



2020 GRI and SASB Index

The Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Index provides details on our Company's sustainability performance in accordance with the international GRI Standards framework and SASB Standards.

GRI 102: General Disclosures

| Disclosure Number | Disclosure Title | 2020 Response |
|-------------------------------|---|--|
| Organizational Profile | | |
| 102-1 | Name of organization | Capital Power |
| 102-2 | Activities, brands, products and services | <p>We build, own and operate high-quality, utility-scale generation facilities, which include renewables such as wind, solar and waste heat, and thermal such as natural gas and coal. We have also made significant investments in carbon capture and utilization to reduce carbon impacts and are committed to be off coal in 2023. We believe that creating a non-emitting, reliable and affordable grid of the future will require an “all of the above” approach; a significant build-out of renewables, shaped intraday with batteries and interday by decarbonized natural gas. Our investment in reliable, affordable and flexible natural gas generation facilitates greater renewable penetration, and with emerging carbon reduction technology, we believe that our natural gas strategy will contribute to a net carbon neutral future.</p> <p>Capital Power 2020 Integrated Annual Report > Company Overview > p. 3</p> |
| 102-3 | Location of headquarters | Edmonton, Alberta, Canada |
| 102-4 | Location of operations | Capital Power has operations in Canada and the United States. Website > Operations |
| 102-5 | Ownership and legal form | Capital Power is publicly traded on the Toronto Stock Exchange under the symbol CPX. The company's power generation operations and assets are owned by Capital Power L.P. (CPLP) and Capital Power (US Holdings) Inc., both wholly owned subsidiaries of the Company. |
| 102-6 | Markets served | <p>As of December 31, 2020, Capital Power is a growth-oriented North American power producer headquartered in Edmonton, Alberta. The Company develops, acquires, owns and operates power generation facilities using a variety of energy sources. Capital Power owns over 6,500 megawatts (MW) of power generation capacity at 28 facilities across North America. Approximately 425 MW of owned renewable generation capacity and 560 MW of incremental natural gas combined cycle capacity, from the repowering of Genesee 1 and 2, is in advanced development in Alberta and North Carolina.</p> <p>Capital Power owns approximately 2,600 MW of power generation capacity in Alberta, with ownership interests in nine facilities. As of January 1, 2021, the majority of the power generated by the company's Alberta generation facilities in which it owns an interest is sold on a merchant, or non-contracted, basis into energy markets as part of Capital Power's portfolio optimization activities.</p> <p>Capital Power sells some of the power generated by its Alberta power plants, and all of the power generated by its power plants outside of Alberta, on a contracted basis to arm's length third parties.</p> <p>As part of its growth strategy, Capital Power continually seeks opportunities to acquire or develop contracted, larger-scale, natural gas-fired and renewable power generation facilities in Alberta, the rest of Canada and the U.S., and has focused its merchant power business on Alberta.</p> <p>Capital Power 2020 Integrated Annual Report > Company Overview > p. 3</p> |
| 102-7 | Scale of organization | <p>Total number of employees: 827</p> <p>Total number of facilities: 28</p> <p>Net sales: \$1.790 billion</p> <p>Total capitalization:</p> <ul style="list-style-type: none"> • Debt: \$3.552 billion • Equity: \$2.926 billion <p>Power generation capacity: 6,500 MW</p> <p>Capital Power 2020 Integrated Annual Report > By the Numbers > p. 3</p> |

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| Organizational Profile | | | | | | | | | | | | | | | | | | |
| 102-8 | Information on employees and other workers | <p>Number of temporary and permanent employees by gender</p> <p>Permanent employees</p> <ul style="list-style-type: none"> • Male: 594 • Female: 192 <p>Temporary employees</p> <ul style="list-style-type: none"> • Male: 27 • Female: 14 <p>Total number of employees by employment contract</p> <table border="1"> <thead> <tr> <th></th> <th>Permanent</th> <th>Temporary</th> <th>Total permanent & temporary</th> </tr> </thead> <tbody> <tr> <td>Canada</td> <td>641</td> <td>33</td> <td>674</td> </tr> <tr> <td>U.S.</td> <td>145</td> <td>8</td> <td>153</td> </tr> <tr> <td>Total U.S. & Canada</td> <td>786</td> <td>41</td> <td>827</td> </tr> </tbody> </table> <p>Number of full-time & part-time employees by gender</p> <p>Full-time employees</p> <ul style="list-style-type: none"> • Male: 608 • Female: 185 <p>Part-time employees</p> <ul style="list-style-type: none"> • Male: 13 • Female: 21 <p>The majority of work is performed by employees of Capital Power with the exception of facility shutdowns; generation of electricity is also performed by our employees.</p> <p>Data was gathered on December 31, 2020, using our People Service IS System. It includes all permanent employees, temporary employees, casual employees and employees on maternity/parental leave. It excludes pensioners, Board members and employees on long-term disability (LTD). Casual employees are included in the part-time temporary category.</p> | | Permanent | Temporary | Total permanent & temporary | Canada | 641 | 33 | 674 | U.S. | 145 | 8 | 153 | Total U.S. & Canada | 786 | 41 | 827 |
| | Permanent | Temporary | Total permanent & temporary | | | | | | | | | | | | | | | |
| Canada | 641 | 33 | 674 | | | | | | | | | | | | | | | |
| U.S. | 145 | 8 | 153 | | | | | | | | | | | | | | | |
| Total U.S. & Canada | 786 | 41 | 827 | | | | | | | | | | | | | | | |

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| 102-9 | Supply chain | <p>Capital Power's Supply Chain Management (SCM) team supports all aspects of the company's procurement and contracting efforts with the exception of fuel gas, legal and commodity trading. Suppliers range from original equipment manufacturers (OEMs) (turbines, HRSGs, control systems, solar modules, office software, etc.) to fuel suppliers (wood waste, coal, tire-derived fuel, etc.) to service providers (maintenance services, office cleaning, snow plowing, office support) to large engineering, procurement and construction (EPC) contracts. Values range from a few thousand to hundreds of millions of dollars with local to international scope.</p> <p>The total number of suppliers engaged by an organization and the estimated number of suppliers throughout the supply chain: 2,244</p> <ul style="list-style-type: none"> The geographic location of suppliers: <ul style="list-style-type: none"> Spend in CA – \$288,000,000 CAD (44%) Spend in U.S. – \$372,000,000 CAD (56%) Outside North America – \$1,800,000 CAD (<1%) Total spend in same state/province as Capital Power site (note, included Texas due to Buckthorn acquisition): <ul style="list-style-type: none"> Canada (AB/BC/ON) – \$256,927,000 CAD <ul style="list-style-type: none"> 89% of Total CA spend U.S. (AL/AZ/IL/KS/MA/NC/ND/NM/TX) – \$192,043,000 CAD <ul style="list-style-type: none"> 52% of U.S. total Total – \$448,970,000 CAD (68% of all \$ spent) The estimated monetary value of payments made to suppliers: <ul style="list-style-type: none"> 2020 Total – \$662,270,000 CAD 2019 Total – \$874,885,000 CAD <p>The significant majority of Capital Power's supply chain entails tangible product supply with a minor component that entails direct labour efforts which occur at our operating facilities.</p> |
| 102-10 | Significant changes to the organization and its supply chain | <p>In June 2020, Capital Power announced that, subject to successful permitting and receipt of regulatory approvals, it is moving forward with the third phase of the Whitla Wind facility in 40 Mile County, Alberta, which will add 54 MW to the Phase 2 expansion and the overall facility output. Construction efforts on Phase 2 began in July of 2020 and will continue through December 2021.</p> <p>On April 1, 2020, Capital Power acquired 100% ownership of Buckthorn Wind, a 101 MW wind facility located in Erath County, Texas, marking our first Texas-based facility.</p> <p>Capital Power opened its first operating facility in Illinois with the successful completion of the 150 MW Cardinal Point Wind facility in McDonough and Warren counties.</p> <p>In 2020, Capital Power announced it will be moving ahead with 200 MW of solar projects in Alberta and North Carolina, marking a significant move into solar power and expanding our presence in North Carolina. Supply chain support remains centralized in Edmonton, Alberta.</p> |
| 102-11 | Precautionary Principle or approach | <p>When any Canadian statutory decision maker, court or tribunal applies the Precautionary Principle in making its determination, we consider this principle in the conduct of our activities in like circumstances. The Precautionary Principle says that when an activity raises threats to human health or the environment, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically.</p> |

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| 102-12 | External initiatives | <p>Highlights and initiatives undertaken in 2020:</p> <ul style="list-style-type: none"> • NAIT Boreal Research Institute – 2020 marked the fourth year of a five-year partnership to conduct research on the efficacy of various reclamation strategies at our Genesee Generating Station Mine • Peregrine Falcon Monitoring Initiative – Our Genesee Generating Station is an active nesting site and has been part of the recovery and maintenance of peregrine falcon populations in Alberta since the early 1990s. Since the early 2000s, we have shared live camera footage of the falcon nest with the Alberta Conservation Association (ACA) for use alongside their various camera feeds for the members of the public to enjoy • Alberta Conservation Association – Capital Power has partnered with the Alberta Conservation Association for the last three years to release pheasants for hunting • TELUS World of Science Wind Exhibition – In 2020, Capital Power sponsored the Wind Turbine Exhibit at the TELUS World of Science in Edmonton, allowing the public to learn about wind energy generation • University of Alberta Robinson Fayek Research – Since 2012, Capital Power has provided annual funding and support for Dr. Robinson Fayek’s research, development and application of fuzzy logic and fuzzy hybrid modelling techniques for intelligent decision support for the construction industry • Energy Futures Lab 2.0 – Capital Power is a funding partner, helping to develop and create our sustainable energy future. The Lab is focused on building the energy system the future requires of us – something that is sustainable for the environment and that creates jobs in Alberta’s resource-based economy. The Lab is about bringing together industry, government, universities, First Nations and NGOs to find real pragmatic solutions that enable energy system transformation. • Alberta Hunting Education Instructors Association (AHEIA) – The AHEIA has been managing public access for hunting on Capital Power land at Genesee for more than 15 years, enabling managed access to Capital Power’s extensive land base. Each fall, Capital Power opens some of its land for low-velocity hunting to hunt deer, elk and moose living on the property. Low-velocity hunting uses primitive weapons, including black powder rifles, archery and shotguns. • Pembina Institute – Capital Power provides input on a variety of sustainability research. In 2020, we provided input on trends related to sustainable finance. • NYU Stern – Capital Power provided input to the research paper titled “Using Return on Sustainability Investment (ROSI) Framework to Value Accelerated Decarbonization” in the Journal of Applied Corporate Finance (Spring 2020) • City of Edmonton Recover Initiative – In 2020, Capital Power became a member of the Catalyst Committee, helping to develop, refine and activate pilot community initiatives focusing on connections with the land and others to build healthier communities and safe, vibrant public spaces |

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| 102-13 | Membership of associations | <p>Capital Power maintains organizational-level memberships in the following Canadian and American associations:</p> <p>Environment</p> <ul style="list-style-type: none"> • Canadian Clean Power Coalition • International Emissions Trading Association • Business Council for Sustainable Energy • Business Renewables Center • American Wind Energy Association • Western Power Trading Forum • Renewables Northwest • Mid-Atlantic Renewable Energy Coalition (MAREC) • Clean Grid Alliance • Clean Energy Group • Excellence in Corporate Environmental Leadership • Ontario Energy Council • Clean Energy BC • Solar Energy Industry Association • Solar Power International • Canadian Renewable Energy Association • American Council on Renewable Energy • Alberta Chamber of Resources <p>Social</p> <ul style="list-style-type: none"> • Catalyst • Equal by 30 • Boston College Center for Corporate Citizenship • Construction Owners Association of Alberta • University of Alberta Construction Innovation Centre <p>Governance</p> <ul style="list-style-type: none"> • Independent Power Producers Society of Alberta • Association of Power Producers of Ontario • Canadian Electricity Association • Canadian American Business Council • Edmonton Chamber of Commerce • Corporate Ethics Management Council, Conference Board of Canada • American Public Power Association • Advanced Power Alliance • Excel Partnership • Canadian Business for Social Responsibility • Business Ethics Leadership Alliance • Edmonton Integrity Network • Corporate Ethics Intelligence |

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| Strategy | | |
| 102-14 | Statement from senior decision-maker | Capital Power 2020 Integrated Annual Report > Joint Board Chair and CEO Letter > pp. 4-5 |
| 102-15 | Key impacts, risks and opportunities | <p>Through our enterprise risk management (ERM) process, we identify, assess, categorize, respond to, report on and monitor the company's top risks to senior leaders and the Board of Directors along with details of the risk assessments and corresponding management plans. A team within our finance department manages the ERM process and works to foster and expand a risk-aware culture aimed at minimizing risk exposures and protecting shareholder value. A more detailed discussion of our risk management approach, impacts, risks and opportunities is described in the Business Report in Capital Power's 2020 Integrated Annual Report (starting on page 50).</p> <p>The top sustainability risks ranked from our 2020 ERM process were climate change transitional risks. The potential impact to our thermal portfolio could be significant should deep decarbonization initiatives continue and environmental policies and regulations for greenhouse gas emissions and water usage become more stringent. With the announcement we will be off coal in 2023, these risks have been lowered. The transition to lower-carbon generation will also create opportunities for Capital Power. These include increased opportunities across North America for investments in renewable generating capacity, as well as in efficient natural gas generation to provide peaking and backstop services to support renewable integration. Capital Power is also investing to support commercial demonstration and deployment of carbon conversion and utilization and hydrogen technologies, which are expected to become an increasingly important part of global pathways to decarbonization.</p> <p>2020 Climate Change Disclosure Report > pp. 11-17</p> <p>Capital Power 2020 Integrated Annual Report > Risk Management > pp. 18-19</p> |

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| Ethics and Integrity | | |
| 102-16 | Values, principles, standards and norms of behaviour | <p>Capital Power is committed to maintaining a culture focused on trust and respect, with integrity being viewed as one of our most important and valuable assets. The foundation of this culture is our <i>Ethics Policy</i>, which applies to our Board of Directors and all Capital Power employees, as well as consultants and contractors. Compliance with this policy is a material condition of ongoing employment and relationship with Capital Power.</p> <p>Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. Topics addressed in further detail in the <i>Ethics Policy</i> include:</p> <ul style="list-style-type: none"> • Accounting and auditing concerns; • Fraud; • Maintaining confidentiality; • Social media; • Theft and inappropriate use of Company assets and resources; • Conflict of interest; and • How to report ethics concerns and steps for investigating those concerns. <p>Senior management creates, cultivates, models and sustains a work environment that reinforces the importance of ethical and legal behaviour. All employees, including members of the Executive Team, Board and agents, are required to certify that they have received, read, understand and will comply with the Policy when hired or when entering into an agency relationship with Capital Power. Ethics training is conducted no less than biennially.</p> <p>We expect any company or individual providing services to or on behalf of Capital Power to demonstrate strong ethical values and standards of behaviour. They must either agree to comply with our <i>Ethics Policy</i> or certify in writing that they have a binding policy that contains all the elements of our <i>Ethics Policy</i>.</p> <p>Our <i>Ethics Policy</i> is:</p> <ul style="list-style-type: none"> • Reviewed and updated annually by our Chief Compliance Officer, unless a law, regulation or internal guidance or policy necessitates an earlier update; • Updated by the Chief Compliance Officer under the direction of the SVP & Chief Legal Officer, who is responsible for the <i>Ethics Policy</i> elements; and • Reviewed and approved by Capital Power's Audit Committee and Board. <p>Our Values</p> <p>Our business is rooted deeply in our values, which form the foundation of our culture, driving everything we do.</p> <p>Committed to safety</p> <p>We maintain the highest standards of safety for all our employees and the communities in which we work. Our safety campaign, <i>Zero Means Everything</i>, is a core value of our culture and operations, and all employees know they have the right to get home safe and healthy every day.</p> <p>Work together as a diverse and inclusive team</p> <p>Our team is made up of committed and talented people from diverse backgrounds. We respect each other and are committed to maintaining a supportive and inclusive environment for all employees to thrive and deliver exceptional results.</p> |

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| Ethics and Integrity | | |
| 102-16 | Values, principles, standards and norms of behaviour | <p><i>Accountable to our stakeholders</i> We are accountable for our work and the impacts it has. We act with integrity, pursue opportunities to engage and give back, and always strive to do what is right by all our stakeholders, including investors, local communities and employees.</p> <p><i>Deliver excellence</i> We promote a culture of excellence driven by our passion for what we do. We are excited about the future of power and the role we play in the transition to a low-carbon economy. We strive to execute our strategy in a way that creates value for our shareholders and neighbouring communities.</p> |
| 102-17 | Mechanisms for advice and concerns about ethics | <p>As part of our employee education program, training is provided to all employees on how to report an ethics concern. The program:</p> <ul style="list-style-type: none"> • Provides direction on how and when to report a concern; • Ensures consistency in the filing and handling of ethics complaints; and • Communicates the importance of maintaining confidentiality and our <i>No Retaliation Policy</i>. <p>Training on how to report a concern is provided to employees when hired and in our biennial ethics training program.</p> <p>Grievance Mechanisms: As outlined in our <i>Ethics Policy</i>, Capital Power provides a supportive and positive work environment, and we provide a number of channels so that employees can comfortably and safely raise any concerns they may have related to any ethical or unlawful concern, including discrimination, equal opportunity, harassment, sexual harassment and/or workplace violence.</p> <p>These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; an employee's People Services Business Partner or Senior Manager, Employee Relations; any member of Capital Power's Executive Team; or either the Chair of Capital Power's Audit Committee or the Chair of Capital Power's Board of Directors.</p> <p>Our Integrity Hotline is managed by a third party and is a confidential and anonymous communication channel for both our internal and external stakeholders, which includes our employees, to submit any concerns they may have about Capital Power. Through the hotline, anyone can submit ethical, legal, regulatory or accounting concerns in good faith without fear of retaliation. On security-related issues, we have a separate security incident reporting system where employees or contractors can bring forward any concerns they may have.</p> <p>Discrimination, harassment, sexual harassment and workplace violence is addressed in our <i>Respectful Workplace Policy</i>.</p> <p>As part of our respectful workplace, Capital Power does not tolerate, and is committed to eliminating, the hazards of workplace discrimination, harassment, sexual harassment and violence. Capital Power will investigate and take corrective action to address all incidents of workplace discrimination, harassment, sexual harassment and violence. We take pride in providing a safe, supportive, fair and equitable workplace and treat others with dignity and encourage open communication, trust and mutual respect by:</p> <ul style="list-style-type: none"> • Promoting and maintaining a common understanding of the expectations and behaviours considered appropriate in our workplaces; and • Taking action to prevent and/or address incidents of inappropriate behaviour, discrimination and harassment wherever our business is conducted. <p>We do not tolerate and will investigate and take corrective action to address all incidents of workplace discrimination, harassment, sexual harassment and workplace violence.</p> <p>Capital Power 2020 Integrated Annual Report > Ethics and Integrity > pp. 16–17</p> |

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| Governance | | |
| 102-18 | Governance structure | <p>We recognize the importance of good governance to support our ability to effectively address risks and create long-term shareholder value and that includes being responsible for decision making on economic, environmental and social topics. Our Board of Directors oversees the creation and execution of Capital Power's strategy, long-term plan (LTP), and the identification, management and mitigation of risks to the strategy through our enterprise risk management (ERM) system.</p> <p>Composition of the Board of Directors</p> <p>The company's directors are very experienced, high-calibre business leaders with diverse, relevant skills and competencies. More comprehensive analysis of the company's approach to corporate governance matters can be found in the 2021 Management Proxy Circular (to be published March 2021).</p> <p>Capital Power 2020 Integrated Annual Report > Corporate Governance > p. 13</p> <p>Corporate Governance – Capital Power</p> |
| 102-19 | Delegating authority | <p>Board Terms of Reference</p> <p>Current committee membership can be viewed here.</p> <p>Governance specific to climate change matters is described in more detail in our 2020 Climate Change Disclosure Report, pp. 11–17</p> <p>Capital Power 2020 Integrated Annual Report > A Discussion with Our Chief Sustainability Officer and Chief Financial Officer > pp.10–11</p> <p>Capital Power 2020 Integrated Annual Report > Managing Our Business Responsibly > pp.13–15</p> |
| 102-20 | Executive-level responsibility for economic, environmental and social topics | <p>In 2018, Capital Power appointed Kathryn (Kate) Chisholm, Q.C., Senior Vice President, Chief Legal & Sustainability Officer, with responsibility for economic, environmental and social topics. In this position, Ms. Chisholm reports directly to the CEO. The Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer (formerly the Chief Legal & Sustainability Officer (CLSO)) is responsible for overseeing Capital Power's overall sustainability strategy, providing coordination at the highest level.</p> <p>In addition to providing strategic leadership, the Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer provides oversight regarding the communication and coordination of sustainability issues and ensures alignment to the corporate strategy. The Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer communicates with the Board, management, shareholders, customers, employees and other stakeholders to address sustainability matters.</p> <p>Capital Power 2020 Integrated Annual Report > A Discussion with Our Chief Sustainability Officer and Chief Financial Officer > pp.10–11</p> <p>Leadership – Capital Power</p> |

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| Governance | | |
| 102-21 | Consulting stakeholders on economic, environmental and social topics | <p>In 2020, the Chair of our Board and Chair of the People, Culture and Governance (PCG) Committee (formerly the CGCN Committee) met virtually with institutional investors as part of the Board outreach program. Key themes were environmental, social and governance (ESG) performance reporting, Board oversight on Capital Power's capital allocation and strategy, CEO succession and organizational changes to the Executive Team, Board diversity, share price performance and dividend growth, executive compensation, and our involvement in C2CNT. Our 2020 Integrated Annual Report and enhanced 2020 Climate Change Disclosure Report are examples of how we act on shareholder feedback.</p> <p>The Board reviews the corporate risk register biannually, conducts regular site visits and consults regularly with shareholders for first-hand perspectives of their key topics of interest. The HSE Committee of the Board also recommends key operational performance metrics and provide guidance to the Board in cases of material events. The Board's work sets the tone for management in driving the behaviours and attitudes needed to support corporate-wide alignment on a strong sustainability culture.</p> <p>The Board has the responsibility to take all reasonable steps to:</p> <ul style="list-style-type: none"> • Ensure the corporation has in place effective communication processes with shareholders and major stakeholders; • With the assistance of the Audit Committee, ensure that the financial performance of the corporation is adequately reported to the shareholders, other security holders and regulators on a timely and regular basis; • On the recommendation of the Audit Committee, ensure the financial results are reported fairly and in accordance with generally accepted accounting principles; and • Ensure the timely reporting of any other developments that have a significant and material impact on the value of the corporation. <p><i>Shareholder Engagement Policy</i></p> <p>The Board will continue to communicate and engage with Capital Power's shareholders through Capital Power's management proxy circular, annual report, annual information form and other public disclosure, and encourages all shareholders to attend Capital Power's annual meeting of shareholders. In addition, the Board believes in constructive dialogue to continually improve its performance on behalf of shareholders and will regularly reach out to our major shareholders to hear their feedback regarding our governance and compensation practices.</p> <p>The annual corporate planning/strategy process is completed with extensive direction and input from the Executive Team and Board based on their understanding of climate change risks, impacts and opportunities for our business. More information can be found in the 2021 Management Proxy Circular (to be published March 2021).</p> <p>Current committee membership can be viewed here. Capital Power 2020 Integrated Annual Report > Corporate Governance > p. 13</p> |
| 102-22 | Composition of the highest governance body and its committees | <p>Composition of the Board of Directors</p> <p>The company's directors are very experienced, high-calibre business leaders with diverse, relevant skills and competencies. Comprehensive analysis of the company's approach to corporate governance matters is included in the 2021 Management Proxy Circular (to be published March 2021).</p> |
| 102-23 | Chair of the highest governance body | <p>Our Board Chair, Donald Lowry, is not an executive officer.</p> <p>Board Structure</p> |
| 102-24 | Nominating and selecting the highest governance body | <p>For the process of nominating and shareholder/stakeholder involvement, refer to the 2021 Management Proxy Circular (to be published in March 2021).</p> |

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| 102-25 | Conflicts of interest | <p>Cross-board membership board interlocks, compensation and activities are described in the 2021 Management Proxy Circular (to be published in March 2021).</p> <p>Conflicts are noted in the 2020 Annual Information Form, pp. 86–87</p> |
| 102-26 | Role of highest governance body in setting purpose, values and strategy | <p>Under the Board's advisement, the Chief Executive Officer (CEO) is ultimately responsible for climate-related issues as the head of the Executive Team. The Executive Team as a whole is responsible for addressing climate change-related issues, assessing implications, risks and opportunities for Capital Power, and ensuring our strategy is sustainable. The Chief Sustainability Officer (Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer), Chief Financial Officer (CFO), Chief Operating Officer (Senior Vice President, Operations, Engineering & Construction), Senior Vice President, Business Development and Commercial Services, Senior Vice President, Chief Legal Officer, and the Senior Vice President, People, Culture and Technology, are all members of Capital Power's Executive Team and report directly to the CEO.</p> <p>The annual corporate planning/strategy process is completed with extensive direction and input from the Executive Team and Board based on their understanding of climate change risks, impacts and opportunities for our business. The Board reviews and approves Capital Power's strategic plan, climate change disclosure reports (aligned with the TCFD recommendations) and the Integrated Annual Report (which includes financial and ESG/ sustainability information).</p> <p>Climate-related risks are monitored and managed by the CEO, with specific input from the Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer, and the Executive Team. The CEO, with support from the Chief Sustainability Officer (Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer), provides quarterly sustainability updates (including climate-related issues) to the Board.</p> <p>Members of the Executive Team hold the following specific responsibilities with regards to assessing, monitoring and developing recommendations with respect to climate-related issues in their respective areas:</p> <ul style="list-style-type: none"> • The Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer leads Capital Power's strategic and sustainability planning and reporting, market forecasting and analytics, regulatory, government relations, stakeholder engagement, community investment and communications functions, ensuring ESG is embedded as part of the company's strategy and decision-making processes. Part of her responsibilities are our long-term forecast and scenario-builds (which consider climate change-related issues along with a range of market, policy, technology and commercial considerations), which are used for financial planning and investment decisions. These scenarios are developed and regularly reviewed and refined by the market assessment and forecast team, which reports to the Chief Financial Officer (CFO). The Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer communicates with the Board, management, shareholders, customers, employees and other stakeholders to address sustainability matters. • The Senior Vice President of Business Development and Commercial Services is responsible for pursuing investment in renewables and low-carbon generation, and for our strategy relating to the creation and management of our carbon offsets and credit portfolio. • The Chief Operating Officer (Senior Vice President, Operations, Engineering & Construction) is responsible for the safe, efficient and reliable construction, operation and maintenance of all of Capital Power's generating facilities. With respect to climate change-related considerations, key responsibilities relate to environmental compliance, operational emissions, reporting to government on emissions, leading efforts to physically reduce emissions and continued optimization of fleet operations to reduce emissions. |

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| Governance | | |
| 102-26 | Role of highest governance body in setting purpose, values and strategy | <ul style="list-style-type: none"> • The Chief Financial Officer (CFO) is responsible for financial administration with respect to carbon taxes and offsets, disclosure, sustainable financial sustainability and integrity of the corporation. • The Vice President of People, Culture and Technology (formerly Human Resources) is responsible for developing a people strategy that ensures our people are ready for the future. We must attract, retain and engage a future-focused workforce that has the ability and agility to address sustainability matters, which include climate-related issues, human rights, equal opportunities, diversity, inclusion and equity, etc. Our people strategy supports the successful execution of our business strategy by hiring people with the right skills for our business now and in the future, strategic workforce planning to address our changing business, enabling employees and leaders to grow in the identified competencies related to ESG through training and development, and designing experiences and programs that engage our employees. • The Chief Legal Officer leads Capital Power's legal, ethics and compliance, internal audit, security and insurance efforts, and ensures that any matters are aligned to the corporate strategy, which includes environmental, social and governance (ESG) considerations and legal compliance. <p>Senior management actively and continually assesses climate change-related issues as part of our ongoing review of various business, market, technical, operational, regulatory and policy, and strategy-related matters.</p> <p>Capital Power 2020 Integrated Annual Report > Corporate Governance > p. 13 2021 Management Proxy Circular (to be published March 2021)</p> |
| 102-27 | Collective knowledge of highest governance body | <p>The Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer provides a quarterly update to the Board regarding external relations and sustainability.</p> <p>New educational opportunities to enhance knowledge are provided to Board members regularly. For example, the People, Culture and Governance (PCG) Committee is sent such opportunities on a quarterly basis. Courses completed in 2020 include:</p> <ul style="list-style-type: none"> • Leading Minds on Compensation • Managing Compensation Practices • Measuring Stakeholder Capitalism • ESG • Race in America – Corporate Diversity • Unconscious Bias • Board Oversight During COVID • Lessons in the Boardroom from COVID • The Future of Governance in Canada (ICD/TMX Committee) • The Changing Role of CEOs and Corporations in Society • Developments in the Evolution of ESG • Navigating the Economy and Pandemic Following the U.S. Election |

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| Governance | | |
| 102-28 | Evaluating the highest governance body's performance | <p>The People, Culture and Governance (PCG) Committee is responsible for Board assessment, which involves assessing individual directors, committees, committee chairs, the Board Chair and overall Board effectiveness. Pursuant to the evaluation process, our ongoing Board and director assessments and evaluations involve:</p> <ul style="list-style-type: none"> • Annual one-on-one meetings between the Chair of the Board and each director to identify focus areas for the Board and committees to work on in terms of improving corporate governance, preserving share value and enhancing accountability; these matters are discussed in camera at every meeting of the PCG Committee and/or the Board; • Annual director self-evaluations (to be conducted in conjunction with the annual one-on-one meetings held by the Chair); • Peer-to-peer evaluations for all directors, which must be conducted by an independent third party every three to five years; and • Annual Board and committee effectiveness surveys; the Board and each committee do a self-evaluation (in accordance with their terms of reference), which involves in-camera discussions and one-on-one interviews with each committee chair by the Chair of the PCG Committee. <p>The Chair of the Board also discusses Board and committee performance with members of senior management.</p> <p>In the fourth quarter of 2020, the directors participated in Board and committee evaluations, which were submitted anonymously, and the aggregate compiled results were provided to the chairs of the Board and the PCG Committee.</p> <p>Finally, the Chair of the PCG Committee ("PCG Chair") conducted one-on-one interviews with each director and members of senior management in early 2021. Although not anonymous, the one-on-one interviews between the PCG Chair and each director allowed the PCG Chair to have a frank discussion about key areas of interest, including director performance, continued tenure, and areas of focus and personal development for the coming year. The results of the annual self-evaluation, questionnaire and interviews were discussed by the PCG Committee and the Board at the February 2021 meeting. The Board addresses all areas for improvement in Board effectiveness that are identified through our assessment processes.</p> |
| 102-29 | Identifying and managing economic, environmental and social impacts | <p>Capital Power has historically disclosed how issues relating to greenhouse gas (GHG) emissions and climate change-related matters are managed and assessed, along with other business risks, in our Management's Discussion & Analysis (MD&A) reports, our Annual Information Form (AIF) reports and our Integrated Annual Report as summarized below.</p> <p>The Board of Directors oversees the creation and execution of Capital Power's strategy, as well as the identification, management and mitigation of risks to the strategy throughout the enterprise risk management (ERM) system. In addition, the Board's strategic mandate expressly includes the obligation to consider "the opportunities, risks and sustainability of the business" and to receive reports from management "on matters relating to, among others, ethical conduct, human rights, diversity and inclusion, and other sustainability matters."</p> <p>The Board has established a Health, Safety and Environment Committee to, among other things, monitor and assess the effectiveness of Capital Power's environmental stewardship, including the environmental impact of our operations, and review our goals, compliance and policies in this respect, including matters relating to GHG and climate change.</p> <p>Stakeholder consultation is an ongoing activity, and feedback is collected and considered as part of our ongoing review by the Executive Team and the Board regarding various ESG factors, which include, but are not limited to, business, market, technical, operational, regulatory, community, Indigenous and policy, and strategy-related matters.</p> <p>2020 Climate Change Disclosure Report > Our Reporting > p. 10</p> |

| Disclosure Number | Disclosure Title | 2020 Response |
|-------------------|--|--|
| Governance | | |
| 102-30 | Effectiveness of risk management processes | <p>For more information on the Board's role in assessing the effectiveness of the organization's risk management processes related to economic, environmental and social topics, please refer to disclosure 102-28 and our 2021 Management Proxy Circular (to be published March 2021).</p> <p>In 2020, the Board of Directors met with greater frequency to stay apprised of the COVID-19 pandemic and its impacts.</p> |
| 102-31 | Review of economic, environmental and social topics | The Executive Team and the Board monitor and assess ESG issues on a quarterly basis and on an as-needed basis, which was more frequent in 2020 due to impacts related to COVID-19. Various ESG factors include (but are not limited to) the following: business, market, technical, operational, regulatory, community, Indigenous and policy, and strategy-related matters. |
| 102-32 | Highest governance body's role in sustainability reporting | Our 2020 Integrated Annual Report, including the new sustainability KPIs, was reviewed and approved by the Board of Directors prior to publication. The Board of Directors also reviews and approves all annual disclosures, including the financial statements, Business Report, AIF, TCFD, Integrated Annual Report and Management Proxy Circular. |
| 102-33 | Communicating critical concerns | <p>Capital Power maintains frequent dialogue with the Board. With respect to critical concerns, Capital Power meets quarterly through regularly scheduled meetings to discuss issues, and/or as appropriate, based on the nature of the issue.</p> <p>The Audit Committee receives quarterly reports and the HSE Committee meets three times per year, and at each meeting they receive HSE quarterly status and environmental regulatory update reports as well as verbal operations reports.</p> |
| 102-34 | Nature and total number of critical concerns | <p>Capital Power meets quarterly through regularly scheduled meetings to discuss issues, and/or as appropriate, based on the nature of the issue.</p> <p>We do not disclose what is discussed in Board meetings due to confidentiality.</p> |
| 102-35 | Remuneration policies | <p>The Board has established a People, Culture and Governance (PCG) Committee responsible for, among other matters, reviewing and recommending to the Board the remuneration targets and framework. At Capital Power, executive remuneration is linked to social and environmental targets, including worker safety, employee retention, diverse and inclusive workplace, and climate change initiatives like sustainable sourcing and water management plans. These targets cascade throughout Capital Power. The targets and remuneration framework are reviewed and approved annually by the Board.</p> <p>For more information, please refer to the 2021 Management Proxy Circular (to be published March 2021).</p> |
| 102-36 | Process for determining remuneration | <p>Our director remuneration (compensation) is designed to attract and retain the most qualified people to serve on our Board. It recognizes the size and complexity of Capital Power. Compensation goes through a third-party review and specific details regarding this process will be provided in the Management Proxy Circular that will be published in March 2021.</p> <p>For more information on the process for determining remuneration, please refer to the 2021 Management Proxy Circular (to be published March 2021).</p> |
| 102-37 | Stakeholders' involvement in remuneration | Shareholders vote, on an advisory basis, on our approach to executive compensation, which is included in the Proxy. More information on our approach can be found in the 2021 Management Proxy Circular after it is released in March 2021. The vote at the 2020 AGM was 92.8% for and 7.2% against. |
| 102-38 | Annual total compensation ratio | 23.5:1 (CEO/Employees) |
| 102-39 | Percentage increase in annual total compensation ratio | <p>11.2:1 (CEO/Employees)</p> <p>This ratio considers permanent full- and part-time employees (annualized to full-time equivalent) in Canada and the United States, and annual total compensation includes the following elements in the reporting year: base salary, actual short-term incentive paid and actual long-term incentive granted.</p> |

| Disclosure Number | Disclosure Title | 2020 Response |
|-------------------------------|--|---|
| Stakeholder Engagement | | |
| 102-40 | List of stakeholder groups | <p>Stakeholders include shareholders, local community members, Indigenous peoples, employees, contractors, suppliers, regulatory agencies, environmental organizations and government (federal, state/province, local) representatives.</p> <p>Capital Power 2020 Integrated Annual Report > 2020 Stakeholder Summary Table > pp. 48–49</p> |
| 102-41 | Collective bargaining agreements | <p>Capital Power respects freedom of association and the rights of employees to come together to promote, pursue and defend common interests. Capital Power respects freedom of association in the communities where we operate.</p> <p>Capital Power respects collective bargaining agreements as defined by the International Labour Organization and as such in the 1998 ILO Declaration on Fundamental Principles and Rights at Work where “all negotiations which take place between a worker’s organization and a group of employees on: 1. determining working conditions and terms of employment, 2. regulating relations between employers and workers, and/or 3. regulating relations between employers or their organizations and a workers’ organization.” As such, Capital Power’s collective bargaining agreements are negotiated using an interest-based approach and using market data to support compensation decisions. Capital Power maintains good working relationships with all its unions.</p> <p>Capital Power acknowledges that the unions are a key stakeholder in our business and when working together can become a competitive advantage. Capital Power has four collective agreements in Canada; three collective agreements are in Alberta and the other collective agreement is in British Columbia. UNIFOR 829 represents the power engineers employees working at our Genesee facility. IBEW 1007 represents the maintenance employees at our Genesee facility. CSU 52 represents office staff in Edmonton and at our Genesee facility. UNIFOR 1123 represents maintenance employees and power engineers out at our Island Generation facility. Union staff represent a total of 36% of our Canadian workforce and 30% of our total workforce.</p> |
| 102-42 | Identifying and selecting stakeholders | <p>We systematically identify stakeholders through community research, consultation with subject matter experts, input from regulators or regulatory requirements, requests for engagement directly from stakeholders, informal discussion with stakeholders and other methods.</p> <p>Capital Power 2020 Integrated Annual Report > Stakeholder Engagement > pp. 45–49</p> |
| 102-43 | Approach to stakeholder engagement | <p>We solicit feedback from stakeholders through a variety of mechanisms, including bilateral meetings and participation in stakeholder networks, outreach programs, webinars and partnerships on a wide variety of topics. Engaging with a diverse array of stakeholders – even those critical of our actions – is important, because it gives us a broader perspective on our approach and programs.</p> <p>Capital Power 2020 Integrated Annual Report > Stakeholder Engagement > pp. 45–49</p> |
| 102-44 | Key topics and concerns raised | <p>A breakdown of key topics and concerns raised by our stakeholders in 2020 can be found in the Stakeholder Engagement section of our 2020 Integrated Annual Report (pp. 45–49)</p> |

| Disclosure Number | Disclosure Title | 2020 Response |
|---------------------------|--|---|
| Reporting Practice | | |
| 102-45 | Entities included in the consolidated financial statements | Capital Power Corporation Capital Power 2020 Integrated Annual Report > Financial Statements > p. 111 |
| 102-46 | Defining report content and topic boundaries | <p>Scope</p> <p>The scope of this report highlights our company-wide environmental, economic, social and safety performance and goals from January 1, 2020, through December 31, 2020. We report only on assets that we operate (unless otherwise noted) and provide year-over-year trending where possible.</p> <p>Data from each plant represents the entire plant, not only our financial share of the operation, including: York Energy Centre (50/50 joint venture) and Genesee 1 and 2, whose plant capacity and output is sold under an Alberta Power Purchase Arrangement currently held by the Alberta Balancing Pool.</p> <p>Energy production and emissions data from Joffre and Shepard Energy Centre facilities is not included because we do not hold the operating permits. To overcome the challenge of needing to synthesize data from numerous jurisdictions, some of which have different reporting requirements, methods and standards, we have consolidated information where possible – for example, greenhouse gas emission data for our facilities in Canada and the United States. In other areas, information is presented separately or from a single jurisdiction.</p> <p>Greenhouse gases from our landfill gas and biomass facilities are reported separately in aggregate greenhouse gas emission totals or emission-intensity calculations. This approach aligns with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development). We aim to report in a manner that presents a holistic view of our business and shows the connection between our business strategy and our corporate sustainability initiatives. Building on our past reports, we aim to provide accurate and balanced information about our people, facilities and performance (including emissions), and our contributions to the communities in which we do business. All dollar figures are in Canadian funds.</p> <p>Defining Materiality</p> <p>An important aspect of defining content for this report was to identify the sustainability priorities for our business and stakeholders. Materiality, in the sustainability context used for this report, refers to the relative significance of environmental, social, governance and economic priorities and their impacts (both positive and negative) on our business and stakeholders. To help define the sustainability topics most urgent and relevant for our business, we initiated a comprehensive process in 2018 that included engaging expert sustainability consultants and undertaking surveys with key stakeholders.</p> <p>Identifying our priority topics</p> <p>As a first step, we referenced reporting guidelines and frameworks such as the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as well as those identified through non-profit industry organizations such as the Electric Power Research Institute (EPRI). We established a cross-functional Sustainability Committee, led by our Chief Sustainability Officer, which engaged directly with 110 individual stakeholders to help us define our priority topics. Twenty-six sustainability topics of potential relevance to Capital Power were identified through this review, four of which stood out as priorities: climate, innovation, supply chain and water.</p> <p>Our company's next materiality assessment is planned to be conducted in 2021. Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |

| Disclosure Number | Disclosure Title | 2020 Response |
|---------------------------|--|---|
| Reporting Practice | | |
| 102-47 | List of material topics | <p>Capital Power conducted a comprehensive materiality assessment in 2018. Our most material topics are the following:</p> <ul style="list-style-type: none"> • Water • Sustainable supply chain • Climate change • Innovation <p>We plan to conduct our next materiality assessment in 2021.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 102-48 | Restatements of information | <p>We restated our 2019 innovation investment to \$15 million to show spending within the 2019 calendar year instead of the cumulative spend to date at the end of 2019 of \$33.7 million (GPS, C2CNT).</p> <p>Scope 3 emissions for 2019 have been restated from 2,553,214 tCO₂e to 1,478,228 tCO₂e, as a result of improved internal data collection and improved calculation assumptions and accuracy from engagement of a third party to calculate Scope 3 emissions after the GRI was published in 2020. As a result, material reductions in Scope 3 emissions calculations occurred in the Fuel and Energy (943,326 tCO₂e), Purchased Goods (111,319 tCO₂e) and Business Travel (20,411 tCO₂e) categories. In the Fuel and Energy category, the reduction resulted from more accurate emission factors being applied to coal, biomass (set to zero) and Alberta upstream natural gas supply. The accommodations emission factor for Business Travel was also updated and the accuracy of the Purchased Goods information was improved.</p> |
| 102-49 | Changes in reporting | Not applicable |
| 102-50 | Reporting period | January 1, 2020, to December 31, 2020 |
| 102-51 | Date of most recent report | The most recent Integrated Annual Report was released on February 19, 2021. |
| 102-52 | Reporting cycle | Annually |
| 102-53 | Contact point for questions regarding the report | <p>Capital Power Corporate Headquarters 1200 – 10423 101 St. N.W. Edmonton, AB T5H 0E9 info@capitalpower.com www.capitalpower.com</p> |
| 102-54 | Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards: Core option. |
| 102-55 | GRI Content Index | The GRI and SASB Content Index is included as part of Capital Power's 2020 integrated reporting suite . |
| 102-56 | External assurance | <p>Capital Power received limited assurance from KPMG on selected 2020 indicators:</p> <ul style="list-style-type: none"> • TRIF for corporate/operations • Community investment • Percentage of women in executive leadership positions • Total Scope 1 GHG emissions • GHG intensity • Investment in GPS and C2CNT <p>Selected indicators contained within the report are indicated with a check mark. Our reporting is reviewed and approved by our Board of Directors.</p> <p>Capital Power 2020 Integrated Annual Report > Assurance Statement > p. 109</p> |

GRI 200: Economic

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|--------------------------------------|--|--|
| GRI 201: Economic Performance | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Information around economic value generated and distributed by the organization is a depiction of the cash inflows and outflows generated and incurred by the ongoing activities of Capital Power and are included in the key cash metrics that stakeholders use to assess our performance.</p> <p>We are committed to responsible corporate governance, which is central to our economic performance. The Governance section of our 2021 Management Proxy Circular (available March 2021) and our Corporate Governance Policy highlight our governance process. Additional discussion around economic performance can be found throughout the Business Report section of our Integrated Annual Report, which begins on page 50 within the 2020 report. 2020 Annual Information Form > pp. 24–51</p> |
| 103-2 | The management approach and its components | Capital Power 2020 Integrated Annual Report > Business Report > p. 50 |
| 103-3 | Evaluation of the management approach | Capital Power 2020 Integrated Annual Report > Business Report > Performance Overview > p. 51 |
| 201-1 | Direct economic value generated and distributed (EVG&D) | <p>Economic value generated and distributed</p> <p><i>Direct economic value generated</i> Revenues and other income: 1,937 (\$M)</p> <p><i>Economic value distributed</i> Staff costs and employee benefits expense: 171 (\$M)</p> <p>Payments to providers of capital: Interest paid: 137 (\$M) Dividends paid: 242 (\$M) Income taxes paid: 63 (\$M)</p> <p>Other operating costs: 850 (\$M) Community investments: 1.5 (\$M)</p> <p>Capital Power 2020 Integrated Annual Report > Financial Statements > Statement of Changes in Equity > p. 123</p> <p>Segmented revenues split between USA and Canada are included within the geographic segment disclosures in Note 36 of the financial statements on p. 183.</p> <p>Capital Power 2020 Integrated Annual Report > Financial Statements > p. 111</p> |
| 201-2 | Financial implications and other risks and opportunities due to climate change | <p>Climate-related financial risks are disclosed in the Business Report section of our 2020 Integrated Annual Report (p. 50)</p> <p>2020 Climate Change Disclosure Report > pp. 18–26</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|--------------------------------------|---|---|
| GRI 201: Economic Performance | | |
| 201-3 | Defined benefit plan obligations and other retirement plans | <p>Capital Power employees hired prior to July 1, 2009, participate in the Local Authorities Pension Plan (LAPP), a multi-employer, contributory pension plan for employees of municipalities, hospitals and other public entities in Alberta, governed by the <i>Public Sector Pension Plans Act</i> (Alberta). No liability accrues to participating employers like Capital Power, as the plan is governed by the LAPP Corporation who manage liabilities through contributions collected from employers and plan participants.</p> <p>Employees hired after July 1, 2009, participate in a defined contribution arrangement, a registered pension plan for Canadian employees and a 401(k) for American employees, which do not amass liabilities by design.</p> <p>Certain Canadian employees are eligible to participate in the Supplemental Retirement Plan (SRP), a non-registered plan which provides pension benefits in excess of the maximum limits prescribed by the <i>Income Tax Act</i> (Canada). The plan is funded through general revenues of Capital Power on a pay-as-you-go basis. The defined benefits component of the SRP has an estimated liability of \$31 million as of December 31, 2018. This retirement plan is governed by the Corporate Governance, Compensation & Nominating Committee of Capital Power's Board of Directors.</p> <p>Percentage of salary contributed by employee or employer:</p> <ul style="list-style-type: none"> • LAPP – Employer contributes 9.39% up to the yearly maximum pensionable earnings (YMPE) and 13.84% above the YMPE. Employee contributes 8.39% up to YMPE and 12.84% over YMPE. • Defined Contribution Pension Plan (DC) – Employee/Employer each contribute 5% (in cases of <5 years of service), 6.5% (for 5–10 years of service), 8% (> 10 years of service) • 401(k) (U.S. employees only) – Employee voluntary deferral, up to 7% employer match • Savings Plan (eligible employees only) – Employee voluntary deferral, up to 5% employer match <p>Level of participation in retirement plans:</p> <ul style="list-style-type: none"> • LAPP/DC – 100% – Mandatory participation (Canada) • 401(k) – 91% voluntary participation rate (U.S.) • Savings Plan – 74% voluntary participation rate (Canada) |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|---------------------------------------|--|--|
| GRI 204: Procurement Practices | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We are a major buyer in the geographic areas of our operating sites. Sourcing locally in these areas can have significant economic impacts on the surrounding communities, including Indigenous communities, by directly and indirectly supporting job creation and economic diversification.</p> <p>We generally consider that the boundaries of local sourcing are the province or state in which the facility is located.</p> <p>We are a major buyer in the geographic areas of our under-construction and operating sites. Benefits to Capital Power from supporting local businesses can include reduced cost arising from less-costly transport of goods and workers to our sites and reducing operational downtime by strengthened local capabilities, which also require less lead time for planned and unplanned repairs. In addition, our local sourcing improves economic well-being and creates employment opportunities in the communities where most of our employees live.</p> <p>Capital Power understands that economic sustainability includes more than local sourcing, although this is one important aspect.</p> |
| 103-2 | The management approach and its components | <p>Sustainable sourcing at Capital Power includes practices to improve the economic impact of our suppliers' business activities. These practices include non-cost-based selection criteria and a requirement for suppliers to follow internal or external standards relating to sustainable business practices. Sourcing is applicable to all purchases regardless of transaction dollar value, which maximizes the potential impact of sustainable sourcing requirements.</p> <p>The purpose of the management approach is to source suppliers and contractors that deliver optimal value to our operations while also providing economic benefits to jurisdictions we operate within.</p> <p>Policies</p> <ul style="list-style-type: none"> <p><i>Health, Safety and Environment Policy:</i> This policy was updated in 2020 and states, "This <i>Health, Safety and Environment Policy</i> (the "Policy") is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner."</p> <p>The Policy includes the promotion of a zero-injury safety culture, including the promotion of environmental responsibility; compliance with all applicable laws and regulatory requirements; and proactive identification and management of environment-related risks. Every Capital Power employee and contractor is responsible for Capital Power's environmental performance and the health and safety of themselves and their fellow workers.</p> <p>Capital Power has established an integrated HSE management system (HSEMS) that is based upon ISO 45001:2018 and ISO 14001, Environmental Management Systems. The HSEMS applies to all Capital Power businesses and worksites. In 2020, we updated our HSEMS, making it easier for stakeholders at any level of the organization to understand how HSE is managed by the Company, their specific roles and responsibilities to HSE, and how to access specific HSE documents in an easy-to-use manner.</p> <p><i>Ethics Policy:</i> We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16.</p> <p><i>Respectful Workplace Policy:</i> This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16.</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|---------------------------------------|--|--|
| GRI 204: Procurement Practices | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Grievance Mechanisms: Refer to 102-17 under “Grievance Mechanisms”</p> <p>Capital Power’s approach uses a procurement process with selection criteria that include subjective areas that should generally give an advantage to local suppliers. In addition, Capital Power conducts supplier open houses in locations nearby to our large construction projects before start of construction in order to determine the range and capability of local suppliers.</p> |
| 103-3 | Evaluation of the management approach | <p>Capital Power is working toward an improved mechanism for evaluating the economic sustainability impacts of our procurement process. Implementation of the sustainable supply chain strategy’s first phase began in 2019 and involved defining what sustainable supply chain means for Capital Power, determining responsible sourcing methods and mapping some existing initiatives in this space. Some of the work reviewed in 2020 includes determining redundancies and gaps with existing policies, standards and activities, and supplier-facing initiatives. We are working towards a more comprehensive supply chain sustainability program by the end of 2021.</p> |
| 204-1 | Proportion of spending on local suppliers | <p>The proportion of spending by Capital Power on local organizations during the reporting period was approximately 68%. Spend includes engineering, consulting, construction, maintenance, parts, equipment, software and plant inputs (i.e., chemicals, gases, non-commodity fuels and additives).</p> <p>Capital Power defines a “local organization” as an organization that:</p> <ul style="list-style-type: none"> • Provides goods or services to a significant location of operation; and • Provides goods and/or services from a supplier site located in the same province/state as a significant location of operation. <p>A “significant location of operation” is a location that maintains a personnel presence of at least 10 people and/or is a plant operated by Capital Power with a nameplate capacity of at least 15 MW.</p> <p>Capital Power defines a “local supplier” as an organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization in such as the geographic market of the supplier is within the province or state where Capital Power operates.</p> <p>Capital Power 2020 Integrated Annual Report > Sustainable Sourcing > p. 43</p> |

GRI 300: Environmental

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|------------------------|--|---|
| GRI 302: Energy | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Energy underpins every aspect of modern life and is driving improved standards of living for millions of people around the world. As the economy drives toward net zero, system-wide electrification will be more pervasive, and we expect future low-carbon power generation systems will be even more flexible and resilient.</p> <p>The boundaries of our impact related to energy are the jurisdictions where we produce power and beyond.</p> <p>There are both positive and negative impacts with respect to energy and emissions at all our locations. We reduce negative impacts by:</p> <ul style="list-style-type: none"> • Producing renewable power (wind and solar) • Developing markets to sell products produced by removing CO₂ from the atmosphere (carbon nanotubes) • Developing hydrogen-ready facilities • Seeking ways through technological innovation to increase energy efficiencies and decrease emissions at all our sites <p>In managing the impacts of operations directly under our control, we are striving to reduce any negative impacts through our operational efficiency efforts, implementing digitalization and supporting carbon conversion technologies that could result in net-zero generation or even a net reduction in atmospheric carbon.</p> <p>In 2021, we published our third Climate Change Disclosure Report, aligned with the TCFD recommendations, and provided an in-depth review of our approach regarding climate change.</p> <p>Data from owned capacity at facilities where we hold operating permits and/or support commercial activities is included in scope.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Policies</p> <ul style="list-style-type: none"> • <i>Health, Safety and Environment Policy:</i> This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • <i>Ethics Policy:</i> We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • <i>Respectful Workplace Policy:</i> This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|------------------------|--|--|
| GRI 302: Energy | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Programs and Initiatives</p> <p>To drive down energy use and GHG emissions in our operations, we invest in technology and operational approaches to increase efficiency and reduce emissions, focusing our efforts in three key areas:</p> <ul style="list-style-type: none"> • Assessing and improving how our facilities operate • Collecting, storing and managing data and analytics • Participating in GHG emissions reporting and trading and adhering to a number of national carbon reduction initiatives <p>Some examples include:</p> <p>1. Digitalization</p> <p>In 2020, our Renewables Operations Centre (ROC) project focused on data analytics, procedure development and increased monitoring of asset performance to deliver optimization of energy output and increased financial performance of our wind assets. In 2021, and future years, the ROC project will continue the focus on system optimization, while implementing additional remote monitoring and support of operations to further enhance optimization of our wind assets.</p> <p>2. Operational Efficiencies</p> <p>We are committed to implementing capital and maintenance programs that ensure high availability of our assets and efficient use of resources. For example, our Genesee Performance Standard program, which commenced in 2016, will see a 12% improvement in efficiency and performance of the units by 2021. These improvements will benefit both natural gas and coal operations, also supporting the Company's plans to repower Genesee 1 & 2. Capital Power is seeking regulatory approval to repower both units to natural gas combined cycle (NGCC) units as a longer-term option for baseload power generation. The repowered assets will utilize best-in-class NGCC technology, setting a new standard for gas generation efficiency in Canada.</p> <p>3. Innovation</p> <p>In 2020, we demonstrated our commitment to carbon-free power generation through the medium and long term by committing to increase our investment in C2CNT to 40% equity as part of a long-term opportunity related to mitigating risks related to CO2 emissions and progressing the development of the Genesee Carbon Conversion Centre using C2CNT technology, the world's largest commercial-scale CNT production facility, with the first of three phases scheduled to begin operations in the first half of 2022. In addition, the Shepard site, which we hold 50% ownership in, was used as the test site for the natural gas track of the prestigious \$20 million NRG COSIA Carbon XPRIZE, a global competition to develop breakthrough technologies that remove carbon dioxide from the atmosphere and convert it into valuable products.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12 2020 Climate Change Disclosure Report</p> <p>Grievance Mechanisms: Refer to 102-17 under "Grievance Mechanisms"</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|------------------------|---------------------------------------|--|
| GRI 302: Energy | | |
| 103-3 | Evaluation of the management approach | <p>Mechanisms for evaluating effectiveness of the management approach are outlined in the policies and in the 2020 Climate Change Disclosure Report. The environmental program is monitored on a regular basis by the Health, Safety and Environment (HSE) Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to energy and air emissions to ensure that environmental requirements are met or while implementing procedures to reduce the impact of operations on the environment.</p> <p>Oversight of the management system is provided by the Board's Health, Safety and Environment (HSE) Committee. The Committee's role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization's environmental strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>In addition, all plants are subject to an internal review process that includes an environmental component. Internal audit has developed an Integrated Site Assurance Team (ISAT) program whereby all plants are subject to a multi-disciplinary assurance review on a rotating schedule, which includes a health, safety and environment component. The environmental focus of these audits is a plant's permits and regulatory compliance, and/or a management system approach to assessing environmental risk management. During our ISATs, our environmental compliance modules included categories on waste management, hazardous material management, storage facilities, materials imported and exported, and chemical and biological control.</p> <p>In addition, Capital Power's Health, Safety and Environment corporate group is subject to an internal audit every three years, where it takes a risk-based approach to determine the scope of the audit. The results of the internal audits's engagements are distributed to management, who provide responses to each finding, including committed dates for actionable items. Internal Audit follows up with management on actionable items until they are completed and reports the status of findings quarterly to the HSE Committee of the Board. The internal audits performed in 2020 did not result in significant findings that required changes to management approach.</p> <p>For more information, see GRI 102-26, 102-49.</p> <p>External compliance verifications have been initiated on the majority of Canadian thermal facilities around greenhouse gas compliance. These verifications look at energy input. Verifications that have covered energy use have found no discrepancies to date.</p> <p>For the 2020 year, Capital Power obtained limited assurance on GHG emissions disclosed in this report based on intensity, from a third-party independent verifier.</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response | | | |
|---|--|---|-----------------------------------|--|-----------------------------------|
| GRI 302: Energy | | | | | |
| 302-1 | Energy consumption within the organization | Total non-renewable energy consumption within the organization | | | |
| | | 2020 Coal Consumption (GJ) | 2020 Natural Gas Consumption (GJ) | Total Non-Renewable Energy Consumption | |
| | | 91,150,792 | 49,741,778 | 140,892,570 | |
| Non-renewable energy consumption by country | | | | | |
| | | Country | 2020 Coal Consumption (GJ) | 2020 Natural Gas Consumption (GJ) | |
| | | Canada | 89,318,366 | 21,191,487 | |
| | | U.S.A. | 1,832,426 | 28,550,291 | |
| | | Total | 91,150,792 | 49,741,778 | |
| Non-renewable energy consumption by facility | | | | | |
| Country | Prov./State | Facility | Type of Facility | 2020 Coal Consumption (GJ) | 2020 Natural Gas Consumption (GJ) |
| Canada | Alberta | Halkirk | wind | 0 | 0 |
| Canada | Alberta | Whitla 1 | wind | 0 | 0 |
| Canada | B.C. | Quality Wind | wind | 0 | 0 |
| Canada | B.C. | Island Generation | natural gas | 0 | 462,085 |
| Canada | Alberta | Genesee 1 & 2 | coal | 58,058,656 | 1,924,875 |
| Canada | Alberta | Genesee 3 | coal | 31,259,710 | 3,991,412 |
| Canada | Alberta | Genesee Mine | mining | 0 | 0 |
| Canada | Alberta | Clover Bar | natural gas | 0 | 4,830,357 |
| Canada | Alberta | Clover Bar LFG | landfill gas | 0 | 0 |
| Canada | Ontario | East Windsor | natural gas | 0 | 206,615 |
| Canada | Ontario | York Energy Centre | natural gas | 0 | 326,011 |
| Canada | Ontario | Goreway | natural gas | 0 | 9,450,132 |
| Canada | Ontario | Kingsbridge | wind | 0 | 0 |
| Canada | Ontario | Port Albert | wind | 0 | 0 |
| Canada | Ontario | Port Dover & Nanticoke | wind | 0 | 0 |
| U.S.A. | North Carolina | Roxboro | coal & biofuel | 755,660 | 0 |
| U.S.A. | North Carolina | Southport | coal & biofuel | 1,076,766 | 0 |
| U.S.A. | Alabama | Decatur Energy Center | natural gas | 0 | 12,089,364 |
| U.S.A. | Arizona | Arlington | natural gas | 0 | 16,460,926 |
| U.S.A. | New Mexico | Macho Springs | wind | 0 | 0 |
| U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 |
| U.S.A. | Kansas | Bloom | wind | 0 | 0 |
| U.S.A. | North Dakota | New Frontier | wind | 0 | 0 |
| U.S.A. | Illinois | Cardinal Point | wind | 0 | 0 |
| U.S.A. | Texas | Buckthorn | wind | 0 | 0 |
| Total | | | | 91,150,792 | 49,741,778 |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response | | | | | |
|------------------------|--|---|------------------------------------|---------------------------|--|---|---------------------------|
| GRI 302: Energy | | | | | | | |
| 302-1 | Energy consumption within the organization | Total renewable energy consumption within the organization | | | | | |
| | | 2020 Biomass Consumption (GJ) | 2020 Landfill Gas Consumption (GJ) | 2020 TDF Consumption (GJ) | 2020 Total Generation from Waste Heat (GJ) | Total Renewable Energy Consumption (GJ) | |
| | | 6,704,422 | 422,202 | 5,548,704 | 0 | 12,675,327 | |
| | | Renewable energy consumption by country | | | | | |
| | | 2020 Biomass Consumption (GJ) | 2020 Landfill Gas Consumption (GJ) | 2020 TDF Consumption (GJ) | | | |
| | Country | | | | | | |
| | Canada | 0 | 422,202 | 0 | | | |
| | U.S.A. | 6,704,422 | 0 | 5,548,704 | | | |
| | Total | 6,704,422 | 422,202 | 5,548,704 | | | |
| | | Renewable energy consumption by facility | | | | | |
| | Country | Prov./ State | Facility | Type of Facility | 2020 Biomass Consumption (GJ) | 2020 Landfill Gas Consumption (GJ) | 2020 TDF Consumption (GJ) |
| | Canada | Alberta | Halkirk | wind | 0 | 0 | 0 |
| | Canada | Alberta | Whitla 1 | wind | 0 | 0 | 0 |
| | Canada | B.C. | Quality Wind | wind | 0 | 0 | 0 |
| | Canada | B.C. | Island Generation | natural gas | 0 | 0 | 0 |
| | Canada | Alberta | Genesee 1 & 2 | coal | 0 | 0 | 0 |
| | Canada | Alberta | Genesee 3 | coal | 0 | 0 | 0 |
| | Canada | Alberta | Genesee Mine | mining | 0 | 0 | 0 |
| | Canada | Alberta | Clover Bar | natural gas | 0 | 0 | 0 |
| | Canada | Alberta | Clover Bar LFG | landfill gas | 0 | 422,202 | 0 |
| | Canada | Ontario | East Windsor | natural gas | 0 | 0 | 0 |
| | Canada | Ontario | York Energy Centre | natural gas | 0 | 0 | 0 |
| | Canada | Ontario | Goreway | natural gas | 0 | 0 | 0 |
| | Canada | Ontario | Kingsbridge | wind | 0 | 0 | 0 |
| | Canada | Ontario | Port Albert | wind | 0 | 0 | 0 |
| | Canada | Ontario | Port Dover & Nanticoke | wind | 0 | 0 | 0 |
| | U.S.A. | North Carolina | Roxboro | coal & biofuel | 2,737,204 | 0 | 1,783,386 |
| | U.S.A. | North Carolina | Southport | coal & biofuel | 3,967,218 | 0 | 3,765,318 |
| | U.S.A. | Alabama | Decatur Energy Center | natural gas | 0 | 0 | 0 |
| | U.S.A. | Arizona | Arlington | natural gas | 0 | 0 | 0 |
| | U.S.A. | New Mexico | Macho Springs | wind | 0 | 0 | 0 |
| | U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 | 0 |
| | U.S.A. | Kansas | Bloom | wind | 0 | 0 | 0 |
| | U.S.A. | North Dakota | New Frontier | wind | 0 | 0 | 0 |
| | U.S.A. | Illinois | Cardinal Point | wind | 0 | 0 | 0 |
| | U.S.A. | Texas | Buckthorn | wind | 0 | 0 | 0 |
| | Total | | | | 6,704,422 | 422,202 | 5,548,704 |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|---|------------------|----|-------------|-----------|---------|----|---------|----|-------|----|-----------|----|-------------|------------|---------|----|---------|----|-------|---------|-------------------------------|-------------|
| GRI 302: Energy | | | | | | | | | | | | | | | | | | | | | | | | |
| 302-1 | Energy consumption within the organization | <p>Electricity, heating, cooling and steam consumption</p> <table border="1"> <thead> <tr> <th>2020 Consumption</th> <th>GJ</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td>4,655,681</td> </tr> <tr> <td>Heating</td> <td>NA</td> </tr> <tr> <td>Cooling</td> <td>NA</td> </tr> <tr> <td>Steam</td> <td>NA</td> </tr> </tbody> </table> <p><i>* conversion: 1 MWh = 3.6 GJ</i></p> <p>Electricity, heating, cooling and steam sold</p> <table border="1"> <thead> <tr> <th>2020 Sold</th> <th>GJ</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td>19,798,374</td> </tr> <tr> <td>Heating</td> <td>NA</td> </tr> <tr> <td>Cooling</td> <td>NA</td> </tr> <tr> <td>Steam</td> <td>126,339</td> </tr> </tbody> </table> <p><i>* conversion: 1 MWh = 3.6 GJ</i></p> <p>Total energy consumption within the organization</p> <table border="1"> <thead> <tr> <th>Total Energy Consumption (GJ)</th> </tr> </thead> <tbody> <tr> <td>158,223,578</td> </tr> </tbody> </table> <p>Notes:</p> <ul style="list-style-type: none"> • Conversion of fuel to GJ based on higher heating value of fuel • Conversion of MWh to GJ based on 1 MWh = 3.6 GJ (steam enthalpy) • Net MWhs generation (sold electricity) are net 'revenue-quality' MWhs, unless otherwise noted • Electricity consumption is based on unit parasitic load (gross generation minus net generation) • Higher heating value based on fuel analysis or published values | 2020 Consumption | GJ | Electricity | 4,655,681 | Heating | NA | Cooling | NA | Steam | NA | 2020 Sold | GJ | Electricity | 19,798,374 | Heating | NA | Cooling | NA | Steam | 126,339 | Total Energy Consumption (GJ) | 158,223,578 |
| 2020 Consumption | GJ | | | | | | | | | | | | | | | | | | | | | | | |
| Electricity | 4,655,681 | | | | | | | | | | | | | | | | | | | | | | | |
| Heating | NA | | | | | | | | | | | | | | | | | | | | | | | |
| Cooling | NA | | | | | | | | | | | | | | | | | | | | | | | |
| Steam | NA | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 Sold | GJ | | | | | | | | | | | | | | | | | | | | | | | |
| Electricity | 19,798,374 | | | | | | | | | | | | | | | | | | | | | | | |
| Heating | NA | | | | | | | | | | | | | | | | | | | | | | | |
| Cooling | NA | | | | | | | | | | | | | | | | | | | | | | | |
| Steam | 126,339 | | | | | | | | | | | | | | | | | | | | | | | |
| Total Energy Consumption (GJ) | | | | | | | | | | | | | | | | | | | | | | | | |
| 158,223,578 | | | | | | | | | | | | | | | | | | | | | | | | |
| 302-3 | Energy intensity | <p>The energy intensity ratio (GJ/MWh) is 7.99.</p> <p>Notes:</p> <ul style="list-style-type: none"> • Organization metric (denominator) is Net MWh • Fuel inputs are included in the ratio (GJ) <p>Only energy consumption within the organization is used to calculate the energy intensity.</p> | | | | | | | | | | | | | | | | | | | | | | |
| 302-4 | Reduction of energy consumption | <p>Energy intensity ratio has decreased for our corporation with the increase in renewable generation, specifically the addition of Whitla, Cardinal Point and Buckthorn wind facilities to our operating portfolio.</p> | | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|-------------------------------------|--|---|
| GRI 303: Water and Effluents | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We see water as a necessary component to the operation of our thermal facilities and an essential part of daily life for our communities. It is therefore becoming more important than ever to manage the resource carefully for our communities and operations, and for the future generations that will rely on it. We use water at our thermal generation facilities for two major purposes: cooling and steam production. In general, our steam systems are closed-loop to conserve water. Cooling water systems are similar but may withdraw from and discharge to a local water source.</p> <p>As part of producing responsible energy for tomorrow, Capital Power strives to plan, develop and execute its water use optimally so as to do its part to preserve water quality and availability for future generations.</p> <p>We are currently developing a water strategy that aligns with our strategic objectives, focusing on:</p> <ul style="list-style-type: none"> • Ensuring continued compliance with local and national requirements • Furthering our understanding of our operational water footprint to determine where improvements should be made • Managing water risks at our operational sites <p>The information reported relates only to facilities for which we hold the operating permit, and for the full capacity of the facilities regardless of whether we have full or partial equity interest or ownership.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12 Capital Power 2020 Integrated Annual Report > Water Use and Management > p. 36</p> |
| 103-2 | The management approach and its components | <p>We manage and operate our facilities in a manner that seeks to minimize our impact on the environment. Our policies and processes below help ensure all employees and contractors are minimizing their impacts while working at our sites.</p> <p>We are developing a formal water strategy that will be completed in 2021 and that will manage water as a shared resource, and will work to create value through sound water stewardship.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement, and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|-------------------------------------|--|--|
| GRI 303: Water and Effluents | | |
| 103-2 | The management approach and its components | <p>We are developing a formal water strategy that will be completed in 2021 that will support our continued understanding of collective challenges and creation of long-term value.</p> <p>Responsibilities around energy management are outlined in our <i>Health, Safety and Environment Policy, Investment Policy, Climate Change Disclosure Report, Enterprise Risk Management, Board Health, Safety and Environment Policy</i> and Management Proxy Circular (to be published March 2021).</p> <p>Grievance Mechanisms: Refer to 102-17 under “Grievance Mechanisms”</p> |
| 103-3 | Evaluation of the management approach | <p>Mechanisms for evaluating the effectiveness of the management approach are outlined in the policies mentioned in GRI 102-26 and 103-2. The environmental program is monitored on a regular basis by the HSE Committee, including compliance with regulatory requirements.</p> <p>Oversight of the management system is provided by the Board's HSE Committee. The Committee's role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization's environmental strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>In addition, all plants are subject to an internal review process that includes an environmental component. Internal audit has developed an Integrated Site Assurance Team (ISAT) program whereby all plants are subject to a multi-disciplinary assurance review on a rotating schedule, which includes a health, safety and environment component. The environmental focus of these audits is a plant's permits and regulatory compliance, and a management system approach to assessing environmental risk management. The ISAT program includes environmental compliance categories of waste management, hazardous material management, storage facilities, materials imported and exported, and chemical and biological control.</p> <p>In addition, Capital Power's Health, Safety and Environment corporate group is subject to an internal audit every three years, with a risk-based approach used to determine the scope of the audit. The results of the internal audit's engagements are distributed to management, who provide responses to each finding, including committed dates for actionable items. The Internal Audit team ensures actionable items are completed and provides a quarterly status report to the HSE Committee of the Board.</p> <p>Applicable data is updated and reported annually, consistent with industry standards and regulatory compliance obligations, and is subject to regulatory and internal inspections and audit processes.</p> <p>The internal reviews performed in 2020 did not result in significant findings that required changes to the management approach. A regulatory inspection occurred at our Southport, Roxboro and Decatur facilities and no violations were noted.</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|-------------------------------------|--|---|
| GRI 303: Water and Effluents | | |
| 303-1 IF-EU-140a.3 | Interactions with water as a shared resource Description of water management risks and discussion of strategies and practices to mitigate those risks | <p>Standards for the quality and quantity of effluent discharges are determined by applicable regional regulatory agencies. In all cases, our approvals include regulatory requirements that involve studies, limits, monitoring and reporting. We comply with all conditions in our operating water approvals and participate in watershed alliances and regional biomonitoring programs for some of our facilities. Sources of water for our operations include municipal, recycled, groundwater and surface. Most of our water consumption occurs where our thermal operations are located.</p> <p>Water management will continue to be a focus and we will have a formal water management strategy in place by the end of 2021. Capital Power sits on the Alberta Water Council (AWC) Board – a multi-stakeholder partnership to engage industry, NGOs and governments to achieve the outcomes of the Water for Life strategy – and is a member of the Canadian Electricity Association (CEA), which advocates for the electricity industry positions to the federal government, including protection of fisheries.</p> <p>The Government Relations, Regulatory & Environmental Policy (GRREP) group is responsible for early identification of emerging regulatory issues as well as forthcoming and proposed regulatory changes, including water-related issues. They work proactively with internal stakeholders in Capital Power to ensure that the corporate growth strategy is executed within the constraints imposed by current and expected environmental policies in Canada and the U.S.</p> <p>The GRREP group:</p> <ul style="list-style-type: none"> • Provides details about Canadian and U.S. environmental policy initiatives to internal stakeholders; • Leads an internal multi-disciplinary team to develop Capital Power's positions about environmental policies, including water; • Coordinates the analysis of potential environmental regulations and policies on Capital Power's existing assets, new projects and acquisitions; • Represents and advocates Capital Power's environmental policy positions with industry committees, governments and other stakeholders; and • Coordinates regular communication of environmental policy issues and positions. The R&EP reports regularly to the Executive Team. <p>Our operational sites are subject to an internal review process which includes an environmental component, focusing on either a plant's permits and regulatory compliance, or a management system approach to reviewing environmental risk management.</p> <p>The internal reviews performed in 2020 did not result in significant findings that required changes to management approach.</p> <p>Capital Power 2020 Integrated Annual Report > Water Use and Management > p. 36</p> |
| 303-2 | Management of water discharge-related impacts | <p>The minimum standards for the quality of effluent discharges are determined by applicable regional regulatory agencies in the form of operating water approvals, permits and licenses. In addition to meeting the regulatory thresholds, we continue to explore and utilize best management approaches for clean water for operational efficiencies.</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|-------------------------------------|--|---|
| GRI 303: Water and Effluents | | |
| 303-3 IF-EU-140a.1 | Water withdrawal (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Total 2020 water withdrawal: 47,594 ML Total includes: surface waters, groundwater, seawater, produced waters and third-party waters. Notes: <ul style="list-style-type: none"> • All waters withdrawn were considered to be <1000 mg/L Total Dissolved Solids • According to the WWF water risk filter, the only facility in a “water stress” area is our Arlington facility. Arlington withdrew 2,556 ML. • Additional contextual information relating to the provided data is outlined in the sites’ operating permits, approvals or licenses issued by the regional regulator or from local water quality objectives • All water withdrawn is freshwater |
| 303-4 | Water discharge | 2020 water discharge: 37,123 ML Notes: <ul style="list-style-type: none"> • Total includes: surface waters, groundwater, seawater, produced waters and third-party waters • According to the WWF water risk filter, the only facility in a “water stress” area is our Arlington facility. However, they do not discharge offsite and only have evaporative losses. • All waters discharged were considered to be <1000 mg/L Total Dissolved Solids • Operating approvals, permits and/or licenses identify any “discharge consents” or priority substances to be treated specific to each operational site |
| 303-5 | Water consumption | 2020 water consumption: 10,471 ML Notes: <ul style="list-style-type: none"> • Total includes: surface waters, groundwater, seawater, produced waters and third-party waters • According to the WWF water risk filter, the only facility in a “water stress” area is our Arlington facility. However, they do not discharge offsite and only have evaporative losses. • Operating approvals, permits and/or licenses identify any “discharge consents” or priority substances to be treated specific to each operational site • Additional contextual information relating to the provided data is outlined in the sites’ operating permits, approvals or licenses issued by the regional regulator or from local water quality objectives. We assume water consumed is equal to water withdrawal minus water discharge. |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|------------------------------|--|--|
| GRI 304: Biodiversity | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We recognize the importance of biodiversity and its importance to maintaining resilient ecosystems beyond the immediate areas of our operational footprint. We also recognize that we need to minimize impacts related to biodiversity, ecosystems and other land uses, ensuring that we operate using a balanced approach.</p> <p>Impacts to biodiversity can occur at any of our sites beyond the immediate footprint. We consider biodiversity from business development to project planning and design, through construction and operations to remediation and final decommissioning, ensuring we minimize our impacts on wildlife and the land.</p> <p>Part of our long-term approach, particularly at our mine operation, is to ensure that reclamation plans meet and address our stakeholders', and, in particular, the communities', needs and interests. To the extent practical, we seek to rehabilitate the former mine areas to an agreed upon post-mining use.</p> <p>This information represents our generation associated with our operating approvals regardless of our financial interest in the facility. Data from owned capacity at facilities where we do not hold the operating permits is not included in this report.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12 Capital Power 2020 Integrated Annual Report > Biodiversity and Land Reclamation > pp. 36–37</p> |
| 103-2 | The management approach and its components | <p>We work to minimize our impacts and create long-term sustainability through land reclamation and reforestation practices, respecting wildlife, working together in partnerships and supporting research when opportunities exist.</p> <p>We manage and operate our facilities in a manner that reduces environmental impacts from our business activities. Our policies and processes below help ensure all employees and contractors are minimizing their impacts while working at our sites.</p> <p>Capital Power continues to engage in land reclamation activities to reclaim land no longer needed with respect to the mining operations of the Genesee coal mine. To date, the reclamation work at the Genesee coal mine has returned about 1,231 hectares (37% of the total surface area at the Genesee coal mine) of previously mined area into productive farmland and wildlife habitat. A long-term regional biomonitoring program encompassing the Genesee facilities is one of the largest programs of its kind in Canada. Since 2004, its air, water and wildlife studies have found no significant changes in land, natural water bodies or ambient air quality.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Grievance Mechanisms: Refer to 102-17 under “Grievance Mechanisms”</p> |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------|------|------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| GRI 304: Biodiversity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 103-3 | Evaluation of the management approach | <p>All plants are subject to an internal review process which includes an environmental component, focusing on either a plant's permits and regulatory compliance, or a management system approach to reviewing environmental risk management.</p> <p>The internal reviews performed in 2020 did not result in significant findings that required changes to management approach.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <p>Our Genesee Generating Station (Genesee) is our only operational site which contains infrastructure adjacent to a protected area. The Genesee pump house is located on the south bank of the North Saskatchewan River, which is adjacent to a wildlife corridor.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | <p>We conduct detailed environmental monitoring and assessments for wildlife, plant and other area-specific species at sites where conditions indicate it is required to safeguard the biodiversity of the area. For example, bird and bat surveys help us understand the impact of wind power generation on species living and travelling nearest to our operations.</p> <p>21,000 trees were planted in reforestation areas.</p> <p>2020 marks the fifth year of our partnership with NAIT. With respect to the research, we are conducting plant population counts.</p> <p>Genesee is the largest and most diverse land base we manage as part of our operations. It demands a high level of monitoring, and a number of our research initiatives and innovation involving reclamation and restoration take place on the land in and around it. We are involved in a biomonitoring program that measures and assesses potential changes in environmental concentrations of chemicals of potential concern associated with aerial and water emissions from the Genesee Mine. Ongoing testing results have shown no appreciable increases.</p> <p>Capital Power 2020 Integrated Annual Report > Biodiversity and Land Reclamation > pp. 36–37</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 304-3 | Habitats protected or restored | <p>At the end of 2020, we had 440.7 hectares with reclamation certificates from the provincial regulator at the Genesee Mine, and a total amount of reclaimed land of 1,231 hectares.</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Fully reclaimed¹</td> <td>680 (26%)</td> <td>763 (29%)</td> <td>847 (31%)</td> <td>906 (33%)</td> <td>944 (33%)</td> <td>984 (34%)</td> <td>1,056 (35%)</td> <td>1,118 (36%)</td> <td>1,124 (35%)</td> <td>1,231 (37%)</td> </tr> <tr> <td>Reclamation in progress²</td> <td>320 (13%)</td> <td>264 (10%)</td> <td>298 (11%)</td> <td>274 (10%)</td> <td>296 (11%)</td> <td>322 (11%)</td> <td>344 (12%)</td> <td>294 (10%)</td> <td>351 (11%)</td> <td>386 (12%)</td> </tr> <tr> <td>Required for safe and efficient mining</td> <td>1,581 (61%)</td> <td>1,629 (61%)</td> <td>1,566 (58%)</td> <td>1,555 (57%)</td> <td>1,600 (56%)</td> <td>1,557 (55%)</td> <td>1,587 (53%)</td> <td>1,669 (54%)</td> <td>1,698 (54%)</td> <td>1,695 (51%)</td> </tr> <tr> <td>Total land</td> <td>2,581 (100%)</td> <td>2,656 (100%)</td> <td>2,711 (100%)</td> <td>2,735 (100%)</td> <td>2,840 (100%)</td> <td>2,863 (100%)</td> <td>2,987 (100%)</td> <td>3,081 (100%)</td> <td>3,173 (100%)</td> <td>3,312 (100%)</td> </tr> </tbody> </table> <p>¹ Fully reclaimed refers to land that is either fully certified, is awaiting final certification from the Alberta Energy Regulator (AER) or is ready for application for certification.</p> <p>² Reclamation in progress means reclamation activities have begun but are incomplete and no application for certification has been filed. The AER sets the standards for reclamation.</p> <p>Key partners we work with to protect or restore habitat areas include:</p> <ul style="list-style-type: none"> • Northern Alberta Institute of Technology (NAIT) Centre for Boreal Research • Alberta Conservation Association • Alberta Hunter Education Instructors Association (AHEIA) • Leduc County • Olds College • University of Alberta <p>2020 Integrated Annual Report > Biodiversity and Land Reclamation > pp. 36–37</p> | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Fully reclaimed ¹ | 680 (26%) | 763 (29%) | 847 (31%) | 906 (33%) | 944 (33%) | 984 (34%) | 1,056 (35%) | 1,118 (36%) | 1,124 (35%) | 1,231 (37%) | Reclamation in progress ² | 320 (13%) | 264 (10%) | 298 (11%) | 274 (10%) | 296 (11%) | 322 (11%) | 344 (12%) | 294 (10%) | 351 (11%) | 386 (12%) | Required for safe and efficient mining | 1,581 (61%) | 1,629 (61%) | 1,566 (58%) | 1,555 (57%) | 1,600 (56%) | 1,557 (55%) | 1,587 (53%) | 1,669 (54%) | 1,698 (54%) | 1,695 (51%) | Total land | 2,581 (100%) | 2,656 (100%) | 2,711 (100%) | 2,735 (100%) | 2,840 (100%) | 2,863 (100%) | 2,987 (100%) | 3,081 (100%) | 3,173 (100%) | 3,312 (100%) |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fully reclaimed ¹ | 680 (26%) | 763 (29%) | 847 (31%) | 906 (33%) | 944 (33%) | 984 (34%) | 1,056 (35%) | 1,118 (36%) | 1,124 (35%) | 1,231 (37%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reclamation in progress ² | 320 (13%) | 264 (10%) | 298 (11%) | 274 (10%) | 296 (11%) | 322 (11%) | 344 (12%) | 294 (10%) | 351 (11%) | 386 (12%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Required for safe and efficient mining | 1,581 (61%) | 1,629 (61%) | 1,566 (58%) | 1,555 (57%) | 1,600 (56%) | 1,557 (55%) | 1,587 (53%) | 1,669 (54%) | 1,698 (54%) | 1,695 (51%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total land | 2,581 (100%) | 2,656 (100%) | 2,711 (100%) | 2,735 (100%) | 2,840 (100%) | 2,863 (100%) | 2,987 (100%) | 3,081 (100%) | 3,173 (100%) | 3,312 (100%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| GRI 304: Biodiversity | | |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | <p>We have taken steps to mitigate the risk of impact to endangered and critically endangered wildlife populations on the IUCN Red List or the national conservation species list.</p> <p>We do a number of activities and surveys prior to construction of a new project such as a wind facility; however, they vary by jurisdiction, province and state.</p> <p>We conduct various wildlife surveys pre-construction to mitigate impacts, which include:</p> <ul style="list-style-type: none"> • Amphibian surveys • Raptor surveys • Bird surveys in general, both songbirds and other • Washington ground squirrel and specific surveys are done depending on the geographic area where we are working <p>During construction, we:</p> <ul style="list-style-type: none"> • Do various bird, amphibian and other “sweeps” • Have a wildlife biologist onsite during construction when required • Report to regulators any encounters with species of concern <p>During operation, we conduct bird and bat mortality monitoring.</p> |
| GRI 305: Emissions | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>As a wholesale power producer, we must manage our energy production and consumption that contributes to greenhouse gas (GHG) emissions through long-term strategies meeting climate goals.</p> <p>Direct impacts happen at all our thermal (non-renewable) facilities. In managing the impacts of operations directly under our control, we are striving to reduce any negative impacts through our operational efficiency efforts, implementing digitalization and supporting carbon conversion technologies that would result in a net carbon neutral or even positive contribution.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Capital Power understands the need to address climate change, reducing greenhouse gas (GHG) emissions by improving energy efficiency throughout our fleet, implementing low-carbon technologies like carbon capture and utilization, and growing our renewables portfolio (e.g., solar and wind). We also apply our core competencies to advocate for climate change policies that facilitate the transition to a low-carbon economy and help other stakeholders who may seek to purchase renewable energy certificates in order to meet their net-zero aspirations.</p> |
| IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | <p>Climate Change Disclosure Report: Our 2020 Climate Change Disclosure Report outlines Capital Power's climate change strategy and performance targets and metrics; assesses key climate-related risks, opportunities and mitigation; and outlines three climate change scenarios from the International Energy Agency. This report aligns with recommendations from the Task Force on Climate-related Financial Disclosures, which we support.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. |

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| GRI 305: Emissions | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Commitments: Paris Agreement to keep global temperature rise well below 2°C, United Nations Sustainable Development Goal 13 on climate action, Task Force for Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP).</p> <p>Goals and Targets: As part of its growth strategy, Capital Power seeks opportunities to acquire or develop contracted, larger-scale, natural gas-fired and renewable power generation facilities in Canada, and the U.S., and has focused its merchant power business on Alberta. Capital Power considers environmental, social and governance (ESG) integral to achieving total value creation. As such, as we execute our strategy, our decisions include consideration for ESG factors, which helps drive innovation and better decisions in the interests of our many different stakeholders.</p> <p>In 2019 and 2020, we set sustainability targets, including ambitious carbon emissions-reduction targets, reflecting our commitment to being an investment, employer, supplier and neighbour of choice. These targets, detailed below, include an ambitious target to be net carbon neutral by 2050.</p> <ul style="list-style-type: none"> • Achieve net carbon neutrality by 2050 • Construct all new natural gas generation units to be carbon capture and/or hydrogen ready • Reducing Scope 1 CO₂ emissions at Genesee by 50% by 2030 from 2005 levels • Reducing Scope 1 CO₂ emissions by 10% by 2030 from 2005 levels, based on our 2019 fleet¹ • Reducing Scope 1 CO₂ emission intensity by 65% by 2030 from 2005 levels¹ • Invest in carbon capture and utilization technology to help us achieve net carbon neutrality by 2050 and eventually physically decarbonize our natural gas fleet (ongoing) • Complete the Genesee Carbon Conversion Centre in the first half of 2022 • Enhanced sustainable sourcing plan (2021) • Enhanced water management plan (2021) • Target of at least 30% women on the Board and Executive Team <p>Some of the projects we are undertaking to reduce our impacts include completing a coal-to-gas conversion on Genesee Unit 3 as well as the proposed repowering of Genesee 1 and 2. These will result in Capital Power being off coal in 2023. The ongoing additions to our renewables fleet, such as the two wind and five solar projects announced in 2020, will also contribute to achieving our sustainability targets. We are also advancing our plan to build the world's largest commercial-scale production facility of carbon nanotubes at our Genesee Carbon Conversion Centre, which will allow us to convert captured carbon into carbon nanotubes, supporting a reduction in GHG emissions.</p> |
| IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | |

¹ Our policy is to recalculate our base year emissions for any significant impacts as a result of changes in calculation methodologies and major acquisitions or divestments.

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| GRI 305: Emissions | | |
| 103-2 | The management approach and its components | Responsibilities around energy management are outlined in our <i>Health, Safety and Environment Policy, Investment Policy, TCFD, Enterprise Risk Management, Health, Safety and Environment Policy</i> and Management Proxy (will be published in March 2021). |
| IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Programs and Initiatives: To drive down energy use and GHG emissions in our operations, we invest in technology and operational approaches to increase efficiency and reduce emissions, focusing our efforts in three key areas:</p> <ul style="list-style-type: none"> • Assessing and improving how our facilities operate • Collecting, storing and managing data and analytics • Participating in GHG emissions reporting and trading and adhering to a number of national carbon reduction initiatives |
| 103-3 | Evaluation of the management approach | <p>The mechanisms for evaluating effectiveness of the management approach are outlined in the policies mentioned. The environmental program is monitored on a regular basis by the HSE Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to energy and air emissions to ensure that environmental requirements are met, or while implementing procedures to reduce the impact of operations on the environment.</p> <p>Oversight of the management system is provided by the Board HSE Committee. The Committee's role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization's environmental strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>In addition, all plants are subject to an internal review process which includes an environmental component, focusing on either a plant's permits and regulatory compliance, or a management system approach to reviewing environmental risk management.</p> <p>The internal reviews performed in 2020 did not result in significant findings that required changes to management approach.</p> |

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GRI 305: Emissions

305-1 Direct (Scope 1) GHG emissions
 IF-EU-110a.1 (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations
 IF-EU-110a.2 Greenhouse gas (GHG) emissions associated with power deliveries

Gross direct (Scope 1) GHG emissions
 Gross direct GHG emissions (tCO₂e): 11,527,603

GHG emissions by facility¹

| Country | Prov./State | Facility | Type of Facility | GHG Excluding Biomass & LFG CO ₂ e (tonnes/yr) ² | GHG Including Biomass & LFG (tonnes/yr) ² |
|--------------|----------------|------------------------|------------------|--|--|
| Canada | Alberta | Halkirk | wind | 0 | 0 |
| Canada | Alberta | Whitla 1 | wind | 0 | 0 |
| Canada | B.C. | Quality Wind | wind | 0 | 0 |
| Canada | B.C. | Island Generation | natural gas | 23,743 | 23,743 |
| Canada | Alberta | Genesee 1 & 2 | coal | 5,527,934 | 5,527,934 |
| Canada | Alberta | Genesee 3 | coal | 3,134,162 | 3,134,162 |
| Canada | Alberta | Genesee Mine | mining | 42,652 | 42,652 |
| Canada | Alberta | Clover Bar | natural gas | 247,600 | 247,600 |
| Canada | Alberta | Clover Bar LFG | landfill gas | 90 | 12,415 |
| Canada | Ontario | East Windsor | natural gas | 10,465 | 10,465 |
| Canada | Ontario | York Energy Centre | natural gas | 16,536 | 16,536 |
| Canada | Ontario | Goreway | natural gas | 479,541 | 479,541 |
| Canada | Ontario | Kingsbridge | wind | 0 | 0 |
| Canada | Ontario | Port Albert | wind | 0 | 0 |
| Canada | Ontario | Port Dover & Nanticoke | wind | 0 | 0 |
| U.S.A. | North Carolina | Roxboro | coal & biofuel | 220,071 | 445,912 |
| U.S.A. | North Carolina | Southport | coal & biofuel | 390,884 | 697,140 |
| U.S.A. | Alabama | Decatur Energy Center | natural gas | 594,131 | 594,131 |
| U.S.A. | Arizona | Arlington | natural gas | 839,796 | 839,796 |
| U.S.A. | New Mexico | Macho Springs | wind | 0 | 0 |
| U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 |
| U.S.A. | Kansas | Bloom | wind | 0 | 0 |
| U.S.A. | North Dakota | New Frontier | wind | 0 | 0 |
| U.S.A. | Illinois | Cardinal Point | wind | 0 | 0 |
| U.S.A. | Texas | Buckthorn | wind | 0 | 0 |
| Total | | | | 11,527,603 | 12,072,026 |

GHG emissions by country

| Country | GHG Excluding Biomass & LFG CO ₂ (tonnes/yr) | GHG Including Biomass & LFG (tonnes/yr) |
|-----------------|---|---|
| Canadian totals | 9,482,722 | 9,495,047 |
| U.S. totals | 2,044,881 | 2,576,979 |
| Total | 11,527,603 | 12,072,026 |

GHG emissions by fuel type³

| Emission | GHG Excluding Biomass & LFG CO ₂ (tonnes/yr) | GHG Including Biomass & LFG (tonnes/yr) |
|--------------|---|---|
| Coal | 8,734,933 | 9,267,031 |
| Gas | 2,749,928 | 2,749,928 |
| Renewables | 90 | 12,415 |
| Total | 11,484,951 | 12,029,374 |

Biogenic CO₂ emissions

Biogenic GHG emissions (tCO₂e): 487,407.08

¹ Facility-level emissions reported here may differ from compliance GHG reporting due to minor differences between regulatory and corporate calculation methodologies.

² Immaterial emissions may occur at wind and solar sites. However, these emissions are not measured or included in the reporting.

³ These numbers do not include mine GHG emissions (not part of generation).

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|---------------------------|---|---|
| GRI 305: Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | <p>Percentage of gross global Scope 1 emissions, covered under emissions-limiting regulations</p> <p>All of our thermal facilities in Canada, with the exception of Clover Bar Landfill gas, fall under emissions-limiting regulations. Therefore, 82% of our total Scope 1 emissions fall under emissions-limiting regulations.</p> <p>Percentage of gross global Scope 1 emissions, covered under emissions-reporting regulations</p> <p>All of our thermal facilities are required to report their GHG emissions under various regulations. Therefore, 100% of our Scope 1 emissions are covered under emissions-reporting regulations.</p> <p>Notes:</p> <ul style="list-style-type: none"> • Gases included in gross direct GHG emission calculation include CO₂, CH₄, N₂O and SF₆ • Global warming potential rates used are from IPCC Guidelines for Greenhouse Gas Inventories • We use a combination of mass balance and emission factors in the calculation of CO₂ emissions • Quantification requirements are dictated by the operational jurisdiction • Information that was not available for December due to timing of the report was estimated • This information represents our generation associated with our operating approvals regardless of our financial interest in the facility • Data from owned capacity at facilities where we do not hold the operating permits is not included in this report • Organization-specific metric (the denominator) chosen to calculate the ratio: Net MWh |
| 305-2 | Energy indirect (Scope 2) GHG emissions | <p>Gross location-based energy indirect (Scope 2) GHG emissions are 54,359 tCO₂e for 2020. This reflects a 6% increase from 2019 emissions, largely due to including power consumption from all our power generation facilities, adding an additional 20 facilities in Canada and the U.S. Note that GHG emissions from power and natural gas consumption in our offices were moved to Scope 3 emissions in 2020 after assessing the terms of our office leases, which do not provide the ability to direct changes to reduce these emissions.</p> <p>Gross market-based energy indirect (Scope 2) GHG emissions will be 29,612 tCO₂e after we retire RECs against all of our Scope 2 electricity consumption emissions from jurisdictions with an electricity grid intensity higher than 0.37 tCO₂e/MWh that are not already offset through compliance with Alberta's TIER program. We will use a market-based emission factor of '0' for the electricity consumption that we plan to offset with an equivalent number of REC retirements. After consideration for compliance under Alberta's TIER program (23,661 tCO₂e) and purchasing offsets for Scope 2 electricity consumption emissions from jurisdictions with an electricity grid intensity of 0.37 tCO₂e/MWh or lower (5,951 tCO₂e), Capital Power will have greened 100% of its Scope 2 GHG emissions.</p> <p>Notes:</p> <ul style="list-style-type: none"> • Calculation used from GHG Protocol Guidance: <ul style="list-style-type: none"> • Emissions (tCO₂e) = Activity Data (MWh) *Emission Factor (tCO₂e/MWh) • Global Warming Potentials (GWP) used: <ul style="list-style-type: none"> • CO₂e – 1 • CH₄ – 25 • N₂O – 298 |

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| GRI 305: Emissions | | |
| 305-3 | Other indirect (Scope 3) GHG emissions | <p>Gross other indirect (Scope 3) GHG emissions are 1,064,358 tCO₂e for 2020, a 28% decrease from 2019 primarily due to a 34% decrease in natural gas consumption at upstream facilities and significantly smaller capital goods spend on construction.</p> <p>The Scope 3 biogenic CO₂ emissions were zero for 2020.</p> <p>Notes:</p> <ul style="list-style-type: none"> • We included the CO₂, CH₄ and N₂O gases in our calculation of indirect emissions (Scope 3) • The relevant indirect (Scope 3) GHG emission categories and activities that were included in the calculation are as follows: <ul style="list-style-type: none"> • Capital goods and purchased goods: <ul style="list-style-type: none"> • Total dollars spent includes major capital expenditures and all other goods and services with the exclusion of fuels that are included in Scope 1 emissions, electricity purchases included in Scope 2, purchase of emission offsets, insurance, transmission fees, trading fees, etc. • Calgary and Edmonton offices <ul style="list-style-type: none"> • Buildings quantified are powered by electricity and use electricity for cooling and natural gas for heating • Fuel and energy <ul style="list-style-type: none"> • Upstream emissions for coal, natural gas, biomass, landfill gas and TDF energy generation • Upstream transportation <ul style="list-style-type: none"> • Transportation emissions associated with transportation at upstream coal facilities • Waste <ul style="list-style-type: none"> • Disposal and recycling emissions associated with fly ash • Business travel <ul style="list-style-type: none"> • Total dollars spent on business travel, including airfare, accommodations and freight/courier • Employee commuting <ul style="list-style-type: none"> • Emissions associated with employee commuting based on the total number of employees • 2018 was selected as the base year for calculation • 2018 was the first year Scope 3 emissions were calculated for a wide range of emission sources <ul style="list-style-type: none"> • Base-year emissions were not recalculated because the data is not available to restate baseline (2018) emissions. Improved data collection has contributed to some of the differences in numbers disclosed over the past few years. • The significant changes that would trigger recalculation of the base-year emissions include: <ul style="list-style-type: none"> • Downstream transportation emissions (transmission and distribution losses) were determined to be double counted. Emissions associated with the electricity that is lost in T&D are included as Scope 1 emissions (fuel combustion). • Capital goods and purchased goods were expanded to include goods and services beyond major capital purchases. Data is not available to restate baseline (2018) emissions. |

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| GRI 305: Emissions | | |
| 305-3 | Other indirect (Scope 3) GHG emissions | <ul style="list-style-type: none"> • Sources of emission factors: <ul style="list-style-type: none"> • Capital goods and purchased goods: <ul style="list-style-type: none"> • Greenhouse Gas Protocol: Quantis Scope 3 calculator • Fuel and energy <ul style="list-style-type: none"> • Scull, B. D. et al. (2017). Upstream Emissions of Coal and Gas. New York, NY: Columbia University, School of International and Public Affairs. • Zero Carbon Hub. Carbon emission factors for fuels – methodologies and values. • Alberta Carbon Emission Factors Handbook, Version 2.0, November 2019 • Upstream transportation <ul style="list-style-type: none"> • Greenhouse Gas Protocol: Cross Sector Tools March 2017.xlsx (“heavy duty rigid diesel vehicles” and “Rail transportation”) • Waste <ul style="list-style-type: none"> • US EPA. Background Document for Life-Cycle Greenhouse Gas Emission Factors for Fly Ash Used as a Cement Replacement in Concrete. • Business travel <ul style="list-style-type: none"> • Greenhouse Gas Protocol: Quantis Scope 3 calculator • Best Practices Methodology for Quantifying Greenhouse Gas Emissions, Government of British Columbia, 2017 • Employee commuting <ul style="list-style-type: none"> • Greenhouse Gas Protocol: Quantis Scope 3 calculator • GWPs applied: <ul style="list-style-type: none"> • CO₂ – 1 • CH₄ – 25 • N₂O – 298 • Emissions were calculated using activity data collected from Capital Power's internal departments • Emission factors were sourced from references described in question 305-3 f • Relevant assumptions: <ul style="list-style-type: none"> • Capital goods and purchased goods: <ul style="list-style-type: none"> • Total dollars spent includes major capital expenditures and all other goods and services with the exclusion of fuels that are included in Scope 1 emissions, electricity purchases included in Scope 2, purchase of emission offsets, insurance, transmission fees, trading fees, etc. • Fuel and energy <ul style="list-style-type: none"> • Upstream emissions for a proportion of coal production were included in Scope 1 emissions and therefore excluded from Scope 3 emissions • Upstream transportation <ul style="list-style-type: none"> • No significant assumptions were required • Waste <ul style="list-style-type: none"> • No significant assumptions were required • Business travel <ul style="list-style-type: none"> • The emission factor for accommodations was applied to the broader category (accommodations, other travel) • Employee commuting <ul style="list-style-type: none"> • No significant assumptions were required |

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|---------------------------|-------------------------|---|------------------|--|--|---------|-------------|----------|------------------|--|--------|---------|---------|------|-------|--------|---------|----------|------|-------|--------|------|--------------|------|-------|--------|------|-------------------|-------------|-------|--------|---------|---------------|------|-------|--------|---------|-----------|------|-------|--------|---------|--------------|--------|-------|--------|---------|------------|-------------|-------|--------|---------|----------------|--------------|-------|--------|---------|--------------|-------------|-------|--------|---------|--------------------|-------------|-------|--------|---------|---------|-------------|-------|--------|---------|-------------|------|-------|--------|---------|-------------|------|-------|--------|---------|------------------------|------|-------|--------|----------------|---------|----------------|-------|--------|----------------|-----------|----------------|-------|--------|---------|-----------------------|-------------|-------|--------|---------|-----------|-------------|-------|--------|------------|---------------|------|-------|--------|----------------|----------------|-------|-------|--------|--------|-------|------|-------|--------|--------------|--------------|------|-------|--------|----------|----------------|------|-------|--------|-------|-----------|------|-------|--------------|--|--|--|--------------|
| GRI 305: Emissions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 305-4 | GHG emissions intensity | <p>Total GHG emissions intensity (tCO₂e/MWh) GHG intensity: 0.58</p> <p>GHG intensity by facility¹</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Prov./State</th> <th>Facility</th> <th>Type of Facility</th> <th>GHG Intensity (tonnes CO₂e/MWh)</th> </tr> </thead> <tbody> <tr><td>Canada</td><td>Alberta</td><td>Halkirk</td><td>wind</td><td>0.000</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Whitla 1</td><td>wind</td><td>0.000</td></tr> <tr><td>Canada</td><td>B.C.</td><td>Quality Wind</td><td>wind</td><td>0.000</td></tr> <tr><td>Canada</td><td>B.C.</td><td>Island Generation</td><td>natural gas</td><td>0.411</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Genesee 1 & 2</td><td>coal</td><td>0.936</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Genesee 3</td><td>coal</td><td>0.829</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Genesee Mine</td><td>mining</td><td>0.000</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Clover Bar</td><td>natural gas</td><td>0.512</td></tr> <tr><td>Canada</td><td>Alberta</td><td>Clover Bar LFG</td><td>landfill gas</td><td>0.026</td></tr> <tr><td>Canada</td><td>Ontario</td><td>East Windsor</td><td>natural gas</td><td>0.571</td></tr> <tr><td>Canada</td><td>Ontario</td><td>York Energy Centre</td><td>natural gas</td><td>0.620</td></tr> <tr><td>Canada</td><td>Ontario</td><td>Goreway</td><td>natural gas</td><td>0.513</td></tr> <tr><td>Canada</td><td>Ontario</td><td>Kingsbridge</td><td>wind</td><td>0.000</td></tr> <tr><td>Canada</td><td>Ontario</td><td>Port Albert</td><td>wind</td><td>0.000</td></tr> <tr><td>Canada</td><td>Ontario</td><td>Port Dover & Nanticoke</td><td>wind</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>North Carolina</td><td>Roxboro</td><td>coal & biofuel</td><td>0.666</td></tr> <tr><td>U.S.A.</td><td>North Carolina</td><td>Southport</td><td>coal & biofuel</td><td>0.954</td></tr> <tr><td>U.S.A.</td><td>Alabama</td><td>Decatur Energy Center</td><td>natural gas</td><td>0.401</td></tr> <tr><td>U.S.A.</td><td>Arizona</td><td>Arlington</td><td>natural gas</td><td>0.397</td></tr> <tr><td>U.S.A.</td><td>New Mexico</td><td>Macho Springs</td><td>wind</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>North Carolina</td><td>Beaufort Solar</td><td>solar</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>Kansas</td><td>Bloom</td><td>wind</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>North Dakota</td><td>New Frontier</td><td>wind</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>Illinois</td><td>Cardinal Point</td><td>wind</td><td>0.000</td></tr> <tr><td>U.S.A.</td><td>Texas</td><td>Buckthorn</td><td>wind</td><td>0.000</td></tr> <tr> <td colspan="4">Total</td> <td>0.580</td> </tr> </tbody> </table> | | | | Country | Prov./State | Facility | Type of Facility | GHG Intensity (tonnes CO ₂ e/MWh) | Canada | Alberta | Halkirk | wind | 0.000 | Canada | Alberta | Whitla 1 | wind | 0.000 | Canada | B.C. | Quality Wind | wind | 0.000 | Canada | B.C. | Island Generation | natural gas | 0.411 | Canada | Alberta | Genesee 1 & 2 | coal | 0.936 | Canada | Alberta | Genesee 3 | coal | 0.829 | Canada | Alberta | Genesee Mine | mining | 0.000 | Canada | Alberta | Clover Bar | natural gas | 0.512 | Canada | Alberta | Clover Bar LFG | landfill gas | 0.026 | Canada | Ontario | East Windsor | natural gas | 0.571 | Canada | Ontario | York Energy Centre | natural gas | 0.620 | Canada | Ontario | Goreway | natural gas | 0.513 | Canada | Ontario | Kingsbridge | wind | 0.000 | Canada | Ontario | Port Albert | wind | 0.000 | Canada | Ontario | Port Dover & Nanticoke | wind | 0.000 | U.S.A. | North Carolina | Roxboro | coal & biofuel | 0.666 | U.S.A. | North Carolina | Southport | coal & biofuel | 0.954 | U.S.A. | Alabama | Decatur Energy Center | natural gas | 0.401 | U.S.A. | Arizona | Arlington | natural gas | 0.397 | U.S.A. | New Mexico | Macho Springs | wind | 0.000 | U.S.A. | North Carolina | Beaufort Solar | solar | 0.000 | U.S.A. | Kansas | Bloom | wind | 0.000 | U.S.A. | North Dakota | New Frontier | wind | 0.000 | U.S.A. | Illinois | Cardinal Point | wind | 0.000 | U.S.A. | Texas | Buckthorn | wind | 0.000 | Total | | | | 0.580 |
| Country | Prov./State | Facility | Type of Facility | GHG Intensity (tonnes CO ₂ e/MWh) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Halkirk | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Whitla 1 | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | B.C. | Quality Wind | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | B.C. | Island Generation | natural gas | 0.411 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Genesee 1 & 2 | coal | 0.936 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Genesee 3 | coal | 0.829 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Genesee Mine | mining | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Clover Bar | natural gas | 0.512 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Alberta | Clover Bar LFG | landfill gas | 0.026 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | East Windsor | natural gas | 0.571 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | York Energy Centre | natural gas | 0.620 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | Goreway | natural gas | 0.513 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | Kingsbridge | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | Port Albert | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | Ontario | Port Dover & Nanticoke | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | North Carolina | Roxboro | coal & biofuel | 0.666 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | North Carolina | Southport | coal & biofuel | 0.954 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | Alabama | Decatur Energy Center | natural gas | 0.401 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | Arizona | Arlington | natural gas | 0.397 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | New Mexico | Macho Springs | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | North Carolina | Beaufort Solar | solar | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | Kansas | Bloom | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | North Dakota | New Frontier | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | Illinois | Cardinal Point | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S.A. | Texas | Buckthorn | wind | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | | | 0.580 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

¹ This intensity includes GHG emissions related to MWh production only and excludes steam production at East Windsor.

| Disclosure Number | Disclosure Title | 2020 Disclosure Response | | | | | | | | | | | | | | | | | | |
|---------------------------|---|---|---------|--|-----------------|-------|-------------|-------|--------------|--------------|-----------|--|------|-------|-----|-------|------------|-------|--|--------------|
| GRI 305: Emissions | | | | | | | | | | | | | | | | | | | | |
| 305-4 | GHG emissions intensity | <p>GHG intensity by country</p> <table border="1"> <thead> <tr> <th>Country</th> <th>GHG Intensity (tonnes CO₂e/MWh)</th> </tr> </thead> <tbody> <tr> <td>Canadian totals</td> <td>0.701</td> </tr> <tr> <td>U.S. totals</td> <td>0.323</td> </tr> <tr> <td>Total</td> <td>0.580</td> </tr> </tbody> </table> <p>GHG intensity by fuel type</p> <table border="1"> <thead> <tr> <th>Fuel Type</th> <th>GHG Intensity (tonnes CO₂e/MWh)</th> </tr> </thead> <tbody> <tr> <td>Coal</td> <td>0.953</td> </tr> <tr> <td>Gas</td> <td>0.480</td> </tr> <tr> <td>Renewables</td> <td>0.000</td> </tr> <tr> <td></td> <td>0.580</td> </tr> </tbody> </table> <p>Notes:</p> <ul style="list-style-type: none"> • This intensity includes GHG emissions related to MWh production only and excludes steam production at East Windsor and mining • Organization-specific metric (the denominator) chosen to calculate the ratio: Net MWh • Types of GHG emissions included in the intensity ratio: Scope 1 • Gases included: CO₂, CH₄, N₂O, HFCs, SF₆ | Country | GHG Intensity (tonnes CO ₂ e/MWh) | Canadian totals | 0.701 | U.S. totals | 0.323 | Total | 0.580 | Fuel Type | GHG Intensity (tonnes CO ₂ e/MWh) | Coal | 0.953 | Gas | 0.480 | Renewables | 0.000 | | 0.580 |
| Country | GHG Intensity (tonnes CO ₂ e/MWh) | | | | | | | | | | | | | | | | | | | |
| Canadian totals | 0.701 | | | | | | | | | | | | | | | | | | | |
| U.S. totals | 0.323 | | | | | | | | | | | | | | | | | | | |
| Total | 0.580 | | | | | | | | | | | | | | | | | | | |
| Fuel Type | GHG Intensity (tonnes CO ₂ e/MWh) | | | | | | | | | | | | | | | | | | | |
| Coal | 0.953 | | | | | | | | | | | | | | | | | | | |
| Gas | 0.480 | | | | | | | | | | | | | | | | | | | |
| Renewables | 0.000 | | | | | | | | | | | | | | | | | | | |
| | 0.580 | | | | | | | | | | | | | | | | | | | |
| 305-5 | Reduction of GHG emissions | <p>Reduction of GHG emissions GHG emission reductions (tCO₂e): 601,018.84</p> <p>Notes:</p> <ul style="list-style-type: none"> • Reduction initiatives include Genesee Performance Standard and co-firing with natural gas • Denominator used is Net Generation (sold MWh) • Gases included: CO₂, CH₄, N₂O • Base year for calculation: 2016 • Reductions are for direct (Scope 1) emissions • Reduction calculations compared the 2016 (base year) GHG intensity and the 2020 GHG intensity and the reduction in intensity was applied to the 2020 generation. It is assumed that any reduction in intensity is due to efficiency improvements and co-firing with natural gas. • Reduction calculations were done by comparing the 2016 (base year) GHG intensity and the 2019 intensity and applying the reduction in intensity to the 2019 generation. It is assumed that any reduction in intensity is due to efficiency improvements and co-firing. | | | | | | | | | | | | | | | | | | |
| 305-6 | Emissions of ozone-depleting substances (ODS) | We had no ODS emissions in 2020. | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
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GRI 305: Emissions

305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions

IF-EU-120a.1 Air emissions of the following pollutants: (1) NO_x (excluding N₂O), (2) SO_x, (3) particulate matter (PM₁₀), (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population

Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions

| Parameter | 2020 Emissions | Units |
|-------------------------|----------------|--------|
| NO _x | 16,216 | tonnes |
| SO ₂ | 20,565 | tonnes |
| Particulate Matter (PM) | 895 | tonnes |
| Mercury | 21 | kg |

Emission by facility

| Country | Prov./ State | Facility | Type of Facility | NO _x (tonnes/yr) | SO ₂ (tonnes/yr) | Total PM (tonnes/yr) | Hg (kg/yr) |
|--------------|----------------|------------------------|------------------|-----------------------------|-----------------------------|----------------------|------------|
| Canada | Alberta | Halkirk | wind | 0 | 0 | 0 | 0 |
| Canada | Alberta | Whitla 1 | wind | 0 | 0 | 0 | 0 |
| Canada | B.C. | Quality Wind | wind | 0 | 0 | 0 | 0 |
| Canada | B.C. | Island Generation | natural gas | 9 | 0 | 0 | 0 |
| Canada | Alberta | Genesee 1 & 2 | coal | 11,612 | 13,179 | 601 | 14 |
| Canada | Alberta | Genesee 3 | coal | 3,039 | 2,700 | 184 | 7 |
| Canada | Alberta | Genesee Mine | mining | 0 | 0 | 0 | 0 |
| Canada | Alberta | Clover Bar | natural gas | 143 | 1 | 0 | 0 |
| Canada | Alberta | Clover Bar LFG | landfill gas | 6 | 0 | 1 | 0 |
| Canada | Ontario | East Windsor | natural gas | 2 | 0 | 0 | 0 |
| Canada | Ontario | York Energy Centre | natural gas | 8 | 0 | 0 | 0 |
| Canada | Ontario | Goreway | natural gas | 92 | 1 | 1 | 0 |
| Canada | Ontario | Kingsbridge | wind | 0 | 0 | 0 | 0 |
| Canada | Ontario | Port Albert | wind | 0 | 0 | 0 | 0 |
| Canada | Ontario | Port Dover & Nanticoke | wind | 0 | 0 | 0 | 0 |
| U.S.A. | North Carolina | Roxboro | coal & biofuel | 424 | 1,819 | 1 | 0 |
| U.S.A. | North Carolina | Southport | coal & biofuel | 784 | 2,857 | 80 | 0 |
| U.S.A. | Alabama | Decatur Energy Center | natural gas | 45 | 3 | 11 | 0 |
| U.S.A. | Arizona | Arlington | natural gas | 53 | 4 | 16 | 0 |
| U.S.A. | New Mexico | Macho Springs | wind | 0 | 0 | 0 | 0 |
| U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 | 0 | 0 |
| U.S.A. | Kansas | Bloom | wind | 0 | 0 | 0 | 0 |
| U.S.A. | North Dakota | New Frontier | wind | 0 | 0 | 0 | 0 |
| U.S.A. | Illinois | Cardinal Point | wind | 0 | 0 | 0 | 0 |
| U.S.A. | Texas | Buckthorn | wind | 0 | 0 | 0 | 0 |
| Total | | | | 16,216 | 20,565 | 895 | 21 |

Emissions by country

| Country | NO _x (tonnes/yr) | SO ₂ (tonnes/yr) | Total PM (tonnes/yr) | Hg (kg/yr) |
|------------------------|-----------------------------|-----------------------------|----------------------|------------|
| Canadian totals | 14,910 | 15,881 | 787 | 21 |
| U.S. totals | 1,306 | 4,683 | 108 | 0 |
| Total Emissions | 16,216 | 20,565 | 895 | 21 |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
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GRI 305: Emissions

305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

IF-EU-120a.1 Air emissions of the following pollutants: (1) NO_x (excluding N₂O), (2) SO_x, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population

Emissions by fuel type

| Emission | NO _x (tonnes) | SO ₂ (tonnes) | PM (tonnes) | Hg (kg) |
|--------------|-----------------------------|-----------------------------|----------------|------------|
| Coal | 15,859 | 20,555 | 867 | 23 |
| Gas | 351 | 9 | 28 | 0 |
| Renewables | 6 | 0 | 1 | 0 |
| Total | 16,216 | 20,565 | 895 | 23 |

Notes:

- The majority of these emissions are calculated using direct measurement (Continuous Emissions Monitoring Systems)
 - Some parameters are calculated using source emission testing or mass balance
 - Where emission factors are utilized, the source of the emission factors is typically from source testing or EPA-published emission factors
- Calculation methodologies are dictated by jurisdiction.

GRI 306: Waste

103-1 Explanation of the material topic and its Boundary

We seek opportunities to reduce waste, as appropriate waste management helps to limit our environmental impact and can lower risks and costs, but we also see potential opportunities where some waste, like fly ash, is sold in cement production.

Our stakeholders and communities close to Capital Power's facilities are interested in how we manage effluent and waste discharge from production, as they may be directly impacted through potential water contamination and improper disposal of waste, and we see it as our responsibility to manage and reduce any potential impacts resulting from our operation.

We are focused on minimizing waste at each of our operations and at the local level and ensuring compliance with local requirements at a minimum. Applicable data is updated and reported annually, consistent with industry standards and regulatory compliance obligations, and is subject to internal audit processes. In addition, we look for opportunities where we can recycle and/or sell our wastes, thereby reducing environmental impact both at our operation and downstream.

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
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| GRI 306: Waste | | |
| 103-2 | The management approach and its components | <p>We manage and operate our facilities in a manner that prevents environmental pollution from occurring in our business activities. Our policies and processes below help ensure all employees and contractors are minimizing their impacts while working at our sites.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> |
| 103-3 | Evaluation of the management approach | <p>Mechanisms for evaluating effectiveness of the management approach are outlined in the policies mentioned. The environmental program is monitored on a regular basis by the HSE Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to energy and air emissions to ensure that environmental requirements are met, or while implementing procedures to reduce the impact of operations on the environment.</p> <p>Oversight of the management system is provided by the Board HSE Committee. The Committee's role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization's environmental strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>Our annual internal review process (ISAT) looks at processes and procedures regarding environmental risk management and/or compliance at our facilities, including (but not limited to): waste management, hazardous material management, storage facilities, materials imported and exported, and chemical and biological control.</p> <p>The internal reviews performed in 2020 did not result in significant findings and there were no required changes to our management approach.</p> |
| 306-1 | Waste generation and significant waste-related impacts | <p>At facilities where coal is used as a fuel for power production, waste is generated in the form of bottom ash and fly ash. Capital Power minimizes the amount of coal ash waste from its facilities by selling fly ash for use in cement production. In 2020, we sold more than 252,000 tonnes of fly ash, allowing it to be reused.</p> <p>Notes:</p> <ul style="list-style-type: none"> • Data from owned capacity at facilities where we do not hold the operating permits is not included in this report |
| IF-EU-150a.1 | Amount of coal combustion residuals (CCR) generated, percentage recycled | |
| IF-EU-150a.2 | Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment | |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
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| GRI 306: Waste | | |
| 306-2 | Management of significant waste-related impacts | At facilities where coal is used as a fuel for power production, waste is generated in the form of bottom ash and fly ash. Capital Power minimizes the amount of coal ash waste from its facilities by selling fly ash for use in cement production. In 2020, over 252,000 tonnes of fly ash was sold, allowing it to be reused. |
| 306-3 | Waste generated | <p>At facilities where coal is used as a fuel for power production, waste is generated in the form of bottom ash and fly ash. Capital Power minimizes the amount of coal ash waste from its facilities by selling fly ash for use in cement production. In 2020, we sold more than 252,000 tonnes of fly ash, allowing it to be reused.</p> <p>Notes:</p> <ul style="list-style-type: none"> Data from owned capacity at facilities where we do not hold the operating permits is not included in this report |
| GRI 307: Environmental Compliance | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Being in compliance and in good standing with regulators and the local community is paramount to ensure we maintain trust with our stakeholders, ensuring we are good environmental stewards in our community, and reduces liabilities and enables us to keep delivering power in the future.</p> <p>Our stakeholders and communities close to Capital Power's facilities are interested in how we manage our site and can be directly impacted; as such, we see it as our responsibility to be good stewards in our community, and to manage and reduce any potential impacts resulting from our operations.</p> |
| 103-2 | The management approach and its components | <p>To ensure compliance, we are subjected to internal and regulatory inspections and audits, and we are also obligated to self-report any non-compliances to the applicable regulators.</p> <p>Information for this disclosure represents Capital Power's disclosure of non-compliance with environmental laws and regulations.</p> <p>Capital Power operates within the confines of operating permits and approvals that are issued by the regulatory bodies in our operational jurisdictions.</p> <p>Policies</p> <ul style="list-style-type: none"> Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
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| GRI 307: Environmental Compliance | | |
| 103-2 | The management approach and its components | <p>The following internal processes (not publicly available) assist in managing environmental requirements and manage our risks at our sites:</p> <ol style="list-style-type: none"> 1. Environmental screening checklist assesses the risk for increased emissions, including waste. 2. Housekeeping Standard requires all operations to follow OSHA 1910.106, Hazardous material. 3. Field-level hazard assessment, which must be completed prior to any work being completed onsite, contains screening questions pertaining to environmental impact and includes measures for waste disposal and wastewater. <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> |
| 103-3 | Evaluation of the management approach | <p>Mechanisms for evaluating effectiveness of the management approach are outlined in the policies mentioned. The environmental program is monitored on a regular basis by the HSE Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts. The Company continues to invest in environmental infrastructure related to energy and air emissions to ensure that environmental requirements are met, or while implementing procedures to reduce the impact of operations on the environment.</p> <p>Oversight of the management system is provided by the Board HSE Committee. The Committee's role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization's environmental strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>Our annual internal review process (ISAT) looks at processes and procedures regarding environmental risk management and/or compliance of regulations and permits at our facilities.</p> <p>The internal reviews performed in 2020 did not result in significant findings and there were no required changes to our management approach.</p> |
| 307-1 | Non-compliance with environmental laws and regulations | <p>Roxboro and Southport have been assessed civil penalties for failure to submit Prevention of Significant Deterioration (PSD) permits for SO₂ emission increases under the New Source Review provisions of the <i>Clean Air Act</i>, and for failure to operate best available control technology (BACT) at the plants. The plants underwent an NO_x/SO₂ Boiler Control Retrofit and Increased Wood/Biomass Firing Project completed in 2011. The project air permit application was submitted in 2008, and projected emissions at that time did not indicate PSD permitting would be required. However, following a detailed analysis of continuous emissions monitoring data (CEMS) from the plants for calendar year 2015, it was ultimately determined, in conjunction with the North Carolina Department of Air Quality (NCDAQ), that SO₂ emission increases as a result of fuel blend changes that increased tire-derived fuel throughput in fact exceeded the PSD permitting threshold. PSD permit applications were submitted to NCDAQ in 2017, subsequently amended and resubmitted. The plants are in discussion with NCDAQ regarding the finalization of the matter and in early 2020, Capital Power paid the following fines:</p> <p>Southport plant: \$473,987.00</p> <p>Roxboro plant: \$389,244.00</p> |
| IF-EU-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations | |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|---|--|--|
| GRI 308: Supplier Environmental Assessment | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>As a large purchaser in the areas where our facilities are located, Capital Power recognizes that environmentally sustainable sourcing has a material environmental impact on the sustainable actions of our suppliers. Benefits to Capital Power from environmentally sustainable sourcing include reduced cost and less risk to our operations and to our supply chain.</p> <p>The boundaries are generally considered to be the activities of suppliers for our operating and under-construction power generation facilities.</p> <p>Through Capital Power's construction efforts and operations of wind facilities over the past 10 years throughout North America, authorities having jurisdiction have imposed considerable health, safety and environmental requirements as a part of the approval process. Capital Power holds our contractors to a high standard and employs environmental inspectors on all development sites to perform ongoing inspections and scheduled audits to ensure compliance with specific contractual and statutory environmental obligations.</p> <p>Our stakeholders and communities close to Capital Power's facilities are interested in how we manage our site and can be directly impacted; as such, we see it as our responsibility to be good stewards in our community, and to manage and reduce any potential impacts resulting from our operations.</p> <p>Capital Power recognizes that its environmental performance by our contractors when not employed in work at our sites is not included in this assessment.</p> |
| 103-2 | The management approach and its components | <p>To ensure compliance, we subject contractors employed at our facilities and development sites to ongoing inspections and scheduled audits, and we are also obligated to self-report any non-compliances to the applicable regulators.</p> <p>Information for these self-reports represents Capital Power's disclosure of non-compliance with environmental laws, regulations or approval qualifications imposed during development.</p> <p>The purpose of the management approach is to source suppliers and contractors that deliver optimal value to our construction and operations, while also achieving a level of environmental sustainability. Capital Power's approach uses policy, procurement processes, and contracting and site management to ensure environmental standards are met by suppliers.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

| Disclosure Number | Disclosure Title | 2020 Disclosure Response |
|---|--|--|
| GRI 308: Supplier Environmental Assessment | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Board-approved environmental objectives are established annually to promote Capital Power's environmental stewardship and are measured through the HSE Performance Index, which applies to the work performed by contractors while employed on construction sites or operating facilities. The Index measures performance by using a combination of leading and lagging performance indicators. Where lagging indicators measure the "end results," leading indicators recognize and focus attention on proactive activities and continuous improvement. The HSE Index measures overall performance against a target of 1.00. Recordable environmental incidents is one of the measures within the lagging indicator portion of the Index. There is also a metric as part of the inspection leading indicator measure that requires facilities to complete focused environmental inspections.</p> <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Procurement Process and Contracting: Our procurement process requires that any prospective supplier verifies that they will meet our policy, and our contracts include terms requiring suppliers to adhere to our policies. In addition, any suppliers that do work on our sites are required to comply with a comprehensive set of HSE requirements that include requirements that are specific for the type of materials they are providing and the work they will be doing.</p> <p>Site Management: For those suppliers that conduct work on any of our sites, Capital Power employees monitor certain aspects of the work, which includes compliance with all environmental requirements, policies and work-specific standards. Any supplier not complying will have its work stopped and said work will not recommence unless and until full compliance is achieved.</p> |
| 103-3 | Evaluation of the management approach | Capital Power is working toward an improved process for evaluating the environmental sustainability impacts of our procurement process. Implementation of the sustainable supply chain strategy's first phase began in 2019 and involved defining what sustainable supply chain means for Capital Power, determining responsible sourcing methods and mapping some existing initiatives in this space. Some of the work being planned for 2020 includes determining redundancies and gaps within existing policies, standards and activities, and supplier-facing initiatives. We are working towards a more comprehensive supply chain sustainability program underway by the end of 2021. |
| 308-1 | New suppliers that were screened using environmental criteria | We currently do not formally screen suppliers based on environmental criteria. However, construction-related proposals are assessed against the contractor familiarity with environmental regulations and their plan for meeting those obligations. |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | All new suppliers are screened using the methods described in section 103-2 above. There are no known negative impacts in the supply chain. We currently do not have a climate-related supplier engagement strategy. |

GRI 400: Social

| Disclosure Number | Disclosure Title | Response |
|---------------------|--|--|
| GRI 401: Employment | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Our existing and future operations success depends on our ability to continue attracting and retaining an engaged workforce that has the existing and emerging technical expertise and competencies to support our business in an evolving market.</p> <p>Boundary: All of Capital Power's operating regions and business units and all of Capital Power's employees. We abide by all state, federal and provincial laws regarding employment. With respect to hourly employees, in addition to abiding by all state, federal and provincial laws, we follow requirements outlined in the respective collective agreements in place (see GRI disclosure 102-41).</p> <p>Technology and globalization are reshaping the way we operate and affecting the labour market with an increase in demand of more "future focused" technical talent, especially as these new technologies help us operate more efficiently and safely, resulting in minimizing our environmental footprint and operating costs. At the same time, we see opportunities to increase our workforce diversity, which enhances our Company performance and results in more resilient local economic performance, in particular for the communities surrounding our operations.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12 Capital Power 2020 Integrated Annual Report > People and Culture > p. 26</p> |
| 103-2 | The management approach and its components | <p>We are committed to providing our people with an inclusive environment within which they can engage in meaningful and fulfilling work. We provide our employees with opportunities to grow and develop their careers and ensuring an ethical culture, competitive benefits and a workplace responsive to our employees' needs.</p> <p>Our human capital strategy aligns our talent management efforts with the overall business strategy. Its focus areas include: enhancing the employee experience and evolving for future workforce needs; building our bench strength and leadership capabilities; developing effective labour relations that align stakeholders with a shared future; and improving diversity and inclusion. We've integrated our people strategy as part of our long-term corporate planning and have built a comprehensive Employee Value Proposition (EVP), which will be a key driver of talent attraction, engagement and retention for our business.</p> <p>Supporting these commitments are corporate standards on Employment, Compensation and Benefits, Corporate Inclusion and Diversity, Labour Relations, Conduct and Non-Discrimination, Talent and Performance Management, and Third-Party Workers.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

| Disclosure Number | Disclosure Title | Response |
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| GRI 401: Employment | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Part-time Work Policy: Our <i>Part-time Work Policy</i> offers full-time employees an additional benefit. Full-time employees can benefit from the flexibility that a part-time arrangement provides for an extended period of time to manage work-life balance. They can choose to remain part-time or return to a full-time schedule at some point in the future. • Our Commitment to the Protection of Personal Information and Privacy Policy: At Capital Power, personal information is maintained as strictly confidential. Unless an individual authorizes Capital Power to disclose personal information, or the disclosure of that personal information without consent is required or permitted by law, we will not disclose personal information to any third parties. • Security Policy: This policy reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • Temporary Flexible Workplace Arrangements Policy: Short-term, acute, family or personal responsibilities can sometimes place a significant amount of strain on work-life balance. To assist employees in maintaining balance during this temporary period, employees use the opportunity to add flexibility to their work arrangement through short-term, customized arrangements. <p>Commitments: While not a signatory to the UNGC, our approach takes into account the 10 UNGC Principles in the areas of labour, environment, anti-corruption and human rights. As a company operating in North America, we support and respect internationally proclaimed human rights, framed under the Universal Declaration of Human Rights, and the core labour standards set out by the International Labour Organization.</p> <p>With respect to our unions (see GRI 402), we abide by all applicable national and/or local legal requirements and also all requirements outlined in each union’s respective collective bargaining agreements, and follow all regulatory requirements.</p> <p>Responsibilities: Under the Senior Vice President, People, Culture and Technology, People Services professionals maintain meaningful work standards, policies and practices consistent with Capital Power’s commitment to providing a positive workplace culture for our employee experience, aligned to our business objectives and maintaining all legal and regulatory requirements in Canada and the U.S. The group provides guidance to management on employment matters and promotes consistency with respect to Capital Power’s policies and practices across the organization.</p> <p>To promote engagement within the organization, the People Services team looked at their processes and protocols to see how they can be modified to ensure we are meeting the needs of all our teams.</p> <p>Examples of activities that continue to promote engagement for remote and essential employees include the following:</p> <ul style="list-style-type: none"> • Performance – providing guidelines that promote performance discussions that are in person or held virtually • Virtual Onboarding – additional coaching and resources for new remote employees and their remote leaders to support a seamless virtual onboarding experience • SWEP Program – offered a two-tier program that provided managers with the option to participate in the program remotely for two or four months |

| Disclosure Number | Disclosure Title | Response |
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| GRI 401: Employment | | |
| 103-2 | The management approach and its components | <ul style="list-style-type: none"> • Converted in-person classroom sessions to virtual • Recruitment has adapted its strategy to be 100% virtual • Career development continued within the organization, with employees being promoted and/or moved laterally throughout the organization • Pulse Surveys – conducted surveys to check in with employees working remotely and with essential employees to see how they are managing during the pandemic and if there is anything more Capital Power can do to support them • Support the organization's "Reintegration Committee" – work with the Committee and help to support the different projects on bringing employees together for the "Edmonton Collaboration" space and on how to bring employees back to their corporate sites <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Special Actions</p> <p>Catalyst: As a member of Catalyst, we seek to improve diversity across our organization. See GRI disclosure 102-41.</p> <p>To ensure fair payment of employees, we follow the employment standards for each Canadian province and the <i>Fair Labour Standards Act</i> (FLSA) in the U.S., as well as the collective agreements for our Canadian union employees.</p> <p>We are undertaking new approaches to hire, retain and engage talent across our organization. At Capital Power, our people priorities are focused on:</p> <ul style="list-style-type: none"> • Supporting employee growth through building critical skills and competencies that support the long-term business needs and strategy of the organization; • Developing future leaders through succession planning and progressive management opportunities; • Delivering a compelling employee experience through our culture, career development opportunities and lifestyle benefits; • Driving digital business transformation for the organization through evolving employee roles and skills building; and • Strengthening the diversity of our workforce by increasing the diversity of our external candidate pool. <p>COVID-19: In 2020, the COVID-19 pandemic caused an even greater acceleration of those forces of change, both as we responded to the initial crisis and as we look to recover from it. Our immediate priority in our response was ensuring employee health and safety.</p> <p>We quickly implemented work from home for all corporate and non-essential plant staff and additional hygiene, social distancing, screening and return-to-work protocols for those working 24-hour operations and those essential to plant operations. Once these measures were in place, the focus turned to engagement, productivity, resiliency and wellness.</p> <p>In early 2020, we were seeing more focus on ESG considerations from a people perspective, such as an increased focus on inclusion and diversity, well-being and leadership. We will continue to focus on these areas.</p> <p>During COVID-19 we have started exploring what our "new normal" will look like as we build our reintegration plan. We will capitalize on what we learned about the new ways of working while retaining what we value most about our culture.</p> <p>Capital Power 2020 Integrated Annual Report > Responding to COVID-19 > pp. 27–28</p> |

| Disclosure Number | Disclosure Title | Response | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| GRI 401: Employment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 103-3 | Evaluation of the management approach | Segregation of duties between People Service associates and payroll advisors ensures regular checks and balances for employee payment and that discrepancies are corrected immediately. Quarterly audits of the Oracle system are performed by People Service associates and payroll advisors, and annual audits by our internal auditors provide additional assurance of employee records and payment information. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 401-1 | New employee hires and employee turnover | <p>New hires by age group, gender and region in 2020</p> <table border="1"> <thead> <tr> <th></th> <th>Number of People</th> <th>Percentage/ Percentage Change</th> </tr> </thead> <tbody> <tr> <td>New Hires</td> <td>47</td> <td>6.0%</td> </tr> <tr> <td>Age group:</td> <td></td> <td></td> </tr> <tr> <td> Under 30 years</td> <td>7</td> <td>14.9%</td> </tr> <tr> <td> 30-50 years</td> <td>33</td> <td>70.2%</td> </tr> <tr> <td> Over 50 years</td> <td>7</td> <td>14.9%</td> </tr> <tr> <td>Gender:</td> <td></td> <td></td> </tr> <tr> <td> Male</td> <td>33</td> <td>70.2%</td> </tr> <tr> <td> Female</td> <td>14</td> <td>29.8%</td> </tr> <tr> <td>Region:</td> <td></td> <td></td> </tr> <tr> <td> Canada</td> <td>39</td> <td>83.0%</td> </tr> <tr> <td> USA</td> <td>8</td> <td>17.0%</td> </tr> </tbody> </table> <p>Employee turnover by age group, gender and region in 2020</p> <table border="1"> <thead> <tr> <th></th> <th>Number of People</th> <th>Percentage/ Percentage Change</th> </tr> </thead> <tbody> <tr> <td>Employee turnover</td> <td>59</td> <td>7.6%</td> </tr> <tr> <td>Age group:</td> <td></td> <td></td> </tr> <tr> <td> Under 30 years</td> <td>3</td> <td>5.1%</td> </tr> <tr> <td> 30-50 years</td> <td>30</td> <td>50.8%</td> </tr> <tr> <td> Over 50 years</td> <td>26</td> <td>44.1%</td> </tr> <tr> <td>Gender:</td> <td></td> <td></td> </tr> <tr> <td> Male</td> <td>46</td> <td>78.0%</td> </tr> <tr> <td> Female</td> <td>13</td> <td>22%</td> </tr> <tr> <td>Region:</td> <td></td> <td></td> </tr> <tr> <td> Canada</td> <td>43</td> <td>72.9%</td> </tr> <tr> <td> USA</td> <td>16</td> <td>27.1%</td> </tr> </tbody> </table> <p>Turnover for permanent employees (%) 2017: 7.7 2018: 7.9 2019: 6.9 2020: 7.6</p> | | Number of People | Percentage/ Percentage Change | New Hires | 47 | 6.0% | Age group: | | | Under 30 years | 7 | 14.9% | 30-50 years | 33 | 70.2% | Over 50 years | 7 | 14.9% | Gender: | | | Male | 33 | 70.2% | Female | 14 | 29.8% | Region: | | | Canada | 39 | 83.0% | USA | 8 | 17.0% | | Number of People | Percentage/ Percentage Change | Employee turnover | 59 | 7.6% | Age group: | | | Under 30 years | 3 | 5.1% | 30-50 years | 30 | 50.8% | Over 50 years | 26 | 44.1% | Gender: | | | Male | 46 | 78.0% | Female | 13 | 22% | Region: | | | Canada | 43 | 72.9% | USA | 16 | 27.1% |
| | Number of People | Percentage/ Percentage Change | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New Hires | 47 | 6.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age group: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years | 7 | 14.9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years | 33 | 70.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years | 7 | 14.9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 33 | 70.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 14 | 29.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 39 | 83.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| USA | 8 | 17.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of People | Percentage/ Percentage Change | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employee turnover | 59 | 7.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age group: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years | 3 | 5.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years | 30 | 50.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years | 26 | 44.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 46 | 78.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 13 | 22% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 43 | 72.9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| USA | 16 | 27.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <p>Benefits which are standard for full-time employees (which includes employees who work 20+ hours in a week in Canada and 30+ hours in the U.S.) but are not provided to temporary employees at our significant locations of operation¹ include:</p> <ul style="list-style-type: none"> • Life insurance and other optional insurances such as AD&D • Health, dental and vision care • Short-/long-term disability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

¹ Significant locations of operation are anywhere that at least one full-time employee is employed within Canada and the U.S.

| Disclosure Number | Disclosure Title | Response |
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| GRI 401: Employment | | |

- | | | |
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| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <ul style="list-style-type: none"> • Maternity/parental leave • Health and wellness-related reimbursement accounts • Retirement and savings programs • Vacation and paid time-off • Temporary flexible work arrangements • Bereavement • Employee and family assistance programs • Healthcare Advocacy (Best Doctors® and Cigna) • Out-of-country emergency medical • Career milestone recognition |
|-------|--|--|

401-3 Parental leave

Total number of employees that were entitled to parental leave, by gender in 2020

| | |
|--|-----|
| Total number of employees entitled to parental leave | 786 |
| Male | 594 |
| Female | 192 |

Total number of employees that took parental leave, by gender in 2020

| | |
|--|----|
| Total number of employees that took parental leave | 12 |
| Male | 0 |
| Female | 12 |

Total number of employees who returned to work in the reporting period after parental leave ended, by gender in 2020

| | Current Period | Prior Period |
|--------|----------------|--------------|
| Male | 0 | 2 |
| Female | 6 | 10 |

Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work, by gender in 2020

| | Returned in 2018 (#/%) | Returned in 2019 (#/%) | Combined (#/%) |
|-----------------------|------------------------|------------------------|----------------|
| Number returned | 5 | 7 | 12 |
| Number still employed | | | |
| Male | 0/0% | 2/28.6% | 2/16.7% |
| Female | 3/60% | 5/71.4% | 8/66.7% |

Return to work and retention rates of employees who took parental leave, by gender in 2020

| | Current Period (#/%) | Prior Period (#/%) |
|------------------------------|----------------------|--------------------|
| Returned from parental leave | | |
| Male | 0/0% | 2/16.7% |
| Female | 6/50% | 8/66.7% |

| Disclosure Number | Disclosure Title | Response |
|---|--|---|
| GRI 402: Labour/Management Relations | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We understand that our existing and future operations success depends on our ability to attract, develop, deploy and retain the best talent, and that individuals today want to work for organizations that align to their values and provide them with work that matters and opportunities to grow and work with inspiring leaders.</p> <p>Boundary: All Capital Power’s operating regions and business units and Capital Power employees. We abide by all state, federal and provincial laws regarding employment. With respect to hourly employees, in addition to abiding by all state, federal and provincial laws, we follow requirements outlined in the respective collective agreements in place (see GRI disclosure 102-41).</p> <p>At Capital Power, we understand that people are our greatest asset, and that attracting, hiring, developing and retaining the right talent has a direct impact on our success. We’ve integrated our HR people strategy as part of our long-term corporate planning and have built a comprehensive Employee Value Proposition (EVP), which will be a key driver of talent attraction, engagement and retention for our business.</p> <p>In alignment with the UNGC Human Rights and Labour Principles 1-5, Capital Power prohibits the use of child labour and forced or compulsory labour at all its facilities.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Capital Power’s people services policies, practices and services help to develop our talent pipeline and address our current and future workforce needs. They also serve to reinforce legal requirements and corporate commitments regarding fair employment processes and human rights. Employee co-determination is a high priority at Capital Power. Statutory, collective bargaining and Company rules are implemented by establishing a trusting relationship with employee representatives. We continue to maintain positive and collaborative relationships with the unions that represent our employees.</p> <p>HR plays a strategic role within our organization. People are at the core of everything we do, and HR provides the support our people need to perform by creating an environment where they can succeed. We have a responsibility to engage and empower our employees in a way that allows each individual to be their best every day – producing exceptional results with endless possibilities.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

| Disclosure Number | Disclosure Title | Response |
|---|--|---|
| GRI 402: Labour/Management Relations | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Part-time Work Policy: Our <i>Part-time Work Policy</i> offers full-time employees an additional benefit. Full-time employees can benefit from the flexibility that a part-time arrangement provides for an extended period of time to manage work-life balance. They can choose to remain part-time or return to a full-time schedule at some point in the future. • Our Commitment to the Protection of Personal Information and Privacy Policy: At Capital Power, personal information is maintained as strictly confidential. Unless an individual authorizes Capital Power to disclose personal information, or the disclosure of that personal information without consent is required or permitted by law, we will not disclose personal information to any third parties. • Security Policy: This policy reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • Temporary Flexible Workplace Arrangements Policy: Short-term, acute, family or personal responsibilities can sometimes place a significant amount of strain on work-life balance. To assist employees in maintaining balance during this temporary period, employees use the opportunity to add flexibility to their work arrangement through short-term, customized arrangements. <p>Commitments: While not a signatory to the UNGC, our approach takes into account the 10 UNGC Principles in the areas of labour, environment, anti-corruption and human rights. As a company operating in North America, we support and respect internationally proclaimed human rights, framed under the Universal Declaration of Human Rights, and the core labour standards set out by the International Labour Organization.</p> <p>With respect to our unions (see GRI 102-41), we abide by all applicable national and/or local legal requirements and also all requirements outlined in each union's respective collective bargaining agreements, and follow all regulatory requirements.</p> <p>Commitment to Diversity and Inclusion As a member of Catalyst we seek to improve diversity across our organization (see GRI 405).</p> <p>Responsibilities: Capital Power's Labour Relations group maintains meaningful work standards, policies and practices consistent with Capital Power's commitment to providing a positive workplace culture for our employee experience, aligned to our business objectives and maintaining all legal and regulatory requirements in Canada and the U.S. The group provides guidance to HR business partners and management on employment matters and promotes consistency with respect to Capital Power's policies and practices across the organization.</p> <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Website > Equity, Diversity and Inclusion</p> |
| 103-3 | Evaluation of the management approach | <p>We do not have notice requirements specific to significant operational changes, but in such a case, we would notify affected employees and unions directly as soon as practical. If the change would result in loss of employment, we would abide by relevant terms outlined in collective agreements, and by all state, federal and provincial laws regarding employment notice.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 402: Labour/Management Relations | | |
| 402-1 | Minimum notice periods regarding operational changes | <p>Capital Power understands the challenges of changing an employee's shift. Capital Power endeavours to give as much notice to its employees as it can. Depending on the collective agreement and type of situation, the notice period ranges from 24 hours to 28 calendar days.</p> <p>Capital Power operates long-standing merchant and contracted power generation facilities, so "significant operational changes" that would substantially impact employees would be extremely rare. As such, we do not have notice requirements specific to "significant operational changes," but in such a case, would notify affected employees and unions directly as soon as practical. If the change would result in loss of employment, we would abide by relevant terms outlined in collective agreements, and by all state, federal and provincial laws regarding employment notice.</p> <p>In most cases, minimum notice periods and provisions for negotiation/consultation of significant operational changes are not specified in such agreements. Rather, communication of such changes generally occurs as part of the ongoing engagement between the Company and employee representatives.</p> |
| GRI 403: Occupational Health and Safety | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>If not properly managed, Capital Power's activities with respect to the construction, operation and maintenance of power generation and related facilities can present significant risks to human health, safety and the environment. Every Capital Power employee and contractor is responsible for Capital Power's environmental performance and the health and safety of themselves and their fellow workers.</p> <p>The boundaries of this topic include all construction and operational facilities where Capital Power has control of the workplace and associated work activities. Occupational health and safety impacts occur at all construction and operational facilities.</p> <p>Capital Power is in the business of constructing, operating and maintaining power generation and related facilities. This set of activities can present significant risks to human health and safety, and to the environment, if not properly managed. Safety is a core Company value; a fundamental principle of how we operate. Capital Power identifies and manages potential impacts and demonstrates due diligence to worker health and safety through a structured management system.</p> <p>On construction projects where the organization does not have control of the workplace and the work activities, Capital Power demonstrates due diligence as an owner through a robust contractor management process and by conducting contractor reviews during construction activities to ensure contractors are complying to health and safety regulations and contract obligations.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Safety is a core Company value; a fundamental principle of how we operate. Capital Power identifies and manages potential impacts and demonstrates due diligence to worker health and safety through a structured management system.</p> <p>Capital Power manages health and safety through a management system that includes a Policy Statement, a description of roles and responsibilities, the development of standards for use by the organization, a comprehensive training matrix, and an audit process by which compliance to jurisdictional requirements is measured.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 403: Occupational Health and Safety | | |
| 103-2 | The management approach and its components | <p>In addition, Capital Power engages in the following activities:</p> <ul style="list-style-type: none"> • Conducts regular HSE audits of its operations and construction activities, tracking items of non-compliance and reporting on progress to the HSE Committee of the Board • Requires and encourages the reporting of hazards, near-miss events and incidents. These events are tracked and analyzed for trends, and preventative actions are taken because of those trends. • Delivers ongoing HSE training to all employees of Capital Power. Training is required for all employees in field or operating positions, and the completion of such training is tracked and monitored by Capital Power. • Regularly reviews HSE regulatory updates to ensure awareness of upcoming regulatory changes <p>The purpose of the management approach is to provide an overall framework for operations while providing the flexibility for plant-specific procedures.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. • Contractor Health, Safety and Environment Management Standard: Identifies the processes used to communicate and administer the owner's health, safety and environment (HSE) requirements for contractor/services supplier oversight. This standard applies to all the owner worksites, contractors, consultants, independent contractors and/or agents ("Contractor"), retained by, or providing services to, the owner. <p>Commitments: Our <i>Zero Means Everything</i> policy targets zero accidents and injuries and guides all the work we do to work safely each and every day.</p> <p>Goals and Targets: Board-approved HSE objectives are established annually to promote Capital Power's HSE stewardship and are measured through the HSE Performance Index. The Index measures performance by using a combination of leading and lagging performance indicators. Where lagging indicators measure the "end results," leading indicators recognize and focus attention on proactive activities and continuous improvement. The HSE Index measures performance against a target of 1.00.</p> <p>Responsibilities: The <i>Health, Safety and Environment (HSE) Policy</i> is reviewed annually by the Company's Health, Safety and Environment Committee, and any changes are recommended to the Board for approval.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 403: Occupational Health and Safety | | |
| 103-2 | The management approach and its components | <p>Health and safety resources under Vice President of HSE are as follows:</p> <ul style="list-style-type: none"> • Operations: Five Sr. Health and Safety Advisors with Canadian Registered Safety Professional (CRSP) designation or in the USA a Certified Safety Professional (CSP) designation. • Corporate: Six resources, including Sr. Manager of Health and Safety, Sr. Health and Safety Specialist, Sr. HS Advisor (CRSP), Training Advisor, Sr. Advisor of HSE Systems/WCB administration and an HSE Coordinator. • Construction: Two contract health and safety professionals with CRSP/CSP designations or similar level of training and equivalent years of experience are engaged for construction projects and turnaround support as required. <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Specific Actions</p> <ul style="list-style-type: none"> • Implementation of formal COVID-19 pandemic work plan, including fit for duty questionnaires for employees and contractors, return-to-work protocols and clearance forms, contamination clean-up procedures, germicidal lamp safe handling and operation procedures, decontamination job hazard analysis and training. Implementation of working-from-home job hazard analysis and ergonomic self-assessments regarding at-home workstation set up. • In Q1 and Q2 of 2020, we implemented a company-wide campaign titled “See It – Say It – Solve It: Attention to Prevention” to increase event reporting. The purpose was to raise awareness on the importance of hazard identification and near misses so action can be taken proactively, to avoid injuries and make our HSE program stronger. The rollout included all plant and office locations. The program included easy to fill out booklets, several campaign toolbox talks, information posters and a formal presentation to all employees led by the HSE advisors. • In 2020, the corporate safety calendar program was developed by the HSE department, launched in Q1 and introduced fleet-wide. The calendar identifies a three-year cycle of mandatory monthly HSE topics applicable to the safe operation of the Company. The topics are prepared and communicated from the HSE department directly to supervisors, with the requirement to communicate the topic to all affected employees during regular scheduled monthly HSE meetings. • Establishment of a single standardized corporate HSE training matrix that identifies and assigns regulatory and site-specific HSE training requirements by position. These were completed for all positions within the Company. The matrix is managed and maintained by the HSE department. • Development of a mandatory Investigation 101 training program for leadership. The training is rolled out through the end of 2020 and into 2021. Applying formal investigation training demonstrates continuous improvement, which will reflect positively throughout the Company as it will improve the identification of causes and effective corrective actions to prevent reoccurrence. • A Significant Event Review Committee that reviews incident investigations and conducts root-cause analysis of recordable injury and serious near-miss events was created. The Committee ensures investigations are completed in a timely manner and completed at a level appropriate for the incident, action plans are identified, and learnings are shared across the organization. • All of Capital Power’s offices, operating facilities and construction sites have HSE Representatives or an established health and safety committee <p>Capital Power 2020 Integrated Annual Report > Health and Safety > pp. 32–33 Capital Power 2020 Integrated Annual Report > Ensuring Operational Resiliency > p. 40 Capital Power 2020 Integrated Annual Report > Responding to COVID-19 > pp. 27–28</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 403: Occupational Health and Safety | | |

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| 103-3 | Evaluation of the management approach | <p>Oversight of the management system is provided by the Board HSE Committee. The Committee’s role includes monitoring, advising and making recommendations to the Board of Directors on matters relating to the establishment, maintenance and review of the organization’s health and safety strategies, goals and policies, the conduct of due diligence and the achievement of excellent corporate performance.</p> <p>Consistent with Capital Power’s long-term HSE strategy, the organization has developed an HSE Index that measures performance against a target of 1.00. The HSE Performance Index measures performance by using a combination of leading and lagging performance indicators. Where lagging indicators measure the “end results,” leading indicators recognize and focus attention on proactive activities and continuous improvement.</p> <p>There are five leading indicators and three lagging indicators.</p> <p>Leading Performance Indicators</p> <ol style="list-style-type: none"> 1. HSE Required Training 2. Hazard Identification, Assessment and Control 3. HSE Inspections 4. HSE Event Reporting 5. Contractor Management <p>Lagging Performance Indicators</p> <ol style="list-style-type: none"> 1. Corporate/Operations TRIF 2. Construction TRIF 3. Environmental Incidents <p>HSE Index 3-year performance against target of 1.00.</p> |
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HSE Index

| Year | Leading | Lagging | Overall |
|------|---------|---------|---------|
| 2018 | 1.06 | 1.05 | 1.05 |
| 2019 | 1.12 | 1.03 | 1.09 |
| 2020 | 1.12 | 1.00 | 1.08 |

Capital Power’s Health, Safety and Environment corporate group is subject to an internal audit every three years, where it takes a risk-based approach to determine the scope of the audit. The results of the internal audit’s engagements are distributed to management, who provide responses to each finding, including committed dates for actionable items. The internal audit follows up with management on actionable items until they are completed and reports the status of findings quarterly to the HSE Committee of the Board.

In 2020, there was one ISAT audit that looked at health and safety as part of the review. The ISAT plant audit program was paused for a six-month period due to the COVID-19 pandemic. The program resumed in November 2020.

In addition, Capital Power engages in the following activities:

- Conducts regular HSE audits of its operations and construction activities, tracking items of non-compliance and reporting on progress to the HSE Committee of the Board
- Requires and encourages the reporting of hazards, near-miss events and incidents. These events are tracked and analyzed for trends, and preventative actions are taken because of those trends.
- Delivers ongoing HSE training to all employees of Capital Power. Training is required for all employees in field or operating positions, and the completion of such training is tracked and monitored by Capital Power.
- Regularly reviews HSE regulatory updates to ensure awareness of upcoming regulatory changes

The specific performance indicators are established on an annual basis and are focused on engaging employees in preventative activities and continuous improvement of the HSE management system. The performance indicators are adjusted yearly based on an evaluation of trends or areas of improvement needed from the previous year’s performance.

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| GRI 403: Occupational Health and Safety | | | | | | | | | | | | | | |
| 403-1 | Occupational health and safety management system | <p>The OHS management system is based on recognized risk management and management system standards and, in part, from ISO 45001: 2018. The OHS management system is required to be implemented by legal requirements in various jurisdictions where we operate. The management system includes:</p> <ol style="list-style-type: none"> 1. Introduction 2. Scope and Key Definitions 3. Leadership and Worker Participation <ol style="list-style-type: none"> a. Leadership and Commitment b. <i>HSE Policy</i> c. HSE Functional Responsibility d. Roles and Responsibilities e. HSE Communication, Consultation and Participation of Workers 4. Risk Identification and Assessment 5. Training and Competency 6. Legal and Regulatory Requirements 7. Performance Measurement and Monitoring 8. Audits and Assessments 9. Management System Review 10. Document Control and Management of Change 11. Corporate HSE Standards 12. Procedures <p>The scope of workers that fall under the organization's HSEMS include full-time and temporary employees, contractors and subcontractors classified as working under the direction of the organization.</p> <p>Contractors whose work and/or workplace activities are not under the direction of the organization are covered through the organization's Contractor Management Standard that includes robust pre-qualification and selection criteria for qualified contractors. The organization uses ISNetwork, a global resource, to assist with assessing contractor health and safety management systems, worker qualifications, injury statistics, insurance requirements and compliance to jurisdictional regulations.</p> <p>Requirements are established to review the content and functionality of the OHS management system to ensure there is a functioning and systematic process in place so that risks are identified and managed to achieve the Company HSE goals and objectives.</p> <table border="1"> <thead> <tr> <th>OHS Management System Section</th> <th>Review Frequency</th> <th>Person Responsible</th> </tr> </thead> <tbody> <tr> <td>HSE Policy</td> <td>Annual</td> <td>VP HSE</td> </tr> <tr> <td>Life Critical Standards</td> <td>3-year cycle</td> <td>Sr. Safety Specialist</td> </tr> <tr> <td>HSEMS elements excluding <i>Life Critical Standards</i></td> <td>3-Year cycle</td> <td>Sr. Safety Specialist</td> </tr> </tbody> </table> <p>The Senior Safety Specialist is responsible for following the review cycle and including internal stakeholders.</p> <p>The review process considers the following:</p> <ul style="list-style-type: none"> • Applicable HSEMS data and outputs • Results of internal audits • Evaluations of regulatory compliance • Communication from external interested parties • Status of corrective and preventive actions from investigations and audits • Follow-up actions from previous management reviews • Significant issues from risk assessments • Recommendations for improvement | OHS Management System Section | Review Frequency | Person Responsible | HSE Policy | Annual | VP HSE | Life Critical Standards | 3-year cycle | Sr. Safety Specialist | HSEMS elements excluding <i>Life Critical Standards</i> | 3-Year cycle | Sr. Safety Specialist |
| OHS Management System Section | Review Frequency | Person Responsible | | | | | | | | | | | | |
| HSE Policy | Annual | VP HSE | | | | | | | | | | | | |
| Life Critical Standards | 3-year cycle | Sr. Safety Specialist | | | | | | | | | | | | |
| HSEMS elements excluding <i>Life Critical Standards</i> | 3-Year cycle | Sr. Safety Specialist | | | | | | | | | | | | |

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| GRI 403: Occupational Health and Safety | | |
| 403-2 | Hazard identification, risk assessment and incident investigation | <p>These processes to identify work-related hazards and assess risks are based on both legal requirements and industry guidelines. The organization has a Hazard Identification, Assessment and Control Standard that provides the process for conducting routine and non-routine hazard identification activities, assessment of the risks and developing effective controls. The process includes positional, job and field-level hazard assessments. Review and updating of these assessments are triggered as part of an incident investigation finding, when new workers or a new process or task is introduced or there is a change in conditions at the field level.</p> <p>Ensuring the quality of the processes: Instruction in the process includes an understanding of the hierarchy of controls, risk ranking, types of hazard assessments and the audit of hazard assessments by supervision. Training on hazard identification and control is provided to workers through orientations, Sr. Health and Safety Advisor-led classroom sessions and e-learning options. Understanding of the training is confirmed through training quizzes and competency is verified through hazard assessment review audits that are conducted by supervisors at regular intervals. Barriers to training and understanding are addressed through various means such as translators, e-learning in Spanish, and verbal training and testing where required.</p> <p>How the results of the processes are used to evaluate and continually improve the OHS management system: Outcomes of these processes are evaluated to determine if there was a management system gap, and areas for corrective action within the management system are identified as either not part of the system, an inadequate standard or inadequate compliance with the standards. Corrective actions are assigned to correct personnel responsible and are tracked to completion.</p> <p>Reporting of work-related hazards and hazardous situations is required by all workers. Reporting is done by directly reporting to a supervisor, safety representative or Health and Safety Committee member. As part of the policy, workers shall not be disciplined for reporting hazardous conditions or situations. Reports are formally entered into an electronic reporting system and are tracked to closure.</p> <p>The organization has a no retaliation policy and will not tolerate or pursue retaliation of any kind against any individual who reports a violation or ethical concern in good faith. Work refusals are considered incidents and are investigated. Workers have the right to refuse any work they believe in good faith to be unusually dangerous. A work refusal is initiated by the worker and when initiated in good faith shall not result in discriminatory action. If a worker believes that the assigned work is dangerous, the refusal and the reason for the refusal is promptly reported to the employer or supervisor.</p> <p>The organization has a formal Incident Event Management Standard that requires incidents to be reported and investigated. Outcomes of the investigation must identify the factors that contributed to the incident's occurrence. Corrective actions are identified and implemented to prevent recurrence. Root causes are identified to determine fundamental, underlying, OHS management system-related reasons why the incident occurred and to identify one or more correctable management system failures. Corrective actions are assigned to accountable personnel and are tracked to completion.</p> |

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| GRI 403: Occupational Health and Safety | | |
| 403-3 | Occupational health services | <p>The organization conducts occupational health surveillance in compliance with legal requirements and occupational hygiene practices. Occupational health hazards in the working environment are identified through the formal hazard assessment process. Internal Sr. Health and Safety Advisors with professional designation as CRSP and CSP conduct basic surveillance services for ergonomics, noise, heat stress and assessment of personal protective equipment.</p> <p>External companies with competent individuals with recognized qualifications are utilized for occupational health surveillance in accordance with the hazards of the working environments workers are exposed to. Employees are required to attend the health surveillance testing in accordance with legal requirements. The organization offers onsite services during work hours and offsite services with provision for transportation to the health clinics when needed.</p> <p>Workers are given access to records and will receive all results of testing through the third-party testing provider. Unfavourable results are investigated to determine if additional or more effective controls are required at the workplace to further protect workers.</p> <p>All occupational health records internally and externally held by third parties are managed in accordance with jurisdictional privacy laws and in accordance with the organization's internal privacy procedure and records retention schedule.</p> |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | <p>Workers at all levels participate in development and review of hazard assessments of their work and or working environment, as well as investigations. HSE management system requirements are communicated to workers through various methods, including, but not limited to:</p> <ul style="list-style-type: none"> • Joint Health and Safety Committees or representatives • Corporate safety calendar monthly topics • HSE alerts and communication through the <i>Zero Means</i> email • HSE bulletin boards • HSE campaigns and awareness presentations • HSE lesson learned bulletins • Intranet, TV screens • Job-specific training • Orientation and onboarding • Safety moments at the beginning of meetings • Regular scheduled safety meetings • Toolbox talks <p>Formal Joint Health and Safety Committees (JHSC) meet quarterly at a minimum and operate under a formal Terms of Reference that defines roles and decision-making authority. Where trade union agreements or long-term contractors are in place at the worksite, the union and contractor must provide a representative to participate on the JHSC.</p> |

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| GRI 403: Occupational Health and Safety | | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | <p>The JHSC is responsible for:</p> <ul style="list-style-type: none"> • Receiving, considering and disposing of concerns and complaints about the health and safety of workers, and helping the employer respond to worker health and safety concerns • Participating in the identification of hazards to workers or others arising out of the activities at the worksite • Conducting worksite inspections • Developing and promoting measures to protect the health and safety of people at the worksite and checking the effectiveness of such measures • Developing and promoting education, training and information programs concerning health and safety • Cooperating with OHS officers in enforcing the act and the regulations of the code, participating in investigations of serious injuries and incidents, and maintaining records on all matters relating to the duties of the Committee • Helping with new employee health and safety orientation • Helping resolve unsafe work refusals • Helping develop health and safety policies and safe work procedures <p>Capital Power 2020 Integrated Annual Report > Ensuring Operational Resiliency > p. 40</p> <p>Capital Power 2020 Integrated Annual Report > Responding to COVID-19 > pp. 27–28</p> |
| 403-5 | Worker training on occupational health and safety | <p>Training is provided free of charge to workers and primarily is done during work hours; however, if required, provisions are made for compensating workers for training outside of working hours.</p> <p>Mandatory and optional training requirements are determined based on regulatory requirements, by position, by tasks performed and by work-related hazards. Positional hazard assessments identify work-related hazards and establish the training related to the hazard. An established training matrix is used to track all training and the required intervals for retraining. Training is done through various methods such as e-learning, internal or external classroom sessions led by third-party qualified trainers or qualified internal trainers, or through manufacturers on specific equipment. Effectiveness of training is evaluated by the internal training department through a formal documented process. Completion of training is also one of the annual leading indicators included in the HSE Index.</p> <p>A workplace inspections program is in place which includes office, facility and construction inspections. The program also includes Executive Team inspections, focused contractor inspections and contractor inspections during outages.</p> <ul style="list-style-type: none"> • A work-readiness warm-up and stretching program was developed to help prevent musculoskeletal disorders (MSDs). Following a successful pilot in 2019, the program was implemented at all facilities in 2020. <p>The corporate, operations/construction and site-specific orientations were updated with an additional requirement for senior site leadership to participate in site-specific orientations for their contractors. All employees and contractors completed the updated orientations applicable to their position in 2020.</p> <p>Capital Power 2020 Integrated Annual Report > Ensuring Operational Resiliency > p. 40</p> <p>Capital Power 2020 Integrated Annual Report > Responding to COVID-19 > pp. 27–28</p> |

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| GRI 403: Occupational Health and Safety | | |
| 403-6 | Promotion of worker health | <p>We believe that our employees perform their best when they lead healthy and balanced lives. We invest in their well-being by providing a diverse and inclusive set of programs to meet their needs in each of the four focus areas that make up our Corporate Wellness Program: physical, mental, financial and social well-being. In addition to a comprehensive benefits and retirement savings program, Capital Power provides:</p> <p>Employee and Family Assistance Program (EFAP) – The EFAP offers professional counselling assistance and support to employees and their families to manage all of life’s complexities at work and home. Work-life support is also offered through expert online content and counsellors in the areas of legal, family, financial, nutrition, naturopathic and health coaching.</p> <p>Best Doctors® – This program assists employees to get a second opinion on medical diagnoses, connect with specialists and receive help navigating the health care system.</p> <p>Sprout – An interactive health and wellness platform that encourages employee well-being. We use this tool to run employee wellness challenges and campaigns related to physical activity, nutrition and sleep.</p> <p>LifeSpeak – An online and confidential library of videos from the world’s leading experts on over 40 different wellness topics. Employees can review videos, participate in live question and answer web chats hosted by subject matter experts or access a searchable database of user-defined questions and answers.</p> <p>Not Myself Today – This program is designed to raise awareness and understanding around mental health, stop the stigma and foster a supportive work culture. Employees and their families have access to tools and resources to help them become more aware of how relationships and environment affect our mental health.</p> <p>Motivate Me – Employees and their dependents are encouraged to complete annual preventative care and are provided incentive rewards once their annual care is completed.</p> <p>Know Your Numbers – In support of physical well-being, we have conducted two campaigns (HRA/biometric screening) in Canada and one campaign in the U.S. We’ve run several employee awareness campaigns focused on Capital Power’s top health risks, physical activity, nutrition and sleep.</p> <p>We also enhanced the paramedical coverage for our Canadian extended health plan by creating a separate category for mental health-related practitioners such as psychologists, psychoanalysts and counsellors, with a separate combined maximum of \$1,250.</p> <p>Health Spending Account and Personal Spending Accounts: Provide access to funds that employees can use and direct towards purchases that support their health and wellness.</p> <p>Changes in 2020 COVID-19 and its impact on the mental health of our workforce, as well as the communities in which we operate, has elevated our concern for our employees, their families and other loved ones. We have focused our efforts on making sure our employees and their families are aware of and can easily access existing programs and resources.</p> <p>A small supply of barrier masks (50) was mailed to each employee’s home to encourage employees and members of their household to wear masks when they left their homes.</p> <p>Capital Power 2020 Integrated Annual Report > Ensuring Operational Resiliency > p. 40</p> <p>Capital Power 2020 Integrated Annual Report > Responding to COVID-19 > pp. 27–28</p> |

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| GRI 403: Occupational Health and Safety | | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <p>We require all non-employees/contractors or partners to comply with all jurisdictional occupational health and safety acts, regulations and codes, and to follow known industry safe work practices and standards. There is a strong Contractor Management Standard that includes working with contractors that have an OHS management system and acceptable health and safety performance. In addition, the Company uses a third-party service (ISNetwork) to review and grade contractors. Higher-grade contractors are preferred. In situations where a lower-grade contractor is the only option, a gap analysis is conducted, and risk mitigation plans are in place as part of the contract process.</p> |
| 403-8 | Workers covered by an occupational health and safety management system | <p>The following worker types are included under the organization's health, safety & environment scope:</p> <ul style="list-style-type: none"> • Full- and part-time employees, permanent and temporary • Contracted employees, full-/part-time, permanent and temporary • All contractors working at sites the organization owns and operates and has control of the work or workplace (not including construction sites) <p>All of Capital Power's employees, contracted employees and contractors must comply with the health and safety policies and procedures. Contractors must manage their health, safety and environment (HSE) risks in a manner consistent with the Company policy. The organization monitors health and safety performance as part of contractor selection and approval to perform or continue work with the organization.</p> <p>The organization conducts internal audits on the HSE Management System at three-year intervals. The audits apply to workers who are not employees but whose work is controlled by the organization, and those long-term contractors for operations and maintenance services agreements. The organization is not currently audited by certification bodies; however, the internal audit department hires qualified third-party auditors to audit the health, safety and environment program to ensure compliance to regulations in all jurisdictions where the organization operates. Results of compliance audits are reviewed with the organization's internal audit executive committee.</p> <p>External reviews of contractor's health and safety management systems and current performance statistics are completed through ISNetwork, a third-party contractor management provider.</p> <p>The occupational health and safety management system covers all operational and construction sites that the organization owns and operates. All employees and contractors at those sites fall under the management system. As part of the management system, the organization has developed a Contractor Management Standard based on the COAA, Contractor Environment, Health and Safety Management Best Practice (2007).</p> |

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| GRI 403: Occupational Health and Safety | | |
| 403-9 IF-EU-320a.1 | Work-related injuries (1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR) | <p>Corporate performance data for 2020</p> <p>Total Recordable Injury Frequency (TRIF) Corporate/Operations: 0.72¹</p> <p>Lost-Time Injury Frequency (LTIF): 0.27</p> <p>Lost-Time Injury Severity (current employees only – not contractors): 4.27</p> <p>Fatalities: 0 (includes employees and contractors)</p> <p>For all employees (excluding contractors)</p> <ul style="list-style-type: none"> • 0 (Zero) fatalities • 0 (Zero) high-consequence work-related injuries • 5 recordable work-related injuries with a TRIF of 0.65 • 2 medical treatments and 3 lost-time injuries • 1,544,744 exposure hours <p>Contractors only</p> <ul style="list-style-type: none"> • 0 (Zero) fatalities • 0 (Zero) high-consequence work-related injuries • 3 recordable work-related injuries with a TRIF of 0.87 • 3 recordable medical treatments and 0 lost-time injuries • 690,288 exposure hours <p>Work-related hazards that pose a risk of high-consequence injury</p> <ul style="list-style-type: none"> • Work-related hazards that pose a risk of high-consequence injury have been determined by type of high-risk activities that can result in life-altering injury or fatality events (LIFE). Examples are confined space, ground disturbance, working from heights and live high-voltage electrical work. • None of these hazards related to a high-consequence work-related injury during the reporting period • For each of the work-related hazards identified by the organization as LIFE activities, a subsequent LIFE Critical Standard has been developed that each operating facility is required to implement. The Standard lays out the minimum standard requirements for controlling the hazard. Each facility is required to implement associated controls from the Standard and in addition must define site-specific procedures and safe work practices to further reduce the potential of exposure. <p>Due to an increase in sprain/strain injuries, the organization implemented a program to reduce musculoskeletal disorders in the workplace. This includes a pre-task warm-up/stretching program.</p> <p>Work-related injury rates have been calculated based on 200,000 hours worked.</p> <p>The organization tracks contractor incidents but currently does not have a mechanism to track contractor “recovery time” from a work-related injury.</p> <p>The organization reports as one overall corporate statistic using the same criteria for all operational facilities.</p> <p>Capital Power 2020 Integrated Annual Report > Health and Safety > pp. 32–33</p> |

¹ A recordable incident is a work-related injury or illness that results in one or more of the following: medical treatment beyond first aid, restricted work, lost time, permanent injury or fatality.

Exposure hours are the total number of hours of employment, including overtime and training, salaried, hourly, part-time and seasonal employees, and contractors.

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| GRI 403: Occupational Health and Safety | | |
| 403-10 | Work-related ill health | <p>For current employees</p> <ul style="list-style-type: none"> • Zero fatalities because of work-related ill health • Two cases of recordable work-related ill health • Noise-induced hearing loss is the main type of worker-related ill health <p>The organization tracks contractor incidents but currently does not have a mechanism to track contractor work-related ill health in this context. For this disclosure, musculoskeletal disorders are reported under 403-9.</p> <p>The work-related hazards that pose a risk of ill health include physical agents (noise) and respiratory hazards.</p> <ul style="list-style-type: none"> • Identification of health hazards is done through positional and job hazard assessments, site hazard assessments and identification of chemical hazards associated with the processes or activities conducted within the organization • Exposure to noise – long latency • For each of the health hazards identified by the organization, a subsequent standard lays out the minimum standard requirements for controlling the hazard. Each facility is required to implement associated controls from the standard and in addition must define site-specific procedures and safe work practices to further reduce the potential of exposure to the identified standard. Controls are implemented based on the hierarchy of controls. <p>The organization tracks contractor incidents of acute, short-latency exposures only and does not have a mechanism in place to track chronic, long-latency exposure cases.</p> <p>The organization reports as one overall corporate statistic using the same criteria for all operational facilities. Construction projects where the organization has control over the workers and worksite are also included in this reporting criteria.</p> |
| GRI 404: Training and Education | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>People are at the heart of our business. Everything that gets done is because of the knowledge, skills, commitment and experience of our employees.</p> <p>Our people enable the successful execution of our business strategy. Therefore, aligning our desired culture and people strategy with our business strategy ensures we have created an employee experience and have the right teams in place to create and enhance shareholder value through disciplined growth, operational excellence and financial prudence.</p> <p>Our culture is one of excellence, where teams are empowered. We maintain a long-term focus on sustainability, leveraging data to drive our decisions. We attract, retain and engage talent that strives for excellence and precision, while implementing innovative improvement to build a sustainable future.</p> <p>Boundaries: All Capital Power's operating regions and business units and Capital Power employees. We abide by all state, federal and provincial laws regarding employment. With respect to hourly employees, in addition to abiding by all state, federal and provincial laws, we follow requirements outlined in the respective collective agreements in place (see GRI disclosure 102-41).</p> <p>In order to ensure that we succeed, we need to place a strategic focus on attracting the right people and ensuring they remain engaged, motivated and empowered throughout their time with us. Aligning our desired culture and people strategy with our business strategy provides a guidepost to create an employee experience that motivates individuals who possess the capabilities needed for our continued success.</p> <p>There are no specific limitations regarding corporate initiatives.</p> <p>In regards to health and safety, we abide by all state, federal and provincial laws.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |

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| GRI 404: Training and Education | | |
| 103-2 | The management approach and its components | <p>We are committed to providing our people with an inclusive education program that engages and empowers our people to achieve further development and transforms how we work to enable strong business performance.</p> <p>Our training and education programs revolve around the fundamental philosophy that our programs are aligned with our EVP and overall business strategy. We continue to design experiences and programs to create a high-performing employee experience.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Part-time Work Policy: Our <i>Part-time Work Policy</i> offers full-time employees an additional benefit. Full-time employees can benefit from the flexibility that a part-time arrangement provides for an extended period of time to manage work-life balance. They can choose to remain part-time or return to a full-time schedule at some point in the future. • Our Commitment to the Protection of Personal Information and Privacy Policy: At Capital Power, personal information is maintained as strictly confidential. Unless an individual authorizes Capital Power to disclose personal information, or the disclosure of that personal information without consent is required or permitted by law, we will not disclose personal information to any third parties. • Security Policy: This policy reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • Temporary Flexible Workplace Arrangements Policy: Short-term, acute, family or personal responsibilities can sometimes place a significant amount of strain on work-life balance. To assist employees in maintaining balance during this temporary period, employees use the opportunity to add flexibility to their work arrangement through short-term, customized arrangements <p>Commitments: While not a signatory to the UNGC, our approach takes into account the 10 UNGC Principles in the areas of labour, environment, anti-corruption and human rights. As a company operating in North America, we support and respect internationally proclaimed human rights, framed under the Universal Declaration of Human Rights, and the core labour standards set out by the International Labour Organization.</p> |

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| GRI 404: Training and Education | | |
| 103-2 | The management approach and its components | <p>With respect to our unions (see GRI 402), we abide by all applicable national and/or local legal requirements and also all requirements outlined in each union's respective collective bargaining agreements, and follow all regulatory requirements.</p> <p>For health and safety, Capital Power has a 95% completion rate for all sites regarding applicable training courses.</p> <p>For corporate initiatives, we encourage participation by all employees. We track and report on specific areas of the organization:</p> <ol style="list-style-type: none"> 1. Ethics 2. Cyber Security 3. Purchasing 4. Unconscious Bias and Inclusivity 5. Strong Start Orientation and Onboarding Program <p>Responsibilities: Capital Power's People Services group maintains meaningful work standards, policies and practices consistent with Capital Power's commitment to providing a positive workplace culture for our employee experience, aligned to our business objectives and maintaining all legal and regulatory requirements in Canada and the U.S. The group provides guidance to management on talent recruitment, training, transitioning and engagement matters, and promotes consistency with respect to Capital Power's policies and practices across the organization.</p> <p>Additionally, Capital Power has a Diversity and Inclusion Committee made up of employees from across the Company. The diversity and inclusion strategy was drafted in 2019 and is currently under review.</p> <p>Specific Actions: In 2021, in order to continue to foster an inclusive workplace culture, we will be undertaking the following:</p> <ul style="list-style-type: none"> • Review policies, programs and processes to identify structural bias and/or institutional prejudice and develop a plan to remove them <p>To enhance the engagement of our employees, we offered a variety of virtual and online platforms to assist the employees with their development.</p> <p>Onboarding for Employees</p> <ul style="list-style-type: none"> • Strong Start Orientation and Onboarding Program <p>Leadership Development Courses</p> <ul style="list-style-type: none"> • The Coaching Habit workshop • iLead • Unconscious Bias and Inclusivity workshop <p>Professional Development Courses</p> <ul style="list-style-type: none"> • Connecting Through Listening • Communicating with Impact • Presenting and Writing with Influence • Working Smart with Outlook • Unconscious Bias and Inclusivity online module <p>Professional Development Programs</p> <ul style="list-style-type: none"> • After Hours Professional Development Program • Mentorship Program – Powering Pairs |

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| GRI 404: Training and Education | | | | | | | | | | | | | | | | | | |
| 103-2 | The management approach and its components | <p>Online Learning Platform We utilized LinkedIn Learning to support our leadership development program. To assist leaders who were required to lead remotely, we promoted the following topics:</p> <ul style="list-style-type: none"> • Leading a team virtually • Leading virtual meetings • Preparing for a performance review (leader vs employee) <p>Grievance Mechanisms: Each union has a dispute resolution process that is in their respective collective agreements. The intention of the dispute resolution process is to achieve solutions to disputes that contribute to positive, collaborative working relationships and that are mutually agreeable. Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Capital Power 2020 Integrated Annual Report > Training and Leadership Development > p. 30</p> | | | | | | | | | | | | | | | | |
| 103-3 | Evaluation of the management approach | <p>Employee Skills Inventory (360 Assessments): All leaders who have been with the Company for at least a year can participate in a competency assessment. Additionally, some employees may also complete a competency assessment if warranted. These assessments are one part of our talent development process. Assessments vary depending on position level and are formally done through a third-party consulting firm. These assessments provide the foundation for an employee's development plan. In 2020, we have completed six assessments.</p> <p>Voices 360-Degree Assessment: Leaders participate in a 360-degree assessment, administered by a third party. The employee is asked to provide 10 to 15 raters across the organization to assess work-related behaviour and performance against 26 competencies. The leader is debriefed and receives a feedback report to understand their strengths and development needs.</p> <p>ViaEdge Assessment: This self-assessment tool analyzes work preferences and values, personality characteristics, life experiences and work-related behaviours to understand an individual's learning agility.</p> <p>Due to the pandemic, all 360 assessment debriefs were successfully held virtually in 2020.</p> <p>To assist in the evaluation of the management approach regarding training and development, we use our engagement scores and the facilitator for a session gathers anecdotal feedback to ensure we are aligned and meeting the competencies of the organization.</p> <p>We have made no major adjustments to our management approach in 2020.</p> | | | | | | | | | | | | | | | | |
| 404-1 | Average hours of training per year per employee | <p>Average hours of training in 2020</p> <table border="1"> <thead> <tr> <th>Employee category</th> <th>Average hours of training</th> </tr> </thead> <tbody> <tr> <td>Organization</td> <td>13</td> </tr> <tr> <td>Senior leadership</td> <td>8</td> </tr> <tr> <td>Frontline leadership</td> <td>12</td> </tr> <tr> <td>Individual contributor</td> <td>15</td> </tr> <tr> <td>Contingent worker</td> <td>6</td> </tr> <tr> <td>Male</td> <td>14</td> </tr> <tr> <td>Female</td> <td>9</td> </tr> </tbody> </table> <p>The average hours of training per year per employee was 17 in 2019.</p> <p>Note: Training hours were lower in 2020 as in-person classes were deferred and/or cancelled due to COVID-19. We expect training sessions to go back to normal hours when it is safe to gather again.</p> | Employee category | Average hours of training | Organization | 13 | Senior leadership | 8 | Frontline leadership | 12 | Individual contributor | 15 | Contingent worker | 6 | Male | 14 | Female | 9 |
| Employee category | Average hours of training | | | | | | | | | | | | | | | | | |
| Organization | 13 | | | | | | | | | | | | | | | | | |
| Senior leadership | 8 | | | | | | | | | | | | | | | | | |
| Frontline leadership | 12 | | | | | | | | | | | | | | | | | |
| Individual contributor | 15 | | | | | | | | | | | | | | | | | |
| Contingent worker | 6 | | | | | | | | | | | | | | | | | |
| Male | 14 | | | | | | | | | | | | | | | | | |
| Female | 9 | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Response |
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| GRI 404: Training and Education | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | <p>Capital Power School of Business (CPSB): To help drive our culture of learning and development, the Capital Power School of Business (CPSB) offers courses that support professional growth in communication, personal organizational skills and effective business writing.</p> <p>iLead – Leadership Development: We also offer comprehensive leadership development through iLead Leadership Development, which we created with Development Dimensions International (DDI). This custom-built program leverages research in the science and practice of leadership strategy. The iLead Program establishes rich, broad, bench strength around the theory and best practices of effective leadership within Capital Power. Through four distinct levels, iLead offers interactive learning for leaders to share learning and insight, and grow with others in a similar role. Leaders gain new ideas, concepts and planning tools to apply on the job.</p> <p>Strong Start Orientation and Onboarding: Our interactive Strong Start Onboarding Program welcomes new employees and gives them a foot forward in their first 100 days on the job.</p> <p>A new employee participates in both an online e-learning program and interactive classroom session that enhance their knowledge of the organization. There is also an opportunity to network and interact with our CEO or a senior executive, who shares insight into the organization and explains our vision, mission and values. New employees then create a Powering Up plan (three-month development approach) and Plugging In plans (internal business networking strategies). For new employees who are not located in our head office, we offer virtual sessions to ensure all employees receive a positive onboarding experience that fits the needs of the business.</p> <p>We require all new employees to complete the following courses online:</p> <ul style="list-style-type: none"> • Strong Start online module • Security • Ethics • Unconscious Bias and Inclusivity • Life Safety Critical Rules • HSE orientations • Alcohol and Drug (training for employees and managers) • Additional HSE training as required • Cyber Security • Purchasing <p>Due to COVID-19, we added a new virtual onboarding process for new remote employees and their remote leaders. This process included one-on-one coaching and resources to support a seamless virtual onboarding experience.</p> <p>Online Learning: Capital Power delivers its online learning initiatives through a learning management system called “Blueprint.” The learning management system enables employees to manage and complete their learning online 24/7, and it contains essential and developmental courses all in one location. In Blueprint, employees can:</p> <ul style="list-style-type: none"> • Access personalized learning plans based on their position • Search, launch and complete training courses • View and complete pre- and post-work for courses • Access transcripts for active and completed learning • Be notified about assigned, completed and past-due training • Print completion certificates for their courses |

| Disclosure Number | Disclosure Title | Response |
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| GRI 404: Training and Education | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | <p>Communication</p> <ul style="list-style-type: none"> • Presenting and Writing with Influence – to help employees (using neuroscience) consistently engage diverse audiences and achieve results every time in written and verbal communication. • Connecting through Listening – to help employees learn advanced listening techniques to connect with diverse audiences – even in the most challenging communication scenarios. • Communicating with Impact – to help employees enhance interpersonal relationships by conducting more successful discussions. <p>Team Sessions</p> <p>Capital Power recognizes the importance of high-functioning and collaborative teams. Team sessions:</p> <ul style="list-style-type: none"> • Create a sense of unity • Increase employee engagement • Improve interpersonal and communication skills • Increase awareness of team culture and individual differences • Improve effectiveness and productivity • Provide feedback • Encourage effective listening • Set expectations <p>In-house, facilitated sessions can be customized based on the needs and objectives of the group. Typical sessions include such topics as:</p> <ul style="list-style-type: none"> • Personality Dimensions • Strength-based approach (Gallup’s Strengths Finder) • Create a team charter • Conflict styles • The five dysfunctions of a team • Change management • Communication • Effective meetings <p>LinkedIn Learning: To support our employees during COVID-19, Capital Power acquired the ability for our employees to utilize LinkedIn Learning. Employees have focused on learning about the following skills:</p> <ul style="list-style-type: none"> • Personal development • Time management • Leadership • Team leadership • Microsoft excel • Mental health • Communication • Career management <p>After-hours Personal Development (AHPD) Program: For permanent employees, AHPD funds learning and development opportunities, including certificates, diplomas, degrees or individual courses at an accredited post-secondary institution or professional association. These courses are completed during the employee’s personal time and may be directly or indirectly related to their current job.</p> <p>Costs of up to \$3,000 (for full-time employees) or \$1,500 (for part-time employees) can be claimed for eligible expenses in a calendar year.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 404: Training and Education | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | <p>Power Pairs Mentoring: Capital Power continues to grow its internal mentoring program based on the thought that everyone has something to give and something to learn. Power Pairs is a mentoring program that helps guide personal and professional development. Mentors and mentees complete a confidential profile, using a third-party matching tool, that assists in finding the best matches based on their skills, interests and goals for the program. People Engagement and Development oversees the matches and helps coordinate the best start to the relationship. Participants can join any time throughout the year.</p> <p>Talent Development: Leaders at all levels of the organization help identify, develop and retain talent. The talent development program includes talent reviews and a succession planning process to identify successors and critical talent. The program ensures we continue to develop our people to enhance their skills and knowledge to meet our ever-changing work environment. It is our agility and high-calibre people that allow us to grow, progress and succeed.</p> <p>As a result of the pandemic, all the talent reviews were successfully conducted virtually.</p> <p>Career Development: Capital Power encourages all employees to create individual development plans. In our development planning workshops, employees are introduced to the tools, assessments and resources available for career planning. The session incorporates a hands-on approach, with employees working on their individual development plans using these tools.</p> <p>As a result of the pandemic, career development workshops were successfully conducted virtually.</p> <p>We partner with a third-party talent management company that provides transition support and assistance to all employees who are part of a non-voluntary termination. Services for each employee are customized depending on their individual needs, and can include assistance to cope with change, personal career focus, effective job search strategies, marketing tools and career evaluation.</p> <p>Leadership Development The Coaching Habit for all people leaders – to better equip leaders to have more frequent, inclusive and meaningful “coach-like” conversations to increase engagement, innovation and performance. This acquired skill will build the foundation for having difficult conversations and providing effective performance feedback.</p> |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | <p>619 employees were eligible for a performance rating in 2020 and 607 employees received them.</p> <p>Breakdown by gender of those who received a performance rating Male: 435 Female: 172</p> <p>12 employees have worked less than three months (did not receive a rating) Male: 6 Female: 6</p> <p>Breakdown by contract type of those who didn't receive performance ratings or aren't eligible for them Union (participate in the process but do not receive a rating): Total union: 89 Male: 81 Female: 8</p> <p>Temporary employees (do not qualify for ratings): Total: 23 Male: 14 Female: 9</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 405: Diversity and Equal Opportunity | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Capital Power employees represent a talented and diverse workforce. We understand that achieving the full potential of this diversity is a business priority that is fundamental to our competitive success.</p> <p>We respect and value the diversity among Capital Power's employees and all our stakeholders who we engage with. We expect our leaders to foster a work environment free of all forms of discrimination and harassment.</p> <p>To provide equal opportunity for applicants and employees in Canada and the U.S., we implement programs and provide resources on behalf of diverse (or underrepresented) groups, such as women, minorities, people with disabilities and protected veterans, that are covered under the law. This also includes people services programs that ensure equity in compensation and opportunity for growth and development. We also have a company-wide diversity and inclusion employee committee; it helps to guide our diversity and inclusion strategy across our Company.</p> <p>We report diversity measures for employees by category and gender, but do not publicly disclose minority or vulnerable group categories.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Capital Power has a Diversity and Inclusion Committee. The executive sponsor of this committee is the SVP, People, Culture and Technology. The role of the cross-functional committee is to build alignment and understanding of what D&I means for Capital Power, engage to develop specific actions and accountabilities across the Company to foster and promote D&I and formally connect employees with diverse perspectives across the organization, and facilitate the evolution of the organization as a diverse and inclusive workplace. As we operate in a largely male-dominated industry, particularly in certain trades and professions, we recognize that additional progress will take time.</p> <p>The COVID-19 experience has demonstrated that we have great people, and the organization is bound together by a strong and positive culture. As we come out of the pandemic, our work world will be different; likely much more flexible. The Senior Vice President of People, Culture and Technology will be responsible for leading the Executive Team in determining what our work environment will be in the shorter term as we take steps back towards normal and what our work world will evolve to over the next number of years. Critical to our success will be maintaining and building on our great culture.</p> <p>To align with the above strategy, we have seen the following changes:</p> <ol style="list-style-type: none"> 1. We've changed the team from <i>People Service</i> to <i>People Services</i> to better reflect our culture of putting people first, and as such we've updated the senior leaders' titles. 2. The Corporate Governance Compensation and Nominating Committee (CGCNC) changed their name to People, Compensation and Governance Committee to be more aligned with our focus on diversity and inclusion. <p>Policies</p> <ul style="list-style-type: none"> • <i>Ethics Policy</i>: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. |

| Disclosure Number | Disclosure Title | Response |
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| GRI 405: Diversity and Equal Opportunity | | |
| 103-2 | The management approach and its components | <ul style="list-style-type: none"> • <i>Respectful Workplace Policy:</i> This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • <i>Part-time Work Policy:</i> Our <i>Part-time Work Policy</i> offers full-time employees an additional benefit. Full-time employees can benefit from the flexibility that a part-time arrangement provides for an extended period of time to manage work-life balance. They can choose to remain part-time or return to a full-time schedule at some point in the future. • <i>Our Commitment to the Protection of Personal Information and Privacy Policy:</i> At Capital Power, personal information is maintained as strictly confidential. Unless an individual authorizes Capital Power to disclose personal information, or the disclosure of that personal information without consent is required or permitted by law, we will not disclose personal information to any third parties. • <i>Security Policy:</i> This policy reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • <i>Temporary Flexible Workplace Arrangements Policy:</i> Short-term, acute, family or personal responsibilities can sometimes place a significant amount of strain on work-life balance. To assist employees in maintaining balance during this temporary period, employees use the opportunity to add flexibility to their work arrangement through short-term, customized arrangements. <p>Programs and Initiatives</p> <ul style="list-style-type: none"> • At Capital Power, delivering <i>Responsible Energy for Tomorrow</i> means advancing the participation of women in energy and closing the gender gap. Our Diversity and Inclusion (D&I) Committee is proud to announce that we've joined the Equal by 30 campaign to demonstrate our commitment to gender equity as an integral part of the global transition to clean energy. • Equal by 30 is part of the global Clean Energy Education and Empowerment (C3E) initiative, co-sponsored by the International Energy Agency (IEA), and championed in Canada by the Federal Government through Natural Resources Canada. The initiative believes gender equality is essential to successful clean energy transformation and asks the public and private sectors to endorse principles, set commitments and take concrete actions to support women in energy and help close the gender gap. <p>Goals</p> <ul style="list-style-type: none"> • We would like to increase our percentage of female leaders in Operations, Trading, Information Systems and Engineering • We have a goal to maintain 30% female executives as part of the Executive Team. See gender breakdown under GRI 102-8. |

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| GRI 405: Diversity and Equal Opportunity | | |
| 103-2 | The management approach and its components | <p>Through our participation in Equal by 30, we're endorsing and committing to these high-level principles:</p> <ul style="list-style-type: none"> • We aim to lead by example, integrating equality principles into our organization and policies • We will step up our efforts to promote gender diversity activities in areas of recruitment and career advancement • We pledge to highlight and support women and close the gender gap in our business • We will provide leadership, and share our experiences and lessons learned on gender diversity programming and initiatives • We recognize the importance of reporting on progress and will support efforts to improve the collection of gender disaggregated data to report on our progress in a transparent and open manner <p>The D&I Committee meets to work on and implement Capital Power's D&I strategy. Current initiatives to promote equal opportunity and diversity include:</p> <p>Education and Awareness: Developing materials and a deployment plan around D&I with a goal to increase knowledge and understanding and decrease biases (judgment) around D&I across the Company. All employees have had the opportunity to participate in unconscious bias and inclusivity training. A new online module on unconscious bias has been rolled out to all individual contributors and new hires. In addition, all employees have access to additional resources (webinars and white papers) through our Catalyst membership.</p> <p>Flexible Workplace Arrangements: We are exploring our existing Temporary Flexible Work Arrangement and Part-time policies for opportunities to open the door for discussion around flexible work in support of D&I. Now we are looking to understand what the new normal may look like as we emerge on the other side of the pandemic. We must capitalize on what we learned about the new ways of working while retaining what we value most about our culture.</p> <p>We updated our D&I company-wide strategy and in 2020, CEO objectives were updated to strengthen the diversity of our workforce by increasing the diversity of our candidate pool.</p> <p>The following programs help to promote diversity and inclusion throughout the organization:</p> <p>Unconscious Bias and Inclusivity We continue to roll out unconscious bias and inclusivity training to our leaders and individual contributors in the organization – to help employees retrain themselves to disrupt their default thinking to ensure that unintentional stereotyping doesn't lead to missed opportunities and help them learn to identify unconscious bias in themselves and others, and develop inclusive (leadership) skills.</p> <p>Mentorship Program Power Pairs is a mentoring program that helps guide personal and professional development. It's an internal mentoring program based on the premise that everyone has something to give and something to learn.</p> <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Capital Power 2020 Integrated Annual Report > Attracting and Retaining a Diverse Workforce > pp. 28–29</p> |

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|---|--|--|--|-------------------------|------------|------|---|-------|--------|---|-------|--|-------------------------|------------|----------------|---|----|-------------|---|-------|---------------|---|-------|--|-------------------------|------------|--------|---|-------|------|---|-------|--|----------------------------|--------------------------|-----------|---------|---------|------------------|----------|----------|--------------|-----------|-----------|----------------|----------|--------|------------|---------|-----------|---------|---------|----------|
| GRI 405: Diversity and Equal Opportunity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 103-3 | Evaluation of the management approach | <p>To evaluate the effectiveness of our approach to managing diversity and equal opportunity, we track lateral moves and promotions.</p> <p>To evaluate the effectiveness of our diversity and inclusion training, we request participants complete workshop evaluations.</p> <p>To evaluate the effectiveness of attracting diverse candidates, we track our diverse candidate interviews and hires.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 405-1 | Diversity of governance bodies and employees | <p>Percentage of individuals on the Board of Directors by gender, age and region in 2020</p> <p>Gender</p> <table border="1"> <thead> <tr> <th></th> <th>Number of Board Members</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Male</td> <td>5</td> <td>55.6%</td> </tr> <tr> <td>Female</td> <td>4</td> <td>44.4%</td> </tr> </tbody> </table> <p>Age Group</p> <table border="1"> <thead> <tr> <th></th> <th>Number of Board Members</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Under 30 years</td> <td>0</td> <td>0%</td> </tr> <tr> <td>30-50 years</td> <td>1</td> <td>12.5%</td> </tr> <tr> <td>Over 50 years</td> <td>8</td> <td>87.5%</td> </tr> </tbody> </table> <p>Other Indicator – Country</p> <table border="1"> <thead> <tr> <th></th> <th>Number of Board Members</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Canada</td> <td>6</td> <td>66.7%</td> </tr> <tr> <td>U.S.</td> <td>3</td> <td>33.3%</td> </tr> </tbody> </table> <p>Notes:</p> <ul style="list-style-type: none"> • Age is based on Board member's age as of December 31, 2020 • CEO is included in Board representation <p>Percentage of employees per employee category by gender, age and region in 2020</p> <p>Gender</p> <table border="1"> <thead> <tr> <th></th> <th>Female (Number/Percentage)</th> <th>Male (Number/Percentage)</th> </tr> </thead> <tbody> <tr> <td>Executive</td> <td>3/42.9%</td> <td>4/57.1%</td> </tr> <tr> <td>Upper Management</td> <td>24/22.4%</td> <td>83/77.6%</td> </tr> <tr> <td>Professional</td> <td>107/38.5%</td> <td>171/61.5%</td> </tr> <tr> <td>Administration</td> <td>37/97.4%</td> <td>1/2.6%</td> </tr> <tr> <td>Operations</td> <td>18/5.3%</td> <td>321/94.7%</td> </tr> <tr> <td>Traders</td> <td>3/17.6%</td> <td>14/82.4%</td> </tr> </tbody> </table> | | Number of Board Members | Percentage | Male | 5 | 55.6% | Female | 4 | 44.4% | | Number of Board Members | Percentage | Under 30 years | 0 | 0% | 30-50 years | 1 | 12.5% | Over 50 years | 8 | 87.5% | | Number of Board Members | Percentage | Canada | 6 | 66.7% | U.S. | 3 | 33.3% | | Female (Number/Percentage) | Male (Number/Percentage) | Executive | 3/42.9% | 4/57.1% | Upper Management | 24/22.4% | 83/77.6% | Professional | 107/38.5% | 171/61.5% | Administration | 37/97.4% | 1/2.6% | Operations | 18/5.3% | 321/94.7% | Traders | 3/17.6% | 14/82.4% |
| | Number of Board Members | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 5 | 55.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 4 | 44.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of Board Members | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years | 0 | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years | 1 | 12.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years | 8 | 87.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of Board Members | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 6 | 66.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. | 3 | 33.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Female (Number/Percentage) | Male (Number/Percentage) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive | 3/42.9% | 4/57.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Management | 24/22.4% | 83/77.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional | 107/38.5% | 171/61.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration | 37/97.4% | 1/2.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operations | 18/5.3% | 321/94.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traders | 3/17.6% | 14/82.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Response | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| GRI 405: Diversity and Equal Opportunity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 405-1 | Diversity of governance bodies and employees | <p>Age Group</p> <table border="1"> <thead> <tr> <th></th> <th>Under 30 years (Number/ Percentage)</th> <th>30–50 years (Number/ Percentage)</th> <th>Over 50 years (Number/ Percentage)</th> </tr> </thead> <tbody> <tr> <td>Executive</td> <td>0/0%</td> <td>1/14.3%</td> <td>6/85.7%</td> </tr> <tr> <td>Upper Management</td> <td>0/0%</td> <td>62/57.9%</td> <td>45/42.1%</td> </tr> <tr> <td>Professional</td> <td>20/7.2%</td> <td>196/70.5%</td> <td>62/22.3%</td> </tr> <tr> <td>Administration</td> <td>2/5.3%</td> <td>26/68.4%</td> <td>10/26.3%</td> </tr> <tr> <td>Operations</td> <td>33/9.7%</td> <td>170/50.1%</td> <td>136/40.1%</td> </tr> <tr> <td>Traders</td> <td>5/29.4%</td> <td>12/70.6%</td> <td>0/0%</td> </tr> </tbody> </table> <p>Other Indicator – Country</p> <table border="1"> <thead> <tr> <th></th> <th>Canada (Number/ Percentage)</th> <th>U.S. (Number/ Percentage)</th> </tr> </thead> <tbody> <tr> <td>Executive</td> <td>6/85.7%</td> <td>1/14.3%</td> </tr> <tr> <td>Upper Management</td> <td>94/87.9%</td> <td>13/12.1%</td> </tr> <tr> <td>Professional</td> <td>261/93.9%</td> <td>17/6.1%</td> </tr> <tr> <td>Administration</td> <td>35/92.1%</td> <td>3/7.9%</td> </tr> <tr> <td>Operations</td> <td>228/67.3%</td> <td>111/32.7%</td> </tr> <tr> <td>Traders</td> <td>17/100%</td> <td>0/0%</td> </tr> </tbody> </table> <p>Notes:</p> <ul style="list-style-type: none"> • CEO is included in executive representation • Figures and percentages are based on all permanent employees in both Canada and the U.S. (excludes Board, pensioners and employees on long-term disability) • Age is based on the employee’s age as of December 31, 2020 | | Under 30 years (Number/ Percentage) | 30–50 years (Number/ Percentage) | Over 50 years (Number/ Percentage) | Executive | 0/0% | 1/14.3% | 6/85.7% | Upper Management | 0/0% | 62/57.9% | 45/42.1% | Professional | 20/7.2% | 196/70.5% | 62/22.3% | Administration | 2/5.3% | 26/68.4% | 10/26.3% | Operations | 33/9.7% | 170/50.1% | 136/40.1% | Traders | 5/29.4% | 12/70.6% | 0/0% | | Canada (Number/ Percentage) | U.S. (Number/ Percentage) | Executive | 6/85.7% | 1/14.3% | Upper Management | 94/87.9% | 13/12.1% | Professional | 261/93.9% | 17/6.1% | Administration | 35/92.1% | 3/7.9% | Operations | 228/67.3% | 111/32.7% | Traders | 17/100% | 0/0% |
| | Under 30 years (Number/ Percentage) | 30–50 years (Number/ Percentage) | Over 50 years (Number/ Percentage) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive | 0/0% | 1/14.3% | 6/85.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Management | 0/0% | 62/57.9% | 45/42.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional | 20/7.2% | 196/70.5% | 62/22.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration | 2/5.3% | 26/68.4% | 10/26.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operations | 33/9.7% | 170/50.1% | 136/40.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | Canada (Number/ Percentage) | U.S. (Number/ Percentage) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive | 6/85.7% | 1/14.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Management | 94/87.9% | 13/12.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional | 261/93.9% | 17/6.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 405-2 | Ratio of basic salary and remuneration of women to men | <p>Ratio of basic salary</p> <table border="1"> <thead> <tr> <th></th> <th>Ratio:</th> </tr> </thead> <tbody> <tr> <td>Executive</td> <td>3 women earned \$72 per \$100 earned by 4 men</td> </tr> <tr> <td>Upper Management</td> <td>24 women earned \$93 per \$100 earned by 83 men</td> </tr> <tr> <td>Professional</td> <td>107 women earned \$97 per \$100 earned by 171 men</td> </tr> <tr> <td>Administration</td> <td>37 women earned \$118 per \$100 earned by 1 man</td> </tr> <tr> <td>Operations</td> <td>18 women earned \$79 per \$100 earned by 321 men</td> </tr> <tr> <td>Traders</td> <td>3 women earned \$98 per \$100 earned by 14 men</td> </tr> </tbody> </table> <p>Ratio of remuneration</p> <table border="1"> <thead> <tr> <th></th> <th>Ratio:</th> </tr> </thead> <tbody> <tr> <td>Executive</td> <td>3 women earned \$50 per \$100 earned by 4 men</td> </tr> <tr> <td>Upper Management</td> <td>24 women earned \$91 per \$100 earned by 83 men</td> </tr> <tr> <td>Professional</td> <td>107 women earned \$96 per \$100 earned by 171 men</td> </tr> <tr> <td>Administration</td> <td>37 women earned \$116 per \$100 earned by 1 man</td> </tr> <tr> <td>Operations</td> <td>18 women earned \$77 per \$100 earned by 321 men</td> </tr> <tr> <td>Traders</td> <td>3 women earned \$89 per \$100 earned by 14 men</td> </tr> </tbody> </table> | | Ratio: | Executive | 3 women earned \$72 per \$100 earned by 4 men | Upper Management | 24 women earned \$93 per \$100 earned by 83 men | Professional | 107 women earned \$97 per \$100 earned by 171 men | Administration | 37 women earned \$118 per \$100 earned by 1 man | Operations | 18 women earned \$79 per \$100 earned by 321 men | Traders | 3 women earned \$98 per \$100 earned by 14 men | | Ratio: | Executive | 3 women earned \$50 per \$100 earned by 4 men | Upper Management | 24 women earned \$91 per \$100 earned by 83 men | Professional | 107 women earned \$96 per \$100 earned by 171 men | Administration | 37 women earned \$116 per \$100 earned by 1 man | Operations | 18 women earned \$77 per \$100 earned by 321 men | Traders | 3 women earned \$89 per \$100 earned by 14 men | | | | | | | | | | | | | | | | | | | | | |
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Significant locations of operations are countries that Capital Power operates in.

| Disclosure Number | Disclosure Title | Response |
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| GRI 406: Non-discrimination | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Capital Power is committed to maintaining a culture focused on trust and respect, with integrity being viewed as one of our most important and valuable assets.</p> <p>Boundaries: All Capital Power's operating regions and business units; Capital Power employees. We abide by all state, federal and provincial laws regarding employment. With respect to hourly employees, in addition to abiding by all state, federal and provincial laws, we follow requirements outlined in the respective collective agreements in place (see GRI disclosure 102-41). To ensure practices are in place to promote equal opportunity and non-discrimination for applicants and employees in Canada and the U.S., we implement programs and provide resources on behalf of diverse (or underrepresented) groups, such as women, minorities, people with disabilities and protected veterans, that are covered under the law.</p> <p>Capital Power is committed to providing a safe, healthy and supportive workplace for our employees and agents, where individuals are treated with respect, fairness and sensitivity. Employees and agents must therefore treat each other with dignity and foster an atmosphere of open communication, trust and mutual respect, in keeping with the following:</p> <ul style="list-style-type: none"> a) promoting and maintaining a common understanding of the expectations and behaviours considered appropriate in Capital Power's workplaces; b) taking action to prevent and/or address incidents of inappropriate behaviour, discrimination and harassment wherever Capital Power business is conducted; and c) taking action to prevent and/or address incidents of violence wherever Capital Power business is conducted. <p>Capital Power does not tolerate and is committed to eliminating the hazards of workplace discrimination, harassment, sexual harassment and violence. Capital Power will investigate, and take corrective action to address, all incidents of workplace discrimination, harassment, sexual harassment and violence.</p> <p>Capital Power is committed to treating everyone fairly and equitably and will not tolerate any discrimination of or by an employee or agent on the basis of a Protected Ground. Capital Power will assess all applicants and employees by their qualifications, demonstrated skills and achievements without regard to any of the Protected Grounds.</p> <p>We expect our leaders to foster a work environment free of all forms of discrimination and harassment, including sexual harassment.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |

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| GRI 406: Non-discrimination | | |
| 103-2 | The management approach and its components | <p>Capital Power is committed to providing a safe, healthy and supportive workplace for our employees and agents, where individuals are treated with respect, fairness and sensitivity. While not a signatory to the UNGC, our approach takes into account the 10 UNGC Principles in the areas of labour, environment, anti-corruption and human rights. As a company operating in North America, we support and respect internationally proclaimed human rights, framed under the Universal Declaration of Human Rights, and the core labour standards set out by the International Labour Organization. Our <i>Respectful Workplace Policy</i> outlines the expectations and behaviours considered appropriate in Capital Power workplaces and references the <i>Alberta Human Rights Act</i>, the <i>British Columbia Human Rights Act</i>, the <i>Ontario Human Rights Code</i> and internal policies.</p> <p>Capital Power respects human rights by acting with due diligence, as defined in the UN Guiding Principles for Business and Human Rights, which include a right to non-discrimination. We are committed to eliminating all types of discrimination on the basis of a Protected Ground, which includes (but may not be limited to) race, religious beliefs, skin colour, gender, gender identity, gender expression, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status, sex (including pregnancy and breast-feeding), record of offences, political belief or sexual orientation.</p> <p>We are committed to providing equal employment opportunities to every qualified candidate in all aspects of employment, including recruiting, hiring, disciplinary actions, opportunities for growth and development, promotion, and pay and benefits. We evaluate employees based on their abilities, achievements, experiences and conduct, with decisions based on the needs of the area, job requirements and the individual's qualifications.</p> <p>For more details, refer to GRI 405.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Part-time Work Policy: Our <i>Part-time Work Policy</i> offers full-time employees an additional benefit. Full-time employees can benefit from the flexibility that a part-time arrangement provides for an extended period of time to manage work-life balance. They can choose to remain part-time or return to a full-time schedule at some point in the future. |

| Disclosure Number | Disclosure Title | Response |
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| GRI 406: Non-discrimination | | |
| 103-2 | The management approach and its components | <ul style="list-style-type: none"> • Our Commitment to the Protection of Personal Information and Privacy Policy: At Capital Power, personal information is maintained as strictly confidential. Unless an individual authorizes Capital Power to disclose personal information, or the disclosure of that personal information without consent is required or permitted by law, we will not disclose personal information to any third parties. • Security Policy: This policy reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • Temporary Flexible Workplace Arrangements Policy: Short-term, acute, family or personal responsibilities can sometimes place a significant amount of strain on work-life balance. To assist employees in maintaining balance during this temporary period, employees use the opportunity to add flexibility to their work arrangement through short-term, customized arrangements. <p>With respect to our unions (see GRI 402 Labour Relations), we abide by all applicable national and/or local legal requirements and also all requirements outlined in each union's respective collective bargaining agreements, and follow all regulatory requirements.</p> <p>Special Actions</p> <ul style="list-style-type: none"> • As a member of Catalyst we seek to improve diversity across our organization. See GRI disclosure 102-41. • In 2020, as part of this year's corporate compliance program, we reviewed our Internal Compliance Plan, including our policy and procedures related to the <i>Respectful Workplace Policy</i> and associated communications and training <p>Responsibilities: Capital Power's Labour Relations group maintains meaningful work standards, policies and practices consistent with Capital Power's commitment to providing a positive workplace culture for our employee experience, aligned to our business objectives and maintaining all legal and regulatory requirements in Canada and the U.S. The group provides guidance to HR business partners and management on talent recruitment, training, transitioning and engagement matters, and promotes consistency with respect to Capital Power's policies and practices across the organization.</p> <p>Capital Power's Chief Compliance Officer reviews the <i>Respectful Workplace Policy</i> and <i>Ethics Policy</i> at a minimum on an annual basis, or when circumstances dictate a more frequent review, including if incidents precipitate that a review take place earlier. In addition, training on each policy element is provided to all employees and major contractors on a biennial basis, at a minimum, unless circumstances precipitate that training be provided more frequently and on a specific topic or area.</p> <p>The Chief Compliance Officer, Security, People Service and Labour Relations may partner on managing claims related to discrimination, harassment, retaliation, workplace violence and other workplace conduct, including but not limited to workplace conflict and any performance-related concerns.</p> <p>The Chief Compliance Officer works in partnership with People Service, Internal Audit and Security to investigate actual or alleged wrongdoing in a fair, thorough and expedient manner, and implements mitigation plans, as required.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 406: Non-discrimination | | |
| 103-2 | The management approach and its components | <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Investigations into employee, contractor or external party concerns are conducted in accordance with Capital Power's Ethics Investigation Procedures, highlighted in Appendix A to our <i>Ethics Policy</i>. Results of all investigations are tracked to identify trends that may indicate a need for focused training, additional controls and to ensure consistency.</p> <p>In addition to the annual review of the <i>Ethics Policy</i> and <i>Respectful Workplace Policy</i>, an outreach and communications plan was developed in 2020, taking into consideration the 2021 training initiatives on workplace discrimination, harassment, sexual harassment and workplace violence.</p> <p>A comprehensive review of Capital Power's Internal Compliance Plan and all associated procedures and processes was conducted in 2020, including areas related to respectful workplace issues.</p> <p>A dynamic risk-based assessment was developed to monitor compliance risk associated with major compliance risk areas, including areas related to respectful workplace issues.</p> |
| 103-3 | Evaluation of the management approach | <p>Some of the ways we evaluate to ensure discrimination does not occur include:</p> <ul style="list-style-type: none"> • Promoting and maintaining a common understanding of the expectations and behaviours considered appropriate in our workplaces; and • Taking action to prevent and/or address incidents of inappropriate behaviour, discrimination and harassment wherever our business is conducted. We do not tolerate and will investigate and take corrective action to address all incidents of workplace discrimination, harassment and sexual harassment. <p>In addition to the annual review of the <i>Ethics Policy</i> and <i>Respectful Workplace Policy</i>, an outreach and communications plan was developed in 2020, taking into consideration the 2021 training initiatives/topics and target audience on workplace discrimination, harassment, sexual harassment and workplace violence.</p> <p>Grievance Mechanisms: As outlined in our <i>Ethics Policy</i>, Capital Power wants to ensure we provide a supportive and positive work environment, and we provide a number of channels so that employees can comfortably and safely raise any concerns they may have on discriminatory behaviour. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's People Service Business Partner or Senior Manager, Employee Relations; any member of Capital Power's Executive Team; or either the Chair of Capital Power's Audit Committee or the Chair of Capital Power's Board of Directors.</p> <p>Our Integrity Hotline is managed by a third party and is a confidential and anonymous communication channel for both our internal and external stakeholders, including employees, to submit any concerns they may have about Capital Power. Through the hotline, anyone can submit ethical concerns in good faith without fear of retaliation.</p> <p>Results on material issues are communicated to the Audit Committee on a quarterly basis. Annual results of substantiated violations of Capital Power's <i>Respectful Workplace Policy</i>, including disciplinary actions, are communicated to the Audit Committee through the Chief Compliance Officer's Annual Report.</p> <p>As circumstances dictate, updates and/or revisions are made to policies, procedures and/or practices to mitigate risks. In addition, training and additional controls are put in place to educate staff on such updates and/or revisions.</p> |
| 406-1 | Incidents of discrimination and corrective actions taken | There were no incidents of discrimination reported in 2020. |

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| GRI 413: Local Communities | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>A timely and effective stakeholder identification and engagement process, which includes Indigenous relations, and a community investment process are important to help us understand: 1. the needs, interests, priorities and vulnerability of local communities; 2. how our developments and operations impact the communities where we operate; 3. how we can develop and operate facilities as part of the community and best mitigate concerns and impacts; and 4. how we can work together, support and give back to the community to generate positive, lasting impact and relationships.</p> <p>We conduct stakeholder engagement and community investment activities in and around the communities where we operate, develop and build power generation facilities in Canada and the U.S. Our community investment also supports our head and corporate office communities. A number of our facilities and development projects are located in rural areas, and we often take an expansive and inclusive geographic approach to stakeholder engagement and community investment and build relationships in multiple communities.</p> <p>Capital Power's business activities impact communities and stakeholders in positive and negative ways. Positive impacts often include local employment, contracting and use of local services, especially during construction and maintenance periods, sources of taxation for local governments, local sponsorships and community investment support, the development of new sources of renewable energy and reliable electricity generation. Negative impacts may include emissions from our facilities, disruptions due to construction (dust, noise, traffic) or operational activities (noise, lighting), visual, wildlife and environment (ground and vegetation disturbance) impacts.</p> <p>We are inclusive in our stakeholder engagement process and meet, listen and engage with those who want to discuss any of our projects regardless of physical boundaries. Our practice is to engage with the communities near our operating facilities and development projects, or in a specific region where our facilities or projects are located.</p> <p>Similar to our stakeholder engagement process, our community investment program supports the communities that are geographically close to our operations or in a specific region that our facility is a part of. Programs, events and organizations that provide a direct benefit to the residents and visitors of these communities are considered for support.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Our approach to stakeholder and Indigenous relations and community investment is founded on respect, transparency and our goal of developing enduring relationships that recognize the unique circumstances of communities and stakeholders. Our actions are guided by internal standards, values and our operating culture, which have been tested and enhanced since our formation in 2009.</p> <p>Our Stakeholder Engagement Standards and Practices Guide ("Engagement Guide") outlines our approach to stakeholder engagement and provides procedures, tools and options to implement at any phase of a project's life cycle (development, construction, operations, decommissioning). The Engagement Guide outlines a management process that provides a high degree of coordination between project team members and is scalable to specific project engagement requirements (i.e., environmental assessments, license renewals, etc.). This document is updated and evaluated from time to time, generally after completing milestones of significant engagement processes. Capital Power's community investment process (community funding) often complements this project-specific work, helping to further build a foundation for strong community relations.</p> |

| Disclosure Number | Disclosure Title | Response |
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| GRI 413: Local Communities | | |
| 103-2 | The management approach and its components | <p>Our approach to Indigenous engagement is outlined in the Company's Indigenous Relations Handbook. This is a tool developed for business teams that will be engaging First Nations and Métis communities as part of our project development and/or operations activities. The Handbook notes that "Indigenous peoples hold a unique place in Canadian society, culture, history and law" and provides specific guidance in how to work with Indigenous communities in a manner that is culturally sensitive, respectful, honest and effective.</p> <p>Our community investment program is managed through an online request system. Organizations requesting support from Capital Power can apply through the online system. Requests are reviewed for fit within the program guidelines and budgets and processed.</p> <p>As a result of the COVID-19 crisis, our program was adapted to support those most in need. Working closely with facility managers and community groups, we identified the local organizations providing direct COVID-19 support. We moved our annual fall giving campaign to May to enable employees to maximize their support using our matched-giving program. During this Let's Rally Together campaign, employee donations were matched with no limit.</p> <p>As unemployment soared, businesses closed and services became overwhelmed, Capital Power employees rallied together to support our communities. In only two weeks, we rallied together to donate \$534,000 to local community charities that were responding to the COVID-19 crisis. During the two-week campaign, 220 employee contributions were matched in full by Capital Power, with over 100 charitable organizations in Canada and the U.S. receiving critical support during this extraordinary time.</p> <p>Capital Power contributed more than \$1.5 million to community organizations in 2020. Through our GENerosity matched-giving program, over \$172,000 in employee donations was matched by the Company. Our GENerosity program provided support to 224 charitable organizations in 2020, all chosen by our employees. Our employee volunteer program, EmPowering Communities, saw 121 employees participate in 2020. This is down from previous years due to reduced volunteer opportunities resulting from COVID-19 restrictions. Despite these restrictions, employees reported over 5,300 volunteer hours and directed \$62,500 to charitable service organizations through the program.</p> <p>We conduct stakeholder engagement and community investment to have meaningful two-way engagement with communities in relation to our projects and operations. We seek to understand community interests and priorities and our potential impacts to them. Our goal is to learn from these discussions, build strong and enduring relationships, and work toward a strong, vibrant future within the communities in which we operate.</p> <p>The Company does not have a specific stakeholder engagement or community investment policy. Our processes and commitments to both stakeholder engagement and community investment are documented internally, whether through the Stakeholder Engagement Guide, the Indigenous Relations Handbook or internal plans developed annually with facility managers. The Company regularly reviews and adapts its approach to address challenges.</p> <p>Commitments: Our commitment to improving the quality of life where we live and work pushes us to find new and creative ways of strengthening our communities.</p> <p>We work with community members and invest in citizen-led projects to preserve and strengthen community character, ecology and heritage. Our commitment is to support meaningful, grassroots initiatives and programs; we help create healthy and sustainable communities.</p> |

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| GRI 413: Local Communities | | |
| 103-2 | The management approach and its components | <p>We are committed to earning our place as a respected member of the community. With every project, every facility and every initiative, we work to understand the interests and priorities of those who have a direct stake in the safe and environmentally sound operations of our facilities, and then strive to align our development and operating practices accordingly.</p> <p>Responsibilities: The Engagement Guide outlines team accountabilities for a range of stakeholder engagement initiatives. The overall program is managed by stakeholder engagement staff who have accountabilities to the project manager. A range of specialists (environment, engineering, operations, etc.) are often involved in stakeholder engagement processes to ensure stakeholders have accurate information.</p> <p>Similarly, the Indigenous Relations Handbook identifies roles that will be necessary to support positive and productive relationships over time with Indigenous communities.</p> <p>The community investment program is managed by our community relations staff who engage facility managers and other internal key parties as required. Community Relations develops annual plans together with facility managers and key community contacts. This collaborative approach ensures that we are aligning our community support program with the needs of the local communities.</p> <p>Resources: The Engagement Guide supports teams in designing stakeholder engagement programs. It recommends the range of specialists who should form the engagement team, provides ideas for identifying regulatory requirements relevant to stakeholder engagement and outlines how to identify key stakeholders. Generated from best practices and the Company's experience, the Engagement Guide also provides methods for stakeholder communication, including ideas for effective channels, communication materials and forms of direct stakeholder engagement (one-on-one meetings, open houses, event participation), tracking stakeholder feedback and the responses given and actions taken. Project teams can adapt and refine these approaches to suit project requirements.</p> <p>Our approach to Indigenous engagement is outlined in the Company's Indigenous Relations Handbook. The Handbook outlines steps for developing culturally sensitive, respectful and effective relationships throughout the project development process. It provides tools such as community research tips, contact tracking tools, capacity funding agreements, cooperation agreements and suggestions for addressing impacts directly or through impact benefit agreements. Project teams are able to adapt and refine these approaches to suit project requirements.</p> <p>Annually, we develop plans for delivering community investment resources to communities where we operate. This is an iterative process, incorporating learnings from previous years while giving consideration to support new initiatives and projects based on our understanding of community needs. The plans are enhanced through meetings with key operations staff and facility managers who have knowledge of the communities or who directly supervise staff who live in or near these communities. The approved plans serve as a general guideline for community investment activities, with allowances made for responding to new and emerging needs (i.e., COVID-19).</p> |

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| GRI 413: Local Communities | | |
| 103-2 | The management approach and its components | <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <ul style="list-style-type: none"> • General contact information (phone and email) is posted on our website • We have a toll-free phone line which is provided for our operating sites, via the website. Contact information is also provided for our development sites. This line is monitored by the Company's stakeholder engagement staff. Calls are normally returned the day they are received or within 24 hours at the longest. • During construction, our complaint process generally runs as follows: <ul style="list-style-type: none"> • Inbound phone calls and emails are received by Capital Power's Stakeholder Engagement team • Upon receipt of a complaint, stakeholder engagement will contact the member of the construction team (Project Manager, Site Construction Manager or Commercial Manager). Complaints will then be investigated, and a response generated. • Capital Power's goal is to respond to complaints within one business day, or within 24 hours at the longest, from receipt of a complaint. Certain issues may require longer than 24 hours to address and/or require multiple contacts. • All contacts and complaints are logged electronically • Field crews receiving a complaint will contact Capital Power with information about the complaint, either by direct phone call, email or the use of a complaint form. Field crews will also be provided with business cards with the phone line, allowing members of the public to contact Capital Power directly. <p>Depending on the nature of the concern raised, additional time may be taken to address issues. As needed, stakeholder engagement staff will access other subject matter experts to address concerns. Decisions regarding grievances or concerns with our facilities are made by senior management with accountabilities for those facilities, with input from stakeholder engagement and other subject matter experts as required.</p> <p>Capital Power 2020 Integrated Annual Report > Community Engagement > pp. 45–46</p> <p>Capital Power 2020 Integrated Annual Report > Indigenous Communities and Engagement > pp. 46–47</p> |
| 103-3 | Evaluation of the management approach | <p>Capital Power's stakeholder engagement approach is enhanced and improved through ongoing evaluations of specific engagement projects and lessons learned once these projects have achieved certain milestones (for example, receiving a regulatory approval). The Engagement Guide provides a framework of questions to conduct these evaluations. These assist project teams in assessing the stakeholders engaged, the quality of the information provided, the effectiveness of communication channels, feedback received and how this was used.</p> <p>Our community investment approach is evaluated in both an ongoing and annual process. On an ongoing basis we assess the impact of our support and how it assisted groups in achieving their stated goals. In some cases, the level of corporate recognition received is also assessed. Annual plans for community investment in our operating communities are developed and discussed with our operations managers. This process allows us to assess the effectiveness of funding opportunities in the year previous. Changes are made to future plans based on ongoing evaluations of the community need and any arising issues.</p> <p>Capital Power's stakeholder engagement staff are accountable for documenting new learnings as well as for seeing these applied to new projects, as applicable. This process allows for Capital Power's stakeholder engagement processes and practices to undergo ongoing refinement and evolution.</p> |

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| GRI 413: Local Communities | | |
| 103-3 | Evaluation of the management approach | <p>Our standard is to debrief and conduct a “lessons learned” exercise to capture aspects that can help improve our practices, ensuring that these reflect current realities and evolve with stakeholder interests.</p> <p>COVID-19 required us to adjust and adapt some of the ways in which we traditionally engaged with stakeholders. While our normal practice would have involved face-to-face events (such as open houses and landowner dinners), we adapted our processes to ensure the safety of our stakeholders and employees while continuing to provide information to stakeholders and opportunities to receive feedback directly. Instead, we held two virtual question and answer sessions, which allowed stakeholders to phone into sessions if they had questions about our projects. These sessions were advertised locally, on our website and project newsletters, and the use of the phone minimized any technical challenges our stakeholders may have encountered with other online channels.</p> |
| 413-1 | Operations with local community engagement, impact assessments and development programs | All our operations are covered by some form of local engagement program or process the Company manages, whether through community investment, direct engagement with stakeholders, issue management or direct dialogue between facility staff and local area stakeholders. For more information, please refer to the Stakeholder Engagement section in the 2020 Integrated Annual Report (pp. 44–49) |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | <p>The core implementation strategy for our stakeholder engagement processes is to share our plans; provide multiple opportunities to receive stakeholder feedback; determine how we can implement stakeholder feedback into project planning; and modify plans wherever possible. Our engagement teams seek to learn more about potential risks and negative impacts that our projects might have. Our larger goal is to understand these risks and avoid, reduce or mitigate impacts.</p> <p>For example, with the announced retirement of our Southport and Roxboro facilities in March 2021 there will be impacts to the nearby communities from an economic benefits perspective, whether from employment, local contracting and spending, and local taxation. The Company pursued alternatives to retiring these facilities, however, none were successful. Regarding the Genesee repowering project, while there are benefits from an emissions reduction perspective, ceasing coal operation will result in workforce reductions at the site. The Company is working with employees to access programs to support re-training, re-employment or early retirement.</p> <p>Stakeholder input is documented and tracked through our standard practices, allowing teams to understand the feedback we receive and to address comments in an organized, thorough manner.</p> <p>As part of project design, permitting and operations, we conduct assessments to understand the impacts of our operations on local communities and seek to mitigate any potential adverse effects.</p> |

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| GRI 414: Supplier Social Assessment | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Capital Power's supply chain has both local and global reach. Our development efforts and plant operations engage everything from large multinational equipment and service providers to local sole proprietorships. Large multinationals have extensive supply chains of their own with significant third or developing world components. As a large purchaser in the areas where our facilities are located, Capital Power recognizes that local sourcing has a material impact on the local economy and social infrastructure that is supported by dollars spent locally. Benefits to Capital Power from sustainable local sourcing include reduced logistics cost and less risk to our operations and supply chain by having a local supplier able to hold and supply our goods and provide services.</p> <p>The boundaries are generally considered to be the activities of suppliers for our operating and construction of power generation facilities.</p> <p>We are a major buyer for our under-construction and operating sites and, as such, our purchasing decisions can decrease social impacts. We require our suppliers maintain high health and safety standards by grading their health and safety programs.</p> <p>Capital Power recognizes that its social sustainability programs can be developed into a comprehensive system that achieves a higher level of sustainability in our supply chain.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Sustainable sourcing at Capital Power includes practices to improve the social impact of our suppliers' business activities and supply chain responsibilities that are embedded across the organization with respect to the procurement of goods and services. These practices include non-cost-based selection criteria and a requirement for suppliers to follow internal or external standards relating to sustainable business practices. Sourcing is applicable to all purchases regardless of transaction dollar value, which maximizes the potential impact of sustainable sourcing requirements.</p> <p>The purpose of the management approach is to source suppliers and contractors that deliver optimal value to our construction and operations while also achieving a level of social sustainability by employing local trades and Indigenous workers when possible or available.</p> <p>Capital Power's approach uses policy, procurement process and contracting, and site management to ensure social standards are met by suppliers, and that suppliers understand our workplace standards.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

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| GRI 414: Supplier Social Assessment | | |
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. • Procurement Process and Contracting: Our procurement process requires that any prospective supplier verifies that they will meet our <i>Ethics Policy</i>, and our contracts include terms requiring suppliers to adhere to our policies. • Site Management: For those suppliers that conduct work on any of our sites, Capital Power employees monitor certain aspects of the work, which includes compliance with the <i>Ethics Policy</i>. Any supplier not complying will have its work stopped and said work will not recommence unless and until full compliance is achieved. <p>Commitments Capital Power is committed to only using suppliers that choose to have a high safety record, which shows the commitment that for suppliers to work and to continue to work with us they must maintain a high safety record.</p> <p>Goals and Targets Capital Power has a commitment to its employees, suppliers, municipalities where we operate and shareholders to work in an environment that requires all involved to meet and exceed the health and safety targets and requirements.</p> <p>Responsibilities Each employee who is managing a supplier is required to review the safety grade of our suppliers prior to engaging in business with the supplier. We use a third-party safety program to assess the suppliers' safety ratings. If a supplier is below a target number, we require senior management approval to work with the supplier.</p> <p>Resources Third-party safety program, supply chain department and health, safety and environment department are all used to review our suppliers.</p> <p>Grievance Mechanisms Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Specific Actions Capital Power's <i>Ethics Policy</i> and <i>Health, Safety & Environmental Policy</i> are required to be followed by our suppliers and distributed as part of our purchasing requirements and processes. The purchasing process provides clear guidance for how purchases are to be conducted within the organization and provides our suppliers guidance on how to conduct business with Capital Power.</p> <p>Capital Power 2020 Integrated Annual Report > Sustainable Sourcing > p. 43</p> |

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| GRI 414: Supplier Social Assessment | | |
| 103-3 | Evaluation of the management approach | <p>Capital Power is working toward an improved mechanism for evaluating the economic sustainability impacts of our procurement process. Implementation of the sustainable supply chain strategy's first phase began in the second half of 2019 and involved defining what sustainable supply chain means for Capital Power, determining responsible sourcing methods and mapping some existing initiatives in this space.</p> <p>Some of the work being planned for 2021 includes ensuring supplier compliance. Standardized terms agreed to with suppliers typically provide us with the opportunity to audit supplier compliance with terms of each agreement, including HS&E standards, which we apply by conducting audits each year. We're evaluating ways to incorporate more of a sustainability focus in our future sustainable sourcing strategy. On major capital projects, we require project teams to complete "lessons learned" processes throughout the project and at completion. The results support continuous improvement of our approach to supplier sourcing and the corresponding impact on sustainability.</p> |
| 414-1 | New suppliers that were screened using social criteria | We do not have social criteria to screen suppliers |
| 414-2 | Negative social impacts in the supply chain and actions taken | We do not have social criteria to screen suppliers |
| GRI 415: Public Policy | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Capital Power's assets and commercial interests in the markets in which it operates, and its development interests in prospective markets, stand to be impacted by public policy measures undertaken by various levels of government, and by market operators, relating to a range of issues, including but not limited to electricity market design, transmission, carbon policy, environmental emissions and water. Accordingly, engagement with government stakeholders in current and potential operating jurisdictions is a vital enabler for business growth and ongoing sustainability of current assets as well as business growth. We participate in the legislative and regulatory processes to have a constructive dialogue with those who are creating or influencing policies that stand to have a significant impact on our business. We engage with federal, provincial, state and municipal officials to advocate on policies and legislation that have a direct impact on Capital Power and our operating assets.</p> <p>Capital Power engages with federal, provincial, state and municipal officials to advocate on policies, legislation and rules that may impact Capital Power's business and operating assets. Policies, legislation and rules that are most likely to have a direct impact on Capital Power's business and operating assets are:</p> <ul style="list-style-type: none"> • Electricity market and transmission rules and policies • Carbon policy with an emphasis on climate change risks and opportunities • Emissions regulation and environmental policies relating to power generation development, including rules for land use, siting and water management • Energy policy, including the regulation of markets for commodities and policies and programs to incentivize any particular type(s) of generation <p>Environmental Impacts</p> <p>Managing our impact on the environment is a critical component of our mission and corporate goals. We work to reduce our impacts on the environment, improve our performance and cultivate a future for low-carbon power generation.</p> <p>We are on the path toward a cleaner energy future and are advancing low-carbon energy through investments in innovative technology and new, cleaner energy sources with the integration of natural gas and renewables.</p> |

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| GRI 415: Public Policy | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Social Impacts</p> <p>We are committed to being a responsible member of the community, improving the quality of life where we live, work and operate. Through our community investment programs, we work with community members to provide support to local programs and invest in citizen-led projects that preserve and strengthen community character, ecology and heritage. By supporting meaningful, grassroots initiatives and programs, we help create healthy and sustainable communities.</p> <p>We also believe that our ability to execute our strategy and maximize shareholder value is achieved by bringing together talented employees from diverse backgrounds, on an inclusive basis, to work collaboratively to meet the challenges and capture the opportunities of our business. We are committed to fostering a culture where diversity and inclusion is an element that is woven into the fabric of who we are, a key value and a means to grow and succeed.</p> <p>As a wholesale power generator, and an independent power producer, our operations have direct and indirect environmental and social impacts. Accordingly, we advocate directly with government and participate in relevant policy and regulatory processes with non-governmental entities and through trade associations to promote and develop science-based public policy solutions with a view to creating long-term sustainable outcomes for society and our business.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Capital Power has a dedicated Government Relations, Regulatory and Environmental Policy team that is responsible for managing and representing Capital Power's interests with respect to market, transmission and environmental policy, rules and legislation relevant to Capital Power's existing and prospective operations. In support of these efforts, Capital Power employs dedicated teams of internal and external subject matter experts to evaluate issues of concern and determine the materiality of operational, environmental, economic and social impacts. Capital Power's management of public policy-related risks is also considered within ongoing asset management, forecasting and due diligence processes relating to the Company's existing and prospective commercial initiatives. In addition, Capital Power has developed, implemented and sustained an enterprise risk management (ERM) program that identifies, assesses, categorizes, responds to, reports on and monitors key risks relating to all aspects of the Company's operations and interests.</p> <p>Capital Power participates in the public policy process to support informed development and enactment of public policies relevant to the Company's business to protect or enhance shareholder value. Our approach to advocacy is collaborative and we work with a wide range of stakeholders to develop and promote market-oriented, friendly, science-based solutions with a view to creating long-term sustainable outcomes for society and our business.</p> <p>Policies</p> <ul style="list-style-type: none"> • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. |

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| GRI 415: Public Policy | | |
| 103-2 | The management approach and its components | <p>Commitments</p> <p>Capital Power's commitment to managing public policy extends far beyond regulatory compliance. We believe in creating dependable, cost-effective and innovative electricity solutions to power a sustainable future for generations to come.</p> <p>Our goal is to be net carbon neutral by 2050. We are committed to staying ahead of the curve and acting as a leader within our industry when it comes to sustainability and environmental, social and governance practices.</p> <p>It is our responsibility to do our part to help society meet the long-term challenges facing our planet. These are essential actions to ensure we're making meaningful contributions to our world. Sustainability is an integrated and holistic practice for us, and we work to ensure our business decisions support a sustainable future for our environment, communities, people, operations and shareholders.</p> <p>Goals and Targets</p> <ul style="list-style-type: none"> • Achieve net carbon neutral by 2050 • Construct all new natural gas generation units to be carbon capture and/or hydrogen ready • Reducing Scope 1 CO₂ emissions at Genesee by 50% by 2030 from 2005 levels • Reducing Scope 1 CO₂ emissions by 10% by 2030 from 2005 levels, based on our 2019 fleet¹ • Reducing Scope 1 CO₂ emission intensity by 65% by 2030 from 2005 levels¹ • Invest in carbon capture and utilization technology to help us achieve net carbon neutrality by 2050 and eventually physically decarbonize our natural gas fleet (ongoing) • Complete the Genesee Carbon Conversion Centre in the first half of 2022 • Enhanced sustainable sourcing plan (2021) • Enhanced water management plan (2021) <p>Responsibilities and Resources</p> <p>The responsibility for public policy matters resides with the Senior Vice President, Planning, Stakeholder Relations and Chief Sustainability Officer, who provides regular updates on significant or material regulatory and policy matters to the Executive Team and the Board. The Vice President, Government Relations, Regulatory & Environmental Policy (GRREP) reports directly to the SVP/CSO and is responsible for the team that engages in public policy processes in Capital Power's Canadian and U.S. markets. This SVP/CSO provides regular updates on significant or material regulatory and policy matters to the Executive Team and the Board.</p> <p>Capital Power's performance management framework incorporates both individual performance metrics relevant to each role, as well as corporate performance metrics. Appropriate performance metrics for public policy-related issues are included as part of the overall performance assessment for personnel with responsibilities for those matters.</p> <p>Capital Power has a dedicated Government Relations, Regulatory and Environmental Policy team that is responsible for managing and representing Capital Power's interests with respect to public policy. In addition, Capital Power employs dedicated teams of internal and external subject matter experts to evaluate issues of concern and determine the materiality of operational, environmental, economic and social impacts.</p> <p>Grievance Mechanisms</p> <p>Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Specific Actions</p> <p>Capital Power's dedicated Government Relations, Regulatory and Environmental Policy team is engaged in all public policy matters that have the potential to materially impact our business in the jurisdictions in which we operate.</p> |

¹ Our policy is to recalculate our base year emissions for any significant impacts as a result of changes in calculation methodologies and major acquisitions or divestments.

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| GRI 415: Public Policy | | |
| 103-3 | Evaluation of the management approach | Management's approach is regularly assessed on the extent to which public policy decisions reflect or incorporate input provided by Capital Power, taking into account several considerations, including but not limited to extent of Capital Power's presence or operations in relevant market(s), significance of policy to applicable government(s) and the range of stakeholder views that may exist on any particular issue. |
| 415-1 | Political contributions | We do not make any monetary contributions for political purposes. Our engagements with public officials are disclosed in accordance with all applicable federal, state and municipal laws. |
| GRI 419: Socioeconomic Compliance | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>A key element to achieve Capital Power's strategy and limiting corporate liability and risk is maintaining a strong culture of compliance. Capital Power employs a formal and transparent compliance program that monitors and observes all applicable market rules, laws and regulations in the jurisdictions we operate, and also stresses the importance of highly ethical behaviours among all employees and contractors we do business with.</p> <p>To ensure compliance, we are subjected to internal and regulatory inspections and audits, and we are also obligated to self-report any non-compliance events to the applicable regulators.</p> <p>Information for this disclosure represents Capital Power's disclosure of non-compliance with regulatory compliance laws and regulations pertaining to the electricity sector in the various markets we operate.</p> <p>The boundaries include all of Capital Power's operating regions and business units; and Capital Power employees. We abide by all state, federal and provincial laws regarding reliability standards and market rules within the markets we operate. This includes oversight, assessment, reporting and educating employees to assure compliance with internal policies and procedures as well as the laws and regulations pertinent to the electricity sector.</p> <p>Our facilities provide electricity to meet contractual and regulatory requirements, contributing to meeting electricity supply in the various markets we operate. We place the highest priority on mitigating regulatory compliance risk and inquiries from regulatory bodies to resolve issues in an expedient manner.</p> <p>We investigate potential breaches of laws and regulations and self-report non-compliant events to regulatory bodies. Data on those assets we own as part of a joint venture (JV) arrangement, with compliance requirements managed by the JV partner, is not included in this report.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>We are subject to internal and regulatory inspections and audits, and we are also obligated to self-report any non-compliance to the applicable regulatory authority. Information for this disclosure represents Capital Power's disclosure of non-compliance with Market Rules and Reliability Standards applicable to our operations in the electricity markets we operate.</p> <p>Capital Power operates within seven regulatory markets within North America and ensures our operations meet regulatory compliance requirements in those various jurisdictions. Employees and agents should be aware of, and must comply with, all legal and regulatory requirements applicable to their jobs and should consult with their manager, compliance, legal or other senior leaders on any uncertainty in meeting legal or regulatory requirements.</p> <p>Policies</p> <ul style="list-style-type: none"> • <i>Ethics Policy:</i> We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. |

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| GRI 419: Socioeconomic Compliance | | |
| 103-2 | The management approach and its components | <p>Responsibilities include:</p> <ul style="list-style-type: none"> • On an annual basis, Capital Power’s Internal Compliance Plan and associated programs, practices and procedures are reviewed to ensure that new and emerging regulatory compliance requirements are met; • Fostering and promoting a culture that encourages ethical conduct and a commitment to ethical decision making and compliance with applicable regulatory compliance requirements; • Establishing guidelines to stakeholders on the appropriate interpretation of emerging and enacted laws, regulations, rules and/or standards; • Developing and implementing programs through policies and procedures, as required; • Educating stakeholders with respect to compliance with applicable laws, rules and standards, and acting as advisor on compliance queries from stakeholders; • Advising management on the applicable laws, regulation, rules and standards, and informing about developments in these areas; and • Conducting internal investigations on potential non-compliance incidents in a fair, equitable and objective manner. <p>The Compliance and Ethics team is led by a Chief Compliance Officer and includes two senior compliance specialists and two compliance analysts, with regulatory compliance requirements supported by plant operations, real-time operations, engineering and security, as required.</p> <p>Grievance Mechanisms: Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>We conducted a comprehensive review of Capital Power’s Internal Compliance Plan and all associated procedures and processes, completed in 2020, which included areas related to regulatory compliance.</p> <p>A dynamic risk-based assessment was developed to monitor compliance risk associated with major compliance risk areas, with a legal review for completeness.</p> <p>In addition, members from the Compliance and Ethics team are involved in various compliance committees through regional regulators to ensure we remain up to date on updated, new and emerging regulatory compliance requirements.</p> |
| 103-3 | Evaluation of the management approach | <p>Self-reporting on non-compliance issues, including analysis on root causes, is used to assess trends and risks, with mitigating activities implemented to prevent future recurrence. Monthly surveys are conducted with plant operations to assess risk and ensure that events are addressed as soon as feasible, with risks assessed in real-time.</p> <p>Results on material issues are communicated to the Audit Committee on a quarterly basis, with major changes to Capital Power’s regulatory obligations also communicated. Results on compliance contraventions and stats on self-reports are communicated to the Audit Committee through the Chief Compliance Officer’s Annual Report. Root-cause analysis and mitigating activities are communicated to management, as required, and training developed to ensure understanding of regulatory compliance requirements.</p> <p>As circumstances dictate, updates and/or revisions are made to policies, procedures and/or practices to mitigate risks. In addition, training and additional controls are put in place to educate staff on such updates and/or revisions and emerging regulations and associated requirements.</p> <p>Capital Power 2020 Integrated Annual Report > Ethics and Integrity > pp. 16–17</p> |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | <p>Capital Power self-reports all compliance violations to regulatory bodies. In 2020, we were assessed \$11,000 in fines and penalties related to ISO market rules and licensing violations, all of which were self-reported.</p> <p>Capital Power 2020 Integrated Annual Report > Ethics and Integrity > pp. 16–17</p> |

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| Innovation (INN) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We recognize innovation as the key to creating a responsible, sustainable energy future. Through investments in technology and building a culture of innovative thinking, we are advancing low-carbon power and transforming our energy future. The ability to innovate, be it game-changing technology or incremental innovation, impacts the bottom line across the organization. A culture of innovation enables us to adapt to rapidly changing conditions, creates a competitive advantage and adds value for our shareholders.</p> <p>While we have made significant investments in innovation across our fleet, including converting our Genesee site from coal to natural gas in 2023, upgrading the combustion turbines at Decatur between 2019 and 2021, and implementing advanced analytics to improve the performance of our wind and thermal fleets, we have specifically measured our progress in innovation based on investment in:</p> <ul style="list-style-type: none"> • Our industry-leading GPS carbon emissions reduction program that targets a 12% reduction in emissions at Genesee by 2023; and • Our equity investment in C2CNT, a company that has developed an innovative technology that transforms carbon emissions into carbon nanotube (CNT) products, and subsequent anticipated application of the C2CNT technology in our Genesee Carbon Conversion Centre (GC³) project that would generate 2,500 tonnes of CNT per year starting in the first half of 2022, with the potential to expand to 7,500 tonnes per year. <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Capital Power assesses all investments and capital spends through a rigorous internal review and valuation process. All our investment decisions are governed by the Opportunity to Asset Integration (O2AI) process that ensures generation technologies fit with our strategy, includes investment hurdle rates and requires Board approval for major capital spends.</p> <p>GPS investments are assessed using Capital Power's sustaining capital approvals process that is subject to annual Board approval through the internal budget process.</p> <p>Capital Power's equity investment in C2CNT was subject to due diligence, including engaging third-party experts to verify processes and results, as part of internal investment review and Board approval. Review of the GC3 project is ongoing and is also based on Capital Power's rigorous internal investment review process, including due diligence and engagement of third-party experts for engineering design. The project will be brought for Board approval prior to final notice to proceed.</p> <p>Policies</p> <p>The following internal policies (not publicly available) guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines approval process for investments in existing assets or major capital projects or acquisitions. Investment in major capital projects or acquisitions must consider the term of the investment, impact on earnings and dividend, and Capital Power's ability to actively add value and project risks. Board approval occurs through a two-stage process. The Policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management and sustainability. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. <p>Specific Actions</p> <p>In 2020, Capital Power invested \$23 million in the GPS project and C2CNT combined.</p> <p>Capital Power 2020 Integrated Annual Report > Innovation > pp. 22–25</p> |

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| Innovation (INN) | | |
| 103-3 | Evaluation of the management approach | Our technology investments are governed by the Opportunity to Asset Integration (O2AI) process, and each investment moves through stage gates of internal review and is ultimately approved by the Board of Directors before deploying capital. Ongoing capital investments at existing facilities are managed through our Project Execution Process (PEP), which includes project implementation reviews. Our internal O2AI and PEP processes are subject to periodic internal audits that identify and implement changes as appropriate. |
| Asset Security (ASE) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Protecting our personnel and assets is an important part of our culture. Employees and contractors are trained to report all security-related incidents through one of the many available reporting paths. Additionally, this is an important part of our culture and the focus of our security management program.</p> <p>Protection of our personnel and assets is accomplished by using a combination of best practices, such as a robust background check program for all onboarding and ongoing support of policies and procedures. These include the Security Policy Statement, Access Control Procedure, Personal Risk Assessment Procedure, Emergency Response Plans, Site Security Plans and <i>Ethics Policy</i>.</p> <p>Security impacts can occur at all Capital Power operating sites and projects. Our Security Policy Statement reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live.</p> <p>Ensuring the safety and security of our people is a priority and relates directly to our overall mission statement: "To protect Capital Power's people, assets and reputation through leadership and innovative solutions while promoting a diverse environment of inclusion, collaboration and integrity."</p> <p>Protecting our personnel and assets is an important part of our culture. All staff are trained to report all security-related incidents through one of the many available reporting paths. All new employees and contractors are subject to various levels of background screening and are required to complete online security training. They also have access to an internal website that houses information and awareness tips on various security topics. Incidents that require third-party reporting, such as regulatory entities or law enforcement response, are captured in documents such as the EOP-004 Event Reporting Procedure, Emergency Response Plans and Site Security Plans (CIP-003).</p> <p>All employee investigations must be approved by our HR or ethics & compliance department, and security provides support to both departments as required.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |

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| Asset Security (ASE) | | |
| 103-2 | The management approach and its components | <p>The security team manages the policies and procedures by combining industry best practices, education, experience and technology to mitigate the risk of security impacts while striving to maintain shareholder value.</p> <p>Our approach includes our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. • The Security Management Program: Includes asset protection, is maintained annually and is updated whenever there is a change to law, regulations or industry best practices. • Security Policy: Reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. <p>Commitments</p> <ul style="list-style-type: none"> • To provide a safe and secure workplace for Capital Power employees, contractors and visitors • To educate employees and contractors on security-related issues in both the workplace and at home • To manage and mitigate the risk of injury or loss to Capital Power's people and assets |

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| Asset Security (ASE) | | |
| 103-2 | The management approach and its components | <p>Resources Multiple resources are involved with security for Capital Power: Security Policies and Procedures, Site Security Plans, Emergency Response Plans, Threat and Risk Assessments, Business Continuity Plans, Access Control Procedures, Risk Assessment Procedures, Electronic Access Control Systems, Intrusion Detection Systems, CCTV (video) systems and various forms of perimeter protection.</p> <p>Grievance Mechanisms Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index). Capital Power 2020 Integrated Annual Report > Enhancing Cyber and Asset Security > pp. 42–43</p> |
| 103-3 | Evaluation of the management approach | <p>Internal auditing includes the Integrated Site Assurance Team (ISAT) process. A physical security SME is part of ISAT, who completes an up-to-date risk assessment on the facility being reviewed. Once the risk assessment is complete, a risk ranking is attached to the facility, and subsequent physical security measures are recommended for implementation. The physical security measures are based on industry-wide best practices and benchmarking, along with Capital Power's own appetite for risk. Once recommendations are made, management has a chance to respond and attach completion dates. Internal Audit is responsible for following up on the audit recommendations and assigning risk rankings to each finding. High-risk items have Board visibility.</p> <p>2020 saw the review of:</p> <ul style="list-style-type: none"> • Site Security Plans, including a threat response plan, at all operating sites • Emergency Response Plans are updated once a year for all sites • EOP-004 Event Reporting Procedure is updated once per year, at all sites • Business Continuity Plans are updated once per year • Policies and procedures are updated once per year |
| Disaster Relief and Resiliency Plans (DRR) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>The emergency management program exists to reduce the risk to people and assets before and during a disaster, help mitigate the effects of the disaster on operations and assist with recovery efforts to resume normal operations. The emergency management program is based on two voluntary standards: Canadian Standards Association Z1600 – Emergency Management and Business Continuity (Canada) and National Fire Protection Association 1600 – Standard on Disaster/Emergency Management and Business Continuity (U.S.).</p> <p>Disaster impacts can occur at all Capital Power operating sites and projects. Our emergency management program reinforces our commitment to business resiliency for our employees, contractors, visitors and people in the communities in which we work and live.</p> <p>Emergency Response Plans (ERP) are created and maintained at all Capital Power sites. The ERP assists with responding to emergency situations when they occur and includes procedures for notifying third parties such as local residents, regulatory bodies, government groups and emergency responders. Any mutual aid agreements would be either included or referenced in the ERP to allow for easy access during a crisis.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |

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| Disaster Relief and Resiliency Plans (DRR) | | |
| 103-2 | The management approach and its components | <p>The Emergency Management Plan includes processes and procedures around disaster relief and resilience. This includes a site-specific Emergency Response Plan for all Capital Power sites; a Business Continuity Plan for all corporate departments, a risk-based all-hazards assessment for all Capital Power sites; and a Capital Power Crisis Management Plan to respond to emergency situations for all sites that are outside of their operational capacity.</p> <p>Policies</p> <ul style="list-style-type: none"> • Health, Safety and Environment Policy: This policy is intended to create, implement and maintain a Health, Safety and Environment (HSE) Management System that enables minimization of occupational injury and illness, and negative impacts to the environment, in a socially responsible and sustainable manner. For more details on this policy, refer to GRI 204: Procurement Practices, disclosure 103-2. • Ethics Policy: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • Respectful Workplace Policy: This policy describes general respectful workplace responsibilities and expectations, including those related to providing a workplace free of discrimination, harassment, sexual harassment and violence when performing work at and for Capital Power. For more details on this policy, refer to disclosure 102-16. <p>The following internal policies (not publicly available) also guide our activities:</p> <ul style="list-style-type: none"> • Investment Policy: Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, looking for opportunities to reduce energy by lowering heat rates and emissions across all assets. This policy also ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate. • Enterprise Risk Management: Operational excellence is outlined under the <i>Enterprise Risk Management (ERM) Policy</i> and includes energy management stating that the Company will safely manage, operate and maintain its facilities in a manner that optimizes efficiency, productivity and reliability, and minimize costs while reducing environmental impact. • The Security Management Program: Includes asset protection, is maintained annually and is updated whenever there is a change to law, regulations or industry best practices. • Security Policy: Reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and the people in the communities in which we work and live. This policy is approved by Capital Power leadership, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection. • Emergency Management Program: An overall management framework and document that ensures a continuous emergency planning process • Crisis Management Plan: The document that establishes the process for the Crisis Management team to oversee and support emergency incidents for all sites that are outside of their operational capacity and require strategic guidance. <p>Commitments</p> <p>To protect Capital Power people and assets during an emergency incident and assist with resuming normal operations.</p> <p>Goals and Targets</p> <p>To ensure the plan is accessible, up to date and contains the correct information. A basic emergency management dashboard is currently being utilized.</p> |

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| Disaster Relief and Resiliency Plans (DRR) | | |
| 103-2 | The management approach and its components | <p>Responsibilities All emergency management plans in place have a section outlining specific responsibilities of plan owners, plan administrators and plan participants.</p> <p>Resources Consultation with site and corporate SMEs.</p> <p>Grievance Mechanisms Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Current Processes</p> <ul style="list-style-type: none"> • Emergency Response Plans are updated once a year for all sites • Business Continuity Plans are updated once per year • The Crisis Management Plan is updated annually (unless changes to staffing or assets require additional updating) <p>Capital Power 2020 Integrated Annual Report > Ensuring Operational Resiliency > pp. 40–41</p> |
| 103-3 | Evaluation of the management approach | A gap analysis was completed on our Emergency Management Plan with testing during the GridEx V exercise. Findings and changes are to be rolled out in 2021 as a result of the COVID-19 initiatives. |
| Cyber Security (CSE) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>Cyber security works to prevent cyber-attacks, data breaches, identity theft and disruption to our core business of generating power.</p> <p>Cyber security is critical to our business and continues to evolve with the ever-changing rapid attacks that occur against our sector, and data security and privacy threats continue to evolve and escalate. A successful cyber-attack can cause major damage to our business.</p> <p>A security breach can affect our bottom line, and our business' reputation and consumer/employee trust, with financial, reputational and legal impacts, and increased costs to maintain and update operational security systems and/or infrastructure.</p> <p>In this ever-changing landscape it's important to keep current with the threats (noted in the Symantec ISTR):</p> <ul style="list-style-type: none"> • Overall ransomware is down 20% while enterprise ransomware is up 12% • Supply chain attacks are up over 78% • The average number of organizations targeted per attack group is 55 <p>Capital Power has not experienced any financial losses related to technology failure, cyber-attacks or security breaches; we remain vigilant. For Capital Power, cyber resilience has two dimensions: to protect our systems and to detect and respond to any anomalies promptly.</p> <p>We need to protect the systems that process information, some of it being commercially sensitive or that impacts our ability to conduct business. We also need to protect the operations of our power generation and other critical infrastructure components, given that anomalies in any part of our value chain may compromise safety or lead to power disruptions.</p> <p>It is not only our own systems that we are concerned about. With increasing business-to-business communications, we have to be aware and conduct routine risk assessments and ensure that any interface with external parties is done in a way that protects our key assets and systems.</p> <p>Supply chain attacks are increasing in the industry; as such, in 2020 we spent a lot of effort collaboratively working with internal teams to develop a robust supply chain risk management framework that focuses on cyber-security risk and how to evaluate and mitigate these emerging risks.</p> |

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| Cyber Security (CSE) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>As part of our cyber-security training program, we have had a full year of robust cyber-security awareness training that is mandatory for all users. This training program contains several modules covering the key risks identified for our industry. For 2021, we have planned additional training modules to further enhance user awareness as it relates to cyber security. During 2020 we also conducted several Lunch 'n' Learn presentations that helped arm users with information to protect themselves while using popular social media platforms while at home.</p> <p>This enhanced cyber-security training has proven very effective, as employees have identified potential risky scenarios and were able to stop and proactively call in to the Service Desk before any breach happened.</p> <p>Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>We continue to conduct regular third-party, independent assessments of not only our security controls but also technical configurations to ensure our security posture aligns with industry best practices, so risks are known and mitigated appropriately. Third-party validation is completed, and routine audits are conducted throughout the year to verify our systems. To minimize the risk in our systems, we have a robust patching strategy to ensure our systems are evaluated and updated with the latest security updates.</p> <p>Overseeing the program is our Cyber Security Leadership Council (CSLC), comprised of senior managers and vice presidents from across the organization. The CSLC provides overall approvals based on actions recommended by our cyber-security team and maintains a "roadmap" to ensure we are well positioned to respond to threats in the ever-changing cyber landscape. Representatives from the CSLC provide regular updates to the Board. The CSLC receives a monthly update with relevant information specific to the threats against the power industry as well as specific to Capital Power.</p> <p>During this past year we continued to enhance our readiness to respond to cyber-attacks by conducting tabletop response exercises, which included third parties and close partners. This exercise included all levels of management within Capital Power and allowed us to test our Crisis Management team response plans as they relate to a cyber-attack.</p> <p>To be the power company of tomorrow, our action plan for digital transformation involves reviewing risks to our organization, such as vulnerabilities to cyber-attacks, and implementing appropriate measures to counter these risks. We'll continue to enhance our security controls and systems and implement new processes and procedures to keep up with the ever-emerging threats.</p> <p>Several key examples in 2020 highlight our commitment to enhancing our controls:</p> <ul style="list-style-type: none"> • Several new systems have been implemented that support our 2021 initiatives for more automated security processes • Enhanced processes to ensure risk assessments are conducted on all new cloud-connected services • Updated processes that evaluate external risks to our environment and allow us to respond quickly, reducing potential attacks • Routine cyber-security exercises that test our response capability and allow us to update our controls • Initiated major control system upgrades at several operating facilities |

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| Cyber Security (CSE) | | |
| 103-2 | The management approach and its components | <p>Policies</p> <ul style="list-style-type: none"> • <i>Ethics Policy</i>: We meet our commitment to conducting legal and ethical business practice through our <i>Ethics Policy</i>, which sets out various guidelines, processes and procedures related to our expected standards of conduct and management of any policy contraventions. For more details on this policy, refer to disclosure 102-16. • <i>Records Management Policy</i>: This policy ensures that Capital Power's records are systematically and efficiently managed from their creation or receipt until their ultimate destruction, in support of Capital Power's operations and risk management initiatives, and in compliance with applicable legislation. <p>Commitments</p> <p>In 2020, several governance documents have been refreshed and will be deployed in early 2021, including:</p> <ul style="list-style-type: none"> • Updated <i>Information Security Policy</i> • Updated Remote Access Standards • Updated Backup and Recovery Standards • Updated Control Framework/Strategic Plan • Updated Supply Chain Risk Management Framework <p>Goals and Targets</p> <p>In 2020, many foundational components were deployed to support our 2021 initiatives, including capability to support hybrid cloud architecture, etc.</p> <p>For 2021, several specific overarching goals will drive our cyber-security program:</p> <ul style="list-style-type: none"> • Focusing on artificial intelligence (AI) and machine learning (ML) for enhanced detective controls • Enhanced disaster recovery (DR) capability to support a quicker recovery time for key business services, while reducing costs <p>Responsibilities</p> <p>Each reporting to their respective SVPs, the CIO and VP, Engineering hold cyber-security responsibility for managing cyber-security issues within their operational areas. Capital Power has a central Cyber Security team that provides support for cyber-security-related tasks. The <i>Information Security Policy</i> and strategic plan define and highlight the importance of cyber security in our environment, and all staff members are required to uphold our security posture.</p> <p>Resources</p> <p>We have two resources that are fully dedicated to cyber security within Capital Power. A Manager, Cyber Security, and a Senior Analyst, Cyber Security, that work closely with operational business units across the organization for all cyber-related issues. In addition, we belong to the Canadian Centre for Cyber Security, the U.S. Department of Homeland Security – National Cyber Awareness System/Industrial Control Systems Cyber Response Team Advisory, and the Electricity Information System Sharing and Analysis Center. We receive alerts on cyber events from these organizations.</p> <p>Capital Power is a member of the Canadian Electricity Association (CEA) and has members sit on the executive as well as acting in the role of subject matter experts (SME) on the Security and Information Protection Committee (SIPC).</p> <p>In addition, resources on the Capital Power team hold specific cyber-security certifications, including CISSP, CIRSC and ISO 27001, Lead Implementer.</p> |

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| Cyber Security (CSE) | | |
| 103-2 | The management approach and its components | <p>Grievance Mechanisms Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> <p>Specific Actions Specific actions, such as processes and training, are always being updated. In 2020, there was mandatory cyber-security training for all employees, and this will continue in 2021 with increased optional training available. New controls are regularly evaluated and improved to mitigate risks identified in our threat landscape.</p> <p>In 2020, we enhanced our backup capabilities to be able to better respond to ransomware or malware attacks that might sit dormant, posing a threat in the future.</p> <p>The Cyber Security team continually assesses and, where applicable, makes further improvements to our governance and oversight while executing on our roadmap and plans that are created in response to the threats we see affecting our environment and the industry as a whole. Capital Power's Cyber Security team maintains close relationships with external partners to ensure we have the most up-to-date threat intelligence and can respond in the event of an incident. Our security program is enhanced to ensure our teams are trained and able to identify and mitigate risks.</p> <p>A new vulnerability management review process was defined in 2020 to ensure our key systems have formal reviews to ensure no systems are exploitable and are managing the level of risk as appropriate for each system.</p> <p>In 2020, we revamped and redesigned our mobile access policies and technology stack to provide a more secure platform while providing easier access for users to access necessary information.</p> <p>We have also recently refreshed our authentication systems to ensure the most up-to-date procedures are used along with leveraging threat information to protect our systems and access controls.</p> <p>Capital Power 2020 Integrated Annual Report > Enhancing Cyber and Asset Security > pp. 42-43</p> |
| 103-3 | Evaluation of the management approach | <p>Capital Power recognizes the value of continuous improvement and evaluates relative risk while we implement learnings into our processes on a regular basis.</p> <p>In 2020, we enhanced capability using Privileged Access Management (PAM) by ensuring audit trails for business critical system administration.</p> <p>Some of the key updated components in 2020 that helped us manage the effectiveness of our management approach included:</p> <ul style="list-style-type: none"> Enhanced network protections leveraging the latest in machine learning and artificial intelligence <p>In 2021, our plans include:</p> <ul style="list-style-type: none"> Enhancing our audit and logging analysis procedures Enhancing our disaster recovery (DR) plans, leveraging hybrid cloud where applicable Refreshed security standards based on work from 2020 Continue to update aging control systems at plants to enhance our security posture |

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| Cyber Security (CSE) | | |
| 103-3 | Evaluation of the management approach | <p>As a baseline, we will continue to:</p> <ul style="list-style-type: none"> • Adhere to stringent change management controls to ensure systems are implemented in a secure manner; • Project deployment controls that include cyber-security reviews; • Document and regularly test processes for disaster recovery (DR) and cyber-incident response; • End-user (employee) awareness training; • Enterprise-level malware and anti-virus system deployment and maintenance; • Regular internal and external system audits; • Continual scanning of the environment for vulnerabilities; • Alerting/monitoring for critical security events; and • Independent third-party pen tests. <p>Cyber resilience is especially important for companies like Capital Power that provide critical infrastructure in which a cyber breach could have a significant impact not only on the Company, but also on the environment and the economy at large. We monitor any cases of data loss or privacy complaints resulting from our business operations.</p> <p>In 2020, Capital Power did not have cases of data loss or receive any privacy complaints.</p> <p>With the new controls we have put in place in 2020, we have been proactive in thwarting several cyber-attacks and prevented access to our network and/or data.</p> <p>Capital Power employs a robust defense in-depth strategy of both cyber and physical protection of all critical assets in our fleet.</p> <p>Capital Power routinely engages with third-party firms to conduct network penetration tests to ensure the effectiveness of our cyber security and updating technical and process controls as a direct result of these tests.</p> <p>We continue to upgrade our capabilities in detecting and responding to an ever-growing range of cyber risks. In this context, we are working closely with cyber-security partners, while also leveraging global insights from established technology providers and cyber-security professionals, and closely collaborating with industry peers as well as government and law enforcement.</p> <p>Technology services are vitally important to our business and therefore critical to maintain.</p> |

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| Transparency and Disclosure (TND) | | |
| 103-1 | Explanation of the material topic and its Boundary | <p>We are committed to maintaining a culture of transparency and disclosure, and this is reflected in the annual reporting we do. We will continue our annual disclosures of our business practices, operations and plans and will look for ways we can enhance our reporting in the future.</p> <p>We will continue our annual disclosures of our business practices, operations and plans for all our operations in Canada and the U.S.</p> <p>Website > Financial Reporting</p> <p>For more information, please see GRI 102-46 – General Disclosures Capital Power 2020 Integrated Annual Report > Priority Topics > p. 12</p> |
| 103-2 | The management approach and its components | <p>Our reporting has always aimed to engage stakeholders and help them understand the material aspects of financial and non-financial aspects of our business, including issues related to how sustainability matters are managed and assessed, along with other business risks.</p> <p>We have regularly disclosed and reported on our sustainability disclosures through our past Management's Discussion and Analysis (MD&A), Annual Information Forms (AIF) and corporate sustainability reports, which have been done in accordance with the GRI Standards. We have also been reporting to the Carbon Disclosure Project (CDP) for years, as well as to the Canadian Electricity Association's reporting framework.</p> <p>Transparency and Disclosure Efforts in 2020</p> <ol style="list-style-type: none"> 1. Continuing to endorse the shift toward integrated annual reporting consistent to the Company's business strategy providing greater transparency with respect to how Capital Power integrates ESG into their business and provide total value to all stakeholders, which include shareholders and investors. This report is aligned to international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). 2. Continuing to affirm our commitment towards the voluntary recommendations of the industry-led Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and reinforcing our commitment to provide transparency around climate impacts throughout our business operations. In 2020, Capital Power published its third Climate Change Disclosure Report, which was reviewed and approved by the Board this past February. 3. Continuing to endorse Capital Power's submission to the annual Carbon Disclosure Project (CDP) questionnaire. In 2020, CDP ranked Capital Power as A- with respect to climate change and B on water security, the highest scores in our sector in Canada, demonstrating leadership. <p>We continue to evaluate and evolve our sustainability reporting to ensure we provide the information investors and stakeholders require to understand Capital Power's strategy, including the frameworks and processes we use to assess our business and how we are minimizing and mitigating risks while capitalizing on opportunities.</p> <p>Corporate culture – The Board culture supports a constructive approach to health and safety, community relations and environmental impacts, and sets the tone for management in driving the behaviours and attitudes needed to support a corporate-wide, aligned sustainability culture.</p> |

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| Transparency and Disclosure (TND) | | |
| 103-2 | The management approach and its components | <p>Policies The following internal policy (not publicly available) guides our activities:</p> <ul style="list-style-type: none"> • Disclosure and Insider Trading Policy. We must comply with laws and regulations when publicly disclosing important information about Capital Power, and all insiders must comply with insider trading and reporting requirements. Our <i>Disclosure and Insider Trading Policy</i> governs the dissemination of information to the public and guides our decisions and actions in providing clear and complete disclosure in a timely manner, in compliance with all securities regulations. <p>Commitments The Canadian Coalition on Good Governance</p> <p>Our Board takes a principles-based approach to its governance practice, which evaluates sustainability, including environment and social factors, as part of our overall business strategy and risk-evaluation processes.</p> <p>Goals and Targets Our disclosure and reporting practices are a key pillar of our sustainability strategy. In 2020, sustainability performance (health, safety, environment, diversity, reporting, etc.), including ESG disclosures, formed 20% of the Company's performance objectives and in 2021 this will be increased to 25%.</p> <p>Responsibilities Our Disclosure Committee consists of senior managers and reports to, and is subject to, the supervision and oversight of our President & CEO. Our Disclosure Committee is responsible for reviewing all proposed disclosures before they are released publicly. The Disclosure Committee also reports its work and findings to our Board and Audit Committee, and must promptly inform our Board and Audit Committee of any material disclosure issues or concerns regarding any of our disclosure controls that come to the Disclosure Committee's attention.</p> <p>Grievance Mechanisms Refer to GRI 102-17 Grievance Mechanisms (p. 9 of 2020 GRI and SASB Index).</p> |
| 103-3 | Evaluation of the management approach | <p>The Board reviews the corporate risk register biannually, conducts regular site visits during annual meetings and consults regularly with shareholders for first-hand perspectives of their key topics of interest.</p> <p>Performance evaluation and incentives – Management's remuneration is linked to social and environmental targets, including worker safety, employee retention and achieving lower GHG emissions at our Genesee Generating Station. The targets and remuneration framework are reviewed and approved annually by the Board.</p> |