

2023 Bill S-211 Report for Capital Power

Certified to be a true copy of Capital Power's report to comply with Bill S-211, *An Act to enact the Fight Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*. This report was approved by the Board of Directors on April 30th, 2024.



2023 Bill S-211 Report for Capital Power

Purpose

To comply with reporting requirements Bill S-211, *An Act to enact the Fight Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (the Act)* for reporting period 2023.

Overview

Capital Power Corporation ("Capital Power") is a North American power producer, publicly traded (TSX: CPX), and headquartered in Edmonton, Alberta. We work to deliver reliable and affordable power for communities across Canada and the U.S. through the development, acquisition, ownership, and safe operation of renewable and thermal power generation facilities.

We are committed to improving our practices to combat slavery and human trafficking in accordance with the International Labour Organization Conventions and stand firmly against the use of forced or compulsory labour and any form of slavery and human trafficking, as well as child labour, in our upstream supply chains or any part of our operations.

This report provides the steps we have taken during the 2023 financial year to prevent and reduce the risk of forced labour or child labour in the production of goods in Canada or elsewhere, at any step of the production process in our supply chains. The report will be delivered to the Minister of Public Safety and Emergency Preparedness and posted on Capital Power's website in May 2024.

This report provides the following information:

- 1) A summary of our structure, business activities, and supply chains.
- 2) Our policies and due diligence processes in relation to forced and child labour.
- 3) The parts of our business or supply chains that carry a risk of forced or child labour being used and the steps we have taken to assess and manage that risk.
- 4) The measures we have taken to remediate any forced or child labour.
- 5) The measures we have taken to remediate the loss of income to the most vulnerable affected families due to measures taken to eliminate the use of forced or child labour.
- 6) Employee training on forced and child labour.
- 7) How we assess the effectiveness of our policies, due diligence processes, measures, and training to ensure that forced and child labour are not being used in Capital Power's business and supply chains.

Details

1) Structure, activities, and supply chains

a) Structure

Capital Power is a federally incorporated corporation listed on the Toronto Stock Exchange, publicly traded as (TSX: CPX), and headquartered in Edmonton, Alberta. Our company is Powering Change by Changing Power™ and our Values are set out on our website which can be accessed at www.capitalpower.com by navigating to “Who We Are > Overview”.

Our Corporate Governance information, which details much of our organizational structure, is also available on our website which can be accessed at www.capitalpower.com and navigating to “Who We Are > Corporate Governance”.

This report is provided on behalf of Capital Power and the entities that it controls, in whole or in part, that are reportable entities under the Act, which include:

- Capital Power L.P.
- Capital Power Generation Services Inc.
- Capital Power (Alberta) Limited Partnership
- Capital Power (CBEC) L.P.
- Capital Power (Genesee) L.P.
- Capital Power (G3) Limited Partnership
- Capital Power (PDN) L.P.
- Capital Power (Whitla) L.P.
- CP Energy Marketing L.P.
- Goreway Station Partnership
- Halkirk I Wind Project L.P.
- Whitla 2 Wind Generation L.P.
- York Energy Centre LP

b) Activities

Capital Power builds, owns, and operates utility-scale generation facilities across North America, including wind, solar, waste heat, energy storage and natural gas/solid fuel thermal power generation. More information on our activities and operations are available at www.capitalpower.com by navigating to “Operations”.

We continually provide public updates on our activities and operations online on the media and investors sections of our website.

c) Supply Chains

As part of its supply chain operations, Capital Power engages and conducts business with various suppliers, agents, contractors, and subcontractors (collectively referred to as “Suppliers”). Capital Power Suppliers predominantly provide fuel, power generation equipment, industrial craft labour, construction services, and professional consulting services for our operations. We are a supplier to a diverse set of customers across North America, including municipalities, utilities, industrial customers, multinational organizations, government agencies, and public institutions.

2) Policies and due diligence processes in relation to forced and child labour

a) Policies

Capital Power has developed policies and procedures including a Sustainable Sourcing Policy, which outlines our dedication to improve our practices to combat slavery and human trafficking. We strive to align our policies with the International Labour Organization Conventions. Accordingly, Capital Power stands firmly against the use of forced or compulsory labour and any form of slavery and human trafficking, as well as child labour, in our upstream supply chains or any part of our operations. As part of the employee and Board on-boarding process, ethics training is provided on Capital Power policies and procedures. These policies can be accessed at www.capitalpower.com.

b) Processes

Suppliers, employees, customers, and contractors have multiple options to raise concerns. Reporting options are outlined in our Ethics Policy and are provided to all new employees and Board members during our on-boarding training sessions, internally on the company intranet and posted publicly at www.capitalpower.com.

Suppliers have the following options to report their concerns:

- Confidential online reporting
- Confidential Helpline

Employees have the following avenues to raise a concern or inquiry:

- Human Resources
- Ethics & Compliance Office
- Manager or supervisor
- Yearly Anonymous Employee Engagement Survey
- Manager and Supervisor

3) Parts of Capital Power business or supply chain that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk.

a) Operations risk of forced and child labour

Capital Power and its subsidiaries abide by all applicable laws in those jurisdictions where we operate which is limited to Canada and the United States. There is limited to no risk of forced or child labour occurring in our direct operations. We acknowledge that while the risk of forced or child labour in our operations is low, the risk of occurrence is not zero. As such, we continually monitor risks and conduct reviews of our internal policies and practices to ensure compliance.

b) Supply Chain risk of forced labour or child labour

Capital Power's supply chain is multinational. Capital Power has identified potential risks of forced labour or child labour in certain areas of its supply chain – typically several tiers removed from Capital Power and most often in its renewable energy component supply chain. In general, the greatest risk arises in raw material processing in regions that are vulnerable to bribery and corruption, or without strong labour laws and governance.

c) Steps taken to assess and manage risk of forced labour or child labour

Capital Power's internal risk assessment process is identified by risk factors pertinent to its operations and supply chain. Information is gathered from independent data and public sources related to the energy sector. Where risk factors exist, suppliers are asked to provide their human rights policy, advise on sourcing locations for at risk materials, identify any human rights and political risk within their supply chain, and explain how they foster the good governance on these issues within their organizations and with their sub-suppliers. Where suppliers indicate that they do not have adequate measures in place, we ask them to commit to Capital Power's standard terms and conditions and the commitments outlined in our Sustainable Sourcing Policy.

Based on this assessment Capital Power selectively requests Suppliers to complete its environmental, social, and governance questionnaire which includes questions related to child labour and forced labour, including whether they have their own working practices and safeguards in place to evaluate and select their own suppliers and subcontractors related to these issues.

Further, suppliers are required to comply with and observe all federal, provincial, state, and local laws. We require all suppliers to comply with all rules, policies, procedures, processes, and work practices established by Capital Power. Capital Power reserves the right to terminate contracts with existent suppliers and not to engage with new suppliers where these requirements are not met.

4) Measures taken to remediate any forced labour or child labour

We are not aware of any incidents of forced or child labour within our supply chain in 2023, and therefore no direct intervention or measures by Capital Power were required. Should a case arise that requires remediation, this will be addressed on a case-by-case basis.

5) Remediation of the loss of income due to measures taken to eliminate the use of forced or child labour

To date, there has not been any identified circumstances that would warrant measures to be taken to remediate loss of income to affected families.

6) Training provided to employees on forced labour and child labour

Based on our internal risk assessment, Capital Power has not identified a need for training specific to forced and/or child labour. Capital Power continues to monitor the situation and will reevaluate the need for training on an ongoing basis.

7) Effectiveness assessment

An internal assessment was undertaken in 2023. Based on risk profile and current measures in place, no additional measures were identified as being required.

Board Approval & Attestation

This report was approved by the Capital Power Corporation via its standard corporate practices and procedures.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material aspects for the purposes of the Act, for the reporting year listed above.

Approved and signed by:
Steve Wollin
Senior Vice President, Operations
May 16, 2024



I have the authority to bind Capital Power.