



SAFETY AND
CORPORATE
SOCIAL
RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") means Mainstream operating its business in a manner that accounts for the social and environmental impact created by the business.

In Mainstream, CSR policy functions as a built-in, self-regulating mechanism where the business monitors and ensures it lives its corporate Values, and actively complies with the spirit of the law, ethical standards, and international norms across all of its markets.

In Mainstream, the goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on customers, partners, contractors, employees, communities, stakeholders, all other members of the public sphere and the environment.

In 2015, Mainstream created a committee of the Board, the Safety and CSR committee ("SCSRC") to report to the Board on the performance of the company in living its Values.

The SCSRC reviews Mainstream's strategies, policies, management, initiatives, targets and performance in the areas of:

1. Occupational health and safety and security;
2. Societal role and interaction with communities and the environment;
3. Workplace policies;
4. Corporate policies and compliance.

It also advises the Board on any areas of emerging environmental, social and governance ("ESG") risks and opportunities.



1. Safety is paramount in the transportation process to the wind farm sites. Loeriesfontein wind farm, South Africa (140MW)
2. New renewable energy laboratories opened for secondary schools in Chile
3. Shannon Welsh, Economic Development Executive at the Zingisani Crèche, South Africa
4. Khobab wind farm foundations are designed using an 89% replacement of cement, one of the world's lowest carbon wind farm foundation footprints
5. Organic recycling workshops provided to communities in Los Lagos, Chile
6. Communities from Southern Chile visit Cuel wind plant

2016 CSR Highlights

Mainstream renewable energy plant saved an estimated **662000 metric tonnes of CO₂** in the 2015 reporting year.

The Loeriesfontein project in South Africa passed the **1 million hours LTI (lost time incident) free** milestone in October 2016.

On average each Mainstream employee undertook **6½ days** training in 2016.

We supported **41 community projects** globally with an estimated value in excess of **€580,000**.

We have **8,450MW** of renewable power plant in development, **830MW** in construction and near financial close and **524MW** delivered into operation.

Key Performance Indicators (“KPIs”)

In 2016 we undertook a project with **Business for Social Responsibility (“BSR”)** to frame a set of KPIs for our CSR activity to enable us to better monitor and manage performance across the business, to align our reporting to recognised international standards, and to quantify the impact of our investment in CSR activity globally.

BSR is a global nonprofit organisation that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

We chose BSR as they see their role to “catalyze change within business by integrating sustainability into strategy and operations”, which aligns with the terms of reference and objectives of our SCSR Committee and captures the “whole business” approach we take to safety and corporate responsibility.

Agreeing the KPIs

In March 2016 we held a workshop with BSR and senior managers within Mainstream, representing different elements of the business. At the workshop BSR presented a set of recognised standards of CSR performance measurement. BSR mapped existing standards of CSR performance measurement, including globally recognised CSR Reporting Standards such as the **Global Reporting Initiative (GRI G4)**: General and Utilities sector supplement and the **Sustainability Accounting Standard Board (SASB)**: Renewable Resources and Alternative Energy – Wind and Solar. They also referenced the **Global Impact Investing Network IRIS 4.0 metrics**: measurement of the social, environmental and financial performance of an investment; the **International Finance Corporation (IFC)** Environmental and Social Performance Standards and Guidance; and, the **Equator Principles**: a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects.

Using these they then identified nine KPI categories, from safety to governance, through to environmental performance and labour standards. BSR then aligned these categories with a review of peer companies to help us benchmark our activities and reporting standards. From the nine categories we developed 26 possible KPIs. Through the spring of 2016 we worked on a materiality assessment to better align these draft KPIs to our business. At the SCSR Committee in July 2016 we presented fourteen KPIs to report on for 2016. In future years we will track progress on these KPIs and be able to provide year-on-year comparisons of activity, as well as allowing us to further align the KPIs with recognised reporting standards, such that we report separately and publicly on our global CSR activity.



LIVING OUR VALUES

Our values are our social compass

Having a positive impact on the world around us is at the core of everything we do. Our mission is to lead the world on its transition to sustainability. Our vision is of a world where communities thrive beyond the use of fossil fuels. Along the way, a clear focus on our core values ensures that we have a positive impact today and tomorrow.

Our Values directly influence how we do business. We have created the Mainstream Global Development Standard™ to incorporate these Values directly into our day to day work. The Global Development Standard™ is a unique initiative – a project development process that is benchmarked against the highest international standards. It is a comprehensive set of checks and disciplines and is the foundation of every project we undertake. The Standard methodically eliminates risk at every stage from greenfield through to commercial operation, ensuring outstanding quality and consistency. In new and developing energy economies, our partners need certainty. The Standard is benchmarked against IFC Environmental and Social Standards and Equator Principles, and it is in line with the United Nations Guiding Principles on Business and Human Rights and the World Bank Group Environmental, Health and Safety Guidelines.



Integrity

We believe in conducting our business to the highest levels with a strong and consistent moral code.

Acting with integrity is about more than our Company's image and reputation or avoiding legal issues. It's about sustaining a place where we all are proud to work and ultimately knowing that we have done the right thing. This means conducting our business openly and according to the highest standards of professionalism, honesty and integrity.

Integrity is key to our success and we are firmly committed to protecting our business from any form of illegal, corrupt and unethical activity or practice that could jeopardise our ultimate goal to be the world's leading renewable energy developer.

Mainstream is committed to a zero-tolerance policy on bribery and corruption within the Company. This commitment is demonstrated by signing an Anti-Bribery and Corruption compliance statement quarterly by the Directors, and annually by all other employees. All employees undertake an annual mandatory Anti-Bribery and Corruption training module. In 2017 we shall be rolling out a new programme called The Mainstream Way which will provide a complete guide to the company's Integrity policies, and which along with the Mainstream Global Development Standard™ will provide partners, investors and regulators with a complete look-through to the company's approach to development.



We believe in a safe environment for our people

We believe in creating a safe environment for our people. By putting safety first we create an environment in which people work at their best.

Safety is one of Mainstream's core company values. We provide staff with the necessary resources to ensure that staff and management can deliver our business targets safely.

To enable this, Mainstream has appointed a Director with responsibility for safety at Board level, and the Chief Executive's safety committee now forms an integral part of the company's SCSRC. Mainstream is also OHSAS 18001 certified and constantly strives to improve our safety performance.

The Mainstream construction team continued work on our three Round 3 wind farms in South Africa in 2016, successfully handing Noupoot over to our Operations team in July, as well as commencing pre-construction activities on the Sarco and Aurora wind projects in Chile. There was one Lost Time Incident (LTI) associated with these activities. This occurred when a consultant injured his knee following a fall on the Sarco overhead line route in Chile during surveying work. He was off work for five days, but made a full recovery.



For all of 2016, there were 55 recorded incidents on our construction sites, 15 of which involved minor injuries. On a more positive note, the Loeriesfontein project in South Africa passed the 1 million hours LTI free milestone in October, a significant achievement. The two Health & Safety Managers in South Africa and Chile were initially integrated into our construction teams, but have since taken on much more responsibility in terms of safety management for the wider business in those locations and have made important contributions to the overall excellent safety performance of the company. In addition, the construction teams employ a mix of direct and contract safety professionals, who maintain a fulltime presence and manage and audit safety on all the construction sites. Onshore operations are now managing five wind farms in Ireland, Chile, South Africa and Canada. There were no Lost Time Incidents in onshore operations in 2016. Every second quarter the onshore business carries a companywide safety review where details of incidents, lessons learned and procedural updates are reviewed.

Two SHEQ (Safety, Health, Environment and Quality) workshops were run in August and December in which all departments and offices participated. Presentations and discussions took place around a sample of recent incidents with the aim of knowledge sharing and increasing awareness of issues relevant to Mainstream staff.

During 2016, Neart na Gaoithe had no offshore work or surveys. All the work associated with this project was mainly office based. However 2,000 hours were carried out over a 4 week period nearby the onshore cable connection enabling works for the onshore cable. There were 4 incidents (2 equipment, 1 environmental and 1 non-injury), 7 observations and 4 positive observations. There were zero LTI's.

Neart na Gaoithe installed concrete ducting below the soon to be installed new Torness Nuclear Power Station transmission cables, allowing for reduced installation risk for all parties when the NnG onshore cables are installed. NnG will pull the onshore cables through the ducting thereby avoiding any drilling under the live transmission cables.

We believe in showing personal respect for everyone we deal with

Respect forms the core of the most successful relationships and relationships form the foundation of our business. Where there is mutual respect, trust is established and partnerships thrive.

We are often only active in a community for a few years seeing a project through the planning process and through construction. The long-term relationship with the project's neighbours will then be taken on by the asset owner. The nature of our work means we develop projects in remote, rural communities and very often

times this means we are directly engaged with many traditional and indigenous local communities. Our engagement process means we directly inform, listen and work with them early and often to fully understand their needs and take these into account, recognising their cultural and spiritual values.

Mainstream has supported a number of cultural initiatives in local communities. In 2016, we sponsored a project in Chile for the Atacama's Chunchuri community. The project involved conducting and documenting a series of interviews with key members of the community who recounted their childhood experiences, family relationships, ceremonial customs, stories and other historical information. In parallel, the study was supplemented by parish archives, anthropological studies as well as visits to the Chunchuri cemetery and church.

The final document was received by the Secretary of the Indigenous Community, José Barboza at a ceremony which was attended by the National Corporation for Indigenous Development. Speaking at the ceremony José Barboza highlighted the importance of this document: "This is big progress in terms of the reconstruction and collection of the history of this indigenous community in the city of Calama."

Several further examples of our support of local traditional cultures has involved sponsorship of many local festivals. This includes funding the Marchigue Community Festival for the Marchigue Local Council working alongside DIDECO (a community development Directorate promoting development in the community through social programmes).

1. Mainstream launches training programme to promote local entrepreneurship in coastal communities in Northern Chile
2. Learners visit wind farm to learn more about wind energy in South Africa
3. Distribution of the 2016 Knockaneden Community Fund in Ireland
4. Loeriesfontein Primary School receives jungle gym
5. Atacama's indigenous "Chunchuri" community documents its history with support from Mainstream



We believe that by working together as a team, we deliver more

We won't achieve our vision in isolation. By coming together we empower each other to deliver a sustainable future and share its success.

Mainstream's partnerships with Actis in our Aela and Lekela platforms has enabled us to deliver community initiatives in Africa and Chile as part of the project development process. This has enabled us to collaborate with all our stakeholders openly and honestly and work closely together to achieve maximum results to deliver high quality projects in the communities where we are developing projects. Across all our markets, Mainstream often partners with local communities to deliver crucial social initiatives and involvement in support of other public and private sector activity.

In South Africa's Northern Cape we are building the Loeriesfontein and Khobab wind farms which will have a total installed capacity of 280MW. In November 2016, in association with Soul City – a health promotion organisation, we hosted a community health and wellness day to help drive awareness regarding gender violence and substance abuse in Loeriesfontein. The event was also well supported by various government departments and partners who offer on-site services and advice such as Health Assessments, Testing and Screening, Social Service, Substance Abuse and Small Business Development services.

The day commenced with a 3km fun run and brought together a broad section of the Loeriesfontein community including corporate sponsors and community teams. The participation fees were donated to a local NGO which focuses on health matters in the local Loeriesfontein area.

We believe that an entrepreneurial approach will find the solutions others can't see

The world is facing monumental challenges. We won't overcome them by conventional thinking. This is the time for finding new ways.

As countries look to deliver the commitments made as part of the COP21 process which led to the Paris Agreement on climate change, many are bringing forward programmes to encourage Independent Power Producers ("IPPs") to participate in their power markets. Working closely with our supply chain partners and using our extensive in house experience of business development and asset delivery we continue to participate successfully in competitive procurement processes for renewable projects, enabling countries to meet their Paris commitments cost effectively.

In August we were awarded contracts by the National Energy Commission of Chile to build and operate seven utility-scale wind energy plants with a total investment value of USD \$1.65bn. The projects, awarded via twenty year term contracts, are located throughout Chile and are scheduled to begin supplying low-cost, clean energy into the grid from January 2021.

Mainstream was one of the leading beneficiaries in what was the most competitive and biggest electricity tender in the country's history. Eighty-four companies submitted 85,000 gigawatt hours (GWh) of bids for just over 12,000 GWh of available power – nearly seven times more power bid than could be awarded. The winning renewables projects were significantly less expensive than the coal and gas power plant bid into the auction, further confirming the cost-competitiveness of clean energy projects in many emerging markets.



1

2

**AWARDED
986MW**

More than any other
renewable company

**AWARDED
27%**

of total allocated capacity

**REPRESENTING
3,366 GWh**

**INVESTMENT
VALUE**

USD \$1.65bn

**84
COMPANIES**
bid **85,000 GWh**
for **12,000 GWh**
of available power

**= 7x
OVERSUBSCRIBED**



From **2021**
projects will
commence
supply of
electricity



7 Wind Projects
from Arica to Puerto Montt



We believe in a sustainable approach to everything we do

We think about tomorrow and how today's actions will impact our future. It's central to everything we do. Taking the long-term view is fundamental to the success of our business, to the relationships that we form and for the future.

Building the future. That is what Mainstream is about. Wherever we are developing projects, we look to create a sustainable future for our communities. Two main areas Mainstream has focused its resources on are educational initiatives which can help to create a better, brighter future for children and, training programmes to create opportunities for employment.

In 2016 in support of the Noupoot wind plant, we have supported a Maths, Science & Technology Programme which was implemented to enhance education standards and opportunities in the community. It also aimed to promote science subjects by the phasing in of Physical Science and Computer Technology subjects that are not currently offered in the school. To achieve this, two educators for Maths, Science and Computer Applications Technology were hired and commenced employment in July 2016. They assisted in the set-up of two new laboratories, for science and computers.



In Ghana, where the Ayitepa wind project is under development, the second 'Global Wind Day' event was held on 22 June 2016 in Dawa. Students and teachers from twenty Junior High Schools from the Great Ningo Traditional Area were involved in the Global Wind Day celebration where the focus was to provide valuable information about renewable energy, and in particular wind energy. During the day, prizes were awarded for students who participated in a 'Wind Energy for Ghana' wind contest.

Another significant focus is community sustainability through capacity building initiatives. We have rolled out important programmes in Chile and South Africa. During 2016, in the Llanquihue region of Chile, we worked with diverse communities to increase their skills and employment opportunities. The programme included food handling courses and steel reinforcement courses as advised by the CADES Foundation, an institution with extensive experience in training, and designing of tailored training plans according to the specific needs of each participant. Meanwhile, professional driving courses were taught by Automóvil Club de Chile, one of the driving schools with the highest quality standards nationwide.

We also made a substantial investment in the Noupoot Entrepreneurial Development Programme in South Africa catering for both existing and new start-up businesses in the community.

A selection of community initiatives delivered during 2016 is available on the Mainstream website at www.mainstreamrp.com/communities.

1. Loeriesfontein and Khobab wind farms host community wellness day, South Africa
2. Infographic representing key information on Mainstream's win in Chile
3. Global Wind Day, Ghana – Drawing Competition winner, David Atepo
4. Noupoot Entrepreneurial Development Programme, South Africa

We believe that by embracing innovation we stay ahead of the game

Our success reflects our flexibility and openness to embrace innovation across all our markets and business activities. Finding innovative solutions to financing wind and solar projects means that we will continue our developments across our markets to meet the energy challenge in emerging markets.

In their 2015 Report "Power, People, Planet" the Africa Progress Panel ("APP") set out in stark terms the energy challenges facing the continent. "Our report shows that Africa's energy challenge is substantial. Over 600 million people still do not have access to modern energy. It is shocking that Sub-Saharan Africa's electricity consumption is less than that of Spain and on current trends it will take until 2080 for every African to have access to electricity."

In 2016 Mainstream made a clear commitment to be part of the solution to this energy challenge. By applying our entrepreneurial approach to finding solutions, we have been able to partner with global organisations to bring forward the development of new power projects which will address the challenges posed in the APP Report.

The Lekela Power platform is now developing projects in Egypt, Senegal, Ghana and South Africa. In June Mainstream Renewable Power Africa Holdings Limited signed a \$117.5 million equity investment commitment from investors including IFC, the IFC African, Latin American and Caribbean Fund (ALAC) and the IFC Catalyst Fund, two funds managed by IFC Asset Management Company, Ascension Investment Management, the Rockefeller Brothers' Fund, and Sanlam to accelerate the build-out of megawatts of wind and solar plants across Africa. The funding package will help Lekela meet its goal of constructing over 1,300MW of new power capacity in Africa by 2018.

"Renewable energy has enormous potential as a clean, reliable, and affordable power source for Africa and we are delighted to help connect Mainstream with solar and wind investment opportunities across the continent through this partnership" said Bertrand de la Borde, Head of Africa infrastructure at IFC, a member of the World Bank Group.

2016 KPIs

Category		Indicator	Performance
Governance and Ethical Business Practice	1	# of Governance Bodies	Six: Board and five Board committees: Risk & Investment, Audit, Nomination, Remuneration; and SCSR.
	2	# of Confirmed Incidents of Corruption, with detail	Zero
Energy Use and Emissions	3	# of GHG Emissions, Scope 1 and 2 Scope 1: emissions from sources that are owned or controlled by the organisation Scope 2: emissions from the consumption of purchased electricity, steam, or other sources of energy generated upstream from the organization	Estimated 661884 metric tonnes of CO2 saved in 2015: 0 tonnes CO2 Scope 1 emissions 664210 metric tonnes CO2 avoided by own renewable energy generation 2326.67 metric tonnes CO2 Scope 2 emissions Declared to the CDP in June 2016.
Waste and Hazardous Materials	4	Incident Statistics on Major & Minor Environmental Damage	3 Minor and 1 Major incidents: Minor: At Noupoot a small hydraulic oil spill was noted at one of the hardstands. The contaminated soil was removed for disposal by a licenced contractor. At Loeriesfontein there was a small oil spill from a hub due to a leaking gasket. At Torness a container of oil was knocked over by a forklift on the duct block construction site. The spill was cleaned and the oil removed. Major: At Ayitepa a small bush fire was noticed near a met mast during a site visit. The site visit was stopped. A fire break was created by removing debris and education on fire risk has been included in the livelihood restoration plan.
Workforce Health and Safety	5	Incident Statistic on: First Aid Case, Lost Time Incidents (LTI), Medical Treatment Cases (MTC), Near Misses for Employees	11 First Aid cases 1 LTI 4 MTC 15 Near Misses
	6	# and % of Fatalities or Rate for Employees and Contractors	Zero
Labour Practices	7	# of Days Training per Person and Health and Safety Training	6.6 days Training per person of which 1.7 days included for Health and Safety training.

	8	Amount Spent per person on Training	€1,436
	9	# of Total Employees, % of total by Gender and Region	Average headcount over 2016 = 151.06 By Gender 49 Women: 102 Men By Region 46 in Africa: 3 in Asia Pacific 1 in Canada: 42 in Chile 3 in Mexico: 49 in Ireland 5 in the UK: 2 in the USA
	10	% Employee Turnover Total	9.19%
Community Impacts and Local Benefits	11	Number of initiatives delivered into communities where we are developing and building wind and solar PV plant ¹	41 projects with an estimated value of in excess of EU580,000
Product Lifecycle and Related Ecological Impact	12	# MW delivered into Operation, in Construction and in Development.	524MW delivered into operation 280MW in construction 9,140MW in development
	13	Energy Capacity for each Project site over its lifetime/ the number of MWs of the project ²	406MW projects in operation 31,721,200MWh over projected lifetime
	14	# projects in development with environmental permits	Figures show that 68% (50 out of 73 projects) of the projects in our portfolio have environmental consents.

¹ Includes projects under development by Lekela Power and Aela Energia

² Includes projects in which Mainstream has a minority stake, or no ownership stake but has a continuing operations contract.

Project		MW	Mainstream ownership	Mainstream operation	COD	MWh over lifetime
Cahirciveen	Ireland	9.2	100%	Yes	Jan-13	582,500
Negrete Cuel 1	Chile	33	100%	Yes	Feb-14	2,570,000
Carrickeeny	Ireland	8	0%	Yes	Apr-14	651,250
De Aar 1	South Africa	46	7%	No	Apr-14	2,290,000
Droogfontein 1	South Africa	46	7%	No	Apr-14	2,302,525
Jeffreys Bay	South Africa	138	9%	No	Apr-14	11,595,000
Old Man 2	Canada	46	0%	Yes	Oct-14	4,132,500
Noupoort	South Africa	80	26%	Yes	Mar-16	7,597,500