We encourage our team members to build a sense of community, which has resulted in four employee-led Affinity Networks: Women in Renewable Energy (WIRE), Blacks in Renewable Energy (BiRE), Pattern Pride, and Asian and Pacific Islanders in Renewable Energy (AsPIRE).

Pattern Energy is committed to supporting these networks through an executive sponsor and resources to help them meet their objectives. Our Affinity Networks align with our company's goals by providing inclusion, professional development, and networking opportunities.



Management Approach

Employee engagement is a foundational strategy in our approach to improving our company and the ways we support our workforce. Many of the programs and benefits we offer are in response to employee feedback and demand.

We have various tools to obtain employee input, from regular employee engagement surveys, quarterly Roundtables with our Human Resources (HR) and Workplace Operations and Experience team, and our HR Business Partners assigned to every department. We also communicate and engage with employees through our employee social network, The Current, and regular Pattern Live Town Hall events.

We use Culture Amp to provide employee engagement surveys, results reporting and benchmarking, including our participation rates and satisfaction scores. We conduct in-depth employee engagement surveys at least every 18 months, and we do briefer “pulse” surveys on specific topics between the more extensive surveys. In 2020, we implemented pulse surveys on pandemic- and diversity-related issues. We have never had a less than 80% participation rate, and our most recent satisfaction scores have been about 75%.

Our Talent Acquisition team actively seeks diversity in their recruitment, including diversity in age, experience, skillsets, background, location, gender, race, and ethnicity. Diversifying our workforce helps us to innovate and improve our position in the marketplace.

We have a Total Rewards team that maintains the competitiveness of our salaries and benefits. Employees receive a benefits package that includes: company-provided health plans, flexible spending accounts, health savings accounts, life insurance, long- and short-term disability insurance, retirement plans, sick leave, paid parental leave, vacation and holiday pay, among other features.

Every position in the company must create annual goals and submit performance reviews. Compensation bonuses are available to every employee and are dependent on whether employees and the company meet yearly objectives.

We support the personal and professional growth of our employees through our Integrated Talent Management System. In addition to training on work-oriented competencies to help employees advance their careers, we offer resources to improve soft skills and social awareness. A monthly newsletter highlights available live workshops and “Learning Playlists” with recorded webinars and podcasts.

Pattern Energy designs our policies to ensure employees are treated, and treat each other, fairly and with respect and dignity. All employees must comply with our policy on equal opportunity, nondiscrimination, and fair employment.

We do not tolerate conduct involving discrimination or harassment of others, and we will take remedial action commensurate with the severity of the offense if we determine a policy violation.

Employees are encouraged to report any incidents if they believe they have been harassed, discriminated against, or subject to retaliation by a coworker, manager, vendor, or customer of the company, or are aware of such actions against others.

Workforce Practices

- Prioritize diversity in our talent acquisition and recruitment activities.
- Offer employees competitive compensation and benefits.
- Provide new hire orientations and ongoing learning opportunities.
- Maintain a matrix with training needs, opportunities, expectations, and metrics.
- Uphold an equal opportunity policy that promotes diversity and inclusion.
- Develop and act on strategic action plans to contribute to meeting our DEI commitments.
- Support the Pattern Energy DEI Council to provide input into our DEI initiatives.
- Nourish inclusion and a sense of community by providing opportunities for employees to gain awareness of each other's experiences and perspectives.
- Develop talent by hosting a summer internship program.
- Encourage, support, and resource our employee-led Affinity Networks.
- Regularly update our employee handbook to reflect shifting workplace dynamics.
- Maintain an open-door policy where employees feel free to express their concerns to management in confidence.

Performance Metrics

Workforce Overview



Note: Metrics are applicable to Pattern Energy employees in the U.S. and Canada. Pattern Energy had three employees outside of the U.S. and Canada in 2020.

	2018	2019	2020	
Employee Turnover	14%	18%	13%	→
Women in Management Roles	30%	35%	37%	

Workforce by Country, Age, Gender

	Female	Male	Total
Canada <30 Years Old	1	3	4
Canada 30-50 Years Old	8	14	22
Canada >50 Years Old	2	7	9
Canada Total	11	24	35
U.S. <30 Years Old	15	34	49
U.S. 30-50 Years Old	112	150	262
U.S. >50 Years Old	27	56	83
U.S. Total	154	240	394
Grand Total	165	264	429

Note: Figures reflect Pattern Energy employees in the U.S. and Canada.

U.S. Workforce Demographics

White	227
Asian	91
Hispanic/Latino	40
Black/African American	17
Two or More Races	13
Not Specified	5
American Indian or Alaska Native	1
Total	394



41%
racial diversity
in U.S. workforce

Note: Demographics are only applicable to Pattern Energy U.S. employees because it is not a federally supported question in Canada.

Training Hours for Pattern Energy Non-Field Staff

Mandatory Training Hours	Voluntary Training Hours	Total Training Hours	Average Training Hours per Employee
778	3,145	3,923	14

Note: Applies to the 273 Pattern Energy employees working in the U.S. and Canada that are not a part of field staff. Mandatory training topics for employees include global compliance, anti-corruption, workplace harassment and discrimination prevention, among others. Drug and alcohol in the workplace training is also required of managers. New hires have a set of learning curriculum and Pattern Energy culture orientation. Voluntary training entailed a variety of professional development skillsets.

Training Hours for Pattern Energy Field Staff

Training Category	Mandatory Training Hours	Voluntary Training Hours	Total Training Hours	Average Training Hours per Employee
Non-Field	234	632	866	8
Field-Related	1,140	1,444	2,584	23
🕒 Total Hours	1,374	2,076	3,450	31

Note: Applies to the 110 Pattern Energy employees in the U.S. and Canada working at our operating facilities. Operations field staff participate in mandatory training on various safety, first aid, and regulated topics specific to their work. Examples include NERC required trainings, FERC Standards of Conduct, Working at Heights and Rescue Training, among others.



We want our employees’ experience at Pattern Energy to be as positive as the difference we are striving to make in the world. We prioritize well-being and professional development for our staff, and we hope they feel valued and supported.

Debbie McAdam

VP, Human Resources and
Workplace Operations and Experience
Pattern Energy



Explore: Prioritizing Diversity, Equity, and Inclusion

Pattern Energy is committed to a diverse, equitable, and inclusive workplace where all employees belong, regardless of gender, gender identity, race, ethnicity, national origin, age, sexual orientation, religion, or ability.

We believe having diversity in our teams and our leadership, while providing an environment where employees from underrepresented groups are encouraged and empowered, leads to a more engaged workforce and better outcomes for all of our stakeholders.

We joined other industry leaders in issuing a joint statement standing for racial justice and equality in 2020. We also formed a Diversity, Equity, and Inclusion (DEI) Council that includes executive leadership, the presidents of our Affinity Networks, and cross-functional representation from our workforce.

Our DEI Council developed a Statement of DEI Commitments where Pattern Energy pledges to take actions that result in lasting change. Our Human Resources Department has a DEI strategic action plan and implements DEI initiatives to help the company meet these commitments.

We held our first Diversity Month in October 2020. It coincided with Global Diversity Awareness Month, which was created to increase awareness and acceptance of diverse cultures and customs throughout the world.

Our Affinity Networks arranged a variety of events, including an unconscious bias workshop; Indigenous Peoples, Hispanic heritage, and LGBTQ+ panel discussions; and a “fireside chat” about diversity with our Executive Team. Throughout the month, our leadership also highlighted nonprofit organizations that focus on underrepresented populations.



Spotlight: Empowering Our Interns

Our summer internship program creates opportunities for college students to apply their academic knowledge and prepare for entering the post-graduate workforce. Since the program’s inception in 2018, 50 students from over 20 schools finished internships with us, with 20% returning after completing their academic studies to join Pattern Energy for full-time employment.

Interns have managers who direct their day-to-day activities and mentors who provide guidance and counseling on professional development. They engage with our executives, participate in activities organized by our Affinity Networks, and interface with our subject matter experts to learn various aspects of the business and industry.

Our interns work on projects that add value to the company. At the end of the program, they present the results of their projects and lessons learned. Examples of intern projects include:

- Completed a bat curtailment database for every site.
- Updated our operations and maintenance supply chain model.
- Created an online GIS database for tracking development projects.
- Conducted market analytics.

Despite the intern program going virtual in 2020, we were able to host 14 students. We found that not only do our interns enjoy their experience at Pattern Energy, but our employees enjoy getting to know the interns. The program creates unique opportunities for employees and interns to learn from each other.

Harriot Park was in Pattern Energy’s 2018 intern class and joined our team as an employee in 2019. After starting in the External Affairs and Government Relations Department, she moved over to Business Development as a development analyst. In 2020, our Women in Renewable Energy (WIRE) Affinity Network honored Harriot with their Rising Star award.



Pandemic Response

When the pandemic hit our markets, we quickly formed a COVID Task Force to assess and monitor the situation and take decisive actions to protect our workforce while continuing to pursue our business objectives. We transitioned to a work-from-home standard for all non-essential employees for the remainder of 2020 and beyond. Our on-site personnel running our renewable energy facilities followed our pandemic safety protocols and continued reporting to their sites.

The pandemic required us to think creatively to support our workforce, especially during such a challenging time globally. With most of our employees working from home, we increased our engagement and communications to maintain our sense of culture and teams. We also gave every employee a home office stipend to support the purchase of extra computer monitors or other equipment and the opportunity for a virtual consultation with a workstation ergonomic expert.

Before the pandemic, we organized biannual company Town Halls, quarterly Pattern Live events, and monthly CEO Messages. In April 2020, we combined these three activities and began holding biweekly virtual Pattern Live Town Hall events. Our CEO shared company and market updates with employees, and we hosted guest speakers while highlighting themes, departments, and company initiatives.

Our Human Resources and Workplace Operations and Experience team holds Roundtables to interact with employees and gather feedback. The pandemic forced the in-person meetings to go virtual, creating the unforeseen benefits of bringing together staff from multiple offices to converse with their geographically diverse coworkers. The virtual Roundtables occur daily over two weeks every quarter to give employees plenty of opportunities to join.

We designated autumn in 2020 as Mental Health Awareness season, and we offered training sessions focused on mental health topics. We provide a diverse range of personal and professional opportunities for staff. These continued by moving to an all-virtual format. We also added fun activities for employees' kids home during the pandemic, such as Storytime with Susan.

Our Talent Acquisition team hired 35 new employees in 2020 and ran a virtual new hire orientation and a virtual summer internship program despite the pandemic.

As we move through these challenging times together, employee engagement and feedback are more important than ever. In our pandemic-specific pulse survey of our employees, 80% of participants provided comments, which included positive feedback on our response.



HEALTH AND SAFETY

Our Commitment

Pattern Energy is committed to the safety and health of our employees, contractors, and people in the communities where we work. There is nothing more important than having our people return home safely at the end of each workday. We incorporate safety and wellness into our decision-making in everything we do.

Our commitment to health and safety begins with performance metrics that target zero accidents or injuries. We designed our robust set of safety practices and training programs to achieve this goal. We believe in having an injury-free workplace, and we aspire to create an environment where this is possible.

We take a holistic approach to safety management by striving to keep our employees and contractors safe in our corporate offices, working at our construction or operations sites, and in their personal lives.

Management Approach

Pattern Energy focuses on safety at all levels of our organization, including our senior leadership, CEO, and Board of Directors. Executive leadership reviews weekly safety reports from across the enterprise. Safety is the first agenda topic at every meeting of our Board of Directors and on our Operations Department weekly calls.

We promote safety awareness with monthly safety briefs that are broadcast to employees by email, published on our employee social network, The Current, posted in visible places in our offices, and distributed to our sites and field crews.

In 2020, we had four projects in the U.S. in various stages of construction. We hire and manage Balance of Plant (BOP) contractors to build our projects, and the BOP contractors hire and manage their subcontractors. We prioritize due diligence of our contractors' health and safety practices and work closely with them to help protect workers on our sites, whether Pattern Energy directly employs them, the BOP contractor, or their subcontractors.

We aim to engage contractors that share our same values and commitments to safety. We use ISNetwork, a third-party contractor management company, to assess all potential contractors conducting medium- to high-risk activities for construction and operations.

The system assigns potential contractors a grade based on scorecards developed by Pattern Energy, which assesses their alignment with our qualifications, safety metrics, and compliance with rules and regulations. They must meet our scoring requirements before they can bid on a project. Once a contractor is selected, we work closely with them to review and revise their project-specific safety plans until they meet our standards.

Our project construction contractors must provide site-specific plans for safety, emergency response, severe weather, rescues at heights, helicopter rescues, and fire prevention, among others. If cell phone coverage is scarce in an area, a Global Positioning System (GPS) plan ensures necessary communications are possible should a safety incident arise.

We made significant adjustments to our construction safety management program in 2020 to improve our contractor safety metrics. We restructured our Health and Safety team to have a dedicated safety person for construction, and we developed new construction-specific safety policies.

While we had used ISNetworld for operations contractors for several years, we started using the program to vet our construction contractors and subcontractors. We also created a training matrix for construction employees and contractors, including various recommended and required Occupational Safety and Health Administration (OSHA) training.

We require subcontractors with 25 people or more to have a dedicated on-site safety person, and we hold monthly on-site project management meetings. To demonstrate our commitment to safety, whenever a senior leader from Pattern Energy visits a site, they speak with workers and ask whether they have what they need to do their jobs safely and on time. The senior leader will also do a safety audit while at the site.

Pattern Energy does not like to place blame when safety incidents occur. We understand mistakes happen. We prefer to work with our contractors to uncover the root cause and find out what happened, so we can work together to prevent the situation from reoccurring. This practice helps our contractors improve their safety procedures. It also helps the project stay on schedule and is cheaper than starting over with a new contractor. However, if an investigation discovers negligence or willful disregard for safety precautions, we will discontinue our relationship with a contractor.

We have a Safety Management System that consists of more than 25 policies and procedures related to facility operations. These policies and procedures provide the means of meeting our formal safety and health commitments, preventing injuries, and mitigating risks.

Before the pandemic, every year at every site where we operate, we practice tower rescue drills where we involve local first responders, including Emergency Management Services, firefighters, and sometimes helicopters. The site teams practice rescuing personnel inside wind turbines and loading them into ambulances. Then we all gather over lunch to discuss the lessons learned.

We give several annual safety awards to recognize and reward strong performance. These include facilities that go all year without an injury, consecutive years without injuries, and those that have never had an injury on-site.

Pattern Energy collaborates with our peers in the industry through participation in our trade associations’ safety-related committees. In 2020, these committees included: Annual Safety Campaign, Safety Standards, COVID Networking, Owners and Operators, and others.

Health and Safety Practices

- Follow all applicable health and safety laws and regulations as our minimum standard.
- Engage our employees to identify potential hazards and develop proper mitigations.
- Provide training to all employees so they may recognize and mitigate risks.
- Promote safety-awareness campaigns to empower employees to hold each other accountable and contribute to our culture of safety.
- Empower our workforce to use their “stop work” authority to halt activity if they perceive a hazard that may endanger themselves or others.
- Identify root causes and learn from any accidents.
- Construct our projects and operate our facilities using best practices to prevent injury to employees, contractors, and the public.
- Contract with companies that share our values and commit to supporting our vision of an injury-free workplace.
- Implement our Safety Management System to provide a programmatic approach to meeting our safety commitments at operating facilities.
- Provide formal training to all field personnel and briefings for contractors and visitors to our sites on hazards that may occur.
- Collaborate with industry peers, experts, and contractors on best practices to advance industry safety performance.
- Work to monitor, report, and continually improve our metrics.

Performance Metrics

	Work-Related Fatalities	Occupational Disease Rate	Total Recordable Injuries	Total Recordable Injury Rate
All Pattern Employees	0	0	1	0.21
All Contractors	0	0	17	1.51
All Employees + Contractors	0	0	18	1.43
Construction Field Staff + Contractors	0	0	13	1.50
Operations Field Staff + Contractors	0	0	5	1.51

Note: Safety metrics cover U.S., Canada, and Mexico employees and contractors.



Explore: Tracking Safety

In 2020, we launched a new safety reporting platform to improve our tracking capabilities of safety metrics. Applications International Corporation (AIC)'s EHS Enterprise Management software will facilitate more detailed reporting and analysis of metrics in the future, including for our contractors and Japanese fleet.

We track observations, near misses, recordable injuries, lost time injuries, fleet and contractor-owned vehicle accidents, property damage, and other metrics for construction projects and operating facilities. We follow metrics for construction projects and operating facilities separately to help us identify where there is room for improvement.

When calculating our Total Recordable Injury Rate (TRIR), we include all injuries for contractors, even those we don't directly supervise. We report our TRIR metrics for construction field staff and contractors and our operations field staff and contractors. When accounting for all Pattern Energy staff and not contractors, our TRIR in 2020 was 0.21.

Spotlight: Sharing Insights

As part of our ongoing commitment to the health and safety of our workforce, we conduct monthly campaigns to keep safety awareness at the forefront. Each month addresses a new topic, highlighting its relevance in the workplace and beyond.

The campaigns are broadcast to our staff through The Current, printed and posted around our corporate and site offices, mentioned during our weekly Operations Department calls, and instilled in our site teams through repetition.

The site teams have a different method for exploring the issue each week of the month. For example, the first week may cover facts and statistics; the second week involves an exercise to recognize the hazards in a set of pictures; and the third week goes over industry activities related to the topic. Presenting the issue in a different format each week helps improve retention and awareness.

Examples of monthly safety topics include:

- Distracted driving
- Fire prevention
- Slips, trips, and falls
- Heat stress
- Winter driving and cold weather safety
- Holiday safety
- Emergency preparedness

Pandemic Response

Pattern Energy reacted quickly to protect our teams as the pandemic neared the areas where we work. Our COVID Task Force met regularly and made decisions about office closures and procedures. We closed our offices in March of 2020, and they remained closed into 2021. Only staff fitting the definition of essential could enter the office, and they had to follow strict protocols.

We updated our construction emergency plan to reflect the conditions of the pandemic, and we required our contractors to have solid plans in place. Contractors broke down work crews into smaller groups and did contact tracing when there were suspected cases. When larger groups needed to convene for meetings, they did so in the site parking lots, not indoors. The contractors' site-specific policies account for local and state rules. Despite having four construction projects in the U.S. that entailed the deliveries of hundreds of components, we kept cases contained and did not have to shut down any sites.

Our operating facilities implemented our Pandemic Plan for Field Operations, which is part of the Emergency Preparedness and Response Procedures of our Safety Management System. It provides guidelines in response to a pandemic declaration by Pattern Energy and includes procedures for hygiene, handling supplies and equipment deliveries, reducing exposure risk, and communications and reporting.

“

There is nothing more important to us than the safety of our people. It is not a strategic decision so much as a value that we hold most precious. The care of our people is the guiding light for every decision we make and action we take.

David Selsky
Director, Health, Safety, and Environmental
Pattern Energy



COMMUNITY
AND CULTURE

Our Commitment

Pattern Energy considers our company a part of the local communities where we have a presence. We believe acting as a good neighbor benefits both the areas where we work and our company's long-term success. We are committed to listening to and respecting the communities that host our projects and being involved in engagement and giving activities for the long term.

As we engage with local stakeholders, we prioritize relationship building, open communication, and incorporating the feedback we receive. We strive to build trust that helps us work together to find mutually beneficial solutions should concerns or problems arise.

Management Approach

Doing our due diligence on areas where we are developing greenfield projects or interested in acquiring existing projects is a critical component of our management approach.

We conduct a social and political risk and opportunity analysis before working in a community. The assessment results inform our community engagement efforts. We create Community Relations Plans that are site-specific and document the strategies and actions we take to demonstrate our commitments in every project area.

We use various communication and engagement tools to keep local stakeholders updated on development projects and provide opportunities to connect and share feedback with project team members. We establish a local presence by holding information sessions, giving presentations, and in many cases, opening an office staffed with a community liaison. The team is also accessible through a dedicated email address and phone line, and we share project information and updates through websites, handouts, and newsletters.

We give site tours and presentations to local groups during facility operations and periodically host community and landowner gatherings. Unfortunately, the pandemic in 2020 halted the in-person events we typically host. Instead, we gave virtual presentations to student groups and thought of creative ways to support our communities during challenging times. We share stories about our sites and communities with people that sign up to receive our electronic newsletters.

In addition to providing significant tax payments to local jurisdictions, we contribute to causes through Community Benefit Programs. Our sponsorships and donations prioritize initiatives that support community goals, ecological preservation, health and wellness, local economic benefits, and youth development.

We rely on our Community Management System to provide a programmatic framework for engagement and giving activities at operating facilities. We are preparing a similar framework to document the best practices we follow during project development.

Our Workplace Operations and Experience team and our Affinity Networks create opportunities for companywide community engagement actions like organized volunteer and giving efforts that support targeted causes. These giving initiatives in 2020 included our Pattern Fights Hunger Campaign to generate support for food banks and our Holiday Giving Drive that contributed to organizations such as Toys for Tots.

In July 2020, we launched our participation with the charitable giving app Cauze, which helps us encourage employees to give back. We kicked off the launch by giving every employee \$100 to donate. By year's end, employees had made over 1,000 donations totaling approximately \$40,000. The top nonprofits receiving funds were local food banks, the Equal Justice Initiative, and Kids Meals Inc.

Community and Culture Practices

- Conduct a social and political risk and opportunity analysis before beginning development work in a community.
- Create Community Relations Plans that are site-specific to document the strategies and actions we take to demonstrate our commitments in every project area.
- Proactively seek local input on what communications and engagement tools may be most effective with each community.
- Solicit input and build local relationships while respecting and considering all points of view.
- Share information using various communication tools to reach diverse audiences.
- Conduct all communications and interactions with prospective and participating landowners with respect, factually correct information, and good faith commitments.
- Identify and assess potential positive and negative community and cultural impacts to inform our planning and decision-making.
- Explore ways to support the growth of healthy and vibrant communities where we work through sponsorships and donations.
- Interact with local business and civic organization for opportunities to involve local vendors and suppliers for our projects.
- Design and construct our projects and operate our facilities in a manner that complies with all siting regulations.
- Maintain a Community Management System that describes the programmatic approach to implementing our commitments across our operating fleet.
- Work to monitor, report, and continually improve our overall performance, incorporating feedback into our outreach and giving programs.

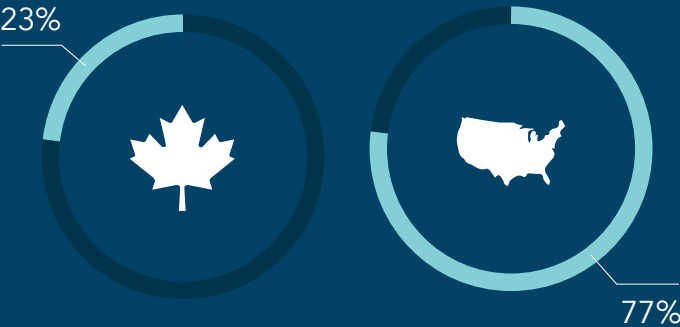


Performance Metrics

Local Tax Contributions

\$18.6 M USD

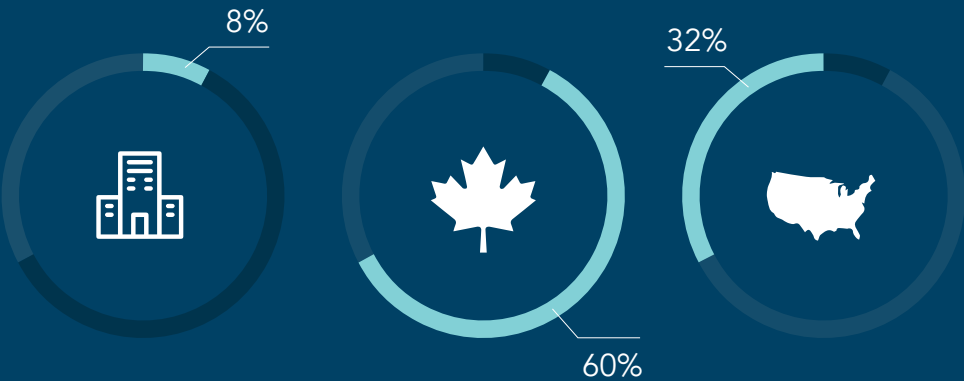
Canada	23%
U.S.	77%



Community Investments

\$6.5 M USD

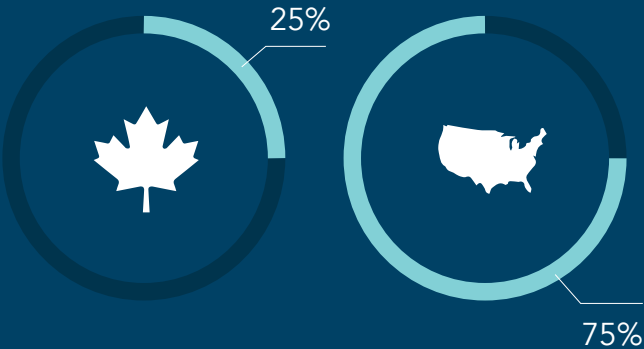
Corporate office communities	8%
Canada project areas	60%
U.S. project areas	32%



Landowner Lease Payments

\$65.5 M USD

Canada	25%
U.S.	75%



Explore:
Partnering with Henvey Inlet First Nation

Pattern Energy strongly believes in the value and opportunity that exists in meaningful partnerships with Indigenous communities. In Ontario, our 300 MW Henvey Inlet Wind facility is a great example.

Henvey Inlet Wind is an initiative of Henvey Inlet First Nation (HIFN), an Anishinabek Indigenous community in Robinson Huron Treaty territory. By its own volition, HIFN secured an Ontario Feed-In-Tariff contract in 2010 to construct a large wind energy project on their Reserve located on the northeast shore of the Georgian Bay near Britt, Ontario.

In 2014, through a wholly owned company known as Nigig Power Corporation, HIFN partnered with Pattern Energy on an equal basis to fund the project, complete development, and jointly own and operate the wind facility.

HIFN designed and implemented an Environmental Stewardship Regime under the federal First Nations Land Management Act. The project’s environmental impacts, and the ultimate decision to proceed, were assessed and sanctioned by the First Nation community, as landlord and permitting authority, and with legal standing to do so under bankable federal laws.

Construction lasted nearly two years and involved more than 1,000 workers on-site. The wind project reached commercial operations at the end of 2019. Now approximately 20 workers

are on-site for operations and maintenance, with more than 100 additional jobs expected due to the expansion of HIFN programs and services for its band members.

Henvey Inlet Wind is currently the largest wind facility in Canada and expects to generate electricity equal to the needs of a quarter-million people each year. It features 87 wind turbines constructed entirely on HIFN land, within line of sight from the community’s residential Reserve at Pickerel River, where 250 of its members reside.

The wind facility will be transformational for the Indigenous community by generating revenues that will allow HIFN members to gain an unprecedented degree of control over their economic future. Community recreation centers, schools, treatment facilities, and emergency response capabilities are all on the community’s near-term priority list.

According to HIFN Chief Wayne McQuabbie, future generations now have a nest egg to govern themselves, achieving independence while maintaining stewardship for their land.

Pattern Energy has three other joint ventures with Indigenous Nations. Six Nations of the Grand River Development Corporation is a partial owner of Grand Renewable Wind. Bkejwanong First Nation is a partial owner of Belle River Wind and North Kent Wind.



Spotlight: Upholding Our Standards

Farmers and ranchers leasing their land to Pattern Energy are vital partners in the success of our renewable energy projects. In most cases, land has been in their families for generations. The invitation to share the use of their land for years to come is a privilege we take very seriously.

In addition to our land management team, we utilize the services of third-party land agents to develop relationships with landowners and answer questions about leases. These individuals work on behalf of Pattern Energy, and we train them to reflect our values and commitments.

We are developing the Western Spirit Wind project and its affiliated 155-mile transmission line in New Mexico. Once complete, it will be the largest single-phase wind project in the country. This massive effort involves a lot of land and interactions with farmers and ranchers. Therefore, we created a Land Agent Code of Conduct in 2020. We are also transitioning to a new land management system.

The Code requires all communications and interactions with landowners to be respectful, factually correct, and made in good faith. Our new land management program enables us to record our history of interactions, correspondence, and commitments associated with specific landowners. As our projects transition from development to construction to operations, this software improves continuity in the landowners' experience working with Pattern Energy.



I get to experience our wind projects throughout the entire cycle of a wind farm. Land and the wind that blows over it remain constant during a wind farm's identification, development, construction, and operation. I love my job because it enables me to interact with Pattern Energy's most valuable resource — the owners of the land.

Deann Lanz

Senior Director, Land
Pattern Energy

Pandemic Response

Support for our communities is a core commitment of Pattern Energy. In 2020, we launched a COVID-19 response giving program to deploy half a million dollars to the communities where we have a presence.

Our giving program entailed contributions to support humanitarian needs in areas where Pattern Energy is developing projects and operating facilities, complemented by initiatives in cities where we have offices. We focused on helping healthcare services and frontline workers, providing food and supplies for those in need, and supporting local businesses.

We donated funds to national and international charities with local operations, including food banks, Meals on Wheels, the United Way, and the Red Cross. Across our portfolio, Pattern Energy's local teams proactively sought creative ways to support their communities, such as paying local restaurants to provide meals to healthcare workers.

Pattern Energy's offer of support in New Mexico prompted Governor Michelle Lujan Grisham to launch the All Together New Mexico Fund, which raised more than \$3 million for food and educational needs.

In Ontario, we worked closely with the provincial and municipal governments and local organizations to identify areas of greatest need. Working with local vendors, we secured and distributed supplies of personal protective equipment to hospitals in Kincardine, Chatham-Kent, and Essex County.

We also provided iPads to long-term care facilities in Chatham-Kent and Six Nations of the Grand River. In Haldimand County, we contributed to Mayor Ken Hewitt's goal to give a tablet and headset to every resident in long-term care facilities so they could safely communicate with their families.

Pattern Energy was honored when The Clean Awards® named us as a finalist for the Community Giveback Award due to our COVID-19 response giving program.



Pattern Canada's Chatham-Kent facilities' generous contribution supports the real heroes of the crisis, our frontline healthcare workers, by helping to provide them with the necessary equipment and supplies. Donations like this truly underscore how we are all in this together.

Mary Lou Crowley

President and CEO
Chatham-Kent Health Alliance Foundation



Governance



Our Commitment

Pattern Energy believes a robust governance structure provides the foundation for accountability, transparency, and value creation. We are committed to proactively addressing governance and maintaining substantive policies, procedures, and controls to support our company's ethics and commitments.

We are working toward aligning our sustainability practices and disclosures with recognized and respected frameworks to meet stakeholder interests and demonstrate industry leadership. These frameworks include the Global Reporting Initiative, Sustainability Accounting Standards Board, United Nations Sustainable Development Goals, and the Equator Principles.

Our company leadership has internal committees on risk, disclosure, and investment. The Risk Management Committee structure evolved into an Enterprise Risk Management program in 2020 to categorize, track, and report corporate and project-level primary and secondary risks.

We explore a wide range of risk topics, including climate change, energy resources and production, health and safety events, cybersecurity, political, regulatory policy, capital markets, supply chain, and workforce. The evaluations of short-, medium-, and long-term outlooks consider various scenarios.

We created the Pattern Agreement Compliance Tracker (PACT) to track contractual and regulatory obligations and assign critical tasks. PACT includes scheduled environmental compliance activities, customer and lender requirements, and regulatory reporting and testing, among other commitments. We use the PACT Dashboard for notifications and alerts and Power BI for internal reporting.

Management Approach and Board Oversight

Members of our Board of Directors lend their judgment, depth of experience, and diverse backgrounds and perspectives to our organization. As of February 2021, an independent director leads our nine-member Board of Directors, consisting of our CEO, shareholder representatives, and three independent directors.

The Board of Directors follows procedures and standards in the company's Limited Partnership Agreement and the Code of Business Conduct and Ethics. It established an Audit Committee and a Nominating, Governance, and Compensation Committee to assist in its oversight activities. Committee charters adopted in 2021 cover various topics, including board oversight of governance matters.

Reports submitted to the Board of Directors describe our risks, performance, governance, and goals for expanding our company and clean energy portfolio. The Board of Directors annually reviews principal policies, including the Code of Business Conduct and Ethics and the Anti-Corruption Policy. When our company restructured as a private entity in 2020, we kept the same sound governance policies as our former public entity, making minimal changes to reflect the transition to a private company.

Pattern Energy has many layers and redundancies of cybersecurity measures in place for our corporate and facility networks and our Operations Control Center. As a medium category power provider, we must adhere to extensive NERC CIP compliance measures. We practice our response plans, perform exercises to test them, and hire third-party companies to do network penetration testing.

We want employees and stakeholders to notify our management if they have concerns about our disclosures, accounting or controls, auditing matters, violations of law, or violations of our Code of Business Conduct and Ethics. As such, we maintain a Whistleblower hotline and an option for electronic submittal.

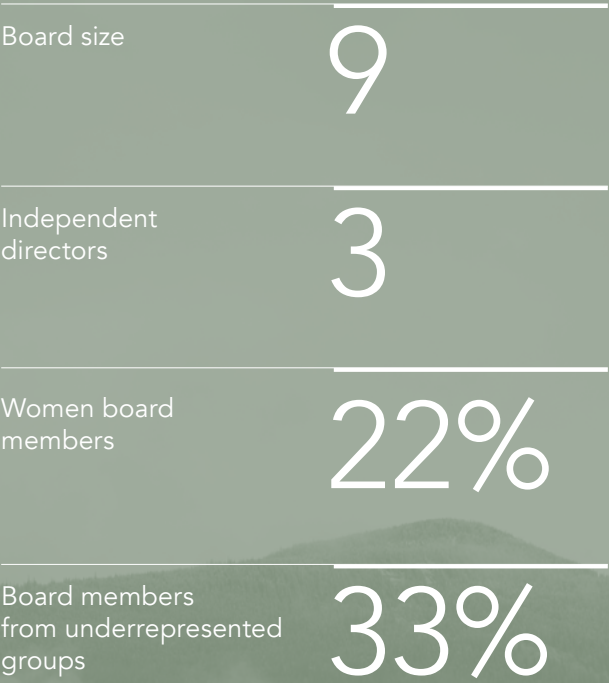
Governance Practices

- Apply our Code of Business Conduct and Ethics throughout the organization.
- Regularly review, update, and educate our workforce on certain policies, including our Anti-Corruption Policy.
- Refresh employees’ understanding of, and compliance with, key corporate policies through mandatory training and certifications.
- Notify and brief essential partners, including contractors who represent us, of our strong Anti-Corruption Policy.
- Assess skill sets of management and the Board of Directors in succession planning.
- Honor our values and commitments, which serve to guide us in every decision we make.

Governance Policies

- Limited Partnership Agreement: board composition, board chair independence, and shareholder rights.
- Delegation of Authority Policy: board delegation of authority to the CEO subject to certain limits and thresholds.
- Anti-Corruption Policy: fraud, bribery, and corruption.
- Code of Business Conduct and Ethics: conflicts of interest, lobbying activity, and political contributions.
- IT Security Policy: cybersecurity, data protection, and privacy.
- Whistleblower Policy: employees may submit a good faith complaint to management without fear of dismissal or retaliation.

Performance Metrics



Explore: Managing Risks

Pattern Energy’s Enterprise Risk Management (ERM) program includes a robust process to identify, analyze, and report risks. Corporate and project risk registers track potential impacts to our business and our plans to address them. A diverse set of risk owners cover strategic, financial, reputational, operational, and compliance risks enterprise-wide, including corporate, department, and project levels.

The Executive Team and risk owners receive biweekly updates on risks, mitigation plans, compliance, and internal controls. The Board of Directors receives quarterly updates and reviews all material risks.

Climate change is an example of an area that presents both opportunities and risks for our business. Our activities help reduce climate-changing emissions from the power sector. However, changing weather patterns or extreme weather events can also influence our production.

Pattern Energy’s Meteorological team helps mitigate risks by providing advanced notice when potential weather disruptions are on the horizon. Meteorologists also provide hourly production forecasts to help manage market risks where we have exposure.

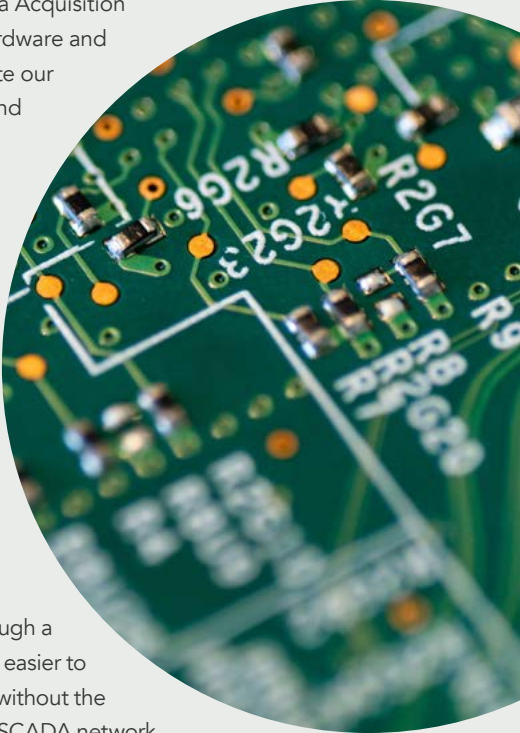
We engaged consultants and universities in recent years to use the most sophisticated regional and global climate models to analyze our wind resource risk exposure. The analysis will help us understand how sensitive our energy resource is to the ongoing impacts of climate change on global weather patterns. Understanding what drives our energy resource across our fleet helps us improve resource assessments and forecasting used to inform commercial decisions.

The potential impacts to our business go beyond wind and solar resource availability. Changes to market structures and regulatory and legislative policy are risks we must mitigate through active engagement in regulatory proceedings, legislative advocacy, and collaboration with other stakeholders, including trade associations and academics.

Spotlight: Transforming Cybersecurity

Supervisory Control and Data Acquisition (SCADA) systems contain hardware and software necessary to operate our renewable energy facilities and must be secure. Third-party contractors and service providers frequently need access to a facility’s SCADA system to perform maintenance or repairs.

Many energy companies grant this access via a Virtual Private Network (VPN), which creates a risk of viruses or malware entering the operational environment. Instead, we are providing remote access through a web browser, making it much easier to remotely access our systems without the risk of malware attacking the SCADA network.



The other game-changer we’ve implemented is “virtualization.” The turbine manufacturer designs a wind facility’s SCADA system. The industry practice has been to not update the software regularly due to the potential for these updates to disrupt operations. We introduced the method of replicating the SCADA on a secondary server. A vital advantage of this approach is we can test software maintenance on the secondary server. Once we confirm no issues, we can safely apply the updates to the primary environment.



It's important we have an open and democratic environment that encourages creativity and innovation. We are pioneers who are developing solutions for renewable energy. Let’s make what we do matter and leave a legacy that inspires future generations.

Jayce Langoodi

Assistant Vice President, Technology Services
Pattern Energy

Sustainable Growth



We have observed significant and steady growth since our company's inception. Our proven track record in bringing complex renewable energy projects to market, including those linked to substantial transmission infrastructure, positions us to help achieve the increasingly aggressive renewable energy and decarbonization targets set by governments and corporations worldwide.

Part of our success stems from our ability to raise capital in a variety of ways. ESG is center stage for the investment community because investors see sustainable practices delivering long-term results. ESG investing is driving demand for green bonds.

We seized this market trend and published a Green Financing Framework in 2020 to issue green bonds and green loans to raise funds to support our sustainable business activities. Our Green Bond raised \$700 million through the biggest U.S. green high-yield bond sale since 2017.

Sustainalytics, a leading independent ESG and corporate governance research, ratings, and analytics firm, provided a Second Party Opinion on our Green Financing Framework.

Their review found the Green Financing Framework "credible and impactful" and aligned with the four core components of the International Capital Market Association (ICMA) Green Bond Principles 2018 and the Loan Syndications & Trading Association (LSTA) Green Loan Principles 2020. The ICMA and LSTA Principles promote integrity in the Green Financing markets through voluntary guidelines that recommend transparency, disclosure, and reporting.

Proceeds raised through future transactions may support financing the development and construction or acquisition of eligible green projects. Renewable energy customers will fully subscribe to any transmission lines funded by the Green Financing Framework, and energy storage projects will co-locate with solar and wind projects.

We pride ourselves on being creative and solution-oriented in our methods to creating value for our stakeholders. As demand for renewable energy increases from governments, utilities, and corporate off-takers, we tailor our offerings to meet their evolving needs within each market.

In 2020, we secured 621 MW of power purchase arrangements, with projects on target to start delivering power to our customers by year-end 2021. These customers include Digital Realty (65 MW, Phoenix Solar), San Jose Clean Energy (225 MW, Western Spirit Wind), and the Los Angeles Department of Water and Power (331 MW, Western Spirit Wind).

We reflected on 2020 events and the need to drive toward our mission to transition the world to renewable energy. We identified opportunities for continuous improvement, from deploying a more customer-focused approach to our engagement with power purchasers to supporting DEI initiatives at our company and in the industry.

We know there is workforce competition in the marketplace. We want to provide a sustainable and equitable environment that attracts, supports, and retains diverse talent. The Pattern Energy team members and culture are the foundation of our company's success, and we will continue prioritizing employee well-being and professional development.

Pattern Energy is confident the combination of our sustainable business model and talented, resourceful workforce gives us the ability to create long-term value for our company, stakeholders, and the planet.



www.patternenergy.com