

Pattern Energy Green Financing Framework

December 2023



Table of Contents

1	INTRODUCTION	3
2	SUSTAINABILITY STRATEGY OVERVIEW	3
2.1	Pattern’s Sustainability Framework.....	3
2.2	Sustainability Governance	4
2.3	Contribution to the Sustainable Development Goals	5
2.4	Examples of the Sustainability Benefits of Our Projects	6
3	ALIGNMENT WITH MARKET PRINCIPLES	7
3.1	Use of Proceeds	7
3.2	Process for Project Evaluation and Selection	8
3.3	Management of Proceeds.....	9
3.4	Reporting	9

1 INTRODUCTION

Pattern Energy Group LP (“Pattern,” “we,” “us,” or “our”) is one of the world’s leading privately-owned developers and operators of utility-scale wind, solar, transmission, and energy storage projects. We also have a growing presence in the U.S. distributed generation market (commercial and community solar) through our affiliates, Solect Energy and Dynamic Energy.

Pattern is a partnership among the Canada Pension Plan Investment Board (CPP Investments™), private equity funds managed by Riverstone Holdings LLC, and certain members of Pattern management.

We operate our utility-scale renewable energy business as an integrated platform – from project origination and development, pre-construction activities, and project finance through project construction to facility operations and asset management. As of December 2023, our operational portfolio includes 32 renewable energy facilities that use proven, best-in-class technology with an installed capacity of 6 GW in the United States, Canada, and Mexico. The majority of energy from our generation facilities is procured under long-term contracts with utilities, municipalities, and other load-serving entities to provide their customers with clean, reliable, and affordable power.

We have designed our Green Financing Framework to help us further our mission to transition the world to renewable energy.

2 SUSTAINABILITY STRATEGY OVERVIEW

2.1 Pattern’s Sustainability Framework

Sustainability applies to everything we do at Pattern. Our mission is to transition the world to renewable energy. We’re in an economy-wide transformation where decarbonizing our energy systems is imperative to address the impacts of our changing climate.

Critical to achieving our mission is our responsibility to respect the environments, communities, and cultures where we have a presence. Pattern’s formal commitment statements guide us to sustainably develop, construct, and operate renewable energy facilities while providing a safe workplace that is diverse, equitable, and inclusive, where all employees belong and feel valued and empowered.

Pattern’s Statements of [Safety and Health](#), [Community and Cultural](#), [Environmental](#), and [Diversity, Equity, and Inclusion](#) Commitments are published on our website and displayed in our offices and operational facilities. Our programmatic practices, management systems, and strong governance provide the foundation for meeting our commitments.

Pattern is dedicated to respecting fundamental human rights and expects our employees, affiliates, partners, and suppliers to do the same. As we drive toward our mission to transition the world to renewable energy, we support a just transition that benefits all stakeholders, including unique and marginalized groups, as defined by international law. International frameworks, such as the United Nations (UN) Guiding Principles on Business and Human

Rights and the UN Universal Declaration of Human Rights, guide our approach. Our objective is to prevent and avoid impacts on human rights and to identify, mitigate, and remedy them should they occur.

In addition to applicable laws and regulations in our jurisdictions, voluntary industry guidelines, The Equator Principles framework, and the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations, inform our due diligence, risk assessments, and mitigation practices.

We engage our internal and external stakeholders to improve our management approaches and disclosures for Environmental, Social, and Governance (ESG) material topics, focusing on risk management and value creation for Pattern and our stakeholders. We undertake an ESG Materiality Assessment at a minimum every three years. Third-party experts conduct our assessments and identify key sustainability topics for our business. Their evaluation considers reporting standards, the reporting practices of renewable energy companies, inquiries from our stakeholders, and internal and external survey responses.

Pattern uses an ESG software platform to manage our qualitative and quantitative disclosures, including tracking our methodologies and verification process. We publish an annual sustainability report that describes our approaches to material topics and includes stories and performance metrics to demonstrate how we apply them.

Our sustainability reports are available on our website and prepared with reference to the Global Reporting Initiative (GRI) Universal Standards and informed by the GRI G4 Electric Utilities Sector Disclosures, SASB Wind Technology & Project Developers, Solar Technology & Project Developers, and Electric Utilities & Power Generators standards, United Nations Sustainable Development Goals (UNSDGs), and TCFD recommendations.

2.2 Sustainability Governance

Pattern's commitment to sustainability starts at the top, with our Board of Directors actively supporting our program and discussing ESG-related topics at every Board meeting. Sustainability governance falls under the responsibility of the Board's Nominating, Governance, and Compensation Committee, and the Audit Committee reviews our disclosure collection and verification process annually. Our Enterprise Risk Management (ERM) program identifies and mitigates risks across the enterprise and at the project level, including ESG risks.

Our Senior Vice President of External Affairs and Market Development has operational responsibility for our program, and a cross-functional Sustainability Advisory Committee supports shaping and implementing our objectives and strategies. Internal councils and working groups facilitate continual improvement, including the ESG Supply Chain Working Group, Diversity, Equity, and Inclusion Council, and Indigenous Peoples Advisory Council.

Our governance of sustainability topics entails a variety of policies and management systems. During project development and construction, we apply a stage-gating process to our investment management workflow to help ensure projects meet rigorous criteria, including environmental and social considerations. Our Investment Committee will only approve funding for the next stage once the project meets all milestones.

Pattern takes a comprehensive approach to contractor due diligence and management. We perform due diligence on vendors, including using Refinitiv's World Check system. We vet our construction and operations suppliers further through third-party prequalification firm ISNetwork. ISNetwork reviews contractors and subcontractors that perform work we consider medium-to-high safety risk, including examination of their management programs to confirm they align with minimum regulatory standards and Pattern's established requirements for contractors. We perform contractor audits to review compliance.

For our operating facilities, we document our programmatic approaches to ESG practices and procedures in our Community Management System, Safety Management System, and Environmental Management System. Site-specific plans implement these procedures. We record our response to incidents and stakeholder grievances in Pattern's EHS tool and our compliance obligations in the Pattern PACT system.

Pattern is dedicated to conducting our business consistent with the highest standards of business ethics, and we embed respect for human rights into our practices. Our Code of Business Conduct and Ethics, Anti-Corruption Policy, and Employee Handbook describe our requirements and expectations of our employees and their rights and benefits as Pattern employees. Our Human Rights Statement summarizes our approaches to protecting the rights of Indigenous Peoples, communities, landowners, and our workforce. Topics covered include due diligence, stakeholder engagement and communications, and the governance and grievance mechanisms to hold us accountable.









We require the same high standards of our suppliers. Pattern's Supplier Code of Conduct establishes the minimum requirements that our suppliers should meet related to ethical business practices, the treatment of workers, workplace safety, environmental stewardship, community impacts, and reporting and compliance.

We value honest, open communications and aim to ensure our employees and stakeholders feel comfortable and empowered to report instances where they believe actions in nonconformance with our policies have occurred. Concerns, complaints, and violations may be reported directly to Pattern representatives, anonymously through our [Reporting Hotline](#), or via the channels for specific stakeholder audiences as described in our [Human Rights Statement](#) and on our website's Contact Us page. Communicating through these channels initiates our response process, which entails investigation and remediation where warranted.

2.3 Contribution to the United Nations Sustainable Development Goals

Pattern supports the Sustainable Development Goals (SDGs), a set of 17 global goals designed to achieve a more sustainable future for all by ending poverty, fighting inequalities, and tackling climate change while ensuring no one is left behind. We believe we can contribute the most to the goals and targets below.

As a renewable energy company, Pattern generates affordable and clean energy and takes action to combat climate change. We continually seek ways to use innovation and technology to improve our performance. We also support many SDGs through our formal commitment statements, charitable giving, and management approaches.

SDG Goal	SDG Targets	How We Are Contributing
 SDG 3: Good health and well-being	3.4, 3.9	<ul style="list-style-type: none"> Supporting the health and well-being of workers Contributing to global health through reduction of carbon emissions
 SDG 5: Gender equality	5.5	<ul style="list-style-type: none"> Empowering women's participation and equal opportunities in leadership
 SDG 7: Affordable and clean energy	7.1, 7.2	<ul style="list-style-type: none"> Providing access to affordable, reliable energy
 SDG 8: Decent work and economic growth	8.2, 8.3, 8.4, 8.8	<ul style="list-style-type: none"> Helping communities and nations create economic development and prosperity through renewable energy projects Supporting local job creation in our office and project locations, small and diverse businesses, employee health and safety
 SDG 9: Industry, innovation, and infrastructure	9.1, 9.2, 9.3, 9.4	<ul style="list-style-type: none"> Developing and operating sustainable energy infrastructure, including generation and transmission Contributing to driving innovation in the renewable energy industry by funding and participating in research Supporting efforts of small-scale enterprises through value chain
 SDG 11: Sustainable cities and communities	11.3, 11.4, 11.6	<ul style="list-style-type: none"> Helping to improve air quality by reducing reliance on fossil fuel production Contributing to civic, cultural, educational, and environmental causes through our community benefits programs
 SDG 13: Climate action	13.1, 13.2, 13.3	<ul style="list-style-type: none"> Managing our resiliency to climate risks Supporting climate education, awareness, and capacity building Directly reducing climate-changing emissions from the energy sector through our business activity
 SDG 15: Life on land	15.1, 15.3, 15.4, 15.5	<ul style="list-style-type: none"> Supporting efforts to protect local biodiversity and endangered species in areas where we have a presence

2.4 Examples of the Sustainability Benefits of Our Projects

Our portfolio contributes to the decarbonization of the electric grid and the reduction of greenhouse gas (GHG) Scope 2 emissions for electricity users. In 2022, our operational sites produced 17,700 GWh of clean electricity, equal to the annual electricity needs of 4.2 million people and avoiding 6.7 million metric tons of carbon dioxide emissions (mtCO₂e) on the electric grids where we operate. Directly compared to the average emissions of U.S. coal-fired generation, this production avoided 18.2 million mtCO₂e.

We track enterprise-wide energy consumption, including fleet vehicles, stationary combustion for backup generators, and purchased electricity at offices and sites. We analyze this information to determine our GHG impacts. Our enterprise-wide GHG Scope 1 and 2 emissions represented less than two-tenths of one percent (0.17%) of the GHG emissions our clean energy displaced on the electric grid in 2022.

Local economies and stakeholders also benefit directly from our operations. In 2022, contributions to our communities totaled over \$90 million through landowner royalties, property tax payments, and donations to local organizations and causes.

In addition to protecting biodiversity within our projects' footprints, we actively contribute to biodiversity and conservation causes and help to drive industry research and best practices. For example, we are installing, testing, and studying an innovative technology to illuminate our SunZia Transmission line with ultraviolet light (not visible to humans) to increase the line's visibility to large-bodied waterfowls. We are also supporting ongoing research into sandhill crane flight behavior in partnership with the U.S. Fish & Wildlife Service and contributing to Bat Conservation International's effort to plant thousands of agaves to benefit bats, birds, and other wildlife.

Pattern aims to continue creating sustainable benefits by bringing an additional 30+ GW of renewable power to market during the next decade. Our development strategy is diversified, from creative partnerships and strategic placements near coal plant retirements to high-voltage transmission-enabled renewables, green hydrogen, energy storage, and greenfield wind and solar standalone and hybrid projects.

3 ALIGNMENT WITH MARKET PRINCIPLES

This Green Financing Framework is aligned with the Green Loan Principles 2023 as administrated by the Loan Syndications & Trading Association (GLP) and the Green Bond Principles 2021 as administrated by the International Capital Markets Association (ICMA), which promote integrity in the Green Financing markets through voluntary guidelines that recommend transparency, disclosure, and reporting.

Under this Green Financing Framework, Pattern and its subsidiaries can issue Green Financing Instruments (e.g., Bonds, Private Placements, Loans, Interest Rate or FX hedges, Letters of Credit) to finance or refinance eligible green projects.

This framework supersedes Pattern's Green Financing Framework from June 2020, which we fully allocated for eligible green projects within one year of issuance. Our 2020 Green Bond report is available on our website under Sustainability.

3.1 Use of Proceeds

We will allocate proceeds from our Green Financing Instruments for the financing or refinancing, in whole or in part, of new or existing investments or assets that meet the criteria outlined below (the "Eligible Green Projects"). The International Capital Market Association (ICMA) defines Eligible Green Projects as the following types of projects that provide environmental benefits. These project categories contribute to the following:

- **UNSDG 7:** Affordable and clean energy
- **UNSDG 13:** Climate action
- **EU environmental goal:** Climate Change Mitigation

Eligible Green Project Categories	Description
Renewable energy (production)	<p>Wind power: Development, construction, maintenance, or acquisition of wind energy projects.</p> <p>Solar power: Development, construction, maintenance, or acquisition of solar energy project.</p>
Renewable energy (transmission)	Development, construction, maintenance, or acquisition of transmission infrastructure enabling the connection and/or increased deployment of renewable energy.
Green technologies (hydrogen and ammonia)	Green Hydrogen and Ammonia: Development, construction, maintenance, or acquisition of hydrogen or ammonia produced via electrolysis from renewable energy.
Green technologies (storage)	<p>Development, construction, installation, and maintenance of energy storage systems that comply with one of the following criteria:</p> <ol style="list-style-type: none"> 1. Wholly dedicated facilities serving a renewable energy power generation facility (below the generation threshold of 100 gCO₂e/kWh); 2. The project is located in a system where more than 67% of newly enabled generation capacity in this system is renewable energy (below the generation threshold of 100gCO₂e/kWh), over the last 5-year period; 3. The project is located in a system where more than 67% of the generation capacity in the interconnection queue for the system are renewable energy projects (below the generation threshold of 100 gCO₂e/kWh LC).

3.2 Process for Project Evaluation and Selection

Everything we do contributes to a larger vision of helping the world combat a changing climate by delivering renewable energy in a way that is economically, environmentally, and socially sustainable. In keeping with our commitment to build a sustainable company, we make decisions with long-term impacts in mind. We believe that actions yielding the best outcomes for the environment and the project area communities also make the most business sense.

Our executive leadership team comprises representatives from all company disciplines, including development, finance, project and corporate operations, fundamentals, and external affairs. It is responsible for selecting investments that fit our commitment to renewable energy. The Finance and Treasury team, in consultation with executive leadership, will be responsible for determining the allocation of the Green Financing

Instrument proceeds to Eligible Green Projects within 36 months after issuance of the Green Financing Instrument.

We have due diligence and risk analyses, mitigation procedures, and management systems in place to identify, assess, and manage any potentially material environmental and social risks associated with projects. In addition to applicable laws and regulations in our jurisdictions, voluntary industry guidelines, The Equator Principles framework, and the Task Force on Climate-Related Financial Disclosures recommendations also inform our practices.

Each project we embark on goes through a rigorous stage-gating process from development to construction and operations. Projects must meet specific milestones – including environmental and social criteria – before the Investment Committee approves them to advance to the next stage. Protecting biodiversity is part of the process.

Pattern strives to conserve natural resources and protect wildlife and associated habitats while planning, building, and operating our facilities. We also locate and construct our projects to minimize impacts on waterways and resources. Each facility has a Waste Management Plan to help ensure we manage our waste in alignment with all relevant laws and regulations.

Details on our management approaches and environmental, social, and governance practices are available on our website under Sustainability.

3.3 Management of Proceeds

Our Finance and Treasury team will maintain a Green Financing Register to track the allocation of the net proceeds to Eligible Green Projects. Pending the allocation, we will invest the balance of the net proceeds, at our discretion, in cash or cash equivalents or other short-term marketable instruments or repay existing liabilities, consistent with our liquidity management practices. We commit to sharing the portion of financing versus refinancing before issuing the Green Financing Instrument.

3.4 Reporting

Allocation Reporting

We will publish an annual report on our website with respect to the use of proceeds and allocation to Eligible Green Projects until we have fully allocated the net proceeds. This report will include a list of the Eligible Green Projects receiving Green Financing proceeds, a brief description of such projects, amounts issued, and the remaining funds not yet allocated. The report will also include, where applicable, a breakdown of the proceeds allocated towards refinancing existing debt obligations and investments in new Eligible Green Projects.

Impact Reporting

Throughout the life of the Green Financing Instrument, the annual report will include, on a best-effort basis, qualitative and quantitative environmental performance indicators and impact metrics. Impact metrics may consist of the following and other environmental benefits.

Eligible Green Project Categories	Impact Reporting
Renewable energy (wind and solar energy production)	<ul style="list-style-type: none"> Renewable power capacity installed (MW) Renewable electricity produced (MWh) and the equivalent number of people provided with access to clean power Estimated carbon dioxide emissions equivalent avoided on the electric grid (mtCO₂e)
Renewable energy (transmission)	<ul style="list-style-type: none"> Length and size of transmission lines installed Renewable power capacity connected to the grid (MW) Estimated CO₂ equivalent emissions avoided on the grid (mtCO₂e)
Green technologies (hydrogen and ammonia)	<ul style="list-style-type: none"> Hydrogen capacity (tH₂) Ammonia capacity (ppm) Metrics associated with the connected renewable energy projects
Green technologies (storage)	<ul style="list-style-type: none"> Storage capacity added or connected (MW) Annual energy stored (MWh)

Assurance

The annual allocation report for any corporate-level Green Financing will occur until the total allocation of the proceeds and include an assertion by management regarding the allocation of net proceeds. Pattern will share the yearly allocation report with lenders and investors.

Project-level Green Financings will be tracked and monitored through the controls in place in the credit agreement for the dedicated facility.

Pattern appointed Sustainalytics to provide a Second Party Opinion (SPO) on this Green Financing Framework, its transparency, governance, and alignment with the Green Bond Principles and the Green Loan Principles. The SPO is available on Pattern's website under Sustainability.