



**TerraForm Power, Inc.**

**Health, Safety, Security, and Environmental (HSSE) Management  
System Overview**

**May 2019**

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Taking a structured approach to the management elements of Health, Safety, Security, and Environmental compliance efforts 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 brought with 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 objectives are shared by all contractors and subcontractors that enter our sites and facilities.
- Organization – Ensuring proper support, resources, and systems are in place to drive our 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.

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## **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 applicable portions of their respective 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.

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## **Incident Management**

- TERP is committed to zero harm and managing against the occurrence of any adverse HSSE-related incidents. In the event of an incident, TERP requires that all incidents are 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 237130 and SIC 4911.