

The background of the slide features a low-angle, close-up view of a wind turbine's nacelle and blades, which are blurred to suggest motion. In the background, a semi-transparent image of the Earth's globe is visible, showing continents and clouds. A large, white circular graphic is positioned on the right side of the slide, containing the title and date.

Northland Power Green Financing Framework

December 2021



**NORTHLAND
POWER**



Our Company

Northland Power Inc. (Northland or the “Company”) is a global power producer dedicated to helping the clean energy transition by producing electricity from clean renewable resources.

Founded in 1987, Northland has a long history of developing, building, owning and operating clean and green power infrastructure assets and is a global leader in offshore wind. Northland owns and manages a diversified generation mix primarily comprising offshore wind, onshore wind and solar, and also distributes electricity through a regulated utility. Northland is headquartered in Toronto, Canada and has global offices across the Americas, Europe and Asia. Northland owns or has an economic interest in 3.2 gigawatts (GW) of gross operating generating capacity, and 4-5 GW of renewable capacity in various stages of development.

Intelligent Energy for a Greener Planet™

Our Sustainability Commitment

Northland is committed to be a leading developer of clean, green energy, safeguarding the environment, while supporting local communities and building lasting relationships. Our objective is to provide a sustainable and prosperous future for the Company and all our stakeholders.

Northland's mission is to contribute to the development of a carbon-free world by growing our renewables portfolio and creating new green energy projects globally.

We are further committed to supporting the decarbonization shift and creating progress toward the UN Development Goal (SDGs).

7 AFFORDABLE AND CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

Northland's commitment

- Our current portfolio of operating assets includes 1.8 GW of renewable energy capacity
- By 2030, our goal is to add at least 4 GW of renewable energy capacity across the globe

13 CLIMATE ACTION

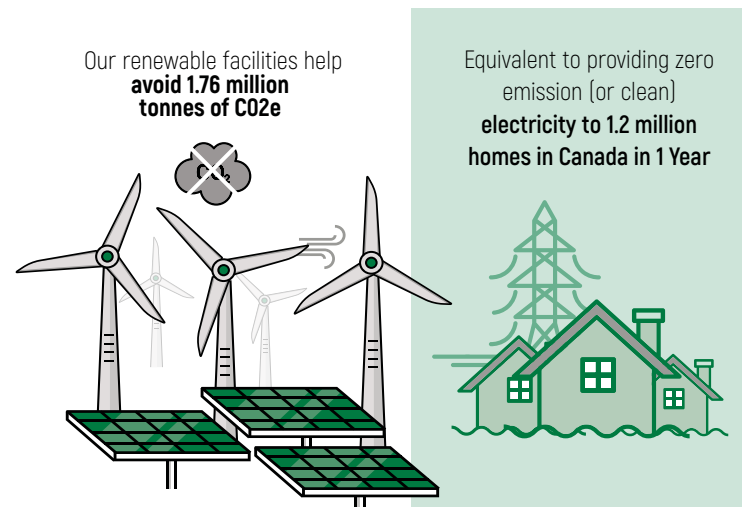


Take urgent action to combat climate change and its impacts

We have been working to reduce the carbon intensity of our portfolio by increasingly focusing on low/no carbon alternatives.

Northland's commitment

- In 2019, our renewable portfolio helped to avoided 1.76 million tonnes of CO₂e
- By 2030, we plan on reducing our portfolio carbon intensity by 65% from 2019 levels





Green Financing at Northland

This Green Financing Framework (“Framework”) will allow Northland Power Inc. and its subsidiaries to issue green bonds, loans (corporate and project level) and other financing instruments for Eligible Green Projects (each a “Green Financing”). The Framework will facilitate disclosure, transparency, and integrity related to our Green Financings.

This Framework is aligned with the Green Bond Principles (2021)¹, the Green Loan Principles (2020)² and the EU Taxonomy.

1. The Green Bond Principles are administered by the International Capital Markets Association (ICMA), “The Green Bond Principles (GBP) 2021”, published on June 10, 2021. <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

2. The Green Loan Principles are administered by the Loan Syndications and Trading Association, published in May 2020 and available at: <https://www.lsta.org/content/green-loan-principles/>

Use of Proceeds

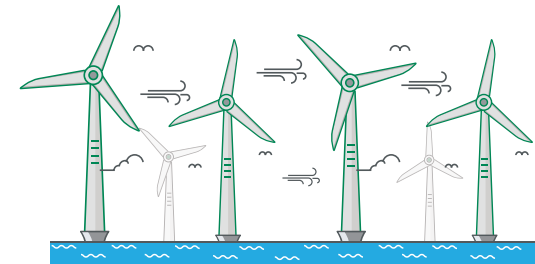
The focus of our Green Financing initiatives is to support climate change mitigation efforts by developing and investing in renewable energy infrastructure assets.

Use of proceeds will be allocated to investments that increase renewable energy production, in alignment with the technical screening criteria of the EU Taxonomy.

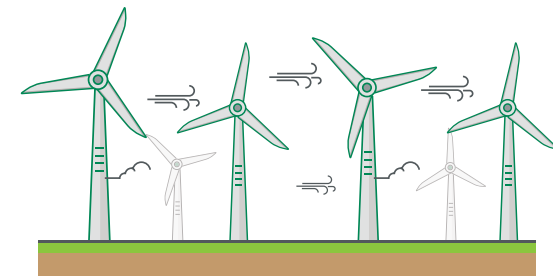
These include:

- 1 Investments in eligible projects;
- 2 Development expenditures associated with the advancement of eligible opportunities until such time those opportunities meet Northland's capitalization criteria;
- 3 Capital expenditures associated with the development and construction of a eligible projects;
- 4 Capital expenditures to upgrade, enhance the performance of and/or extend the useful life of an asset; and
- 5 Refinancing corporate and/or project debt associated with existing eligible projects.

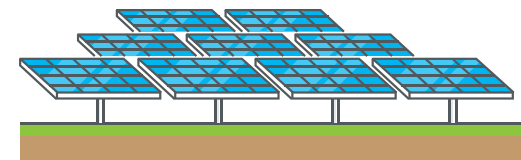
Eligible Projects



Offshore Wind



Onshore Wind



Solar PV

Note: All activities are in line with the OECD guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights

A large white offshore wind turbine stands in the ocean. A blue and white service vessel is positioned at its base, with a tall blue crane extending upwards to assist in its construction or maintenance. The sky is clear and blue.

Highlight On Offshore Wind

Northland's expertise in renewable power development and established offshore wind positions in Europe and Asia uniquely position the company to capture an outsized share of the global renewable energy transition.

Northland is one of the largest public, non-government sponsored global offshore wind owners/developers by market capitalization. The company has a strong track record of forging lasting partnerships and relationships with local communities. This committed presence in our targeted jurisdictions allows Northland to secure early stage development opportunities in key markets and advance them toward successful outcomes.

We take a long-term view of our projects, the communities and environment in which we operate. We use proven and innovative technology to ensure our assets are resilient and high performing over their useful lives. We have successfully constructed and are operating three offshore wind farms in Europe with a combined gross capacity of 1.2 GW. These projects harness the high winds in the North Sea and generate enough renewable energy to meet the needs of 1.5 million households, while removing approximately 3 million tonnes of greenhouse gas emissions per year.

Northland has leveraged its success in Europe and developed a large offshore wind project pipeline in Asia. We will continue to expand our footprint and capabilities to develop world-class offshore wind assets across the globe.

Project Evaluation And Selection

Northland has a cross-functional Investment Committee whose purpose is to evaluate growth opportunities. As an opportunity advances toward a final investment decision by Northland, members of the Investment Committee will request that Northland's ESG Steering Committee¹ determine whether the project is an Eligible Project and able to benefit from a Green Financing. The ESG Steering Committee shall document all requests for determination including decisions on whether a project meets the Eligible Criteria.

Social and environmental risks are identified, assessed and managed during each stage of a project's lifecycle. During development, Northland's ESG and development teams work to identify and assess early-stage risks. Risks are considered during due diligence, design, engineering and procurement. During construction and operations there are dedicated on-site environment and health and safety managers to ensure ongoing monitoring, mitigation and reporting on ESG performance and incidents. The ESG team also works closely with operations and asset management groups to identify opportunities to upgrade, enhance the performance and/or extend the useful life of an asset. Expenditures of this nature related to renewable generation assets will be communicated to the ESG Steering Committee which will determine whether the expenditure is associated with an Eligible Project. The ESG Steering Committee shall document all requests for determination with details on the relevant Eligible Criteria

1. Northland's ESG Steering Committee is a management committee co-chaired by the CEO and CFO and facilitated by the Sustainability department. The ESG Steering Committee includes leaders throughout the organizations who are responsible for oversight and decision-making on all ESG issues; there is regular reporting to the Board of Directors of Northland, who has ultimate oversight for ESG.



Northland intends to allocate the net proceeds to Eligible Projects that originated no more than 36 months prior to the Green Financing, and/or to refinance corporate and project debt associated with existing long-life Eligible Projects with no look-back period. Proceeds will be allocated within 24 months



Management Of Proceeds

The net proceeds of all Green Financings will be managed to ensure full transparency between receipt of proceeds and investment in Eligible Projects.

Net proceeds will be deposited to Northland's operating account (or a subsidiary's account, if that entity completes a Green Financing) and tracked under an established and audited process to monitor and account for the allocation of net proceeds to Eligible Projects. The allocation of proceeds and unallocated balance will be reviewed annually by the Corporate Treasury team and reported to the ESG Steering Committee.

Unallocated proceeds will be held in cash reserve accounts and managed in accordance with Northland's cash management policies and investment mandates.

Reporting

On an annual basis, Northland will publish **Allocation Reporting** and **Impact Reporting** on its Eligible Projects portfolio, as detailed below.



Allocation Reporting

Northland will provide information on the Eligible Projects portfolio on its website (northlandpower.com). The information will contain, at minimum, the following details:

1. A statement of alignment with the relevant standards;
2. A list of Eligible Projects;
3. The amount of proceeds allocated by Project Category, including a breakdown of Eligible Projects by the nature of what is being financed (equity investments, development expenditures, capital expenditures, refinancing of existing debt, etc.);
4. The breakdown of Eligible Projects by jurisdiction; and
5. The balance of unallocated proceeds



Impact Reporting

Northland will provide annual Impact Reporting for each Project Category with quantitative and/or qualitative impact reporting metrics, as recommended under the Harmonized Framework for Impact Reporting, which may include the following details:

1. A description of the Eligible Projects;
2. The EU Taxonomy Environmental Objective pursued by the Eligible Projects (i.e. Climate Mitigation);
3. Information on the methodology and assumptions used to evaluate the impacts and impact metrics;
4. Information on the metrics of the impact, as applicable:
 - 4.1 Installed net renewable energy capacity (MW)
 - 4.2 Renewable energy production (MWh)
 - 4.3 Expected greenhouse gas emissions reduced and/or avoided (tonnes of CO₂ emissions); and
 - 4.4 Expected energy efficiency savings (kWh)

External Review



Second-Party Opinion

Northland has obtained a Second Party Opinion on the Framework to confirm alignment with the Green Bond Principles (2021), Green Loan Principles (2020) and the EU Taxonomy. The Second Party Opinion is available on Northland's website.

Northland will obtain an updated Second Party Opinion if the Framework is amended.



Annual External Verification(s)

Northland's annual reporting will be subject to external verification by Northland's independent external auditor. The auditor will verify:

- The compliance of Eligible Projects is based on eligibility criteria defined in the Use of Proceeds section; and
- The tracking of funds raised and allocated to Eligible Projects, with a reconciliation to unallocated funds at the end of each year.

The external auditor's report will be published on Northland's website. (www.northlandpower.com).

Amendment To This Framework

The ESG Steering Committee will review this Framework on a regular basis to ensure alignment to updated versions of the principles as and when they are released, with the aim of adhering to best practices. This may result in amendments to the Framework.

Any future version of this Framework will maintain or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. Any Green Financings issued subsequently will be subject to the amended Framework. Amended Frameworks, if any, will be published on Northland's website and will replace this Framework.



Northland Power is an global power producer. We develop, build, own and operate sustainable infrastructure assets. Our goal is to be a leading supplier of clean and green energy while providing a sustainable and prosperous future for all stakeholders. We aim to increase shareholder value by creating high-quality projects underpinned by revenue contracts that deliver predictable cash flows.



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