



TerraForm Power, Inc.

Environmental Policy

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OVERVIEW

The mission of TerraForm Power (TERP) is to acquire, own, and operate predominantly wind and solar power generation facilities in North America (including Mexico) and Western Europe. This mission has afforded TERP a unique opportunity: providing local communities with clean, reliable, and sustainable power while also supporting climate resilience for natural ecosystems and future generations.

TERP is committed to the efficient and responsible stewardship of natural resources that touch our operations, to supporting reductions in greenhouse emissions and water usage, and to enabling other positive environmental outcomes. To this end, TERP promotes a corporate culture of transparency and awareness, ongoing monitoring and continuous improvement, and environmental and social accountability. TERP also commits to report regularly on environmental issues and to engage regularly with relevant stakeholders on matters of environmental concern.

TERP's Environmental Policy is guided by the requirements of local, state, and national regulations and international agreements. As governments, businesses, and communities move to reduce pollution and decarbonize the global economy, TERP is uniquely positioned to contribute to this evolution.

RESPONSIBILITIES

Our CEO, CFO, COO, and General Counsel are responsible for the development and implementation of our Environmental Policy and reporting on activities and results to our Board of Directors on a quarterly basis. Our senior management team reviews our progress towards the goals established in our Environmental Policy on an ongoing basis, including assessing progress toward targets and suggesting adjustments to programs and policy provisions. The Board of Directors review this policy on an annual basis.

HEALTH, SAFETY, SECURITY, AND ENVIRONMENTAL (HSSE) MANAGEMENT SYSTEM OVERVIEW

A structured approach to Health, Safety, Security, and Environmental compliance management is necessary to achieve success in conducting business in a manner that provides care for our personnel, the environment, and the communities in which we operate. TerraForm Power (TERP) is committed to ensuring compliance and recognizes the complexities across the HSSE discipline.

The HSSE mission is to achieve an HSSE compliance result of zero harm – zero harm to people and the environment. This mission is supported via critical working pillars:

- Audits and Assessments – Verifying compliance and risk mitigation efforts as well as identifying opportunities for improvement.
- Contractor Management – Ensuring all contractors and subcontractors that enter our sites and facilities share appropriate HSSE objectives.
- Organization – Ensuring proper support, resources, and systems are in place to drive our HSSE efforts.
- Project Management – Taking a structured approach towards the various tasks, while keeping focus on managing risk and ensuring compliance resulting in zero harm.
- Culture – Building up and promoting compliance efforts and equipping our people with the right tools to be successful in their compliance endeavors.

To this end, TERP has developed a HSSE Management System, which is managed by the Director of HSSE. The management system applies to all organizational units managed by TERP and extends to contractors and subcontractors hired by or on the behalf of TERP. It provides:

- Overall managed framework for efforts within the HSSE disciplinary areas:
 - Safe Work
 - Security
 - Environmental
- Expectations by which HSSE is integrated within the operations of TERP
- Guidance for compliance

The management system is supported, where applicable, by ancillary documents including, but not limited to, procedures, plans, forms, and program overviews.

The management system consists of the following key components:

Leadership

- A TERP HSSE Steering Committee, under the direction of the Chief Operating Officer and Senior Vice President of Operations and chaired by the Director of HSSE, meets no less than quarterly and provides guidance and oversight around TERP's HSSE compliance efforts.

Legal and Regulatory Requirements

- TERP has established an organizational framework for achieving 100% compliance with HSSE-related regulations, monitoring trends and changes in regulation, and communicating evolving requirements to the various layers of the organization.

Risk Management

- TERP has developed an approach toward risk identification and management with the ultimate goal of elimination of all HSSE risks. Key areas of focus include energy isolation and control, environmental risk management, and security threat assessments. In addition, TERP has established systematic communication mechanisms to ensure alignment and consistency towards risk management, a periodic review process to address changes in conditions and to take corrective actions when needed, and an HSSE compliance system where all HSSE risk documentation is stored and properly accessible.

Education

- All TERP personnel and third-party contractors receive appropriate HSSE training before commencing their roles. All onsite visitors also receive appropriate HSSE training. All training programs are aimed at meeting or exceeding regulatory content and/or interval requirements. TERP also ensures compliance with all record retention requirements as outlined by regulation or

internal policy. Further, to spread awareness of HSSE best practices, TERP management supports promotional HSSE programs in the workplace, regularly celebrates HSSE-related successes, and disseminates lessons learned.

Communication and Partnership

- Recognizing the complexities in managing HSSE-related communications with external stakeholders, including contractors, regulators and customers, TERP adheres to structured external communications plans to ensure responsiveness, consistency, and transparency.

Documentation Management

- Given the criticality of data retention and documentation in supporting HSSE compliance efforts, TERP has implemented a documentation retention and organization platform that operates in accordance with applicable regulatory standards.

Operational Controls and Monitoring

- TERP has deployed a variety of operational controls and monitoring mechanisms to maximize worker and asset safety and security, minimize adverse environmental impacts, and comply with all regulatory, permitting, and other contractual obligations.

Emergency Response

- Given that emergency preparedness and response is critical to responsible HSSE-related risk management, TERP employs an integrated approach to emergency management, combining proactive (planning and preparation) with reactive (rapid response) measures. TERP ensures that adequate equipment, resources, and expertise are made available to assist in proactive and reactive efforts and develops and implements Emergency Response Action Plans and site-specific emergency preparedness and response plans.

Incident Management

- TERP is committed to zero harm and managing against the occurrence of any adverse HSSE-related incidents. TERP requires all incidents to be reported in a timely manner and thoroughly investigated in accordance with all regulatory and internal requirements and that all lessons learned lead to corrective and preventative actions going forward.

Audits and Assessments

- TERP relies on internal and, if necessary, external audits and assessments to validate the effectiveness of the management system as well as find opportunities for improvement. Site HSSE audits are carried out on a periodic basis based primarily on HSSE risk exposure. For new acquisitions, TERP carries out HSSE assessments either as part of its due diligence process, if required, and in any event within six months of acquisition. Beyond this, safe work observations are a key engagement utilized by TERP to directly assess operational activities.

Performance Measurement

TERP is committed to continual improvement and believes improvement cannot come to what is not measured. To support this, TERP has established a robust set of performance indicators for which data is tracked, analyzed, and used to inform HSSE efforts. TERP supports benchmarking efforts by making certain indicators publicly available. Further, TERP has established targets driven by leading industry metrics and where possible, narrowed to related industry classified companies in NAICS 22111 and SIC 4911.

EMISSIONS REDUCTIONS

As a provider of exclusively renewable energy to our counterparties, TerraForm Power's greenhouse gas emissions rates are significantly lower than those generated by independent power producers that rely in part or in whole on fossil fuels. Neither our wind nor our solar photovoltaic facilities, which comprise more than 93 percent of the nameplate capacity of our fleet, generate direct emissions while our solar thermal facilities, which compromise 7 percent of the nameplate capacity of our fleet, generate a relatively small quantity of direct emissions due to the natural gas they must burn to prevent the solidification of thermal fluid when there is no electrical production and the combustion of diesel fuel to start up emergency and maintenance equipment.

TERP is committed to minimizing our Scope, 1, 2, and 3 emissions and operational carbon intensity. In addition to internal monitoring and reporting, TERP intends to engage an independent third party to support external reporting of greenhouse gas emissions and carbon intensity measurements. Thereafter, specific emissions targets and initiatives to reach such targets can be externally publicized.

GREEN BUILDINGS

At all its facilities, TERP seeks to achieve the highest possible energy and environmental performance standards. The headquarters of TerraForm Power has achieved the following ratings: LEED Gold, BOMA 360, and Energy Star.

ENERGY MANAGEMENT

Further, TERP is committed to cost-effective measures to ensure the most efficient use of energy at all of its facilities, including (but not limited to) procuring energy efficient equipment and implementing operational energy conservation measures.

WATER MANAGEMENT

Efficient use of water resources is essential for our operations, the surrounding environment, and local communities in which we operate. When replacing equipment or purchasing new equipment in our own facilities, we seek the most water and cost efficient equipment available. While TERP's wind and solar photovoltaic facilities consume a modest amount of water resources, our solar thermal facilities consume a more substantial quantity, consisting primarily of surface water for cooling steam condensation systems. TERP manages these resources to return water to its withdrawal source under natural conditions so that

other users can use it. Where required, we hold permits to withdraw water from these sources and seek to adhere to relevant regulations on water quality, including reporting water usage statistics to local authorities on a periodic basis. In addition, we limit the use of municipal water resources where possible.

WASTE MANAGEMENT

TerraForm Power manages the waste generated by its facilities in accordance with relevant regulations and has set minimizing waste generation as a target. TERP utilizes environmental management systems to ensure correct processing of waste produced by our facilities, prioritizing reuse and recycling. TERP has contracted with a hazardous waste management supplier to minimize and properly process hazardous waste produced by our solar thermal facilities.

SUPPLY CHAIN MANAGEMENT

When procuring products and services, TerraForm Power seeks to minimize both cost and negative environmental impact, and prioritize recycled, reusable, non-toxic, and responsibly sourced content. In addition, TERP regularly monitors the environmental performance of its suppliers and engages with them to address non-compliance and improve environmental performance.

BIODIVERSITY

TerraForm Power is committed to protecting and preserving biodiversity in the communities in which we operate. We seek to operate in accordance with laws and regulations related to biodiversity and partner with independent organizations to verify sustainable practices related to land use and biodiversity. TERP supports biodiversity through habitat conservation plans at several of our wind sites. As required by applicable laws and regulations, in-depth environmental site assessments and wildlife studies, including (but not limited to) those related to the protection of certain native and endangered species, have been conducted at many of our facilities as part of environmental permitting processes.