



GRI Content

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|------------------------|--|---------------------|--|
| Foundation | | | |
| N/A | Principles for defining report content and quality, and the process for sustainability reporting using the GRI Standards | | <p>This report aligns to the GRI Standards and adheres to the following principles:</p> <ul style="list-style-type: none"> • Stakeholder inclusiveness • Sustainability context • Materiality • Completeness • Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness |
| Organizational Profile | | | |
| 102-1 | Name of organization | About Capital Power | Capital Power (TSX: CPX) is a forward-looking, innovative wholesale power producer with a strategic focus on sustainable energy. Our foundation of honesty, hard work and commitment has helped us to be recognized as one of North America's most respected, reliable and competitive power generators, and a trusted resource in solving one of the most important issues facing society – how to reduce our carbon footprint and deliver responsible energy for tomorrow. |
| 102-2 | Activities, brands, products and services | About Capital Power | We build, own and operate high-quality, utility-scale generation facilities which include renewables such as wind, solar and waste heat, thermal such as natural gas and coal, and have made significant investments in carbon capture and utilization to reduce carbon impacts. |
| 102-3 | Location of headquarters | About Capital Power | Edmonton, Alberta (Canada) |
| 102-4 | Location of operations | About Capital Power | Capital Power has operations in Canada and the United States. |
| 102-5 | Ownership and legal form | Link to AR/AIF | 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 | About Capital Power | <p>As of December 31st, 2019, 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 nearly 6,200 megawatts (MW) of power generation capacity at 26 facilities across North America. Approximately 800 MW of owned generation capacity is in advanced development or construction in Alberta and Illinois.</p> <p>Capital Power owns approximately 2,600 MW of power generation capacity in Alberta, with ownership interests in nine facilities. Approximately 50% of the power generated by Capital Power's Alberta power plants in which Capital Power 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>2019 Annual Information Form: https://www.capitalpower.com/2019-capital-power-annual-information-form/</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------------------|--|----------------|--|
| Organizational Profile | | | |
| 102-7 | Scale of organization | | <p>794 full-time employees – See GRI 102-8</p> <p>More information can be found in our Integrated Annual Report under the Management's Discussion and Analysis https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials</p> <p>We build, own and operate high-quality, utility-scale generation facilities which include renewables such as wind, solar and waste heat, thermal such as natural gas and coal, and are also making investments in carbon capture and utilization to reduce carbon impacts.</p> <p>Capital Power owns approximately 6,200 megawatts (MW) of power generation capacity at 26 facilities across North America. Approximately 800 MW of owned generation capacity is in advanced development in Alberta and Illinois.</p> |
| 102-8 | Information on employees and other workers | | <p># of Employees by Gender Permanent employees</p> <ul style="list-style-type: none"> • Male: 602 • Female: 192 <p>Temporary employees</p> <ul style="list-style-type: none"> • Male: 21 • Female: 10 <p>Total # of employees: 825 # of employees in Canada: 667 # of employees in USA: 158</p> <p># of Employees by Country Permanent employees</p> <ul style="list-style-type: none"> • Canada: 640 • USA: 154 <p>Temporary employees</p> <ul style="list-style-type: none"> • Canada: 27 • USA: 4 <p># of Full-time & Part-time Employees Full-time employees</p> <ul style="list-style-type: none"> • Male: 612 • Female: 178 <p>Part-time employees</p> <ul style="list-style-type: none"> • Male: 11 • Female: 24 <p>The majority of work is performed by employees of Capital Power with the exception of facility shutdowns; generation of electricity is done by our employees.</p> <p>Data was pulled on December 30, 2019, with an effective date of December 31, 2019, using our Human Resources 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------------------|-------------------------------------|-----------------------------------|--|
| Organizational Profile | | | |
| 102-9 | Supply chain | Sustainable Sourcing | At Capital Power, supply chain responsibilities are embedded across the organization with respect to the procurement of goods and services. As of December 31, 2019, we had 4,039 active supplier sites. Most of our suppliers are located in North America, split roughly equally between Canada and the United States. Common categories of goods and services that are regularly procured for our business include engineering, consulting, construction, maintenance, services, parts, equipment, software and plant inputs (i.e., chemicals, gases, fuel and additives). The aggregate value of payments made to suppliers in 2019 was approximately \$810,000,000 CAD – a significant portion of which relates to new project equipment and construction spend. We do not track the geographic domicile of our supply chain sub-suppliers. |
| 102-10 | Supply chain | | In 2019, Capital Power added 1,076 MW of generation capacity through the acquisition of the Goreway Power Station in Brampton, Ontario (875 MW), and start-up of the Whitla Wind I project located near Medicine Hat, Alberta (201 MW). This resulted in a net increase of 126 active new suppliers. |
| 102-11 | Precautionary Principle or approach | | 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. |
| 102-12 | External initiatives | Biodiversity and Land Reclamation | Highlights and initiatives undertaken in restoration and research <ul style="list-style-type: none"> • Northern Alberta Institute of Technology (NAIT) Centre for Boreal Research • Olds Community College • Supporting University of Alberta students • Alberta Conservation Association (ACA) • Alberta Hunting Education Instructors Association (AHEIA) • Leduc County • Genesee's peregrine falcon chicks |
| 102-13 | Membership of associations | | <p>Capital Power maintains organizational-level memberships in the following Canadian and American associations:</p> <ul style="list-style-type: none"> • Independent Power Producers Society of Alberta • Canadian Wind Energy Association • Canadian Clean Power Coalition • Association of Power Producers of Ontario • Canadian Electricity Association • International Emissions Trading Association • Canadian American Business Council • Edmonton Chamber of Commerce • Conference Board of Canada • Business Council for Sustainable Energy • 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 • American Public Power Association • Advanced Power Alliance • Ontario Energy Council • Clean Energy BC • Solar Energy Industry Association • Calgary Chamber of Commerce |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|--------------------------------------|---|--|
| Strategy | | | |
| 102-14 | Statement from senior decision maker | Board Chair Letter, CEO Letter | Board Chair Letter "Reliable, Responsible, Sustainable" CEO Letter "Delivering Value Year over Year" |
| 102-15 | Key impacts, risks and opportunities | Corporate Governance Risk Management Embracing a Low-Carbon Future Climate Change Innovation | <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 risk management and internal audit department manages the ERM process and works to expand a risk-aware culture aimed at minimizing risk exposures and protecting shareholder value. Risks are also discussed in our Integrated Annual Report under the MD&A Risks and Risk Management Sections on p. 74: https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials</p> <p>The top sustainability risks ranked from our 2019 ERM process were climate change transitional risks. The potential impact to our coal and natural gas portfolio could be significant should deep decarbonization initiatives continue and environmental policies and regulations for greenhouse gas emissions and water usage become more stringent. 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 technologies, which are expected to become an increasingly important element of global pathways to decarbonization.</p> <p>More information regarding climate change risks and opportunities is presented in our Climate Change Disclosure Report: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/</p> <p>Risk management: At Capital Power, we believe that strong risk management encompasses culture, capabilities, practices, strategy setting and performance. Together, they are key to our success. We aspire to operational excellence through the consistent use of standards, processes and procedures to continually improve our performance, safety and reliability. Our framework of controls enables us to operate in a cost-effective and environmentally responsible way by:</p> <ul style="list-style-type: none"> • managing risks; • ensuring safe and reliable operations; • providing plans to mitigate environmental and social impacts; • developing and sharing best practices; and • supporting continuous improvement. <p>We use an enterprise risk management program (ERM Program) and an Occupational Health and Safety Management System (OHS MS) to support our overall risk monitoring and management.</p> <p>Risk management approach: We view risk management as an ongoing process and continually look for ways to enhance our risk management programs and procedures. Our company-wide ERM Program embeds the principles of risk management into all aspects of our operations and ensures risks are effectively managed across the entire organization. Our ERM Program is aligned with the Committee of Sponsoring Organizations' standard for enterprise risk management (COSO II ERM, Integrated Framework) and is supported by our enterprise risk management policy framework (ERM Policy). Our ERM Program is based on COSO II ERM, Integrated Framework, and uses a systematic approach to identify, treat, report and monitor risk. ERM practices are embedded in two key corporate processes (strategic and long-term planning, and operational planning and budgeting), so we can identify risks that could prevent us from achieving our strategic and business objectives, and develop strategies to mitigate those risks. This includes assessing specific risk areas, including unpredictable or unusual risks, as well as emerging risks to our business. We expect everyone to understand the risks that fall within their areas of responsibility and to manage these risks within approved risk tolerances. Open communication is a key part of the process. We need our people to share the best available information (quantitative and qualitative), drawing from historical data, experience, stakeholder feedback, observation, forecasts and their expert judgment.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-----------------------------|---|---|--|
| Strategy | | | |
| 102-15 | Key impacts, risks and opportunities | | <p>Key risks: We use our ERM Program to identify, assess, categorize, respond to, report on and monitor key risks that may affect the achievement of our strategic and related business objectives. Key risks are identified in a risk register and assessed in a risk matrix which is updated twice per year. We use various controls and procedures for reducing controllable risks to acceptable levels and to identify appropriate actions in cases of risks outside of management's control. The top sustainability risks ranked from our 2019 ERM process were climate change transitional risks. The potential impact to our coal and natural gas portfolio could be significant should deep decarbonization initiatives continue and environmental policies and regulations for greenhouse gas emissions and water usage become more stringent.</p> <p>Risk governance: Our ERM Program is governed by our ERM Policy, which is reviewed annually by the Board of Directors (the Board). The Board also approves our risk-tolerance levels, which govern our decisions and policies associated with risk. The President & CEO is ultimately accountable for managing our risks and approving the ERM framework. He manages the ERM Program and the Executive Team, which consists of his direct reports. The Vice President of Risk Management has day-to-day responsibility for the ERM framework, and reports to the Chief Legal & Sustainability Officer. Under the ERM Policy, all employees are also expected to understand the risks they are responsible for, manage them within approved tolerance levels and disclose new risks as they appear. ERM practices are embedded into two key corporate processes (strategic and long-term planning, and operational planning and budgeting) so we can identify risks that could prevent us from achieving our strategic and business objectives, and develop strategies to mitigate those risks. This includes assessing specific risk areas, including unpredictable or unusual risks, as well as emerging risks to our business.</p> |
| Ethics and Integrity | | | |
| 102-16 | Values, principles, standards and norms of behaviours | About Capital Power Ethics and Integrity | <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 Ethics Policy, 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 Ethics Policy, 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 Ethics Policy 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 Ethics Policy or certify in writing that have a binding policy that contains all the elements of our Ethics Policy.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-----------------------------|---|----------------------|---|
| Ethics and Integrity | | | |
| 102-16 | Values, principles, standards and norms of behaviours | | <p>Our Ethics Policy:</p> <ul style="list-style-type: none"> • is reviewed and updated annually by our Chief Compliance Officer, unless a law, regulation or internal guidance or policy necessitates an earlier update; • is updated by the Chief Compliance Officer under the direction of the SVP, Chief Legal & Sustainability Officer, who is responsible for the Ethics Policy elements; and • is reviewed and approved by Capital Power's Audit Committee and Board. <p>Our Values: Our business is rooted deeply in our values which form the foundation of our culture, driving everything we do.</p> <p>Committed to safety: We maintain the highest standards of safety for all our employees and the communities in which we work. Our safety campaign, Zero Means Everything, 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 strongly passionate, 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> <p>Accountable to our stakeholders: 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>Deliver excellence: 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> <p>Capital Power was proud to be recognized by Ethisphere® Institute as one of the World's Most Ethical Companies in 2019.</p> |
| 102-17 | Mechanisms for advice and concerns about ethics | Ethics and Integrity | <p>Training on how to report a concern is provided to employees when hired and in our biennial ethics training program. 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 No Retaliation Policy. <p>As outlined in our Ethics Policy, 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 related to any ethical or unlawful concern, including discrimination and/or equal opportunity. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 employees, contractors and external stakeholders to submit any concerns they may have about Capital Power. Through the hotline, anyone can submit ethical, legal or accounting concerns anonymously (or not) and without fear of retaliation.</p> <p>Discrimination and harassment is addressed in our Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence: https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-----------------------------|---|---------------------------|--|
| Ethics and Integrity | | | |
| 102-17 | Mechanisms for advice and concerns about ethics | | <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. We 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. • 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 and sexual harassment.</p> |
| Governance | | | |
| 102-18 | Governance structure | Sustainability Governance | <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: 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 is included in the 2020 Management Proxy Circular, which can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> <p>Current committee membership can be viewed at: https://www.capitalpower.com/who-we-are/corporate-governance/</p> <p>See our Sustainability Governance section regarding our overall sustainability and ESG governance approach.</p> <p>Governance specific to climate change matters is described in more detail in our second Climate Change Disclosure Report 2019: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/</p> <p>Our Board's strategic mandate expressly includes the obligation to consider and provide guidance with respect to "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, climate change and other sustainability matters." They evaluate economic, environmental and social issues holistically as part of our strategic decision-making process through the following:</p> <ul style="list-style-type: none"> • Our Board and its committees, which have clearly defined and distinct oversight roles to protect the interests of our shareholders set out in our 2020 Management Proxy Circular, which can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf • For example, the Board's focus on sustainability issues like climate change includes annually approving the LTP, which contains medium-term strategies relating to decarbonization, technology and the pursuit of renewable generation. The Board recognizes that in order to be sustainable, we must evolve with the power market, which, in addition to maintaining reliability, is becoming increasingly more focused on decarbonization, which includes the addition of more renewable generation technologies. • The Board has established a Health, Safety and Environment Committee, providing a structured approach to, among other things, monitoring and assessing the effectiveness of Capital Power's environmental stewardship, including the environmental impact of our operations, and reviewing goals, compliance and policies in this respect, including matters relating to GHGs and climate change. • The Board has also established an Audit Committee who, along with the Board, reviews and approves our public disclosures. This includes our annual financial reporting materials, including the Management Discussion and Analysis and Annual Information Form, which provide information on risks and significant events including those related to environmental and social factors and previously discussed in our annual sustainability report. Our annual disclosures now reference our inaugural Climate Change Disclosure Report released in 2019 and our first Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|---|----------------|---|
| Governance | | | |
| 102-18 | Governance structure | | <ul style="list-style-type: none"> The Board has also established a Corporate Governance, Compensation and Nominating Committee responsible for reviewing and approving the targets and remuneration framework. At Capital Power, management's remuneration is linked to social and environmental targets including worker safety, employee retention and climate change initiatives like achieving lower GHG emissions at our Genesee Generating Station. The targets and remuneration framework are reviewed and approved annually by the Board. <p>Current committee membership can be viewed at: https://www.capitalpower.com/who-we-are/corporate-governance/</p> <p>See Sustainability Governance regarding overall sustainability and ESG.</p> <p>Governance specific to climate change matters is described in more detail in our second Climate Change Disclosure Report 2019: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/</p> |
| 102-19 | Delegating authority | | <p>Board Terms of Reference: Board terms of reference can be found at: www.capitalpower.com</p> <p>Current committee membership can be viewed at: https://www.capitalpower.com/who-we-are/corporate-governance/</p> <p>See our Sustainability Governance section regarding our overall sustainability and ESG governance approach on p. 20 of our Integrated Annual Report: https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> <p>Governance specific to climate change matters is described in more detail in our second Climate Change Disclosure Report 2019: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/</p> |
| 102-20 | Executive-level responsibility for economic, environmental and social topic | | <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 Chief Legal & Sustainability Officer (CLSO) is responsible for overseeing Capital Power's overall sustainability strategy, providing coordination at the highest level. In addition to providing strategic leadership, the CLSO provides oversight regarding the communication and coordination of sustainability issues, ensuring alignment to the corporate strategy and legal compliance. The CLSO communicates with the Board, management, shareholders, customers, employees and other stakeholders to address sustainability matters.</p> |
| 102-21 | Consulting stakeholders on economic, environmental and social topics | | <p>In 2019, the Chair of our Board and Chair of the CGCN Committee met 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 planning, and Board renewal. Our 2019 Integrated Annual Report and enhanced Task Force on Climate-related Financial Disclosures (TCFD) Report are examples of how we act on shareholder feedback. https://www.capitalpower.com/wp-content/uploads/2019/07/Capital-Power-TCFD-Statement.pdf</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. They also recommend 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>Board Shareholder Engagement Policy: Other Engagement with Shareholders: 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|---|---|--|
| Governance | | | |
| 102-21 | Consulting stakeholders on economic, environmental and social topics | | <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. Further details can be found in the 2020 Management Proxy Circular, which is on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> <p>Current committee membership can be viewed at: https://www.capitalpower.com/who-we-are/corporate-governance/</p> |
| 102-22 | Composition of the highest governance body and its committees | | <p>Composition of the Board of Directors: The company's directors are very experienced, high-calibre business leaders with diverse, relevant skills and competencies. A more comprehensive analysis of the company's approach to corporate governance matters is included in the 2020 Management Proxy Circular, which is on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> |
| 102-23 | Chair of the highest governance body | | Our Board Chair, Don Lowry, is not an executive officer. |
| 102-24 | Nominating and selecting the highest governance body | | <p>Directors were proposed by the CGCN Committee and approved by the Board on February 21, 2020, and include the following: Donald Lowry, Chair of the Board, Doyle Beneby, Jill Gardner, Katherine Stevenson, Robert L. Phillips, Keith Trent, Kelly Huntington, Jane Peverett and Brian Vaasjo, President and CEO. Further details are provided in the 2020 Management Proxy Circular, which is on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> <p>Additional information found in the 2020 Management Proxy Circular includes the process of nominating and stakeholder/shareholder involvement.</p> |
| 102-25 | Conflicts of interest | Managing Our Business Responsibly Ethics and Integrity | <p>Processes for the highest governance body to ensure conflicts of interest are avoided and managed are documented in the information that has been updated in the latest Annual Information Form: https://www.capitalpower.com/2019-capital-power-annual-information-form/</p> <p>Cross-board membership board interlocks are listed in the 2020 Management Proxy Circular, which is on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> <p>The 2020 management slate of directors nominated are for the 2020 AGM.</p> <p>Conflicts are noted in the Annual Information Form: https://www.capitalpower.com/2019-capital-power-annual-information-form/</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, Chief Legal & Sustainability Officer), Chief Financial Officer (CFO), Chief Operating Officer (Senior Vice President, Operations, Engineering & Construction), Senior Vice President of Corporate Development and Commercial Services, and the Vice President, Human Resources, 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 (which are aligned with the TCFD) and the Integrated Annual Report (which includes financial and ESG/sustainability information).</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|---|----------------|--|
| Governance | | | |
| 102-26 | Role of highest governance body in setting purpose, values and strategy | | <p>Climate-related risks are monitored and managed by the CEO with specific input from the Senior Vice President, Chief Legal & Sustainability Officer, and the Executive Team. The CEO, with support from the Chief Sustainability Officer (Senior Vice President, Chief Legal & 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"> • Chief Legal & Sustainability Officer (CLSO) is responsible for overseeing Capital Power's overall sustainability strategy, providing coordination at the highest level. In addition to providing strategic leadership, the CLSO provides oversight regarding the communication and coordination of sustainability issues, ensuring alignment to the corporate strategy and legal compliance. The CLSO communicates with the Board, management, shareholders, customers, employees and other stakeholders to address sustainability matters. • Senior Vice President of Corporate Development and Commercial Services is responsible for overseeing the annual 10-year corporate LTP, for which our CFO develops our long-term forecast and scenario-builds (which considers 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 CFO. The Senior Vice President of Corporate Development and Commercial Services is also 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. • 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. • CFO is responsible for financial administration with respect to carbon taxes and offsets, disclosure, financial sustainability and integrity of the corporation. • Vice President, 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, 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. <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>Further details are provided in the 2020 Management Proxy Circular, which can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf</p> <p>Board Terms of Reference can be found at www.capitalpower.com</p> |
| 102-27 | Collective knowledge of highest governance body | | <p>The CLSO provides a quarterly update to the Board regarding external relations and sustainability.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|---|----------------|---|
| Governance | | | |
| 102-28 | Evaluating the highest governance body's performance | | <p>The CGCN Committee is responsible for Board assessment, which involves assessing individual directors, committees, committee chairs, the Board Chair and overall Board effectiveness. We amended our director evaluation process (evaluation process) in 2018. 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 CGCN 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); • triennial peer-to-peer evaluations for all directors, which must be conducted by an independent third party; 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 CGCN Committee. The Chair of the Board also discusses Board and committee performance with members of senior management. <p>In the fourth quarter of 2019, 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 CGCN Committee.</p> <p>Finally, the Chair of the Board conducted one-on-one interviews with each director and members of senior management in early 2020. Although not anonymous, the one-on-one interviews between the Chair and each director allowed the 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 CGCN Committee and the Board at the February 2020 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>Climate Change Disclosure Report (TCFD) can be found at https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/</p> <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 Discussion & Analysis (MD&A) reports, our Annual Information Form (AIF) and our Corporate Sustainability Report (CSR). The links to these documents can be found as follows:</p> <p>https://www.capitalpower.com/2019-capital-power-annual-information-form/ https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> <p>Governance</p> <ul style="list-style-type: none"> • 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." • 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. • 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. |
| 102-30 | Effectiveness of risk management processes | | Updated information will be provided in the Proxy Circular in March 2020 – See 102-28 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|--|----------------|---|
| Governance | | | |
| 102-31 | Review of economic, environmental and social topics | | In 2019, the approval of the sustainability report was only at the Board level due to the inclusion (and approval) of the sustainability KPIs. |
| 102-32 | Highest governance body's role in sustainability reporting | | Our 2019 Corporate Sustainability 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, MD&A, AIF, TCFD, Integrated Annual Report and the Management Proxy Circular. |
| 102-33 | Communicating critical concerns | | 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. The Audit Committee meets on a quarterly basis and 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. |
| 102-34 | Nature and total number of critical concerns | | We do not disclose what is discussed in Board meetings due to confidentiality. |
| 102-35 | Remuneration policies | | The Board also has established a Corporate Governance, Compensation and Nominating Committee responsible for, among other matters, reviewing and recommending to the Board the remuneration targets and framework. At Capital Power, Executive Team remuneration is linked to social and environmental targets including worker safety, employee retention and climate change initiatives like achieving lower GHG emissions at our Genesee Generating Station. These targets cascade throughout Capital Power. The targets and remuneration framework are reviewed and approved annually by the Board. Further information is contained in the 2020 Management Proxy Circular, which is on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf |
| 102-36 | Process for determining remuneration | | 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 are provided in the 2020 Management Proxy Circular, which can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf |
| 102-37 | Stakeholders' involvement in remuneration | | Shareholders vote, on an advisory basis, on our approach to executive compensation, which is provided in the 2020 Management Proxy Circular, which can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf . The vote at the 2019 AGM was 91.99% for and 8.01% against. |
| 102-38 | Annual total compensation ratio | | 20.6:1 (CEO/Employees) 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. |
| 102-39 | Percentage increase in annual total compensation ratio | | 0:1 (CEO/Employees) This ratio of the percentage increase in annual total compensation considers permanent full- and part-time employees (annualized to full-time equivalent) in Canada and the United States, and annual total compensation |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | | | | | | | | |
|--|---|------------------------|--|------------------|--|---|-----------------|--|---|------------------------------|--|
| Stakeholder Engagement | | | | | | | | | | | |
| 102-40 | List of stakeholder groups | Stakeholder Engagement | Stakeholders include shareholders, local community members, Indigenous peoples, employees, contractors, suppliers, regulatory agencies, environmental organizations and government (federal, state/province, local) representatives. | | | | | | | | |
| 102-41 | Freedom of Association and 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. 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 between employers and workers, and/or 3. regulating relations between employers or their organizations and a workers' organization.”</p> <p>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. Capital Power acknowledges that the unions are a key stakeholder in our business and when working together can become a competitive advantage.</p> <p>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.</p> <p>Union staff represent a total of 37% of our Canadian workforce and 30% of our total workforce.</p> | | | | | | | | |
| 102-42 | Identifying and selecting stakeholders | Stakeholder Engagement | We identify these 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. | | | | | | | | |
| 102-43 | Approach to stakeholder engagement | Stakeholder Engagement | <p>Engagement with groups such as landowners, Indigenous groups and local government officials where we have power plants are driven by both regulatory requirements and our commitment to being a good neighbour and to inform community investment programs.</p> <p>Engagement with various governments is driven by many factors, including maintaining awareness of Capital Power investments and community investments, and also providing perspectives and input on existing or pending policy matters of interest to facilities.</p> <p>Regulatory agencies are engaged as part of facility permitting and compliance reporting processes. Our approach considers the unique needs of each stakeholder group and we tailor our engagement methods and frequency accordingly.</p> <p>A comprehensive list of stakeholders is provided in GRI 102-44 and stakeholder engagement is discussed in detail on p. 23 in our Integrated Annual Report. https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> | | | | | | | | |
| 102-44 | Key topics and concerns raised | Stakeholder Engagement | <table><tr><td colspan="2">Response efforts</td></tr><tr><td>Stakeholder group and key topics/concerns</td><td>Engagement type</td></tr><tr><td>Decision makers (regulators and governments): We engage in direct advocacy with government officials at the state, provincial and federal levels in Canada and the United States to provide Capital Power’s perspective on a wide range of policy issues and legislative initiatives. These include: environmental policy, energy policy, transmission policy, tax policy, investment policy, labour policy, infrastructure investment, economic development, science and innovation, climate change, carbon pricing, licensing regulations, land zoning, international trade policy and other issues associated with our business.</td><td><ul style="list-style-type: none">investor road shows in Canada and the United States throughout the yearwebcasts of our annual Investor Day for analysts and institutional investors with presentations by our executives</td></tr><tr><td colspan="2">Payment of appropriate taxes</td></tr></table> | Response efforts | | Stakeholder group and key topics/concerns | Engagement type | Decision makers (regulators and governments): We engage in direct advocacy with government officials at the state, provincial and federal levels in Canada and the United States to provide Capital Power’s perspective on a wide range of policy issues and legislative initiatives. These include: environmental policy, energy policy, transmission policy, tax policy, investment policy, labour policy, infrastructure investment, economic development, science and innovation, climate change, carbon pricing, licensing regulations, land zoning, international trade policy and other issues associated with our business. | <ul style="list-style-type: none">investor road shows in Canada and the United States throughout the yearwebcasts of our annual Investor Day for analysts and institutional investors with presentations by our executives | Payment of appropriate taxes | |
| Response efforts | | | | | | | | | | | |
| Stakeholder group and key topics/concerns | Engagement type | | | | | | | | | | |
| Decision makers (regulators and governments): We engage in direct advocacy with government officials at the state, provincial and federal levels in Canada and the United States to provide Capital Power’s perspective on a wide range of policy issues and legislative initiatives. These include: environmental policy, energy policy, transmission policy, tax policy, investment policy, labour policy, infrastructure investment, economic development, science and innovation, climate change, carbon pricing, licensing regulations, land zoning, international trade policy and other issues associated with our business. | <ul style="list-style-type: none">investor road shows in Canada and the United States throughout the yearwebcasts of our annual Investor Day for analysts and institutional investors with presentations by our executives | | | | | | | | | | |
| Payment of appropriate taxes | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|--------------------------------|--|--|---|-----------------|---|---|---|--|--------------|--|---|---|------------|--|---|---|--|--|---|--|-------------------------------|---------------------------------|--------------------------------------|--|--|---|---|---|-----------|--|---|---------------------------------|----------------------------------|--|---|--|---------------------------------------|--|---------------------------------|---|
| Stakeholder Engagement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 102-44 | Key topics and concerns raised | | <table><tr><th>Stakeholder group and key topics/concerns</th><th>Engagement type</th></tr><tr><td>Watchdogs, influencers and non-governmental organizations</td><td><ul style="list-style-type: none">analyst and institutional shareholder participation in perception studies that are administered by a third party;</td></tr><tr><td>Ensure Capital Power remains accountable to their commitments</td><td><ul style="list-style-type: none">our advisory vote on our approach to executive compensation;</td></tr><tr><td>Supply chain</td><td><ul style="list-style-type: none">a dedicated address for email inquiries and a toll-free investor phone line; and</td></tr><tr><td>Capital Power follows through on contract commitments</td><td><ul style="list-style-type: none">a confidential ethics hotline and website for shareholders and the public to report a concern</td></tr><tr><td>Off-takers</td><td></td></tr><tr><td>Power is provided at competitive prices and is delivered according to contract requirements</td><td>In addition, the Board has adopted a shareholder engagement policy. The engagement policy prescribes governance topics for discussion between the Board and shareholders, information sought by the Board from the shareholder for the purpose of arranging a meeting, guidelines regarding meeting attendance, and a means for shareholders to contact the Board to request a meeting.</td></tr><tr><td>Capital Power has a strong social, environmental and governance reputation often to support or align with theirs</td><td></td></tr><tr><td>Community representatives and landowners, including Indigenous groups</td><td>In January and February 2018, Donald Lowry, our Chair, and Jill Gardiner, the Chair of the CGCN Committee, met with a number of Capital Power's largest institutional shareholders to hear their feedback regarding our governance and compensation practices.</td></tr><tr><td>Operational health and safety</td><td>Frequent and regular engagement</td></tr><tr><td>Contributing member of the community</td><td><ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within</td></tr><tr><td>Jobs and contracting opportunities related to our operations</td><td><ul style="list-style-type: none">Active engagement with community members and representatives of communities who are directly or indirectly impacted by our operations</td></tr><tr><td>Respectful use and management of the land and environment</td><td><ul style="list-style-type: none">Active community investment programWhere possible, the company seeks local expertise directly or encourages contractors to access local servicesSee also: Indigenous engagement</td></tr><tr><td>Employees</td><td></td></tr><tr><td>Sustainable operations, financially and environmentally</td><td>Frequent and regular engagement</td></tr><tr><td>Strong health and safety culture</td><td><ul style="list-style-type: none">Effective governance and policy oversight by the Board of DirectorsComprehensive environmental and safety policies including ongoing training</td></tr><tr><td>Ethical approach to conducting business</td><td><ul style="list-style-type: none">Multiple health and safety committees within the company</td></tr><tr><td>Appropriate pay and benefits packages</td><td><ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within</td></tr><tr><td>Opportunities for career growth</td><td><ul style="list-style-type: none">Effective operations and oversight processActive Ethics Policy and Respectful Workplace PolicyCompetitive pay and benefit package</td></tr></table> | Stakeholder group and key topics/concerns | Engagement type | Watchdogs, influencers and non-governmental organizations | <ul style="list-style-type: none">analyst and institutional shareholder participation in perception studies that are administered by a third party; | Ensure Capital Power remains accountable to their commitments | <ul style="list-style-type: none">our advisory vote on our approach to executive compensation; | Supply chain | <ul style="list-style-type: none">a dedicated address for email inquiries and a toll-free investor phone line; and | Capital Power follows through on contract commitments | <ul style="list-style-type: none">a confidential ethics hotline and website for shareholders and the public to report a concern | Off-takers | | Power is provided at competitive prices and is delivered according to contract requirements | In addition, the Board has adopted a shareholder engagement policy. The engagement policy prescribes governance topics for discussion between the Board and shareholders, information sought by the Board from the shareholder for the purpose of arranging a meeting, guidelines regarding meeting attendance, and a means for shareholders to contact the Board to request a meeting. | Capital Power has a strong social, environmental and governance reputation often to support or align with theirs | | Community representatives and landowners, including Indigenous groups | In January and February 2018, Donald Lowry, our Chair, and Jill Gardiner, the Chair of the CGCN Committee, met with a number of Capital Power's largest institutional shareholders to hear their feedback regarding our governance and compensation practices. | Operational health and safety | Frequent and regular engagement | Contributing member of the community | <ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within | Jobs and contracting opportunities related to our operations | <ul style="list-style-type: none">Active engagement with community members and representatives of communities who are directly or indirectly impacted by our operations | Respectful use and management of the land and environment | <ul style="list-style-type: none">Active community investment programWhere possible, the company seeks local expertise directly or encourages contractors to access local servicesSee also: Indigenous engagement | Employees | | Sustainable operations, financially and environmentally | Frequent and regular engagement | Strong health and safety culture | <ul style="list-style-type: none">Effective governance and policy oversight by the Board of DirectorsComprehensive environmental and safety policies including ongoing training | Ethical approach to conducting business | <ul style="list-style-type: none">Multiple health and safety committees within the company | Appropriate pay and benefits packages | <ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within | Opportunities for career growth | <ul style="list-style-type: none">Effective operations and oversight processActive Ethics Policy and Respectful Workplace PolicyCompetitive pay and benefit package |
| | | Stakeholder group and key topics/concerns | Engagement type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Watchdogs, influencers and non-governmental organizations | <ul style="list-style-type: none">analyst and institutional shareholder participation in perception studies that are administered by a third party; | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Ensure Capital Power remains accountable to their commitments | <ul style="list-style-type: none">our advisory vote on our approach to executive compensation; | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Supply chain | <ul style="list-style-type: none">a dedicated address for email inquiries and a toll-free investor phone line; and | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Capital Power follows through on contract commitments | <ul style="list-style-type: none">a confidential ethics hotline and website for shareholders and the public to report a concern | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Off-takers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Power is provided at competitive prices and is delivered according to contract requirements | In addition, the Board has adopted a shareholder engagement policy. The engagement policy prescribes governance topics for discussion between the Board and shareholders, information sought by the Board from the shareholder for the purpose of arranging a meeting, guidelines regarding meeting attendance, and a means for shareholders to contact the Board to request a meeting. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Capital Power has a strong social, environmental and governance reputation often to support or align with theirs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Community representatives and landowners, including Indigenous groups | In January and February 2018, Donald Lowry, our Chair, and Jill Gardiner, the Chair of the CGCN Committee, met with a number of Capital Power's largest institutional shareholders to hear their feedback regarding our governance and compensation practices. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Operational health and safety | Frequent and regular engagement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Contributing member of the community | <ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Jobs and contracting opportunities related to our operations | <ul style="list-style-type: none">Active engagement with community members and representatives of communities who are directly or indirectly impacted by our operations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Respectful use and management of the land and environment | <ul style="list-style-type: none">Active community investment programWhere possible, the company seeks local expertise directly or encourages contractors to access local servicesSee also: Indigenous engagement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Employees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Sustainable operations, financially and environmentally | Frequent and regular engagement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Strong health and safety culture | <ul style="list-style-type: none">Effective governance and policy oversight by the Board of DirectorsComprehensive environmental and safety policies including ongoing training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Ethical approach to conducting business | <ul style="list-style-type: none">Multiple health and safety committees within the company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Appropriate pay and benefits packages | <ul style="list-style-type: none">Compliance with environmental, health and safety regulations in all of the jurisdictions we operate within | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Opportunities for career growth | <ul style="list-style-type: none">Effective operations and oversight processActive Ethics Policy and Respectful Workplace PolicyCompetitive pay and benefit package | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | |
|-----------------------------|--|----------------|---|--|
| Stakeholder Engagement | | | | |
| 102-44 | Key topics and concerns raised | | Stakeholder group and key topics/concerns | Engagement type |
| | | | Unions | |
| | | | Collective bargaining agreements are negotiated fairly | <ul style="list-style-type: none">• Maintain collective agreements and engage with unions in good faith• Only Canadian employees are subject to labour unions which include IBEW 1007, CSU 52, UNIFOR 829 and UNIFOR 1123. Collectively, they represent less than 40% of our labour force in Canada and less than 30% of our overall workforce. |
| | | | Investors | |
| | | | Financial return for investors | Frequent and regular engagement |
| | | | Sustainable operations, financially and environmentally | <ul style="list-style-type: none">• Annual direct engagement by the Board of Directors• Annual General Meeting• Annual Report and corporate sustainability reporting• Investor meetings throughout the year• Executive participation at institutional investor conferences• Direct engagement by investor relations as required• Quarterly results webcasts• Annual Investor Day event• Annual Information Form• Proxy Circular |
| | | | Appropriate governance practices | |
| | | | Ethical approach to conducting business | |
| | | | Research analysts | |
| | | | Frequent updates provided on operations and financials for reporting to investors | Frequent and regular engagement |
| Responsiveness to questions | <ul style="list-style-type: none">• Annual Report and corporate sustainability reporting• Quarterly results webcasts• Direct engagement by investor relations as required• Investor meetings throughout the year• Executive participation at institutional investor conferences• Annual Investor Day event• Annual Information Form• Proxy Circular | | | |
| Reporting Practice | | | | |
| 102-45 | Entities included in the consolidated financial statements | | 2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---------------------------|--|--|---|
| Reporting Practice | | | |
| 102-46 | Defining report content and topic boundaries | About This Supplement Priority Topics | <p>Scope: The scope of this report highlights our company-wide environmental, economic, social and safety performance and goals from January 1, 2019, through December 31, 2019. We report only on assets that we operate (unless otherwise noted) and provide year-over-year trending where possible. Data from each plant represents the entire plant, not only our financial share of the operation, including: York Energy Centre (50/50 joint venture), Genesee 3 (G3) 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. In 2019, Capital Power entered into an agreement to divest its 50% share of the Keephills 3 (K3) generation unit to TransAlta Corporation (TransAlta), and to acquire TransAlta's 50% share of the G3 generation unit.</p> <p>Energy production and emissions data from Joffre, Shepard Energy Centre and our former K2 Wind and Power Purchase Arrangement (PPA) facilities are generally 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, 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: 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: As a first step, we referenced reporting guidelines and frameworks such as the Global Reporting Index and the Task Force on Climate-related Financial Disclosures (TCFD), as well as those identified through non-profit industry organizations such as the Electric Power Research Institute. 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>In our pursuit of ongoing improvement to transparency and clarity, and with a commitment to sustainable operations, this report is our second to be in accordance with the GRI Standards: Core option. By using the GRI Standards, we disclose the most critical impacts of our activities on the environment, society and the economy. As part of this report, we have also started to align to SASB and the UN SDGs. As we continue to evolve our reporting, we will seek to enhance our alignment to these frameworks.</p> |
| 102-47 | List of material topics | About This Supplement Priority Topics | About This Supplement p. 18 Priority Topics p. 19 |
| 102-48 | Restatements of information | | No restatements |
| 102-49 | Changes in reporting | | Since Capital Power's inception in 2009, we have been reporting annually to GRI 3.1. For our 2019 report, We updated our reporting in 2018, aligning to the GRI Standards: Core option. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|--|---|
| Reporting Practice | | | |
| 102-50 | Reporting period | | January 1, 2019, to December 31, 2019. |
| 102-51 | Date of most recent report | | The most recent Sustainability Report was released on August 27, 2019. Capital Power has decided to integrate its year-end financial and sustainability disclosures into a single document that will be released at the same time. |
| 102-52 | Reporting cycle | | Annual |
| 102-53 | Contact point for questions regarding the report | | Capital Power Corporate Headquarters 1200 – 10423 101 St. N.W. Edmonton, AB T5H 0E9 info@capitalpower.com www.capitalpower.com |
| 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 Content Index is included as part of Capital Power's 2019 Integrated Annual Report. |
| 102-56 | External assurance | Limited Assurance, p. 44 | Capital Power received Limited Assurance from KPMG on selected indicators: TRIF for corporate/operations, community investment, percentage of women in executive leadership positions, total Scope 1 GHG emissions, GHG intensity and investment in GPS to date (including C2CNT). Selected indicators contained within the report are indicated with check mark. |
| GRI 200: TOPIC SPECIFIC STANDARDS – ECONOMIC | | | |
| 201 Economic Performance | | | |
| 103-1 | Explanation of the material topic and its boundary | Corporate Governance Management's Discussion and Analysis | <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 Management Proxy Circular dated March 2020 and our Corporate Governance Policy highlight our governance process. Additional discussion around economic performance can be found throughout our Management's Discussion and Analysis, which begins on p. 47 of the 2019 Integrated Annual Report.</p> <p>The 2020 Management Proxy Circular can be found on our website at: https://www.capitalpower.com/wp-content/uploads/2020/03/2020-Management-Proxy-Circular.pdf and our Corporate Governance Policy is at: https://www.capitalpower.com/wp-content/uploads/2019/06/capital-power-corporate-governance-Policy.pdf</p> <p>2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> |
| 103-2 | The management approach and its components | Management's Discussion and Analysis | https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 200: TOPIC SPECIFIC STANDARDS – ECONOMIC

201 Economic Performance

| | | | |
|-------|--|---|---|
| 103-3 | Evaluation of the management approach | Management's Discussion and Analysis | https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials |
| 201-1 | Direct economic value generated and distributed (EVG&D) | Creating Shared Value Financial Statements | <p>2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report Revenues: 1,713 (\$M)</p> <p>2019 Integrated Annual Report – Financial Statements https://www.capitalpower.com/2019-capital-power-management-discussion-and-analysis-and-financials</p> <p>Staff costs and employee benefits expense: 167 (\$M) Other operating costs: 674 (\$M) Community investments: 1.3 (\$M)</p> <p>More detailed information on how we create shared value can be found in the 2019 Integrated Annual Report, which can be found at https://www.capitalpower.com/2019-capital-power-integrated-annual-report</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. 175.</p> <p>2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Financial Statements Climate Change | <p>Included starting on p. 33 of the Integrated Annual Report within the Sustainability Supplement, which can be found in the 2019 Integrated Annual Report, which can be found at https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> <p>2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> |
| 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 Public Sector Pension Plans Act (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 Income Tax Act (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. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|----------------------|--|
| GRI 200: TOPIC SPECIFIC STANDARDS – ECONOMIC | | | |
| 201 Economic Performance | | | |
| 201-3 | Defined benefit plan obligations and other retirement plans | | <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 – 52% voluntary participation rate (Canada) |
| 201-4 | Financial assistance received from government | Financial Statements | <p>2019 Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> <p>Financial statements note 15, p. 140, 476 (\$M) government grant receivable; current receivable of 53 (\$M) (see note 12, p. 136); non-current of 423 (\$M) in statement of financial position (p. 106).</p> |
| 204 Procurement Practices | | | |
| 103-1 | Explanation of the material topic and its boundary | Sustainable Sourcing | <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. An example of local sourcing on large renewable (wind) projects in 2019:</p> <ul style="list-style-type: none"> • Whitla Wind I: O&M building, road construction, main substation, collector system and geo-tech for direct local spend of approximately \$29 million. <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 costs 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 | Sustainable Sourcing | <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>Capital Power's approach uses a procurement process with selection criteria that includes subjective areas that generally provides an advantage to local suppliers.</p> <p>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 | Sustainable Sourcing | <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. Some of the work being planned for 2020 includes determining redundancies and gaps within existing policies, standards and activities, and supplier-facing initiatives such as a Supplier Code of Conduct. We will have a more comprehensive supply chain sustainability program underway by the end of 2020.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|---|
| GRI 200: TOPIC SPECIFIC STANDARDS – ECONOMIC | | | |
| 204 Procurement Practices | | | |
| 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 60%. 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 "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> |
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 103 | | Management Approach | <p>This Section applies to 302-306 inclusive.</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 are not included in this report. Our Board of Directors (the Board) approves our Health, Safety and Environment (HSE) Policy which applies to all Capital Power sites. The policy states that all employees and contractors must be vigilant in their environmental responsibility, and the health and safety of themselves, other employees, contractors and the public in all Capital Power activities. The Board is responsible for the stewardship of Capital Power by providing independent, effective leadership over the management of our business, and to grow value responsibly in a profitable and sustainable manner. Applicable data is updated and reported annually consistent with industry standards and regulatory compliance obligations and is subject to internal audit processes.</p> |
| 302 Energy | | | |
| 103-1 | Explanation of the material topic and its boundary | Embracing a Low-Carbon Future Climate Change | <p>Energy underpins every aspect of modern life and is driving improved standards of living for millions of people around the world. Energy usage is material both from a cost competitiveness perspective as well as from an emissions perspective, and we understand the need to be a competitive source of generation in the markets in which we operate provides an imperative to maintain and enhance the thermal efficiency of our generating facilities. The compliance obligations associated with existing carbon pricing frameworks provide additional impetus to optimize efficiency.</p> <p>More information regarding our approach is contained in our Climate Change Disclosure Report, which can be found at https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/</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 are not included in this report. Information on our Goreway facility includes only June to December as that is the timeframe for which we had operational control.</p> <p>Direct impacts happen at all our thermal (non-renewable) facilities.</p> <p>Energy is a direct impact as electricity is our primary product and a variety of energy sources are key inputs to our operations.</p> <p>Data from owned capacity at facilities where we do not hold the operating permits are not included in this report.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 302 Energy | | | |
| 103-2 | The management approach and its components | Embracing a Low-Carbon Future Climate Change | <p>In managing the impacts of operations directly under our control, we are striving to minimize impacts through our operational efficiency efforts, implementing digitization and supporting carbon conversion technologies that would result in a net-zero or even positive contribution. In 2020, we published our Second Climate Change Disclosure Report, aligned to the TCFD recommendations, and provided an in-depth review of our approach regarding climate change.</p> <p>Climate Change Disclosure Report: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/</p> <p>Capital Power understands the need to address climate change, reducing greenhouse gas (GHG) emissions by improving energy efficiency and implementing low-carbon technologies like carbon capture and utilization to renewables (e.g., solar and wind), as well as advocating for climate change policies that facilitate the transition to a low-carbon economy.</p> <p>Policies: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>Climate Change Disclosure Report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/ – Our second Climate Change Disclosure Report, "Powered by Resilience," will be published in 2020 and 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>Contractor Health, Safety and Environment Management https://www.capitalpower.com/suppliers-and-contractors/?highlight=contractors – 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> <p>The following internal policies (not publicly available) also guide our activities:</p> <p>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.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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> <p>Commitments: Paris Agreement to keep global temperature rise well below 2 °C, United Nations Sustainable Development Goal 13 on climate action, Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP).</p> <p>Goals and Targets: Our annual sustainability targets include goals around energy management. See p. 22 of our Integrated Annual Report for more information.</p> <p>Responsibilities: Responsibilities around energy management are outlined in our Health, Safety and Environment Policy, Investment Policy, TCFD, Enterprise Risk Management, Board Health, Safety and Environment Policy and the 2020 Management Proxy Circular.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

302 Energy

| | | |
|-------|--|--|
| 103-2 | The management approach and its components | <p>Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power wants to ensure that we provide a supportive and positive work environment. We provide a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>Programs and Initiatives: To drive down energy use and GHG emissions from our manufacturing processes, we invest in state-of-the-art facilities and lean production techniques.</p> <p>Driven by our Plant Energy Team, our comprehensive Energy Management Operating System focuses 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> <ul style="list-style-type: none"> • Digitization: For example, in 2019 Phase 1 of the ROC project sought to optimize our energy output and financial performance of our wind asset by increasing our remote monitoring and analytics capabilities. In 2020, Phase 2 will further optimize and enhance performance of these assets through expanded remote monitoring and operations. • Our ability to manage these risks includes our commitment to capital and maintenance programs in order to ensure high availability of our assets and efficient use of resources. • Innovation: In 2019, we furthered our investment in C2CNT as part of a long-term opportunity related to mitigating risks related to CO₂ emissions and initiated plans to develop the Genesee Carbon Conversion Centre, representing our commitment towards carbon-free power generation through the medium and long term. <p>Other specific environmental initiatives and achievements include the following activities:</p> <ul style="list-style-type: none"> • Capital Power entered into an agreement with the Province of Alberta to eliminate all emissions from coal at the company's Alberta generation facilities by the end of 2030. See "Material Contracts – Off Coal Agreement". • Capital Power launched the Genesee Performance Strategy, committing up to \$50 million in capital investment to the initiative to reduce carbon emissions at the Genesee facilities by 10% or more by 2022. • Capital Power is currently participating in Alberta's REP through the Whitla Wind project. • Shepard was announced 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 convert carbon dioxide into valuable products. • Capital Power plans to build the Genesee Carbon Conversion Centre, the first-ever commercial-scale production facility of carbon nanotubes at its Genesee facility. • Capital Power continues to serve on the Board of the West Central Airshed Society. This society monitors and promotes effective management of air quality within the Airshed zone. The zone is approximately 62,000 square kilometres and spans from just west of Edmonton to the B.C. border. • Capital Power co-chairs the AISC. The AISC is a committee of the Canadian Electricity Association, Generation Council, and is comprised of Generation Council company representatives. The committee serves to monitor, engage with and respond to federal government initiatives and policies regarding climate change and air-quality issues. The AISC worked closely with the Government of Canada on the reduction of CO₂ emissions from coal-fired generation of electricity regulations, the Canadian Ambient Air Quality Standards and the Base Level Industrial Emissions Requirements. |
|-------|--|--|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|--|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 302 Energy | | | |
| 103-2 | The management approach and its components | | <ul style="list-style-type: none"> 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 1,148 hectares (36% 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. The use of biomass and tire-derived fuel has increased since 2013. Capital Power's Roxboro and Southport facilities optimized their fuel mix for increased consumption of biomass and tire-derived fuel and decreased their consumption of coal. Capital Power continues to advance its dual-fuel capability project with plans to increase natural gas capability at Genesee to 100% by 2021 for all units. Capital Power minimizes the amount of coal by-product going to the landfill by selling it for use in cement production. |
| 103-3 | Evaluation of the management approach | Embracing a Low-Carbon Future Climate Change | <p>Mechanisms for evaluating effectiveness of the management approach are outlined in the policies and Climate Change Disclosure Report mentioned above. The environmental program is monitored on a regular basis by the 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 a plant's permits and regulatory compliance. The 2019 module included a category on air quality management.</p> <p>More information can be found in GRI 102-26, 102-49 and the Climate Change Disclosure Report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/</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. Audits that have covered energy use have found no discrepancies to date.</p> <p>In 2019, Capital Power obtained limited assurance on GHG disclosed in this report based on intensity from a third-party independent verifier.</p> <p>The internal reviews performed in 2019 did not result in significant findings which required changes to management approach.</p> |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

302 Energy

| | | | | | | | |
|-------|--|--|-----------------------|--------------------------------------|-------------------------|-----------------------------------|--|
| 302-1 | Energy consumption within the organization | Non-renewable energy consumption by location and facility | | | | | Jan 1 – Dec 31 |
| | | Country | Province/State | Facility | Type of Facility | 2019 Coal Consumption (GJ) | 2019 Natural Gas Consumption (GJ) |
| | | Canada | Alberta | Halkirk Wind | wind | 0 | 0 |
| | | Canada | Alberta | Whitla 1 | wind | 0 | 0 |
| | | Canada | British Columbia | Quality Wind | wind | 0 | 0 |
| | | Canada | British Columbia | Island Generation | combined cycle gas | 0 | 5,440,557 |
| | | Canada | Alberta | Genesee Generating Station Units 1&2 | coal | 56,604,465 | 5,410,898 |
| | | Canada | Alberta | Genesee Generating Station Unit 3 | coal | 33,167,542 | 3,440,623 |
| | | Canada | Alberta | Clover Bar Energy Centre | natural gas | 0 | 10,326,981 |
| | | Canada | Alberta | Clover Bar Landfill Gas | landfill gas | 0 | 0 |
| | | Canada | Ontario | East Windsor Cogeneration Centre | natural gas | 0 | 467,606 |
| | | Canada | Ontario | York Energy Centre | natural gas | 0 | 393,600 |
| | | Canada | Ontario | Goreway | combined cycle gas | 0 | 5,096,080 |
| | | Canada | Ontario | Kingsbridge 1 Wind | wind | 0 | 0 |
| | | Canada | Ontario | Port Albert | wind | 0 | 0 |
| | | Canada | Ontario | Port Dover & Nanticoke Wind | wind | 0 | 0 |
| | | U.S.A. | North Carolina | Roxboro Power Plant | cogeneration | 585,570 | 0 |
| | | U.S.A. | North Carolina | Southport Power Plant | combined heat & power | 944,781 | 0 |
| | | U.S.A. | Alabama | Decatur Energy Center | combined cycle gas | 0 | 17,609,203 |
| | | U.S.A. | Arizona | Arlington | combined cycle gas | 0 | 22,671,340 |
| | | U.S.A. | New Mexico | Macho Springs Wind | wind | 0 | 0 |
| | | U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 |
| | | U.S.A. | Kansas | Bloom Wind | wind | 0 | 0 |
| | | U.S.A. | North Dakota | New Frontier | wind | 0 | 0 |
| | | | | Total | | 91,302,358 | 70,856,887 |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

302 Energy

| | | | | | | | | |
|-------|--|---|------------------|--------------------------------------|-----------------------|-------------------------------|------------------------------------|---------------------------|
| 302-1 | Energy consumption within the organization | Renewable energy consumption by location and facility | | | | | Jan 1 – Dec 31 | |
| | | Country | Province/State | Facility | Type of Facility | 2019 Biomass Consumption (GJ) | 2019 Landfill Gas Consumption (GJ) | 2019 TDF Consumption (GJ) |
| | | Canada | Alberta | Halkirk Wind | wind | 0 | 0 | 0 |
| | | Canada | Alberta | Whitla 1 | wind | 0 | 0 | 0 |
| | | Canada | British Columbia | Quality Wind | wind | 0 | 0 | 0 |
| | | Canada | British Columbia | Island Generation | combined cycle gas | 0 | 0 | 0 |
| | | Canada | Alberta | Genesee Generating Station Units 1&2 | coal | 0 | 0 | 0 |
| | | Canada | Alberta | Genesee Generating Station Unit 3 | coal | 0 | 0 | 0 |
| | | Canada | Alberta | Clover Bar Energy Centre | natural gas | 0 | 147,934 | 0 |
| | | Canada | Alberta | Clover Bar Landfill Gas | landfill gas | 0 | 0 | 0 |
| | | Canada | Ontario | East Windsor Cogeneration Centre | natural gas | 0 | 0 | 0 |
| | | Canada | Ontario | York Energy Centre | natural gas | 0 | 0 | 0 |
| | | Canada | Ontario | Goreway | combined cycle gas | 0 | 0 | 0 |
| | | Canada | Ontario | Kingsbridge 1 Wind | wind | 0 | 0 | 0 |
| | | Canada | Ontario | Port Albert | wind | 0 | 0 | 0 |
| | | Canada | Ontario | Port Dover & Nanticoke Wind | wind | 0 | 0 | 0 |
| | | U.S.A. | North Carolina | Roxboro Power Plant | cogeneration | 2,292,539 | 0 | 1,889,774 |
| | | U.S.A. | North Carolina | Southport Power Plant | combined heat & power | 4,400,725 | 0 | 3,976,019 |
| | | U.S.A. | Alabama | Decatur Energy Center | combined cycle gas | 0 | 0 | 0 |
| | | U.S.A. | Arizona | Arlington | combined cycle gas | 0 | 0 | 0 |
| | | U.S.A. | New Mexico | Macho Springs Wind | wind | 0 | 0 | 0 |
| | | U.S.A. | North Carolina | Beaufort Solar | solar | 0 | 0 | 0 |
| | | U.S.A. | Kansas | Bloom Wind | wind | 0 | 0 | 0 |
| | | U.S.A. | North Dakota | New Frontier | wind | 0 | 0 | 0 |
| | | | | Total | | 6,693,264 | 147,934 | 5,865,793 |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

302 Energy

| 302-1 | Energy consumption within the organization | <table><tr><th>Total energy consumption by source (GJ)</th><th>Jan 1 – Dec 31</th></tr><tr><td>Electricity</td><td>4,164,531</td></tr><tr><td>Heating</td><td>N/A</td></tr><tr><td>Cooling</td><td>N/A</td></tr><tr><td>Steam</td><td>N/A</td></tr></table> <table><tr><th>Total energy sold by source (GJ)</th><th>Jan 1 – Dec 31</th></tr><tr><td>Electricity</td><td>75,237,419</td></tr><tr><td>Heating</td><td>N/A</td></tr><tr><td>Cooling</td><td>N/A</td></tr><tr><td>Steam</td><td>1,628,202</td></tr></table> <table><tr><th>Total 2019 energy consumption (GJ)</th></tr><tr><td>179,030,767</td></tr></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 1MWh = 3.6GJ (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• Energy use is based on fuel invoice data from the supplier | Total energy consumption by source (GJ) | Jan 1 – Dec 31 | Electricity | 4,164,531 | Heating | N/A | Cooling | N/A | Steam | N/A | Total energy sold by source (GJ) | Jan 1 – Dec 31 | Electricity | 75,237,419 | Heating | N/A | Cooling | N/A | Steam | 1,628,202 | Total 2019 energy consumption (GJ) | 179,030,767 |
|---|---|---|--|----------------|-------------|-----------|---------|-----|---------|-----|-------|-----|----------------------------------|----------------|-------------|------------|---------|-----|---------|-----|-------|-----------|------------------------------------|-------------|
| Total energy consumption by source (GJ) | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | |
| Electricity | 4,164,531 | | | | | | | | | | | | | | | | | | | | | | | |
| Heating | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Cooling | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Steam | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Total energy sold by source (GJ) | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | |
| Electricity | 75,237,419 | | | | | | | | | | | | | | | | | | | | | | | |
| Heating | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Cooling | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Steam | 1,628,202 | | | | | | | | | | | | | | | | | | | | | | | |
| Total 2019 energy consumption (GJ) | | | | | | | | | | | | | | | | | | | | | | | | |
| 179,030,767 | | | | | | | | | | | | | | | | | | | | | | | | |
| 302-2 | Energy consumption outside the organization | | Not tracked, nor do we intend to track it in the future as the calculation holds no current economic value for the company. | | | | | | | | | | | | | | | | | | | | | |
| 302-3 | Energy intensity | | Energy intensity ratio (GJ/MWh) is 8.37. Organization metric (denominator) is MWh. Fuel inputs are included in the ratio (GJ). Only energy consumption within the organization is used to calculate the energy intensity. | | | | | | | | | | | | | | | | | | | | | |
| 302-4 | Reduction of energy consumption | | Energy intensity ratio has decreased at our Genesee and Southport power plants due to operational improvements and equipment upgrades. Both plants generated more MWh in 2019, therefore the absolute energy use increased but by a lower percentage than the generation. The improvements at Genesee resulted in a decrease of 3.4M GJs of energy consumed to generate the higher 2019 generation. At our Southport facility, a reduction of 385,000 GJs of energy occurred due to improved energy intensity. | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|--------------------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 303 Water and Effluents | | | |
| 103-1 | Explanation of the material topic and its boundary | Water Use and Management | <p>We seek opportunities to use water efficiently, as managing water and effluent helps limit our environmental impact and lowers risks and costs.</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 are not included in this report.</p> <p>Most of our water consumption occurs where our thermal operations are located.</p> <p>We seek to understand collective challenges and how to create long-term value by developing a water management strategy for the company by 2021. Universal Transverse Mercator (UTM) coordinates for all our thermal facilities which utilize water were entered into the WWF Water Risk Filter Tool, which identified the stress risk for all of the locations as being low with the exception of Arlington, which was identified as a water-stressed area in 2019.</p> <p>Data from owned capacity at facilities where we do not hold the operating permits are not included in this report.</p> |
| 103-2 | The management approach and its components | Water Use and Management | <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>We aim to put a strategy in place that manages water as a shared resource and will work to create value through sound water stewardship.</p> <p>Policies: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>Climate Change Disclosure Report: https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/ – Our second Climate Change Disclosure Report, "Powered for Resilience," will be published in 2020 and 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>Contractor Health, Safety and Environment Management https://www.capitalpower.com/suppliers-and-contractors/?highlight=contractors – 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> <p>The following internal policies (not publicly available) also guide our activities:</p> <p>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.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|--------------------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 303 Water and Effluents | | | |
| 103-2 | The management approach and its components | | <p>Commitments: Paris Agreement to keep global temperature rise well below 2 °C; United Nations Sustainable Development Goal 13 on climate action, Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP).</p> <p>Goals and Targets: Our annual sustainability targets include goals around energy management. See p. 22 of our Integrated Annual Report for more information.</p> <p>Responsibilities: Responsibilities around energy management are outlined in our Health, Safety and Environment Policy, Investment Policy, TCFD, Enterprise Risk Management, Board Health, Safety and Environment Policy and the 2020 Management Proxy Circular.</p> <p>Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power wants to ensure that we provide a supportive and positive work environment. We provide a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |
| 103-3 | Evaluation of the management approach | Water Use and Management | <p>Mechanisms for evaluating 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 committee, including compliance with regulatory requirements.</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 a plant's permits and regulatory compliance. The 2019 module included a category on water management. 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, where the environmental focus tends to be on the plant's permits and regulatory compliance. During our ISATs, our environmental modules included a category on water quality management. In 2019, all assurance reviews were performed according to the 2019 Board-approved audit plan. 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 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.</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>Regulator inspection occurred at our Southport, Roxboro and Decatur facilities. No violations were noted.</p> <p>The internal reviews performed in 2019 did not result in significant findings which required changes to management approach.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|---|----------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 303 Water and Effluents | | | |
| 303-1 | Interactions with water as a shared resource | | <p>Water is 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 close-looped to conserve water. Cooling water systems are similar but may withdraw from and discharge to a local water source.</p> <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 which involve studies, limits, monitoring and reporting.</p> <p>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 aim to obtain information regarding water usage, data and reporting in future years. By the end of 2021, we will endeavour to have a formal water management strategy across the organization.</p> <p>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 Regulatory and Environmental Policy (R&EP) group, in consultation with government relations, is responsible for early identification of emerging regulatory issues as well as proposed and forthcoming 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. The R&EP:</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. <p>The R&EP reports regularly to the Executive Team.</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> |
| 303-3 | Water withdrawal | | <p>Total water withdrawal: 51,795 ML</p> <p>Total includes: surface waters, groundwater, seawater, produced waters and third-party waters.</p> <p>According to the WWF water risk filter, the only facility in a "water stress" area is our Arlington facility. Arlington withdrew 3,319 ML.</p> <p>All water withdrawn is freshwater.</p> <p>Notes:</p> <ul style="list-style-type: none"> • According to the WWF water risk filter, the only facility in a "water stress" area is our Arlington facility. • All waters withdrawn were considered to be <1000mg/L Total Dissolved Solids. • Additional contextual information relating to the provided data is outlined in the sites' operating permits, approvals or license issued by the regional regulator or from local water quality objectives. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|-----------------------------------|--|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 303 Water and Effluents | | | |
| 303-4 | Water discharge | | <p>Total water discharged: 36,003 ML</p> <p>Total includes: surface waters, groundwater, seawater, produced waters and third-party waters.</p> <p>All waters discharged were considered to be <1000mg/L Total Dissolved Solids.</p> <p>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.</p> <p>Operating approvals, permits and/or licenses identify any “discharge consents” or priority substances to be treated specific to each operational site.</p> <p>Notes:</p> <ul style="list-style-type: none"> • All waters discharged were considered to be <1000mg/L Total Dissolved Solids. • Our Arlington facility was the only facility considered to be in an area of “water stress” in 2019. • 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 license issued by the regional regulator or from local water quality objectives. |
| 303-5 | Water consumption | | <p>Total water consumed: 15,556 ML</p> <p>Total includes: surface waters, groundwater, seawater, produced waters and third-party waters.</p> <p>According to the WWF water risk filter, the only facility in a “water stress” area is our Arlington facility. Arlington consumed 3,319 ML.</p> <p>No changes</p> <p>Notes:</p> <ul style="list-style-type: none"> • Our Arlington facility was the only facility considered to be in an area of “water stress” in 2019. • No significant changes in water storage were made in 2019. • Additional contextual information relating to the provided data is outlined in the sites’ operating permits, approvals or license issued by the regional regulator or from local water quality objectives. <p>We assume water consumed is equal to water withdrawal minus water discharge.</p> |
| 304 Biodiversity | | | |
| 103-1 | Explanation of the material topic and its boundary | Biodiversity and Land Reclamation | <p>We recognize that we need to ensure that we understand impacts related to biodiversity, ecosystems and other land uses and how we can ensure that we operate using a balanced approach.</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 are not included in this report.</p> <p>Impacts on biodiversity can occur at any of our operating facilities.</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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|-----------------------------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 304 Biodiversity | | | |
| 103-2 | The management approach and its components | Biodiversity and Land Reclamation | <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>Policies: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>Responsibilities: Responsibilities around energy management are outlined in our Health, Safety and Environment Policy, Climate Change Disclosure Report, Board Health, Safety and Environment Policy and the 2020 Management Proxy Circular.</p> <p>Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power wants to ensure that we provide a supportive and positive work environment. We provide a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>Initiatives: 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 1,148 hectares (36% of the total surface area at the Genesee coal mine) of previously mined area into productive farmland and wildlife habitat.</p> <ul style="list-style-type: none"> • 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. |
| 103-3 | Evaluation of the management approach | Biodiversity and Land Reclamation | All plants are subject to an internal review process which includes an environmental component, focusing on a plant's permits and regulatory compliance. The 2019 module included a category on land and vegetation management, including use of pesticides and land reclamation. |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Biodiversity and Land Reclamation | See Biodiversity and Land Reclamation, p. 37 of our Integrated Annual Report. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

304 Biodiversity

| | | | |
|-------|--|-----------------------------------|--|
| 304-2 | Significant impacts of activities, products and services on biodiversity | Biodiversity and Land Reclamation | <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>The following information is related to reclamation activities conducted in 2019 at our Genesee and mine operations. Totals described below are considered to be estimates.</p> <p>2019 reclamation totals have been estimated at:</p> <ul style="list-style-type: none"> • Leveling Soil: 82 hectares (ha) vs target 65 ha. • Subsoil placement: 49 ha vs target of 89 ha. • Topsoil placement: 6 ha vs target of 89 ha • Rainy weather affected the reclamation activities. <p>30,000 trees were planted in 2019 and several hundred thousand trees have been planted to date.</p> <p>To date, 1,148 ha of land (36% LTD disturbed area) has been fully reclaimed since the mine opened in 1990.</p> <p>2019 marks the fourth 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> |
| 304-3 | Habitats protected or restored | Biodiversity and Land Reclamation | <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 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|--|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 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 farm; 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 we are working in <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 • report to regulators any encounters with critters of concern |
| 305 Emissions | | | |
| 103-1 | Explanation of the material topic and its boundary | Embracing a Low-Carbon Future Climate Change | <p>Energy underpins every aspect of modern life and is driving improved standards of living for millions of people around the world. While renewables are a growing part of the global generation mix, natural gas generation is a more reliable energy source and has critical performance attributes that wind and solar currently lack. It keeps the lights on when the wind isn't blowing and the sun isn't shining. 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>Further information about our climate change management approach is described in our Climate Change Disclosure Report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfdf/ and in GRI 302.</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 are not included in this report. Information on our Goreway facility includes only June to December as that is the timeframe for which we had operational control. Direct impacts happen at all our thermal (non-renewable) facilities.</p> <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 digitization and supporting carbon conversion technologies that would result in a net-zero or even positive contribution. In 2020 we published our Second Climate Change Disclosure Report, aligned to the TCFD recommendations, and provided an in-depth review of our approach regarding climate change.</p> <p>Further information regarding how climate change impacts are managed are contained in our Climate Change Disclosure report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfdf/</p> <p>Data from owned capacity at facilities where we do not hold the operating permits are not included in this report</p> |
| 103-2 | The management approach and its components | Embracing a Low-Carbon Future Climate Change | <p>Our sustainability targets include reducing our carbon footprint and intensity. Some of the projects we are undertaking to reduce our impacts include implementing our dual-fuel project where all three of our Genesee units will be transformed to have complete dual-fuel capability, enabling us to use 100% natural gas in order to further reduce emissions by 2021. In 2016, we began a five-year, \$45 million Genesee Performance Standard (GPS) efficiency improvement program, which targets a 12% reduction in carbon emissions by 2021. We are also advancing our plan to build the world's first commercial-scale production facility of carbon nanotubes at our Genesee Carbon Conversion Centre which will allow us to convert captured carbon into carbon nanotubes enabling zero or near-zero emissions at our thermal sites.</p> <p>Further information regarding our sustainability targets is contained in our Climate Change Disclosure Report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfdf/</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|----------------|--|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 305 Emissions | | | |
| 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 and implementing low-carbon technologies like carbon capture and utilization to renewables (e.g., solar and wind), as well as advocating for climate change policies that facilitate the transition to a low-carbon economy.</p> <p>Policies: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>Climate Change Disclosure Report https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcfd/ – Our second Climate Change Disclosure Report, "Powered for Resilience", will be published in 2020 and 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>Contractor Health, Safety and Environment Management https://www.capitalpower.com/suppliers-and-contractors/ – This policy 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> <p>The following internal policies (not publicly available) also guide our activities:</p> <p>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.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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> <p>Commitments: Paris Agreement to keep global temperature rise well below 2 °C, United Nations Sustainable Development Goal 13 on climate action, Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Project (CDP).</p> <p>Goals and Targets: Our annual sustainability targets include goals around energy management. See Integrated Annual Report p. 22 for more information.</p> <p>Responsibilities: Our responsibilities around energy management are outlined in our policies: Health, Safety and Environment, Climate Change Disclosure Report, Board Health, Safety and Environment Policy and the 2020 Management Proxy Circular.</p> <p>Grievance Mechanisms: As outlined in our Ethics Policy, 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. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 305 Emissions | | | |
| 103-2 | The management approach and its components | | <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 or accounting concerns in good faith without fear of retaliation.</p> <p>Programs and Initiatives: To drive down energy use and GHG emissions from our manufacturing processes, we invest in state-of-the-art facilities and lean production techniques.</p> <p>Driven by our Plant Energy Team, our comprehensive Energy Management Operating System focuses 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> <ul style="list-style-type: none"> • Digitization: For example, in 2019, Phase 1 of the ROC project sought to optimize our energy output and financial performance of our wind asset by increasing our remote monitoring and analytics capabilities. In 2020, Phase 2 will further optimize and enhance performance of these assets through expanded remote monitoring and operations. • Our ability to manage these risks includes our commitment to capital and maintenance programs in order to ensure high availability of our assets and efficient use of resources. For example, our Genesee Performance Standard is a program that targets a 12% reduction in carbon emissions by 2021. • Innovation: In 2019, we furthered our investment in C2CNT as part of a long-term opportunity related to mitigating risks related to CO₂ emissions and initiated plans to develop the Genesee Carbon Conversion Centre to represent our commitment towards carbon-free power generation through the medium and long term. <p>Other specific environmental initiatives and achievements include the following activities:</p> <ul style="list-style-type: none"> • Capital Power entered into an agreement with the Province of Alberta to eliminate all emissions from coal at the company's Alberta generation facilities by the end of 2030. See "Material Contracts – Off Coal Agreement. • Capital Power launched a five-year, \$45-million Genesee Performance Standard (GPS) efficiency improvement program, which targets a 12% reduction in carbon emissions by 2021. • Capital Power is currently participating in Alberta's REP through the Whitla Wind project. • Shepard was announced 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 convert carbon dioxide into valuable products. • Capital Power plans to build the Genesee Carbon Conversion Centre, the first-ever commercial-scale production facility of carbon nanotubes at its Genesee facility. • Capital Power continues to serve on the Board of the West Central Airshed Society. This society monitors and promotes effective management of air quality within the Airshed zone. The zone is approximately 62,000 square kilometres and spans from just west of Edmonton to the B.C. border. • Capital Power co-chairs the AISC. The AISC is a committee of the Canadian Electricity Association, Generation Council, and is comprised of Generation Council company representatives. The committee serves to monitor, engage with and respond to federal government initiatives and policies regarding climate change and air-quality issues. The AISC worked closely with the Government of Canada on the reduction of CO₂ emissions from coal-fired generation of electricity regulations, the Canadian Ambient Air Quality Standards and the Base Level Industrial Emissions Requirements. • The use of biomass and tire-derived fuel has increased since 2013. Capital Power's Roxboro and Southport facilities optimized their fuel mix for increased consumption of biomass and tire-derived fuel and decreased their consumption of coal. • Capital Power continues to advance its dual-fuel capability project with plans to increase natural gas capability at Genesee to 100% by 2021 for all units. • Capital Power minimizes the amount of coal by-product going to the landfill by selling it for use in cement production. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| 103-3 | Evaluation of the management approach | Embracing a Low-Carbon Future Climate Change | <p>Mechanisms for evaluating effectiveness of the management approach is outlined in the policies mentioned. The environmental program is monitored on a regular basis by the 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 a plant's permits and regulatory compliance. The 2019 module included a category on air quality management.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|---|---|---|------------------------------|----------------|----------------|---------|--|--|-----------------|------------|------------|-------------|-----------|-----------|--------------|-------------------|-------------------|--------------------------------|----------------|----------------|----------|---|--|------|-----------|-----------|-----|-----------|-----------|------------|---|-----------|--------------|-------------------|-------------------|---------------------------------------|--|--|
| 305-1 | Direct (Scope 1) GHG emissions | | <p>12,650,545 tonnes CO₂e for 2019</p> <table><tr><th>Scope 1 emissions by country</th><th>Jan 1 – Dec 31</th><th>Jan 1 – Dec 31</th></tr><tr><th>Country</th><th>GHG excluding Biomass & Landfill gas CO₂ (tonnes/yr)</th><th>GHG including Biomass & Landfill gas (tonnes/yr)</th></tr><tr><td>Canadian totals</td><td>10,011,405</td><td>10,019,559</td></tr><tr><td>U.S. totals</td><td>2,639,140</td><td>3,193,100</td></tr><tr><td>Total</td><td>12,650,545</td><td>13,212,659</td></tr></table> <table><tr><th>Scope 1 emissions by fuel type</th><th>Jan 1 – Dec 31</th><th>Jan 1 – Dec 31</th></tr><tr><th>Emission</th><th>Emission GHG excluding Biomass & Landfill gas CO₂ (tonnes/yr)</th><th>GHG including Biomass & Landfill gas (tonnes/yr)</th></tr><tr><td>Coal</td><td>8,676,876</td><td>8,188,109</td></tr><tr><td>Gas</td><td>3,928,935</td><td>3,928,935</td></tr><tr><td>Renewables</td><td>5</td><td>1,050,886</td></tr><tr><td>Total</td><td>12,605,816</td><td>13,167,930</td></tr><tr><td colspan="3">*Genesee Mine emissions not included.</td></tr></table> | Scope 1 emissions by country | Jan 1 – Dec 31 | Jan 1 – Dec 31 | Country | GHG excluding Biomass & Landfill gas CO ₂ (tonnes/yr) | GHG including Biomass & Landfill gas (tonnes/yr) | Canadian totals | 10,011,405 | 10,019,559 | U.S. totals | 2,639,140 | 3,193,100 | Total | 12,650,545 | 13,212,659 | Scope 1 emissions by fuel type | Jan 1 – Dec 31 | Jan 1 – Dec 31 | Emission | Emission GHG excluding Biomass & Landfill gas CO ₂ (tonnes/yr) | GHG including Biomass & Landfill gas (tonnes/yr) | Coal | 8,676,876 | 8,188,109 | Gas | 3,928,935 | 3,928,935 | Renewables | 5 | 1,050,886 | Total | 12,605,816 | 13,167,930 | *Genesee Mine emissions not included. | | |
| Scope 1 emissions by country | Jan 1 – Dec 31 | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Country | GHG excluding Biomass & Landfill gas CO ₂ (tonnes/yr) | GHG including Biomass & Landfill gas (tonnes/yr) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canadian totals | 10,011,405 | 10,019,559 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. totals | 2,639,140 | 3,193,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 12,650,545 | 13,212,659 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scope 1 emissions by fuel type | Jan 1 – Dec 31 | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Emission | Emission GHG excluding Biomass & Landfill gas CO ₂ (tonnes/yr) | GHG including Biomass & Landfill gas (tonnes/yr) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coal | 8,676,876 | 8,188,109 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas | 3,928,935 | 3,928,935 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renewables | 5 | 1,050,886 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 12,605,816 | 13,167,930 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *Genesee Mine emissions not included. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| 305-1 | Direct (Scope 1) GHG emissions | Gross Scope 1 emissions by facility | | | | Jan 1 – Dec 31 | |
|-------|--------------------------------------|-------------------------------------|------------------|---|--------------------------|--|--|
| | | Country | Province/State | Facility | Type of Facility | GHG excluding Biomass & LFG CO ₂ e (tonnes/yr) | GHG including Biomass & LFG (tonnes/yr) |
| | | Canada | Alberta | Halkirk Wind | wind | n/a | n/a |
| | | Canada | Alberta | Whitla 1 | wind | n/a | n/a |
| | | Canada | British Columbia | Quality Wind | wind | n/a | n/a |
| | | Canada | British Columbia | Island Generation | combined cycle gas | 279,592 | 279,592 |
| | | Canada | Alberta | Genesee Generating Station Units 1&2 | coal | 5,569,813 | 5,569,813 |
| | | Canada | Alberta | Genesee Generating Station Unit 3 | coal | 3,285,328 | 3,285,328 |
| | | Canada | Alberta | Clover Bar Energy Centre | natural gas | 528,644 | 528,644 |
| | | Canada | Alberta | Clover Bar Landfill Gas | landfill gas | 5 | 8,159 |
| | | Canada | Ontario | East Windsor Cogeneration Centre | natural gas | 23,840 | 23,840 |
| | | Canada | Ontario | York Energy Centre | natural gas | 19,986 | 19,986 |
| | | Canada | Ontario | Goreway | combined cycle gas | 259,468 | 259,468 |
| | | Canada | Ontario | Kingsbridge 1 Wind | wind | n/a | n/a |
| | | Canada | Ontario | Port Albert | wind | n/a | n/a |
| | | Canada | Ontario | Port Dover & Nanticoke Wind | wind | n/a | n/a |
| | | Canada | Alberta | Genesee Mine | coal mining | 44,728 | 44,728 |
| | | U.S.A. | North Carolina | Roxboro Power Plant | cogeneration | 224,640 | 423,161 |
| | | U.S.A. | North Carolina | Southport Power Plant | combined heat & power | 391,838 | 747,277 |
| | | U.S.A. | Alabama | Decatur Energy Center | combined cycle gas | 866,395 | 866,395 |
| | | U.S.A. | Arizona | Arlington | combined cycle gas | 1,156,267 | 1,156,267 |
| | | U.S.A. | New Mexico | Macho Springs Wind | wind | n/a | n/a |
| | | U.S.A. | North Carolina | Beaufort Solar | solar | n/a | n/a |
| | | U.S.A. | Kansas | Bloom Wind | wind | n/a | n/a |
| | | U.S.A. | North Dakota | New Frontier | wind | n/a | n/a |
| | | | | | Total | 12,650,544 | 13,212,659 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| | | |
|-------|---|--|
| 305-1 | Direct (Scope 1) GHG emissions | <p>Notes:</p> <ul style="list-style-type: none"> • Gases included in gross direct GHG emission calculation include CO₂, CH₄, N₂O and SF₆. • No base year used for calculations. • 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. <p>*Excludes renewable facilities and construction projects. *Excludes construction projects. *Scope 1 excludes vehicle calculations.</p> <p>Gases included: CO₂, CH₄, N₂O and SF₆</p> <p>Biogenic GHG emissions, 562,114 tonnes CO₂e</p> <p>2016 has been selected as the baseline year as this was before investments were made into efficiency and co-firing programs. Whilst a baseline recalculation policy is not documented, when Capital Power acquires or divests assets the baseline is adjusted.</p> <p>Global warming potential rates used are from IPCC Guidelines for Greenhouse Gas Inventories.</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 are not included in this report.</p> <p>Capital Power uses the operational control approach for emissions.</p> <p>Capital Power uses a combination of mass balance and emission factors in the calculation of CO₂ emissions. Quantification requirements are dictated by the jurisdiction.</p> |
| 305-2 | Energy indirect (Scope 2) GHG emissions | <p>Gross location-based energy indirect (Scope 2) GHG emissions are 50,773 t/CO₂e for 2019. This reflects a significant increase from previous years because we are including the emissions associated with the power consumed by the Genesee Mine. The mine accounts for 88% of our Scope 2 emissions at a total of 44,533 t/CO₂e.</p> <p>Gross market-based energy indirect (Scope 2) GHG emissions will be 34,465 t/CO₂e if we retire RECs against all of our Scope 2 electricity consumption emissions. 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. Although our Scope 2 emissions included this year are significantly higher than in previous years, we are confident that we will be able to source and retire a sufficient number of RECs again this year.</p> <p>We included the CO₂, CH₄ and N₂O gases in our calculation of emissions from our natural gas consumption at the Calgary and Edmonton offices.</p> <p>We use 2013 as the base year as this was the first year we collected data on Scope 2 emissions. Base-year emissions were 2,952 tCO₂e but have not been recalculated based on any significant changes in emissions.</p> <p>Global Warming Potentials (GWP) used:</p> <ul style="list-style-type: none"> • CO₂e – 1 • CH₄ – 25 • N₂O – 298 <p>We are using the operational control consolidation approach for our Scope 1 and 2 emissions. Our Edmonton and Calgary offices are LEED certified, and are located in buildings with other tenants.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|----------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 305 Emissions | | | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | | <p>Capital Power has retired Canadian ECOLOGO certified hydro Renewable Energy Credits (RECs) on the Western Renewable Energy Generation Information System (WREGIS) tracking system annually since we started reporting on Scope 2 emissions in 2013 (base year). We intend to retire enough RECs to cover 100% of our 2019 Scope 2 emissions related to electricity consumed at the head office in Edmonton, AB, and the largest satellite office in Calgary, AB. We may also retire RECs to offset emissions associated with electricity consumption at the Clover Bar Energy Centre natural gas generator and the Genesee Mine not already included under the Carbon Competitiveness Incentive Regulation (CCIR) for 2019. The WREGIS system is an independent, renewable energy tracking system for the region covered by the Western Electricity Coordinating Council. WREGIS tracks renewable energy generation from units that register in the system by using verifiable data and creating Renewable Energy Credits (RECs) for this generation. ECOLOGO certifications are voluntary, multi-attribute, lifecycle-based environmental certifications that indicate a product has undergone rigorous scientific testing, exhaustive auditing, or both, to prove its compliance with stringent, third party, environmental performance standards.</p> <p>Capital Power has also retired enough offsets to cover 100% of the emissions associated with natural gas consumption at both the Edmonton and Calgary offices every year since the base year (2013) and intends to do so again for 2019. The Clover Bar Energy Centre and Genesee Mine are subject to the CCIR in Alberta that requires offsets or fund credits to be purchased for a portion of the emissions, and Capital Power is consistently in compliance. However, retiring offsets and purchasing fund credits does not reduce Scope 2 market-based emissions. The only option for reducing emissions associated with natural gas consumption is purchasing green gas certificates which are not widely available in the regions in which we operate.</p> <p>Buildings quantified are powered by electricity and use electricity for cooling and natural gas for heating. Calculation used from GHG Protocol Guidance: Emissions (tCO₂e) = Activity Data (MWh) *Emission Factor (tCO₂e/MWh)</p> <p>CO₂ Emissions – Power tCO₂e Calgary Office 132 Edmonton Office 1,713 Clover Bar – Natural gas generator 3,600 Genesee Mine – coal mine for Genesee 44,533 Total Emissions Power 49,977</p> <p>CO₂ Emissions – Gas tCO₂e Calgary Office 31 Edmonton Office 765 Total Emissions Gas 796 Overall Total Scope 2 Emissions 50,773</p> <p>Scope 2 emissions were calculated with usage data from the utility bills for power and natural gas at each of our Edmonton and Calgary offices based on our portion of occupancy. We applied the Alberta grid average emission factor for power consumption of 0.8 tCO₂e/MWh as obtained from the National Inventory Report for Canada. The power consumed by the Genesee Mine was also included this year. Although we do not hold the operational permit for the mine, we are active in monitoring the consumption and responsible for the costs associated with its carbon emissions.</p> <p>The following natural gas emission factors, from the AB Carbon Offset Emissions Handbook Version 2.0 updated Nov. 2019, were applied for our natural gas consumption:</p> <ul style="list-style-type: none"> • kg CO₂/GJ 51.77 • kg CH₄/GJ 0.001 • kg N₂O/GJ 0.0009 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| | | |
|-------|--|--|
| 305-3 | Other indirect (Scope 3) GHG emissions | <p>We have engaged a third-party consultant to assist in our quantification of Scope 3 emissions and have therefore improved many of our calculations this year. We still relied on the GHG Protocol's Quantis calculator for many of our quantifications but have greatly improved the quality and completeness of our data collection. We have quantified our Scope 3 emissions as fulsomely as possible in the following categories:</p> <p>Total Scope 3 Emissions (CO₂, CH₄, N₂O) tCO₂e</p> <p>Purchased Goods 451,846 – large increase this year due to inclusion of significant costs associated with this category.</p> <p>Upstream Transportation 5,797 – decreased this year</p> <p>Fuel and Energy 2,064,149 – dramatic increase this year reflects the addition of two new natural gas units and increased generation by an existing natural gas unit despite a 15% reduction in coal consumption.</p> <p>Waste 9,651 – slight reduction this year</p> <p>Business Travel 20,851 – improved calculation shows an increase this year.</p> <p>Employee Commuting 1,020 – same as last year</p> <p>Downstream Transportation 0 – category excluded this year as transmission losses are included in the emissions of consumers.</p> <p>Total 2,553,314</p> <p>The relevant gases for the Scope 3 emissions calculations are CO₂, CH₄ and N₂O. All other greenhouse gases were considered but found to be irrelevant to the emission sources within the Scope 3 boundary.</p> <p>The Scope 3 biogenic CO₂ emissions were zero for 2019.</p> <p>Scope 3 emissions sources included:</p> <ul style="list-style-type: none"> • Capital goods and purchased goods • Fuel and energy associated with upstream fuel production • Upstream transportation associated with transporting fuel to electricity generating facilities • Waste emissions from ash disposal at coal-electricity generating facilities • Business travel (flights, accommodations, ground transportation) • Employee commuting <p>2018 was selected as the base year for calculation.</p> <ul style="list-style-type: none"> • 2018 was the first year Scope 3 emissions were calculated for a wide range of emission sources. • 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 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. <p>Sources of emission factors</p> <p>Capital goods and purchased goods:</p> <ul style="list-style-type: none"> • Greenhouse Gas Protocol: Quantis Scope 3 calculator. <p>Fuel and energy:</p> <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. |
|-------|--|--|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 305 Emissions | | | |
| 305-3 | Other indirect (Scope 3) GHG emissions | | <p>Upstream transportation:</p> <ul style="list-style-type: none"> Greenhouse Gas Protocol: Cross Sector Tools March 2017.xlsx ("heavy duty rigid diesel vehicles"). <p>Waste:</p> <ul style="list-style-type: none"> U.S. EPA. Background Document for Life-Cycle Greenhouse Gas Emission Factors for Fly Ash Used as a Cement Replacement in Concrete. <p>Business travel:</p> <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. <p>Employee commuting:</p> <ul style="list-style-type: none"> Greenhouse Gas Protocol: Quantis Scope 3 calculator. <p>GWPs applied:</p> <ul style="list-style-type: none"> CO₂ = 1 CH₄ = 25 N₂O = 298 <p>Emissions were calculated using activity data collected from Capital Power's internal departments.</p> <p>Emission factors were sourced from references described in question 305-3.</p> <p>Relevant assumptions</p> <p>Capital goods and purchased goods:</p> <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. <p>Fuel and energy:</p> <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. <p>Upstream transportation:</p> <ul style="list-style-type: none"> No significant assumptions were required. <p>Waste:</p> <ul style="list-style-type: none"> No significant assumptions were required. <p>Business travel:</p> <ul style="list-style-type: none"> The emission factor for accommodations was applied to the broader category (accommodations, other travel) <p>Employee commuting:</p> <ul style="list-style-type: none"> No significant assumptions were required. |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

305-4

GHG emissions intensity

2019 GHG emission intensity: 0.602 tonnes CO₂e/MWh*

*Intensity includes emissions from generation only. It does not include Genesee Mine emissions as it does not generate electricity.

| Gross Scope 1 emissions by facility | | | | Jan 1 – Dec 31 actuals |
|-------------------------------------|------------------|--------------------------------------|-----------------------|--|
| Country | Province/State | Facility | Type of Facility | GHG Intensity (tonnes CO ₂ e/MWh) |
| Canada | Alberta | Halkirk Wind | wind | 0 |
| Canada | Alberta | Whitla 1 | wind | 0 |
| Canada | British Columbia | Quality Wind | wind | 0 |
| Canada | British Columbia | Island Generation | combined cycle gas | 0.388 |
| Canada | Alberta | Genesee Generating Station Units 1&2 | coal | 0.897 |
| Canada | Alberta | Genesee Generating Station Unit 3 | coal | 0.836 |
| Canada | Alberta | Clover Bar Energy Centre | natural gas | 0.505 |
| Canada | Alberta | Clover Bar Landfill Gas | landfill gas | 0.000 |
| Canada | Ontario | East Windsor Cogeneration Centre | natural gas | 0.560 |
| Canada | Ontario | York Energy Centre | natural gas | 0.643 |
| Canada | Ontario | Goreway | combined cycle gas | 0.471 |
| Canada | Ontario | Kingsbridge 1 Wind | wind | 0 |
| Canada | Ontario | Port Albert | wind | 0 |
| Canada | Ontario | Port Dover & Nanticoke Wind | wind | 0 |
| U.S.A. | North Carolina | Roxboro Power Plant | cogeneration | 0.687 |
| U.S.A. | North Carolina | Southport Power Plant | combined heat & power | 0.854 |
| U.S.A. | Alabama | Decatur Energy Center | combined cycle gas | 0.404 |
| U.S.A. | Arizona | Arlington | combined cycle gas | 0.394 |
| U.S.A. | New Mexico | Macho Springs Wind | wind | 0 |
| U.S.A. | North Carolina | Beaufort Solar | solar | 0 |
| U.S.A. | Kansas | Bloom Wind | wind | 0 |
| U.S.A. | North Dakota | New Frontier | wind | 0 |
| | | | Total | 0.602 |

*This intensity includes GHG emissions related to MWh production only and excludes steam production.

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| 305-4 | GHG emissions intensity | <div>2019 GHG emission intensity: 0.602 tonnes CO₂e/MWh*</div> <div>*Intensity includes emissions from generation only. It does not include Genesee Mine emissions as it does not generate electricity.</div> <table><thead><tr><th>GHG intensity by country</th><th>Jan 1 – Dec 31</th></tr><tr><th>Country</th><th>GHG Intensity (tonnes CO₂e/MWh)</th></tr></thead><tbody><tr><td>Canadian totals</td><td>0.723</td></tr><tr><td>U.S. totals</td><td>0.370</td></tr><tr><td>Total</td><td>0.602</td></tr></tbody></table> <table><thead><tr><th>GHG intensity by fuel type</th><th>Jan 1 – Dec 31</th></tr><tr><th>Emission</th><th>GHG Intensity (tonnes CO₂e/MWh)</th></tr></thead><tbody><tr><td>Coal</td><td>0.932</td></tr><tr><td>Gas</td><td>0.468</td></tr><tr><td>Renewables</td><td>0.000</td></tr><tr><td>Total</td><td>0.602</td></tr></tbody></table> <div>Notes:</div> <ul style="list-style-type: none">• Intensity includes GHG emissions related to MWh production only and excludes steam production at our East Windsor facility• Denominator used is Net Generation (sold MWh)• Only direct (Scope 1) GHG emissions included in intensity calculation• Gases included in calculation: CO₂, CH₄, N₂O and SF₆ | GHG intensity by country | Jan 1 – Dec 31 | Country | GHG Intensity (tonnes CO ₂ e/MWh) | Canadian totals | 0.723 | U.S. totals | 0.370 | Total | 0.602 | GHG intensity by fuel type | Jan 1 – Dec 31 | Emission | GHG Intensity (tonnes CO ₂ e/MWh) | Coal | 0.932 | Gas | 0.468 | Renewables | 0.000 | Total | 0.602 |
|----------------------------|--|---|--------------------------|----------------|---------|--|-----------------|-------|-------------|-------|-------|-------|----------------------------|----------------|----------|--|------|-------|-----|-------|------------|-------|-------|-------|
| GHG intensity by country | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | |
| Country | GHG Intensity (tonnes CO ₂ e/MWh) | | | | | | | | | | | | | | | | | | | | | | | |
| Canadian totals | 0.723 | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. totals | 0.370 | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 0.602 | | | | | | | | | | | | | | | | | | | | | | | |
| GHG intensity by fuel type | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | |
| Emission | GHG Intensity (tonnes CO ₂ e/MWh) | | | | | | | | | | | | | | | | | | | | | | | |
| Coal | 0.932 | | | | | | | | | | | | | | | | | | | | | | | |
| Gas | 0.468 | | | | | | | | | | | | | | | | | | | | | | | |
| Renewables | 0.000 | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 0.602 | | | | | | | | | | | | | | | | | | | | | | | |
| 305-5 | Reduction of GHG emissions | <div>GHG emission reductions in 2019: 886,159 tonnes CO₂e from the baseline year.</div> <div>Gases included: CO₂, CH₄ and N₂O</div> <div>Notes:</div> <ul style="list-style-type: none">• The sustainability targets published in the Integrated Annual Report include 2005 as the baseline year. Capital Power will report progress against these targets publicly in the coming years• Reduction initiatives include Genesee Performance Standard and co-firing with natural gas• Denominator used is Net Generation (sold MWh)• Gases included CO₂, CH₄ and N₂O• Base year for calculation: 2016• Reductions are for direct (Scope 1) emissions <div>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.</div> | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

| | | | | | | | | | | |
|-------|--|--|---|------------------|--------------------------------------|-----------------------|-----------------|-----------------|------------------------|------------|
| 305-6 | Emissions of ozone-depleting substances (ODS) | | We had no ODS emissions in 2019. | | | | | | | |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions | | Total significant air emissions by facility | | | | | | Jan 1 – Nov 30 actuals | |
| | | | Country | Province/State | Facility | Type of Facility | NOx (tonnes/yr) | SO2 (tonnes/yr) | Total PM (tonnes/yr) | Hg (kg/yr) |
| | | | Canada | Alberta | Halkirk Wind | wind | n/a | n/a | n/a | n/a |
| | | | Canada | Alberta | Whitla 1 | wind | n/a | n/a | n/a | n/a |
| | | | Canada | British Columbia | Quality Wind | wind | n/a | n/a | n/a | n/a |
| | | | Canada | British Columbia | Island Generation | combined cycle gas | 120 | 1 | 1 | n/a |
| | | | Canada | Alberta | Genesee Generating Station Units 1&2 | coal | 12,023 | 13,418 | 1,201 | 12 |
| | | | Canada | Alberta | Genesee Generating Station Unit 3 | coal | 2,222 | 2,831 | 202 | 8 |
| | | | Canada | Alberta | Clover Bar Energy Centre | natural gas | 99 | 3 | 1 | n/a |
| | | | Canada | Alberta | Clover Bar Landfill Gas | landfill gas | 0 | 0 | n/a | n/a |
| | | | Canada | Ontario | East Windsor Cogeneration Centre | natural gas | 2 | 0 | 0 | n/a |
| | | | Canada | Ontario | York Energy Centre | natural gas | 10 | 0 | 1 | n/a |
| | | | Canada | Ontario | Goreway | combined cycle gas | 46 | 1 | 0 | n/a |
| | | | Canada | Ontario | Kingsbridge 1 Wind | wind | n/a | n/a | n/a | n/a |
| | | | Canada | Ontario | Port Albert | wind | n/a | n/a | n/a | n/a |
| | | | Canada | Ontario | Port Dover & Nanticoke Wind | wind | n/a | n/a | n/a | n/a |
| | | | U.S.A. | North Carolina | Roxboro Power Plant | cogeneration | 308 | 1,540 | 2 | 0 |
| | | | U.S.A. | North Carolina | Southport Power Plant | combined heat & power | 591 | 2,177 | 18 | |
| | | | U.S.A. | Alabama | Decatur Energy Center | combined cycle gas | 58 | 5 | 20 | n/a |
| | | | U.S.A. | Arizona | Arlington | combined cycle gas | 72 | 6 | 31 | n/a |
| | | | U.S.A. | New Mexico | Macho Springs Wind | wind | n/a | n/a | n/a | n/a |
| | | | U.S.A. | North Carolina | Beaufort Solar | solar | n/a | n/a | n/a | n/ |
| | | | U.S.A. | Kansas | Bloom Wind | wind | n/a | n/a | n/a | n/a |
| | | | U.S.A. | North Dakota | New Frontier | wind | n/a | n/a | n/a | n/a |
| | | | | | | Total | 15,552 | 19,981 | 1,477 | 20 |
| | | | | | | | | | | |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

305 Emissions

305-7

Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

Notes:

- Gases included in gross direct GHG emission calculation include CO₂, CH₄, N₂O and SF₆.
- No base year used for calculations.
- 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 report was estimated.

| Significant air emissions | | Jan 1 – Dec 31 |
|---------------------------|----------------|----------------|
| Parameter | 2019 Emissions | Units |
| Nox | 15,879 | tonnes |
| SO2 | 21,294 | tonnes |
| Particulate Matter (PM) | 1,478 | tonnes |
| Mercury | 20 | kg |

| Air emissions by country of operation | | | | Jan 1 – Dec 31 |
|---------------------------------------|-----------------|-----------------|----------------------|----------------|
| | NOx (tonnes/yr) | SO2 (tonnes/yr) | Total PM (tonnes/yr) | Hg (kg/yr) |
| Canadian Totals | 14,523 | 16,254 | 1,407 | 20 |
| U.S. Totals | 1,356 | 5,039 | 71 | 0 |
| Total | 15,879 | 21,294 | 1,478 | 20 |

| Air emissions by fuel type | | | | | Jan 1 – Dec 31 |
|----------------------------|----------------------------|--------------|--------------|-------------|----------------|
| Emission | CO ₂ e (tonnes) | NOx (tonnes) | SO2 (tonnes) | PM (tonnes) | Hg (kg) |
| Coal | 8,676,876 | 13,120 | 15,366 | 1,281 | 20 |
| Gas | 3,928,935 | 1,666 | 1,452 | 178 | 0 |
| Renewables | 5 | 1,092 | 4,476 | 18 | 0 |
| Total | 12,605,816 | 15,879 | 21,294 | 1,478 | 20 |

306 Effluents and Waste

| | | |
|-------|--|--|
| 103-1 | Explanation of the material topic and its boundary | <p>We seek opportunities to reduce waste, as appropriate waste management helps to limit our environmental impact and can lower risks and costs.</p> <p>Our Board of Directors (the Board) approves our Health, Safety and Environment (HSE) policy which applies to all Capital Power sites. The policy states that all employees and contractors must be vigilant in their environmental responsibility, and the health and safety of themselves, other employees, contractors and the public in all Capital Power activities. The Board is responsible for the stewardship of Capital Power by providing independent, effective leadership over the management of our business, and to grow value responsibly in a profitable and sustainable manner.</p> <p>This information represents our generation associated with our operating approvals regardless of our financial interest in the facility.</p> <p>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.</p> <p>Data from owned capacity at facilities where we do not hold the operating permits are not included in this report.</p> |
|-------|--|--|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|----------------|--|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 306 Effluents and Waste | | | |
| 103-2 | The management approach and its components | | <p>Effluents and waste efficiency are a focus at each of our operations and at a local level, the operations manager is responsible for helping to ensure that effluent and waste management is in compliance with local requirements. Applicable data is updated and reported annually consistent with industry standards and regulatory compliance obligations and is subject to internal audit processes.</p> <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: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>The following internal policies (not publicly available) also guide our activities:</p> <p>Investment Policy – Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, it ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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 minimizes costs while reducing environmental impact.</p> <p>Grievance Mechanisms: As outlined in our Ethics Policy, 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. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</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 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 internal review process (ISAT) performed annually looks at processes and procedures regarding environmental management and 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> |
| 306-1 | Water discharge by quality and destination | | See section 303-4 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-----------------------------|--|----------------|--|--|--|----------------|----------|-----------------------------|-----------------------------|-----------------------------|----------------|----------------------------|---------|---------|---------|----|---------------------|--------|---|--------|---|-----------------------|--------|---|--------|---|--------|---------|---------|---------|----|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 306 Effluents and Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 306-2 | Waste by type and disposal method | | <p>We currently only track ash disposal and recycling at our operational facilities. In future reporting years, we will evaluate availability of facility information around the transport of hazardous waste.</p> <table><tr><th colspan="4"></th><th>Jan 1 – Dec 31</th></tr><tr><th>Facility</th><th>Total Ash Produced (tonnes)</th><th>Total Ash Recycled (tonnes)</th><th>Total Ash Disposed (tonnes)</th><th>% Ash Recycled</th></tr><tr><td>Genesee Generating Station</td><td>895,003</td><td>222,660</td><td>672,343</td><td>25</td></tr><tr><td>Roxboro Power Plant</td><td>24,234</td><td>0</td><td>24,234</td><td>0</td></tr><tr><td>Southport Power Plant</td><td>57,261</td><td>0</td><td>57,261</td><td>0</td></tr><tr><td>Totals</td><td>976,498</td><td>222,660</td><td>753,838</td><td>23</td></tr></table> | | | | | Jan 1 – Dec 31 | Facility | Total Ash Produced (tonnes) | Total Ash Recycled (tonnes) | Total Ash Disposed (tonnes) | % Ash Recycled | Genesee Generating Station | 895,003 | 222,660 | 672,343 | 25 | Roxboro Power Plant | 24,234 | 0 | 24,234 | 0 | Southport Power Plant | 57,261 | 0 | 57,261 | 0 | Totals | 976,498 | 222,660 | 753,838 | 23 |
| | | | | Jan 1 – Dec 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Facility | Total Ash Produced (tonnes) | Total Ash Recycled (tonnes) | Total Ash Disposed (tonnes) | % Ash Recycled | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Genesee Generating Station | 895,003 | 222,660 | 672,343 | 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Roxboro Power Plant | 24,234 | 0 | 24,234 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Southport Power Plant | 57,261 | 0 | 57,261 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Totals | 976,498 | 222,660 | 753,838 | 23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 306-3 | Significant spills | | No significant spills were recorded in 2019 and no additional information was reported in our financial statements regarding spills. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 306-4 | Transport of hazardous waste | | Waste shipment information is retained at each operational site but tracking information is limited. In future reporting years, we will evaluate availability of facility information around the transport of hazardous waste. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 306-5 | Water bodies affected by water discharges and/or runoff | Water Use and Management | Our effects on water bodies is considered by the regulator and is incorporated into the approval and permit process and resulting permit conditions. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 307 Environmental Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 103-1 | Explanation of the material topic and its boundary | | <p>Being in compliance and in good standing with the regulators and with the local community is paramount to ensure we maintain trust with our stakeholders ensuring we are good environmental stewards in our community, reduces liabilities and enables us to keep delivering power in the future.</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 are not included in this report.</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: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power’s health, safety and environment controls, including both prevention and mitigation measures.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL

307 Environmental Compliance

| | | |
|-------|--|---|
| 103-2 | The management approach and its components | <p>The following internal policies (not publicly available) also guide our activities:</p> <p>Investment Policy – Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, it ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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 minimizes costs while reducing environmental impact.</p> <p>The following internal processes (not publicly available) assist in managing environmental requirements and manage our risks at our sites:</p> <ul style="list-style-type: none"> • Environmental screening checklist assesses the risk for increased emissions, including waste. • Housekeeping Standard requires all operations to follow OSHA 1910.106, Hazardous material. • 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 waste water. <p>Grievance Mechanisms: As outlined in our Ethics Policy, 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. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</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 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 internal review process (ISAT) performed annually looks at processes and procedures regarding environmental management and compliance of regulations and permits at our facilities.</p> |
| 307-1 | Non-compliance with environmental laws and regulations | <p>There was a fine notice on Dec. 30, 2019, for Southport and Roxboro. 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 Clean Air Act, and for failure to operate best available control technology (BACT) at the plants. The plants underwent a 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 which 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 we expect resolution in early 2020.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------------|---|
| GRI 300: TOPIC SPECIFIC STANDARDS – ENVIRONMENTAL | | | |
| 308 Supplier Environmental Assessment | | | |
| 103-1 | Explanation of the material topic and its boundary | Sustainable Sourcing | <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. We are a major buyer for our under-construction and operating sites and, as such, our purchasing decisions can decrease environmental impacts.</p> <p>Capital Power recognizes that its environmental sustainability programs can be developed into a comprehensive system that achieves a higher level of environmental sustainability in our supply chain.</p> |
| 103-2 | The management approach and its components | Sustainable Sourcing | <p>Sustainable sourcing at Capital Power includes practices to improve the environmental 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 construction and operations while also achieving a level of environmental sustainability.</p> <p>Capital Power's approach uses policy, procurement processes and contracting, and site management to ensure environmental standards are met by suppliers.</p> <p>Policy: Capital Power has a Health, Safety and Environment Policy, which is publicly available from our website (capitalpower.com/suppliers-and-contractors), which sets out health, safety and environmental standards and requirements.</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 HSE 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 | Sustainable Sourcing | <p>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 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. Some of the work being planned for 2020 includes determining redundancies and gaps within existing policies, standards and activities and supplier-facing initiatives such as a Supplier Code of Conduct. We will have a more comprehensive supply chain sustainability program underway by the end of 2020.</p> |
| 308-1 | New suppliers that were screened using environmental criteria | | <p>All new suppliers are screened using the methods described in section 103-2 above.</p> |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | | <p>No negative impacts in the supply chain.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 401 Employment | | | |
| 103-1 | Explanation of the material topic and its boundary | Our People | <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>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).</p> <p>Technology and globalization are reshaping the way we operate and are 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> |
| 103-2 | The management approach and its components | Our People | <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 ensure that talent acquisition considered attracting top talent from diverse communities, 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 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>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: Health, Safety and Environment https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Some internal policies (not publicly available) that help guide our business: Part-Time Work Policy Our Commitment to the Protection of Personal Information and Privacy Policy Security Policy Temporary Flexible Workplace Arrangements Policy</p> <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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | | | | | | | | | | | | | | | | | | | | | | |
|--|--|----------------|--|---------------------------------|--|------------------|--|--------------------|----|-----------------|----|-------------------|----|---------------|--|------|----|--------|----|---------------|--|--------|----|------|----|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| 401 Employment | | | | | | | | | | | | | | | | | | | | | | | | | |
| 103-2 | The management approach and its components | | <p>Responsibilities: Capital Power’s Human Relations 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>Resources and Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power’s Integrity Hotline; a direct supervisor; Capital Power’s Chief Compliance Officer; Capital Power’s Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>Specific Actions: 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 Fair Labour Standards Act (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; and• Driving digital business transformation for the organization through evolving employee roles and skills building. | | | | | | | | | | | | | | | | | | | | | | |
| 103-3 | Evaluation of the management approach | | Segregation of duties between human resources 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 human resources 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 | | <table><tr><td>Total new employee hires</td><td></td></tr><tr><td>Age Group</td><td></td></tr><tr><td>Under 30 years old</td><td>17</td></tr><tr><td>30-50 years old</td><td>62</td></tr><tr><td>Over 50 years old</td><td>27</td></tr><tr><td>Gender</td><td></td></tr><tr><td>Male</td><td>83</td></tr><tr><td>Female</td><td>23</td></tr><tr><td>Region</td><td></td></tr><tr><td>Canada</td><td>83</td></tr><tr><td>U.S.</td><td>23</td></tr></table> | Total new employee hires | | Age Group | | Under 30 years old | 17 | 30-50 years old | 62 | Over 50 years old | 27 | Gender | | Male | 83 | Female | 23 | Region | | Canada | 83 | U.S. | 23 |
| Total new employee hires | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age Group | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 17 | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years old | 62 | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years old | 27 | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 83 | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 23 | | | | | | | | | | | | | | | | | | | | | | | | |
| Region | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 83 | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. | 23 | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

401 Employment

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-------------------------|--|-----------|--|--------------------|----|-----------------|----|-------------------|----|--------|--|------|----|--------|----|--------|--|--------|----|------|----|---------------------------------------|--|--------|-------|------|-------|---|------|
| 401-1 | New employee hires and employee turnover | <div>Notes:</div> <div><ul style="list-style-type: none">Includes permanent new-hires only.Canada's new hires includes the Goreway acquisition.Excludes Board members, pensioners, employees on long-term disability, casual and temporary employees.</div> <div><table><tr><td>Total employee turnover</td><td></td></tr><tr><td>Age Group</td><td></td></tr><tr><td>Under 30 years old</td><td>15</td></tr><tr><td>30-50 years old</td><td>24</td></tr><tr><td>Over 50 years old</td><td>15</td></tr><tr><td>Gender</td><td></td></tr><tr><td>Male</td><td>38</td></tr><tr><td>Female</td><td>16</td></tr><tr><td>Region</td><td></td></tr><tr><td>Canada</td><td>42</td></tr><tr><td>U.S.</td><td>12</td></tr></table></div> <div>Notes:</div> <div><ul style="list-style-type: none">Turnover includes retirement, voluntary and involuntary terminations for permanent employees only (active and on maternity/parental leave)Excludes Board members, pensioners, employees on long-term disability, casual and temporary employees</div> <div><table><tr><td>Permanent new hires by country (#/%):</td><td></td></tr><tr><td>Canada</td><td>83/78</td></tr><tr><td>U.S.</td><td>23/22</td></tr><tr><td>Company-wide turnover rates for permanent employees (%)</td><td>6.9%</td></tr></table></div> | Total employee turnover | | Age Group | | Under 30 years old | 15 | 30-50 years old | 24 | Over 50 years old | 15 | Gender | | Male | 38 | Female | 16 | Region | | Canada | 42 | U.S. | 12 | Permanent new hires by country (#/%): | | Canada | 83/78 | U.S. | 23/22 | Company-wide turnover rates for permanent employees (%) | 6.9% |
| Total employee turnover | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age Group | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years old | 24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years old | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | 16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Region | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Permanent new hires by country (#/%): | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | 83/78 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. | 23/22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Company-wide turnover rates for permanent employees (%) | 6.9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <div>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 operation* include:</div> <div><ul style="list-style-type: none">Life insurance and other optional insuranceHealth, dental and vision careShort-/long-term disabilityMaternity/parental leaveHealth and wellness-related reimbursement accountsRetirement and savings programsVacation and paid time-offTemporary flexible work arrangementsBereavementEmployee and family assistance programsHealthcare Advocacy (Best Doctors® and Cigna)Out-of-country emergency medicalMilestone awards</div> <div>*Significant locations of operation are anywhere that at least one full-time employee is employed within Canada and the U.S.</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

401 Employment

401-3

Parental leave

| | |
|---|-----|
| Total employees entitled to parental leave by gender | |
| Male | 602 |
| Female | 192 |
| Total employees who took parental leave by gender | |
| Male | 2 |
| Female | 11 |

| | |
|---|----|
| Total employees returning to work after parental leave by gender | |
| Male | 2 |
| Female | 5 |
| *Total for current reporting period: January 1 – December 31, 2019 | |
| Total employees returning to work after parental leave that stayed employed 12 months after their return by gender | |
| Male | 0 |
| Female | 13 |
| *Includes employees that went on leave between January 1, 2017 – December 31, 2018, who are still employed 12 months after their return date in the 2019 reporting period | |

| | |
|--|--|
| Return-to-work and retention rates of employees that took parental leave by gender | |
| Return-to-work rate: | |
| Male | 100% |
| Female | 83% |
| For current reporting period (Jan 1 – Dec 31, 2019): | |
| <ul style="list-style-type: none">• 13 employees went on leave• 8 employees were expected to return in 2019 & 5 employees in 2020/2021• 7 employees returned in 2019; 1 returning on January 6, 2020 | |
| Retention rate: | |
| Male | N/A: not all have come back from parental leave and this will be updated in the next report. |
| Female | 81% |
| For prior reporting periods (Jan 1, 2017 – Dec 31, 2018) | |
| <ul style="list-style-type: none">• 17 employees went on leave• 17 employees were expected to return• 16 employees returned• 13 employees still employed after 12 months of return | |

Capital Power supports our employees' choice to take parental leave by encouraging both our female and male employees to take parental leave. In Canada, we adhere to employment legislation and offer both men and women up to 75 weeks of parental leave. In the United States, we support our employees with job protection for up to one year following the birth of their child and do our best to accommodate our employees who gradually transition back to full-time work.

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 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; 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> |
| 103-2 | The management approach and its components | Ethics and Integrity Diversity and Inclusion | <p>Capital Power's human resource 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: Health, Safety and Environment https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Some internal policies (not publicly available) that help to us in developing and retaining the top talent include: Part-Time Work Policy Our Commitment to the Protection of Personal Information and Privacy Policy Security Policy Temporary Flexible Workplace Arrangements Policy</p> <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 https://www.capitalpower.com/sustainability/diversity-inclusion/?highlight=part%20time%20work%20policy</p> <p>As a member of Catalyst we seek to improve diversity across our organization. See GRI Diversity and Equal Opportunity: Disclosure 405</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|-------------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 402 Labour/Management Relations | | | |
| 103-2 | The management approach and its components | | <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>Resources and Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |
| 103-3 | Evaluation of the management approach | | 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. |
| 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 they 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> |
| 403 Occupational Health and Safety | | | |
| 103-1 | Explanation of the material topic and its boundary | Health and Safety | As a wholesale power producer, Capital Power is focused on constructing, operating and maintaining power generating and related facilities. This set of activities can present significant risks and impact to human health and safety 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. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

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. To mitigate these risks, Capital Power's Board-approved HSE Policy defines a framework under which the organization's HSE program is developed and maintained. The HSE Policy enables Capital Power to minimize the impacts of occupational injury and illness and negative impacts to the environment by ensuring:</p> <ul style="list-style-type: none"> • compliance with all applicable laws and regulatory requirements; • proactive administration and management of health, safety and environment-related risks within Capital Power's operations, maintenance and construction activities; • continuous review and improvement of the HSE Policy and the related policy framework; • appropriate goals and monitoring of performance in respect of those goals; • alignment of contractors with the HSE Policy; and • promotion of a zero-injury culture, healthy lifestyles and environmental responsibility to foster and support excellence in Capital Power's HSE performance. <p>Every employee and contractor of Capital Power is responsible for Capital Power's HSE performance and the health and safety of themselves and their fellow employees.</p> <p>Capital Power manages its HSE risks through a company-wide HSE management program and measures its HSE performance against recognized industry and internal performance measures.</p> <p>Compliance audits are conducted by internal and external auditors to verify that the HSE management program meets the regulatory requirements for the business.</p> <p>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>All construction and operational facilities where Capital Power has control of the workplace and associated work activities.</p> <p>Occupational health and safety impacts occur at all construction and operational facilities.</p> <p>As a wholesale power producer, Capital Power is focused on constructing, operating and maintaining power generating and related facilities. This set of activities can present significant risks and impact to human health and safety if not properly managed.</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> |
| 103-2 | The management approach and its components | Health and Safety | <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> <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 analysed 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. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 103-2 | The management approach and its components | | <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: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with regulatory requirements related to safety and/or requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of safety and environmental issues from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>The following internal policies (not publicly available) also guide our activities:</p> <p>Investment Policy – Outlines maintenance capital and enhancement initiatives to ensure that all our assets adhere to safety and environmental standards; for example, it ensures that any investment being considered is assessed with respect to non-financial aspects like environment management, as appropriate.</p> <p>Enterprise Risk Management – Operational excellence is outlined under the Enterprise Risk Management (ERM) Policy 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 minimizes costs while reducing environmental impact</p> <p>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> <p>Commitments: Our Zero Means Everything 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: Responsibilities around safety are clearly defined in our Health, Safety and Environment Policy, Climate Change Disclosure Report, Board Health, Safety and Environment Policy and Management Proxy.</p> <p>Grievance Mechanism: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |
| 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

403 Occupational Health and Safety

| | | |
|-------|---------------------------------------|---|
| 103-3 | Evaluation of the management approach | <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>For 2019, this consisted of five leading indicators and two lagging indicators.</p> <p>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.</p> <p>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.</p> <p>In 2019, there were five ISAT audits that looked at health and safety as part of the review.</p> <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 analysed 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>Specific health and safety initiatives and achievements include the following activities:</p> <ul style="list-style-type: none"> • Achievement of an HSE Performance Index of 1.09. This the sixth consecutive year the index has finished at or above the target of 1.0. • Fleetwide implementation of the Maximo Incident Management module which fully integrates hazard ID, near-miss and incident reporting and management (including investigations) into plant work management processes. The implementation includes a robust reporting framework to assist in enhanced incident reporting and analytics capabilities. • In 2019, Roxboro received a North Carolina Department of Labor Gold Level Safety Award for the second consecutive year. Gold Level Award criteria are based on achieving a rate of days away from work, job transfer or restriction (DART) that is at least 50% below the industry rate. Roxboro's 2018 DART rate was 0.0. • Ongoing updates and communication of 10 Life Safety Critical Rules. The Life Safety Critical Rules are intended to prevent actions which have the potential to result in a fatality or serious injury, and help Capital Power achieve its goal of zero injury. • HSE leadership training which provides people-leaders with a fundamental base of knowledge of an HSE management program. • A Significant Incident Investigation Committee which reviews incident investigations and root-cause analysis of recordable injury and serious near-miss incidents. The committee ensures investigations are completed in a timely manner, 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, of which management and workers are members and which align to jurisdictional requirements. • An update to the corporate, operations/construction and site-specific orientations with an additional requirement for senior site leadership participation in site-specific orientations for their contractors. All employees and contractors will be completing the updated orientations applicable to their position in 2020. |
|-------|---------------------------------------|---|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|-------------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 103-3 | Evaluation of the management approach | | <ul style="list-style-type: none"> Construction and operations crews hold daily safety meetings to review hazards of their tasks and identify additional control measures which may be required. In support of increased awareness relating to the recognition of hazards and adequate controls, HSE advisor-led hazard assessment and control sessions were held for all supervisors and employees in 2019. HSE improvement plans were implemented at all facilities and for the construction and engineering group. Capital Power has formalized its contractor HSE Management Process to include all four phases of construction and provide the opportunity to manage contractor performance from pre-qualification (supported by ISNetworld) right through to job completion. To ensure the standard was embedded into site work practices, HSE completed compliance audits during 2019 across all operated facilities. 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. In support of this program, a full-day workshop was held in 2019 in which Capital Power's Executive Team completed the corporate, operations/construction and Genesee site-specific orientation, received a presentation on how to conduct an inspection, and then completed an inspection at the Genesee site. A Work-Readiness Warmup and Stretching Program was developed to help prevent musculoskeletal disorders (MSDs). The program was rolled out to all facilities in 2019 for implementation in 2020. <p>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.</p> |
| 403-1 | Occupational health and safety management system | Health and Safety | <p>The organization has six full-time employees as Senior Health and Safety Advisors holding designation as Canadian Registered Safety Professionals (CRSP) or in the United States, Certified Safety Professionals (CSP). The HS department is responsible for implementation, maintenance, and scheduled reviews of the management system.</p> <p>The OHS management system is implemented based on recognized risk management and management system standards and in part, from ISO 45001: 2018. The management system includes:</p> <ul style="list-style-type: none"> HSE Policy Statement Leadership and commitment Hazard identification and assessment of risks Legal and other requirements Audits and assessments Performance measurement and monitoring Management review Document control Operational controls including the development of 10 LIFE Critical Standards Procedures Safe work practices <p>The scope of workers that fall under the organization's HSE MS 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 ISNetworld, 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|-------------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 403-2 | Hazard identification, risk assessment and incident investigation | Health and Safety | <p>These processes 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>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>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 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, 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> |
| 403-3 | Occupational health services | Health and Safety | <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 to legal requirements. The organization offers onsite services during work hours and off-site 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | | <p>Where established, formal Joint Health and Safety Committees (JHSC) meet monthly or quarterly depending on jurisdictional regulations. The committees 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. The JHSC is responsible for:</p> <ul style="list-style-type: none"> • Managing concerns and complaints about worker health and safety and helping Capital Power respond to worker health and safety concerns; • Participating in the identification of worksite hazards; • Conducting worksite inspections; • Developing, promoting and verifying measures to protect the health and safety of people at the worksite; • Developing and promoting education, training and information programs concerning health and safety; • Cooperating with OHS officers in enforcing the Health and Safety Act, participating in investigations of serious injuries and incidents, and maintaining records on all matters relating to the duties of the committee; • Assisting in new employee health and safety orientation; • Assisting with the resolution of unsafe work refusals; and • Assisting with the development of health and safety policies and safe work procedures. <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> <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>Safety is widely accepted by our trade unions as being of utmost importance. The following are some examples of the types of health and safety topics covered in our trade union agreements:</p> <ul style="list-style-type: none"> • Appointed representatives of the company and IBEW shall meet on a regular basis to discuss and, if required, recommend changes regarding Safety Rules and Regulations. • BEW employees are not required to perform any hazardous task with which they're not familiar or which cannot be accomplished without violation of safety practices, and such refusal shall not be the basis for disciplinary or discriminatory action. • An annual safety footwear subsidy will be provided by the company up to a maximum of \$500 in a calendar year. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|----------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 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. In support of this program, a full-day workshop was held in 2019 in which Capital Power's Executive Team completed the corporate, operations/construction and Genesee site-specific orientation, received a presentation on how to conduct an inspection, and then completed an inspection at the Genesee site.</p> <ul style="list-style-type: none"> • A Work-Readiness Warmup and Stretching Program was developed to help prevent musculoskeletal disorders (MSDs). The program was rolled out to all facilities in 2019 for implementation in 2020. <p>An update was made to the corporate, operations/construction and site-specific orientations with an additional requirement for senior site leadership participation in site-specific orientations for their contractors. All employees and contractors will be completing the updated orientations applicable to their position in 2019/2020.</p> <ul style="list-style-type: none"> • Construction and operations crews hold daily safety meetings to review hazards of their tasks and identify additional control measures which may be required. In support of increased awareness relating to the recognition of hazards and adequate controls, HSE advisor-led hazard assessment and control sessions were held for all supervisors and employees in 2019. |
| 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 Sprout is an interactive health and wellness platform that encourages employee well-being. We used this tool to run employee wellness challenges and campaigns related to physical activity, nutrition and sleep until June 15th, 2019.</p> <p>LifeSpeak LifeSpeak is 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 403-6 | Promotion of worker health | | <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>In addition to providing comprehensive retirement savings and health and welfare benefits, Capital Power introduced its comprehensive Wellness Strategy in 2015. It's an integrated approach to employee well-being that focuses on four key areas: physical, mental, financial and social well-being. Since 2015, we have promoted and/or developed programming highlighting one of these focus areas each year, which include the following:</p> <ul style="list-style-type: none"> • Through our Employee and Family Assistance Program (EFAP) employees can access a wide range of professional counselling and support services aligned with legal, family, financial, nutrition, naturopathic and health coaching. • We provide employees with health-care advocacy services through Best Doctors® in Canada and Cigna in the U.S. • In support of physical well-being, we have conducted two "Know Your Numbers campaigns (HRA/biometric screening) in Canada and one campaign in the U.S. We've run several employee awareness campaigns focused on CP's top health risks, physical activity, nutrition and sleep. • In support of emotional well-being/mental health, we introduced LifeSpeak, a digital wellness platform available to all employees. It provides access to expert-led content such as videos, group chat sessions and webinars. • Not Myself Today is a workplace mental-health initiative that helps companies build greater awareness, reduce stigma and foster safe and supportive cultures. Capital Power has subscribed to this Canadian Mental Health Association program for the past three years. • U.S.-based employees and their spouses are encouraged to complete annual preventative care and are provided incentive rewards once their annual care is completed through Cigna's Motivate Me incentive program. • Finally, we 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. • In late 2019 we began shifting our focus to financial well-being and ran a pilot Retirement Readiness Program for employees within five years of retirement. <p>Health Spending Account and Personal Spending Accounts Provides access to funds that employees can use and direct towards purchases that support their health and wellness.</p> |
| 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.</p> |
| 403-8 | Workers covered by an occupational health and safety management system | | <p>The following worker types are included under the organization's HS MS:</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) |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|-------------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 403-8 | Workers covered by an occupational health and safety management system | | <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 health and safety 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 and safety 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 ISNetworld, 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> |
| 403-9 | Work-related injuries | Health and Safety | <p>Corporate performance data for 2019 includes the following:</p> <ul style="list-style-type: none"> • Total Recordable Injury Frequency (TRIF): 0.81* • Lost-Time Injury Frequency (LTIF): 0.16 • Lost-Time Injury Severity: 0.26 *current employees only/does not include contractors • Fatalities: 0 (includes employees and contractors) <p>For all employees (excluding contractors) the following was reported in 2019:</p> <ul style="list-style-type: none"> • Zero fatalities • Zero high-consequence work-related injuries • 7 recordable work-related injuries with a total recordable injury frequency (TRIF) of 0.92 • 5 medical treatments and 2 lost-time injuries • 1,527,905 exposure hours <p>Note:</p> <p>A recordable injury/illness is a personal injury or illness that results in one or more of the following: medical treatment, restricted work, loss of consciousness, lost time 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. The number of exposure hours for employees is estimated and for contractors is calculated using actuals.</p> <p>Contractors only:</p> <ul style="list-style-type: none"> • Zero fatalities • Zero high-consequence work-related injuries • 3 recordable work-related injuries with a total recordable injury frequency (TRIF) of 0.64 • 3 recordable medical treatments and 0 lost-time injuries • 940,237 exposure hours |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|-------------------------|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 403 Occupational Health and Safety | | | |
| 403-9 | Work-related injuries | | <p>Work-related hazards that pose a risk of high-consequence injury: 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.</p> <p>None of these hazards related to a high-consequence work-related injury during the reporting period.</p> <p>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> <p>Due to an increase in sprain/strain injuries, the organization started implementing a program to reduce musculoskeletal disorders in the workplace. This includes a pre-task warmup/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. Workers at construction projects are also included in this reporting criteria. Capital Power is the primary contractor at Whitla, but has excluded respective incidents and exposure hours (i.e., only includes Whitla from the moment it becomes operational).</p> |
| 403-10 | Work-related ill health | | <p>In 2019, our performance data for our current employees includes:</p> <ul style="list-style-type: none"> • Zero fatalities because of work-related ill health • One case of recordable work-related ill health • Noise-induced hearing loss <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> <p>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.</p> <p>Exposure to noise – long latency.</p> <p>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> <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 exposures 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> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 404 Training and Education | | | |
| 103-1 | Explanation of the material topic and its boundary | Our People | <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. For more information about our management approach please refer to the section Our People on p. 27 in our Integrated Annual Report https://www.capitalpower.com/wp-content/uploads/2020/02/2019-capital-power-integrated-annual-report.pdf.</p> <p>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. With our people, we succeed. It takes a strong team of passionate, accountable, well-equipped and skilled people to safely run a successful company, and it takes transparent communication, respect and a shared vision to foster a culture in which every employee thrives and drives toward the same goal. 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>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).</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. With our people, we succeed. It takes a strong team of passionate, accountable, well-equipped and skilled people to safely run a successful company, and it takes transparent communication, respect and a shared vision to foster a culture in which every employee thrives and drives toward the same goal.</p> <p>Employees as defined in GRI 102-8 under General Disclosures</p> |
| 103-2 | The management approach and its components | Our People | <p>Policies: Health, Safety and Environment https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Some internal policies (not publicly available) that help to guide our business:</p> <ul style="list-style-type: none"> • Part-Time Work Policy • Our Commitment to the Protection of Personal Information and Privacy Policy • Security Policy • Temporary Flexible Workplace Arrangements Policy <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>As a member of Catalyst we seek to improve diversity across our organization. See GRI disclosure 102-41.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 404 Training and Education | | | |
| 103-2 | The management approach and its components | | <p>Responsibilities: Capital Power's Human Resources 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. Additionally, Capital Power has a Diversity and Inclusion Committee made up of employees from across the company. Under the guidance of HR, they supported the drafting of a Diversity and Inclusion strategy in 2019 which is currently under review.</p> <p>Resources and Grievance Mechanism: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>Specific Actions: Strong Start, After Hours Training, Power Pairs Mentorship.</p> |
| 103-3 | Evaluation of the management approach | | <p>The following list below describes initiatives we have in place to help us evaluate our management approach:</p> <ul style="list-style-type: none"> • Initiatives for talent recruitment: We are committed to increasing the number of diverse candidates in our candidate hiring pool with a goal of strengthening the diversity of our workforce. • Initiatives for talent retention: All our TM programs are designed to support employee retention (i.e., development planning, succession, mentoring, learning & development, after-hour personal development, etc.). • Regular formal performance reviews for all permanent employees aligned with career development. • Quantitative targets related to human capital development: We have a strong development culture and promote within. We encourage all employees to have development plans. All senior managers and VPs are expected to have development plans. • Formal mechanisms to promote an open feedback culture. Our performance management program provides a formal mechanism to provide mid-year and annual reviews of performance. Through leadership development training, managers are provided training and resources to support an open feedback culture. In 2020, we will be providing more targeted training on coaching for managers. <p>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. In 2019, there were 156 meetings that were held throughout the year to discuss talent.</p> <p>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>Employee Skills Inventory (360 Assessments): All leaders who have been with the company for at least a year, will 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 2019, we completed six employee assessments, which included:</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> <ul style="list-style-type: none"> • 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. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|---|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 404 Training and Education | | | |
| 103-3 | Evaluation of the management approach | | 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. |
| 404-1 | Average hours of training per year per employee | Our People | Training hours average 17 hours per employee |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Our People | <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>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 three 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 • Diversity and Inclusion • Life Safety Critical Rules • HSE orientations • Alcohol and Drug (training for employees and managers) • Additional HSE training as required <p>Online learning: Continuous learning is an important goal at Capital Power. In 2015, we implemented Blueprint, a learning management system that we continue to enhance each year. Blueprint enables employees to manage and complete their learning online 24/7, and contains essential and development 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 |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 404 Training and Education | | | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | | <p>Team Sessions: 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"> • True Colours and 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>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> <p>Power Pairs Mentoring: In April 2018, Capital Power launched an 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.</p> <p>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. Human Resources oversees the matches and helps coordinate the best start to the relationship. Participants can join any time throughout the year.</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> |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | | <p># of Employees by Gender</p> <p>Permanent employees</p> <ul style="list-style-type: none"> • Male: 602 • Female: 192 <p>Temporary employees</p> <ul style="list-style-type: none"> • Male: 21 • Female: 10 <p>621 employees were eligible for a performance rating. 608 employees received a performance rating. 13 individuals have worked less than three months with us, therefore their ratings were deferred.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

405 Diversity and Equal Opportunity

| 103-1 | Explanation of the material topic and its boundary | Diversity and Inclusion | <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. "Success on our diversity and inclusion efforts will mean that all of Capital Power's business decisions benefit from many different views. Each time we bring a new perspective to something we improve it." – Kate Chisholm</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 human resource programs that ensure equity in compensation and opportunity for growth and development. We also have a company-wide diversity and inclusion employee resource group who helps guide our diversity and inclusion strategy across our company.</p> <p>We respect and value the diversity among Capital Power's employees and all our stakeholders (our communities, suppliers, customers, investors, etc.) who we engage with. We expect our leaders to foster a work environment free of all forms of discrimination and harassment.</p> <p>Diversity Programmes</p> <ul style="list-style-type: none">• Targeted recruitment: We are committed to increasing the number of diverse candidates in our candidate hiring pool with a goal of strengthening the diversity of our workforce• Diversity initiatives: see p. 28 of our Integrated Annual Report• Mentorship programs: Powering Pairs Mentoring Program• Initiatives supporting a diverse workforce: D&I Committee, KPMG Audit, D&I Survey, Engagement Survey <p>Capital Power also has a diversity and inclusion committee whose mission is to facilitate the integration of D&I principles and practices across Capital Power by delivering training, communication and reporting, and by partnering with business units and acting as advocates promoting equal opportunity and diversity. Specifically:</p> <ul style="list-style-type: none">• Promote a culture of D&I that values differences, exhibits inclusive behaviours, emphasizes openness and leverages unique perspectives.• Support enhancement of attraction and retention of high-performing, high-potential people from a diverse talent pool.• Explore opportunities to address barriers and biases within internal policies, procedures, processes and programs to empower all employees to perform to their full potential. <table><tr><th>Number of Times Program Used</th><th>Total Cost of Program</th></tr><tr><td>79 (Canadian)</td><td>\$72,654.18 CAD</td></tr><tr><td>1 (U.S.)</td><td>\$1,950 US (\$2,522.91 CAD Converted)</td></tr></table> <p>We report diversity measures for employees by category and gender, but do not publicly disclose minority or vulnerable group categories.</p> | Number of Times Program Used | Total Cost of Program | 79 (Canadian) | \$72,654.18 CAD | 1 (U.S.) | \$1,950 US (\$2,522.91 CAD Converted) |
|------------------------------|--|-------------------------|--|------------------------------|-----------------------|---------------|-----------------|----------|---------------------------------------|
| Number of Times Program Used | Total Cost of Program | | | | | | | | |
| 79 (Canadian) | \$72,654.18 CAD | | | | | | | | |
| 1 (U.S.) | \$1,950 US (\$2,522.91 CAD Converted) | | | | | | | | |
| 103-2 | The management approach and its components | Diversity and Inclusion | <p>Capital Power has a Diversity and Inclusion Committee that supports HR in providing input to diversity and inclusion matters as part of the broader HR strategy. The executive sponsor of this committee is the Chief Legal and Sustainability Officer and the VP chairs the meetings. 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. In 2019, the D&I committee drafted an update to the D&I strategy which is currently under review.</p> | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 405 Diversity and Equal Opportunity | | | |
| 103-2 | The management approach and its components | | <p>Policies: Health, Safety and Environment https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Some internal policies (not publicly available) that help to guide our business:</p> <ul style="list-style-type: none"> • Part-Time Work Policy • Our Commitment to the Protection of Personal Information and Privacy Policy • Security Policy • Temporary Flexible Workplace Arrangements Policy <p>Goals: Targeting Diversity and Equal Opportunity: We would like to increase our percentage of female leaders in Operations, Trading, Information Systems and Engineering.</p> <p>We have a goal to maintain 30% female executives as part of the Executive Team.</p> <p>See gender breakdown under GRI 102-8.</p> <p>Specific Actions: In 2019 the company wide D&I strategy was updated to focus on increasing the diversity of our candidate pool and in 2020, for every vacant corporate position we aim to consider 2 candidates from diverse backgrounds and for every vacant operational position we aim to consider at least one diverse candidate.</p> <p>Rolled out Men Advocacy Real Change (MARC) Training by Catalyst</p> <p>In 2019, we rolled out unconscious bias and inclusivity training to our leaders in the organization and to date, 81% of our leaders have completed the training. In this workshop, our leaders explored stereotypes, bias, the mutual benefit of equality, workplace culture and the experience of insider/outsider status, and concepts critical to reducing unconscious bias and diagnosing barriers to build an inclusive culture. The feedback from participants was positive and participants rated the perceived value and their motivation to apply the learning as either good or excellent on the workshop evaluations.</p> <p>Resources and Grievance Mechanism: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have related to discrimination and/or equal opportunity. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>The D&I Committee meets once a month and is working to implement Capital Power's D&I strategy. Current initiatives to promote equal opportunity and diversity include:</p> <ul style="list-style-type: none"> • Education & Awareness: developing materials and a deployment plan around D&I with a goal to increase knowledge and understanding and decrease biases (judgement) around D&I across the company. • Corporate Mentorship: developing a company-wide mentorship program in conjunction with Human Resources to roll out to the organization. • Flexible Workplace Arrangements: 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. |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

405 Diversity and Equal Opportunity

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---|--|--|--|------|--|----|--------|--|----|---|--|--|--------------------|--|---|-----------------|--|----|-------------------|--|----|---|--|--|--------|--|----|------|--|----|---|--|--|-----------|--|----|------------------|--|----|--------------|--|----|----------------|--|----|------------|--|---|---------|--|----|---|--------------------------|--|--------------------------|-----------|---|---|-----|------------------|---|----|----|--------------|---|----|----|----------------|----|----|----|------------|----|----|----|---------|----|----|---|
| 103-3 | Evaluation of the management approach | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 405-1 | Diversity of governance bodies and employees | Diversity and Inclusion | <table><tr><td colspan="2">Percentage (%) of individuals by gender within the organization’s governance bodies</td><td></td></tr><tr><td>Male</td><td></td><td>50</td></tr><tr><td>Female</td><td></td><td>50</td></tr></table> <table><tr><td colspan="2">Percentage (%) of individuals by age within the organization’s governance bodies</td><td></td></tr><tr><td>Under 30 years old</td><td></td><td>0</td></tr><tr><td>30-50 years old</td><td></td><td>13</td></tr><tr><td>Over 50 years old</td><td></td><td>87</td></tr></table> <table><tr><td colspan="2">Percentage (%) of individuals by country within the organization’s governance bodies</td><td></td></tr><tr><td>Canada</td><td></td><td>63</td></tr><tr><td>U.S.</td><td></td><td>37</td></tr></table> <p>Table notes:</p> <ul style="list-style-type: none">• In 2019, there were eight Board Members.• Age is based on employee age as of December 31, 2019. <table><tr><td colspan="2">Percentage (%) of women represented company-wide</td><td></td></tr><tr><td>Executive</td><td></td><td>33</td></tr><tr><td>Upper Management</td><td></td><td>23</td></tr><tr><td>Professional</td><td></td><td>38</td></tr><tr><td>Administration</td><td></td><td>95</td></tr><tr><td>Operations</td><td></td><td>6</td></tr><tr><td>Traders</td><td></td><td>14</td></tr></table> <table><tr><td>Percentage (%) of employees by age and employment category</td><td>< 30 years old</td><td>> 30 years old & < 50 years old</td><td>> 50 years old</td></tr><tr><td>Executive</td><td>0</td><td>0</td><td>100</td></tr><tr><td>Upper Management</td><td>0</td><td>59</td><td>41</td></tr><tr><td>Professional</td><td>9</td><td>66</td><td>25</td></tr><tr><td>Administration</td><td>10</td><td>72</td><td>18</td></tr><tr><td>Operations</td><td>11</td><td>49</td><td>40</td></tr><tr><td>Traders</td><td>24</td><td>71</td><td>5</td></tr></table> | Percentage (%) of individuals by gender within the organization’s governance bodies | | | Male | | 50 | Female | | 50 | Percentage (%) of individuals by age within the organization’s governance bodies | | | Under 30 years old | | 0 | 30-50 years old | | 13 | Over 50 years old | | 87 | Percentage (%) of individuals by country within the organization’s governance bodies | | | Canada | | 63 | U.S. | | 37 | Percentage (%) of women represented company-wide | | | Executive | | 33 | Upper Management | | 23 | Professional | | 38 | Administration | | 95 | Operations | | 6 | Traders | | 14 | Percentage (%) of employees by age and employment category | < 30 years old | > 30 years old & < 50 years old | > 50 years old | Executive | 0 | 0 | 100 | Upper Management | 0 | 59 | 41 | Professional | 9 | 66 | 25 | Administration | 10 | 72 | 18 | Operations | 11 | 49 | 40 | Traders | 24 | 71 | 5 |
| Percentage (%) of individuals by gender within the organization’s governance bodies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | | 50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Female | | 50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of individuals by age within the organization’s governance bodies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30-50 years old | | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over 50 years old | | 87 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of individuals by country within the organization’s governance bodies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | | 63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| U.S. | | 37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of women represented company-wide | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive | | 33 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Management | | 23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional | | 38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration | | 95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operations | | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traders | | 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage (%) of employees by age and employment category | < 30 years old | > 30 years old & < 50 years old | > 50 years old | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Executive | 0 | 0 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upper Management | 0 | 59 | 41 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Professional | 9 | 66 | 25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration | 10 | 72 | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operations | 11 | 49 | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traders | 24 | 71 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

405 Diversity and Equal Opportunity

| | | | | | |
|-------|--|--|--|---------------------------|---------------------|
| 405-1 | Diversity of governance bodies and employees | | Percentage (%) of employees by country and employment category | Canada | U.S.A. |
| | | | Executive | 100 | 0 |
| | | | Upper Management | 86 | 14 |
| | | | Professional | 93 | 7 |
| | | | Administration | 87 | 13 |
| | | | Operations | 66 | 34 |
| | | | Traders | 95 | 5 |
| | | | Notes: • CEO is included in Executive Team representation. • Percentage (%) 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 employee age as of December 31, 2019. | | |
| 405-2 | Ratio of basic salary and remuneration of women to men | | We believe in equal pay for equal work and are committed to ensuring that there is no gender pay bias in Capital Power. We have policies and procedures in place to protect against gender pay bias. Salary and remuneration are influenced by a broad range of factors including employee skill set, tenure, experience and market, as well as the tendency for certain professional groups to be male- or female-dominated. The findings below may suggest that a gender pay gap exists, however, this result is determined by the categories prescribed by the GRI Standard that assume there will be an equal number of men and women in each profession of equal seniority. It also combines various professions, skill sets, tenures and geographical markets. The results are misleading. Capital Power pays men and women in the same position, with the same seniority, location and performance, equally. The appearance of a gender pay gap results from underrepresentation of women in roles within certain premium paid job disciplines (e.g., engineers and energy traders) and in higher organizational levels where the career stream involves professions and trades that are factually known to be male dominated (e.g., engineering or maintenance/operations). As part of our diversity and inclusion initiatives, we are committed to improving gender representation throughout our organization, which we expect will improve the salary and remuneration ratios. We operate in a largely male-dominated industry, particularly regarding certain trades and professions, and recognize that meaningful change will take time. We will continue to pursue a variety of opportunities to build, attract and retain a more diverse workforce. | | |
| | | | Ratio of basic salary and remuneration of women to men by employee category and significant location of operation | Canada Base Salary | Remuneration |
| | | | Executive | 80 | 67 |
| | | | Upper Management | 97 | 94 |
| | | | Professional | 93 | 91 |
| | | | Administration | 118 | 116 |
| | | | Operations | 75 | 73 |
| | | | Traders | 92 | 88 |
| | | | United States Base Salary | Remuneration | |
| | | | n/a | n/a | n/a |
| | | | 77 | 73 | |
| | | | 103 | 99 | |
| | | | 100 | 100 | |
| | | | 95 | 95 | |
| | | | n/a | n/a | |
| | | | | | |
| | | | Notes: • "Significant locations of operation" include Canada and the U.S. • "Basic salary" is salary only, annualized for hourly and part-time employees based on their hourly rate times their weekly base hours • Basic salary annualized based on 2,080 hours • Salaries paid in U.S. dollars converted to Canadian based on Bank of Canada's annual average rate as of December 31, 2019. • Remuneration ratio is based on the average earnings for permanent female and male employees. • Remuneration is defined as target compensation which is base earnings plus long- and short-term incentive payments. • As an example, women in Upper Management in Canada make 97 cents for every dollar men make. • CEO has been excluded from the calculation. | | |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|--|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 406 Non-discrimination | | | |
| 103-1 | Explanation of the material topic and its boundary | <p>Ethics and Integrity</p> <p>Diversity and Inclusion</p> | <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>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>Technology and globalization are reshaping the way we operate and are 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>We expect our leaders to foster a work environment free of all forms of discrimination and harassment.</p> |
| 103-2 | The management approach and its components | <p>Ethics and Integrity</p> <p>Diversity and Inclusion</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 as stated in Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Refer to GRI 405:</p> <p>Policies: Health, Safety and Environment https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf Respectful Workplace Policy: Workplace Discrimination, Anti-harassment & Violence https://www.capitalpower.com/wp-content/uploads/2020/02/Respectful-Workplace-Policy.pdf</p> <p>Some internal policies (not publicly available) that help to guide our business:</p> <ul style="list-style-type: none"> • Part-Time Work Policy • Our Commitment to the Protection of Personal Information and Privacy Policy • Security Policy • Temporary Flexible Workplace Arrangements Policy <p>Goals: Targeting Diversity and Equal Opportunity: We would like to increase our percentage of female leaders in Operations, Trading, Information Systems and Engineering.</p> <p>We have a goal to maintain 30% female executives as part of the Executive Team.</p> <p>See gender breakdown under GRI 102-8.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 406 Non-discrimination | | | |
| 103-2 | The management approach and its components | | <p>Specific Actions: In 2019 the company wide D&I strategy was updated to focus on increasing the diversity of our candidate pool and in 2020, for every vacant corporate position we aim to consider 2 candidates from diverse backgrounds and for every vacant operational position we aim to consider at least one diverse candidate.</p> <p>Rolled out Men Advocation Real Change (MARC) Training by Catalyst</p> <p>In 2019, we rolled out unconscious bias and inclusivity training to our leaders in the organization and to date, 81% of our leaders have completed the training. In this workshop, our leaders explored stereotypes, bias, the mutual benefit of equality, workplace culture and the experience of insider/outsider status, and concepts critical to reducing unconscious bias and diagnosing barriers to build an inclusive culture. The feedback from participants was positive and participants rated the perceived value and their motivation to apply the learning as either good or excellent on the workshop evaluations.</p> <p>Resources and Grievance Mechanism: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have related to discrimination and/or equal opportunity. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>The D&I Committee meets once a month and is working to implement Capital Power's D&I strategy. Current initiatives to promote equal opportunity and diversity include:</p> <ul style="list-style-type: none"> • Education & Awareness: developing materials and a deployment plan around D&I with a goal to increase knowledge and understanding and decrease biases (judgement) around D&I across the company. • Corporate Mentorship: developing a company-wide mentorship program in conjunction with Human Resources to roll out to the organization. • Flexible Workplace Arrangements: 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. |
| 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. • 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. |
| 406-1 | Incidents of discrimination and corrective actions taken | | <p>There was one incident of discriminatory behaviour reported in 2019.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|---|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 413 Local Communities | | | |
| 103-1 | Explanation of the material topic and its boundary | Stakeholder Engagement Community Engagement | <p>Our stakeholder engagement practices support and enable us in acquiring, developing, building and operating energy facilities in multiple jurisdictions throughout North America. Sound stakeholder engagement processes enable us to achieve regulatory approvals, build strong and enduring relationships with our stakeholders and maintain our reputation for ethical business conduct.</p> <p>We conduct stakeholder engagement and community investment activities in the communities where we operate in Canada and the U.S. While we have 26 facilities that we operate, we often take a regional approach to stakeholder engagement. As a result of this regional approach, there are many more communities in the vicinity of our facilities where we undertake stakeholder discussions or community investment initiatives.</p> <p>Impacts, both positive and negative, will occur within our operating footprint. See GRI 413-2.</p> <p>Capital Power's business activities impact communities and stakeholders, both in positive and negative ways. Negative impacts may include emissions from our facilities, disruptions due to construction activities, impacts to birds and bats, and noise from operational activities. Positive impacts may include local employment, new sources of taxation for local governments, the development of new sources of renewable energy and reliable electricity generation.</p> <p>The boundaries related to this topic are generally associated with the communities near our operating facilities or in a specific region that our facility is a part of. For example, the Quality Wind facility is located near Tumbler Ridge, but is also located in Treaty 8 territory, and thus the company has relationships with several Indigenous communities in that broader area.</p> |
| 103-2 | The management approach and its components | Stakeholder Engagement Community Engagement Indigenous Engagement Community Investment | <p>Capital Power's approach to community and Indigenous relations 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. Our practices are described within our Stakeholder Engagement Standards and Practices Guide ("Engagement Guide"). This document is updated and evaluated from time to time, generally after completing milestones of significant engagement processes. The Engagement Guide supports the work of stakeholder engagement by providing procedures, tools and options for business teams to consider in specific projects 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.). 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> <p>Capital Power contributed more than \$1.3 million to community organizations in 2019, including over \$84,000 directed by our employees to 143 community service organizations through our EmPowering Communities program.</p> <p>Capital Power's stakeholder engagement practices enable us to have meaningful two-way engagement when discussing specific project engagement requirements (i.e., for environmental assessments or license renewals, etc.), while building strong and enduring relationships with our stakeholders and maintaining our reputation for ethical business conduct.</p> <p>Processes: Stakeholder Engagement Guide only pertains to community engagement efforts.</p> <p>Responsibilities: The Engagement Guide supports teams in designing engagement programs. For example, 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). The importance of tracking stakeholder feedback and timely response is clarified. Project teams are able to adapt and refine these approaches to suit project requirements.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|----------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 413 Local Communities | | | |
| 103-2 | The management approach and its components | | <p>Specific actions:</p> <ul style="list-style-type: none"> • H2 Wind Construction Extension: CP applied to the Alberta Utilities Commission for a time extension for the construction completion dates for this 148 MW wind energy project. As part of this process we mailed out (as required) notices to the residents living within 2,000 metres of the project area, advising them of the opportunities they had to provide input to the AUC if they felt they were directly and adversely impacted by the time extension. • Southport Permit Renewal: This facility, located in North Carolina, commenced a process to renew both its air emission permit and water/wastewater discharge permit. A number of environmental groups and local residents expressed concerns about the facility and the state regulator's approach to the permits. • Nolin Hills Environmental Assessment: Capital Power continued its work to commence the regulatory review process of the ~350 MW Nolin Hills Wind Energy project in Oregon. The process, which is expected to commence in 2020, will be completed through the Energy Facility Siting Council process, and will examine CP's work on a wide range of studies on technical, biophysical and social aspects of developing this project. • Cardinal Point Wind Construction: Construction commenced on the 150 MW wind energy project located in northwest Illinois. Our project team met with landowners at two dinner meetings, and provided multiple updates by mail and email to landowners. • Whitla Wind Construction: Construction continued on this 201.6 MW wind energy facility located in southeast Alberta. Building on our earlier direct engagement with project landowners, we held a landowner dinner meeting in January 2019 to discuss the construction process. We also delivered presentations to two local area councils as well as the Foremost & District Chamber of Commerce. We continued to keep landowners informed through newsletters and direct contact with project team members. Regular updates were also provided to local government officials throughout construction. • Genesee Good Neighbour Breakfasts: We continue to meet with council members from Leduc County and Warburg twice annually for the Good Neighbour Breakfast, an informal open roundtable discussion on present and future plant and mine operations and stakeholder engagement activities. <p>Community investment: Capital Power contributed more than \$1.3 million to community organizations in 2019, including over \$84,000 directed by our employees to 143 community service organizations through our EmPowering Communities program.</p> <ul style="list-style-type: none"> • We're proud to support the initiatives of the high schools in our communities in their safe after-grad parties. In 2019, we supported safe and sober after-grad celebrations in communities near our Bloom Wind, New Frontier Wind and Macho Springs Wind facilities. • Huron Multicultural Festival near our Kingsbridge Wind facility is a free community event that celebrates diversity and builds understanding of the positive contribution that diversity makes to the community. The festival has grown into a tourism generator with over 40% of attendees from outside of the county. • Discovery Passage Aquarium Society in Campbell River – support of their elementary school visits program which sees classes of Grades 4-6 students visiting the aquarium. • Edmonton's Food Bank – presenting sponsor for the 4th year in a row of their annual holiday fundraising gala, "Magical Christmas Music Gala"; Capital Power matches up to \$20,000 in donations that are contributed by patrons at the Citadel Theatre during performances of A Christmas Carol. In 2019, nearly 200 employees volunteered their time with Edmonton's Food Bank. • Since 2016, we've contributed annually to Crime Stoppers or Rural Crime Prevention organizations in the communities where we have operations. • Holiday Support for those in need – recognizing the increased need for support during the holiday season, Capital Power partners with many different agencies to help support those in need: <ul style="list-style-type: none"> – Westside Recreational Program, near our Arlington facility, hosts an annual Christmas party for low-income children. – Shop with a Cop – in Roxboro, NC, and in Warren County, IL, near our Cardinal Point Wind Project, Capital Power supported local Shop with a Cop programs. Through these events, local children shop with uniformed officers for Christmas gifts. These events provide meaningful interactions between officers and children. – Local Food Pantries – Capital Power provides financial contributions to local food pantries in the communities where we have operations. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

413 Local Communities

| | | |
|-------|--|---|
| 103-2 | The management approach and its components | <ul style="list-style-type: none"> – Inn from the Cold – Capital Power's York Energy Centre supports Inn from the Cold in Newmarket, ON. The organization provides 24/7 support for up to 36 people every day from November–April, including overnight accommodations, meals, personal care items and professional support in areas of health care, mental health, addictions, housing and employment. – Edmonton's Food Bank – over 60 employees volunteered over their lunch hour to assemble 500 care kits for clients of Edmonton's Food Bank. • Warburg Community BBQ & Chili Cookoff – to celebrate the end of summer, this free event promotes community involvement and provides residents with the opportunity for food, refreshments and games. Capital Power's support ensures that the event is free for everyone. • Summer reading programs: Capital Power supported several different libraries this summer in the communities where we operate, including Bow Island and foremost near our Whitla Wind facility. <p>Indigenous engagement:</p> <ul style="list-style-type: none"> • Capital Power has five Community Benefits Agreements in place in relation to the wind energy facilities that we operate in British Columbia and Ontario. All of these agreements include a financial component related to our operations. Certain agreements provide for scholarships and community support, as well as a commitment to share information on business and contracting opportunities. • Capital Power joined the Canadian Council for Aboriginal Business in 2019. Capital Power has also committed to sponsoring the 2020 Forward Summit in Calgary. Focused on a goal of economic growth in Indigenous communities and people, the event will bring Indigenous and non-Indigenous business and thought leaders together to build relationships, learn and share experiences. • We support scholarships for members of the McLeod Lake Indian Band, Saulteau First Nations and West Moberly First Nations. In developing provisions for these scholarships, we worked with these communities to ensure they had full discretion to award funding based on need and interests of their members. Funding for these scholarships will be offered throughout the 25-year operational life of the Quality Wind facility. We are also proud to support the Grand River Post-Secondary Education Office (GRPSEO) with an annual scholarship program for Haudenosaunee Youth. • We regularly engage other Indigenous communities in discussions about new business opportunities, seeking to understand how those communities and Capital Power can work together in a way that is culturally sensitive and enhances the community's economic capacity. • Capital Power continued to engage the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) in connection with our proposed Nolin Hills Wind Energy project in Oregon. Of critical importance to the CTUIR is the protection of cultural resources that were identified in a detailed survey of the project area that Capital Power undertook. We are committed to working with the CTUIR throughout the planning process and during construction to protect these sites. Capital Power was proud to support the CTUIR's Language Bowl event, a competition that supports community members' traditional languages. |
| 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. Capital Power's stakeholder engagement specialists 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> <p>Our standard is to debrief and conduct a "lessons learned" exercise in order to capture aspects that can help improve our practices, ensuring that these reflect current realities and evolve with stakeholder interests.</p> <p>For 2019, a change in the calculation methodology for reporting the community investment amount was implemented. The amount includes all actual expenditures that occurred in 2019. The increase in community investment since prior year is due to this change. The 2019 evaluation process resulted in minor updates to the Engagement Guide, but no significant changes in the company's engagement process.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 | | | | | | | | | | |
|---|---|--|---|-------------|--|---|--|---|---|----------------------------------|--|--|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | | | | | | | | | | | |
| 413 Local Communities | | | | | | | | | | | | | |
| 413-1 | Operations with local community engagement, impact assessments and development programs | Stakeholder Engagement Community Engagement | All of Capital Power's operations are covered by some form of local engagement program or process the company manages, whether through community investment, direct engagement during regulatory processes, issue management or direct dialogue between facility staff and local landowners. See Stakeholder Engagement section for more information: p. 23 of our Integrated Annual Report. | | | | | | | | | | |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | | <p>The core implementation strategy for Capital Power during public engagement processes is to inform stakeholders of our plans; provide multiple opportunities to receive stakeholder feedback; determine how, if possible, we can implement stakeholder feedback into project planning; and modify plans wherever/as possible. In particular, 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, where possible, avoid, reduce or mitigate impacts. 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 follow all local, regional and federal compliance requirements and seek to mitigate any potential adverse effects.</p> <table><tr><th>Risk/Impact</th><th></th></tr><tr><th>Thermal facilities – coal and natural gas</th><td></td></tr><tr><td>Emissions/pollutants CO₂ emissions/climate change impacts Operational noise General safety</td><td><ul style="list-style-type: none">• Maintaining excellent operations through regular preventative maintenance programs• Emission abatement technology to reduce emissions at source• Tracking and reporting overall emissions• Carbon offset acquisition program• Investments in innovative technology• Noise mitigation technology• Safety policies and programs</td></tr><tr><th>Thermal facilities – mixed fuels</th><td></td></tr><tr><td>Operational noise Dust and particulate matter Debris on roadways from operations</td><td><ul style="list-style-type: none">• Noise mitigation technology• Modification of operational starts to reduce noise impacts• Dust mitigation measures, where possible• Implement clean-up process for local roads</td></tr></table> | Risk/Impact | | Thermal facilities – coal and natural gas | | Emissions/pollutants CO ₂ emissions/climate change impacts Operational noise General safety | <ul style="list-style-type: none">• Maintaining excellent operations through regular preventative maintenance programs• Emission abatement technology to reduce emissions at source• Tracking and reporting overall emissions• Carbon offset acquisition program• Investments in innovative technology• Noise mitigation technology• Safety policies and programs | Thermal facilities – mixed fuels | | Operational noise Dust and particulate matter Debris on roadways from operations | <ul style="list-style-type: none">• Noise mitigation technology• Modification of operational starts to reduce noise impacts• Dust mitigation measures, where possible• Implement clean-up process for local roads |
| Risk/Impact | | | | | | | | | | | | | |
| Thermal facilities – coal and natural gas | | | | | | | | | | | | | |
| Emissions/pollutants CO ₂ emissions/climate change impacts Operational noise General safety | <ul style="list-style-type: none">• Maintaining excellent operations through regular preventative maintenance programs• Emission abatement technology to reduce emissions at source• Tracking and reporting overall emissions• Carbon offset acquisition program• Investments in innovative technology• Noise mitigation technology• Safety policies and programs | | | | | | | | | | | | |
| Thermal facilities – mixed fuels | | | | | | | | | | | | | |
| Operational noise Dust and particulate matter Debris on roadways from operations | <ul style="list-style-type: none">• Noise mitigation technology• Modification of operational starts to reduce noise impacts• Dust mitigation measures, where possible• Implement clean-up process for local roads | | | | | | | | | | | | |

| | | | |
|-------------------|------------------|----------------|--------------------------|
| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

413 Local Communities

| | | | | |
|-------|--|--|--|--|
| 413-2 | Operations with significant actual and potential negative impacts on local communities | | Risk/Impact | |
| | | | Renewable operations – wind energy | |
| | | | Sound impacts Dust during construction Human health impacts Impacts to birds/bats Local employment and contracting opportunities Structural failures/fires Ice-throw from turbine blades Visual impacts (viewsheds or night-sky from aircraft lighting) | <ul style="list-style-type: none"> • Use noise-impact modeling to develop project layouts and verify during environmental assessment phase • Sound-level testing • Dust mitigation processes such as watering roads during dry periods • Apply setbacks from homes and other structures • Continue to monitor scientific research on relevant wind generation topics of concern • Monitor for actual impacts through wildlife mortality studies • Consider operational changes to reduce impacts during peak seasons, for example, scheduling maintenance around peak migratory seasons, where possible • Participate in industry-wide research initiatives to learn more about relevant issues • Hold information sessions for local businesses about available employment opportunities • Execute ongoing maintenance program, including full turbine blade inspections • Install systems to stop operations when turbine blades become imbalanced due to the presence of ice |
| | | | Renewable operations – solar | |
| | | | Loss of productive farmland for solar panels Local employment/contracting opportunities | <ul style="list-style-type: none"> • Work with participating landowners to mitigate impact when selecting land appropriate for solar energy equipment • Hold information sessions for local businesses about available employment opportunities |

414 Supplier Social Assessment

| | | | |
|-------|--|----------------------|---|
| 103-1 | Explanation of the material topic and its boundary | Sustainable Sourcing | <p>As a large purchaser in the areas where our facilities are located, Capital Power recognizes that socially sustainable sourcing has a material impact on the socially sustainable actions of our suppliers. Benefits to Capital Power from socially sustainable sourcing include reduced cost and less risk to our operations and 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>We are a major buyer for our under-construction and operating sites and, as such, our purchasing decisions can decrease social impacts.</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> |
|-------|--|----------------------|---|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|---|----------------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| 414 Supplier Social Assessment | | | |
| 103-2 | The management approach and its components | Sustainable Sourcing | <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.</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>Policy: Capital Power has an Ethics Policy that is publicly available from our website (capitalpower.com/suppliers-and-contractors) which sets out ethical standards and requirements. This policy includes, but is not limited to, Capital Power's policies that pertain to: respectful workplace; non-discrimination and harassment; environment, health and safety; work rules and regulations; appropriate dress and/or grooming standards; no weapons or violence; drugs and alcohol; and smoking.</p> <p>Procurement Process and Contracting: Our procurement process requires that any prospective supplier verifies that they will meet our Ethics Policy, and our contracts include terms requiring suppliers to adhere to our policies.</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 the Ethics Policy. 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 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. Some of the work being planned for 2020 includes determining redundancies and gaps within existing policies, standards and activities and supplier-facing initiatives such as a Supplier Code of Conduct. We will have a more comprehensive supply chain sustainability program underway by the end of 2020. |
| 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 |
| 415 Public Policy | | | |
| 103-1 | Explanation of the material topic and its boundary | | Engagement with government stakeholders in current and potential operating jurisdictions is a vital enabler for business growth and ongoing sustainability of current assets. We participate in the legislative process to have a constructive dialogue with those who are creating or influencing policies that 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. |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

415 Public Policy

| | | | |
|-------|--|--|--|
| 103-1 | Explanation of the material topic and its boundary | | <p>Capital Power has dedicated teams that are responsible for managing and representing Capital Power's interests with respect to market, environmental and transmission policies and rules relevant to Capital Power's existing or prospective operations. Engagement with government stakeholders in current and potential operating countries is a vital enabler for business growth. We participate in the legislative process to have a constructive dialogue with those who are creating or influencing policies that have a significant impact on our business.</p> <p>We do not make any political contributions as per our internal policies related to political contributions and we also adhere to all applicable federal, state and municipal laws. We ensure compliance with applicable lobbying regulations and registries in all jurisdictions in which we operate.</p> |
| 103-2 | The management approach and its components | | <p>We manage engagement on public policy matters primarily through two groups within Capital Power. The Regulatory & Environmental Policy team is responsible for engaging with market agencies, electricity system operators and relevant government departments on market rules and environmental policies and standards impacting Capital Power's operations. A Government Relations team works with the Regulatory & Environmental Policy team and is responsible for engaging primarily with elected officials and senior government officials on legislative and policy-related matters relevant to Capital Power's operations.</p> <p>Capital Power participates in the public policy process to support informed development and enactment of public policies relating to electricity markets, carbon and emissions policy, and sustainability objectives, among other things, and to mitigate potential risks and support new opportunities for Capital Power in respect of those issues.</p> <p>Policies: Ethics Policy: Prohibits improper use or disclosure of confidential or proprietary information, fraud, bribery, conflicts of interest, improper giving or receiving of gifts. https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf</p> <p>Commitments: We also participate in the electoral process where appropriate and allowed by law. Engagements with public officials are disclosed in accordance with all applicable federal, state and municipal laws. For example, lobbying efforts are available on the appropriate Alberta website for provincial lobbying efforts and on the Canadian government website for federal lobbying efforts.</p> <p>Responsibilities and resources: The responsibility for public policy matters resides with Chief Legal and Sustainability Officer, to whom both the REP and GR teams report. The CLSO also provides regular updates on significant or material regulatory and policy matters to the Executive Team and the Board.</p> <p>Grievance Mechanism: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |
| 103-3 | Evaluation of the management approach | | <p>Management approach is 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. Effectiveness would be addressed as part of regular Board and Executive Team meetings.</p> |
| 415-1 | Political contributions | | <p>Capital Power does not make political contributions or donations.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|---|---|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Innovation | | | |
| 103-1 | Explanation of the material topic and its boundary | Embracing a Low-Carbon Future Innovation | <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 creates competitive advantage that adds value to the shareholder.</p> <p>In 2019, we launched a new 10-year operational excellence program, Ops2030, focused on optimizing our fleet through the use of technology, digitization and innovation. Our goal is to become a leader in power plant transformation. Beyond that, our primary innovation projects are at the Genesee Generating Station: (1) We are implementing an industry-leading carbon reduction program that targets a 12% reduction in emissions by 2021 and a 50% reduction by 2030, from 2005 levels. (2) We are converting to dual-fuel capability, with real-time flexibility to use up to 100% natural gas or coal, or a mix of the two, depending on market conditions, until we completely eliminate coal at Genesee in 2029. (3) We are increasing our equity interest in C2CNT, a company that has developed and is now applying at scale an innovative technology that transforms carbon emissions into carbon nanotube (CNT) products. CNTs can be used as an additive to substantially increase the strength of concrete, steel, aluminum and other materials. The technology has the potential to be a game-changer in the treatment and management of carbon dioxide from energy and industrial operations. Assuming current testing and preliminary marketing are successful, we plan to build the Genesee Carbon Conversion Centre for commercial-scale production of CNTs. Operations would start up in 2021, generating approximately 2,500 tonnes of CNT per year.</p> <p>Capital Power views innovation across the spectrum of people, technology and process. We aim to create value from innovation throughout the company and utilize learnings and processes that impact our entire North American asset fleet.</p> <p>Capital Power is a builder, owner and operator in an industry that is constantly innovating to create new forms of cleaner, lower-cost and reliable generation. We must embrace and deploy new types of power generation developed by technology providers and innovate internally to create value. For more than a decade, we have developed a track record of investing in leading-edge and best-in-class technology.</p> <p>Innovation takes the form of improvements in existing systems and processes and in transformational advances that mark a step-change in addressing environmental objectives across multiple sectors. We maintain a relentless focus on efficiency and continuous improvement in our operations, which is vital for increasing operating performance, reducing costs and risks and navigating the transition to a low-carbon future.</p> |
| 103-2 | The management approach and its components | Embracing a Low-Carbon Future Innovation | <p>Innovation starts with our people. At Capital Power, we've nurtured a culture of excellence and action and are consistently driven to do better, think deeper and deliver exceptional results. From pursuing upgrades to our existing fleet to developing leading-edge reporting practices, innovation is happening in every department at Capital Power.</p> <p>As a builder and operator of power generation, we must be aware of and deploy new and innovative technology.</p> <p>Processes: Strategic long-term planning process. The annual strategic planning process reviews how our generation technology focus will remain competitive in the short, medium and long term and provides a 10-year outlook. The strategic planning process aligns our core competencies with the generation technology we see the most promise to deploy.</p> <p>Our technology investments are governed by the Opportunity to Asset Integration (O2AI) process that outlines parameters including investment hurdle rates and acceptable generation technology that fits our strategy.</p> <p>Commitments: We have committed to reduce emissions from natural gas generation.</p> <p>Goals and Targets: Our primary innovation projects are at the Genesee Generating Station: (1) We are implementing an industry-leading carbon reduction program that targets a 12% reduction in emissions by 2021 and a 50% reduction by 2030, from 2005 levels. (2) We are converting to dual-fuel capability, with real-time flexibility to use up to 100% natural gas or coal, or a mix of the two, depending on market conditions, until we completely eliminate coal at Genesee in 2029. (3) We are increasing our equity interest in C2CNT, a company that has developed and is now applying at scale an innovative technology that transforms carbon emissions into carbon nanotube (CNT) products.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

Innovation

| | | | |
|-------|--|--|---|
| 103-2 | The management approach and its components | | <p>Specific Actions and Programs: We have invested \$33.7 million invested in innovation since inception of GPS and C2CNT.</p> <p>These technologies, along with initiatives at our existing assets, make us competitive across the horizon. Initiatives at existing assets include carbon capture, utilization and storage (CCUS) and our Genesee Performance Standard, which is an innovative program to improve efficiency and reduce emissions on all three units of the Genesee facility. In addition, all three Genesee units can co-fire natural gas and will have the capability to fire at 100% natural gas by 2021. The Genesee Performance Standard upgrades are beneficial to plant efficiency regardless of fuel type.</p> <p>Examples of innovating within renewable, natural gas and CCUS technology include:</p> <ul style="list-style-type: none"> As part of our commitment to reduce emissions from natural gas generation, Capital Power has invested \$9M USD in C2CNT to date and intends to deploy their game-changing technology. C2CNT's revolutionary CCUS technology creates a high-value product, carbon nanotubes, from waste flue gas. Capital Power has announced plans to deploy the world's first commercial-scale carbon nanotube production facility utilizing C2CNT's technology at our Genesee power station. The Whitla Wind facility, commissioned in 2019, utilized best in class Vestas V136 – 3.6 MW turbine technology producing the highest capacity factor in Alberta at the time of commercial operation. |
| 103-3 | Evaluation of the management approach | | <p>As a result of our innovation efforts, in 2019 Capital Power announced their 2020 plans to start building the Genesee Carbon Conversion Centre (GC³), the first-ever commercial-scale production facility of carbon nanotubes, at our Genesee facility in Alberta by Q4, 2021. Commercial application of carbon conversion technologies would enable zero or near-zero emissions by 2050.</p> <p>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.</p> <p>As an operator of existing generation, it is important to innovate our processes to improve efficiency, environmental performance and cost competitiveness of existing facilities. We understand that incremental improvements have a big impact on bottom-line. For example, across our organization our sustainability working group is collaborating closely to strengthen our reporting practices through the development of our inaugural integrated report – combining financial and environment, social and governance (ESG) data to holistically disclose our company's results and actions. This is an industry-leading pursuit that showcases that we don't simply do what is required of us but are committed to driving change. Together, the GPS program and the unit conversion contribute to our company-wide target of reducing CO₂ emissions at Genesee by 50% by 2030 from 2005 levels. The success of the GPS program allowed us to extend the innovative learnings across our entire thermal and renewable asset fleet under the program "Ops2030". Ops2030 enables data-driven decision making across the company, with the intent to increase production, improve performance and lower operation and maintenance costs and contributes to our company-wide target of reducing CO₂ emissions by 10% and our emission intensity.</p> |

Asset Security

| | | | |
|-------|--|--------------------------|---|
| 103-1 | Explanation of the material topic and its boundary | Cyber and Asset Security | <p>Protecting our personnel and assets is an important part of our culture and helps to ensure the safety of our people. Employees and contractors are trained to report all security-related incidents through one of the many available reporting paths.</p> <p>Protecting our personnel and assets is an important part of our culture and the focus of our Security Management Program.</p> <p>Protecting personnel and assets is accomplished by using a combination of best practices such as a robust background check program during employee and contractor onboarding, and ongoing support of policies and procedures such as the Access Control Procedure, Personal Risk Assessment Procedure, Threat Response Plan Emergency Response Plans, Site Security Plans and Ethics Policy.</p> |
|-------|--|--------------------------|---|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|--------------------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Asset Security | | | |
| 103-1 | Explanation of the material topic and its boundary | | <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 people in the communities in which we work and live.</p> <p>Security: Ensuring the safety of our people</p> <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. 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. In 2019, communications were sent out to all business areas in relation to the importance of reporting all security-related incidents through the Maximo enterprise security incident reporting tool.</p> <p>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 Site Plans and Site Security Plans.</p> <p>All employee investigations must be approved by our HR or Ethics & Compliance department, and security provides support to both departments as needed.</p> |
| 103-2 | The management approach and its components | Cyber and Asset Security | <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 people in the communities in which we work and live.</p> <p>Asset and/or Security Management at Capital Power is maintained annually and is updated whenever there is a change to law, regulations or best practices.</p> <p>Policies: We have internal policies in place that reinforce our commitment to provide a safe and secure work environment for our employees, contractors, visitors and people in the communities in which we work and live. This policy is approved by the Vice President, Risk Management and Internal Audit, and is supplemented by numerous standards, procedures and guidelines to reflect our ongoing obligation toward asset protection.</p> <p>Commitments:</p> <ul style="list-style-type: none"> • To provide a safe and secure workplace for Capital Power staff. • To educate staff on security-related issues in both the workplace and at home. • To manage and mitigate the risk of injury or loss of both CP people and assets. <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 fences and gates.</p> <p>Grievance Mechanisms: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

Asset Security

| | | | |
|-------|--|-----------------|---|
| 103-2 | The management approach and its components | | <p>Specific Actions and Programs: 2019 saw the completion of:</p> <ul style="list-style-type: none"> • Site Security Plans, including a threat response plan, at all operating sites. • Emergency Response Plans updated twice a year for all sites. • EOP-004 Event Reporting Procedure updated once per year, at all sites. • Business Continuity Plans updated twice per year. • Policies and procedures updated once per year. |
| 103-3 | Evaluation of the management approach | Risk Management | <p>Operational asset security is managed on a site-by-site basis and is driven by onsite security assessments conducted by certified security professionals as part of our internal Integrated Site Assessment Team (ISAT) review. These assessments consider numerous threat-based components and are completed every two to three years for all facilities, though critical sites with higher-level procedural complexities may be reviewed annually. Our physical security team is in regular contact with numerous intelligence agencies and peer companies who together continually monitor the threat environment of our assets. Integration with these agencies ensures we have timely and relevant threat information so that we can immediately identify and implement mitigation strategies. Once the assessment is complete, risk-based security measures are reviewed and mitigation measures are recommended. Minor security issues are conveyed formally to site management, who determine the appropriate action, and higher-risk security issues are elevated to our Board and Audit Committee, who oversee the required corrective action. Six ISAT visits were completed in 2019. (See MD&A Risk and Risk Management, p. 74 of our Integrated Annual Report https://www.capitalpower.com/wp-content/uploads/2020/02/2019-capital-power-integrated-annual-report.pdf)</p> <p>2019 GRIDEX V measured both the physical and cyber response for a North American-wide attack against critical infrastructure. The Crisis Management Team and the Cyber Emergency Operations Centre took part in the exercise. A gap analysis was completed on the current Emergency Management Plan in relation to CSA Z1600.</p> <p>The online security incident reporting tool was updated to Maximo and all historic data has been imported from the previous reporting program, ESS; implemented recommendations to address audit findings pertaining to the 2018 Security and Contingency Planning audit. Capital Power currently runs a training and testing program to address the threat of phishing attacks and has seen an increase in employees detecting the phishing attempts and reporting the suspicious emails.</p> |

Disaster Relief and Resiliency Plans

| | | | |
|-------|--|--|---|
| 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. Contingency planning is also an important aspect of our overall EMP and 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 Security Policy Statement reinforces our commitment to provide a safe and secure work environment for our employees, contractors, visitors and people in the communities in which we work and live.</p> <p>Emergency Response Plans 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> |
|-------|--|--|---|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|--------------------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Disaster Relief and Resiliency Plans | | | |
| 103-2 | The management approach and its components | Ethics and Integrity | <p>Disaster relief and resiliency is managed by the Emergency Management Plan which includes: A site-specific Emergency Response Plan for all Capital Power sites, a Business Continuity Plan for all corporate locations, 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.</p> <p>Policies: Security Management Program, Emergency Management Program and Crisis Management Plan.</p> <p>Commitments:</p> <ul style="list-style-type: none"> To protect Capital Power people and assets during a disaster and assist with resuming normal operations. To ensure the plan is accessible, up-to-date and contains the correct information. <p>Grievance mechanisms: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> <p>Current processes: Emergency Response Plans updated twice a year for all sites. Business Continuity Plans updated twice per year. Crisis Management Plan updated annually (unless changes to staffing or assets require additional updating).</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 this year. |
| Cyber Security | | | |
| 103-1 | Explanation of the material topic and its boundary | Cyber and Asset Security | <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. A successful cyber-attack can cause major damage to our business:</p> <ul style="list-style-type: none"> A security breach can affect our bottom line, and our business' reputation and consumer/employee trust, with financial, reputational and legal impacts. The investment in cyber security is large: companies set new global records with \$37 billion invested in security in 2018, and spending is expected to surpass \$42 billion by 2020. <p>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>As part of our cyber-security training program, we conduct regular testing of phishing emails to ensure our staff are continually aware of the risk. Entering 2020, we have defined an even more robust cyber-security awareness training program that is mandatory for all users. This training program contains several modules covering the key risks identified for our industry.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|-------------------|------------------|----------------|--------------------------|
|-------------------|------------------|----------------|--------------------------|

GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL

Cyber Security

| | | | |
|-------|--|--------------------------|---|
| 103-2 | The management approach and its components | Cyber and Asset Security | <p>We continue to conduct regular 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 Team (CSLT), comprised of senior managers and vice presidents from across the organization. The CSLT provides overall approvals based on actions recommended by our information services security team and maintains a cyber-security "roadmap" to ensure we are well-positioned to respond to threats in the ever-changing cyber landscape. Representatives from the CSLT provide regular updates to the Board.</p> <p>During this past year we continued to enhance our readiness to respond to cyber-attacks by conducting table-top response exercises, which included third parties and close partners. We participated in GRID-ex, a North American-wide simulated attack on the power grid. 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>Policies: Records Management Policy https://www.capitalpower.com/wp-content/uploads/2019/07/Records-Management-Policy.pdf Ethics Policy https://www.capitalpower.com/wp-content/uploads/2019/09/Capital-Power-Ethics-Policy.pdf</p> <p>Commitments: From a governance perspective, IS is creating a new framework in 2020 that aligns security governance to the NIST set of controls.</p> <p>Responsibilities: Reporting to the VP, Commercial Services and Business Development, the CIO is responsible for managing cyber-security issues. Capital Power has a security team that provides oversight and governance to the IS business network, which includes defined standards and procedures to ensure appropriate controls are in place. The IS strategic plan defines and highlights the importance of cyber security in our environment, and all IS staff members are required to uphold our security posture.</p> <p>Resources: We have two resources committed to cyber security within Information Services. A Manager, Cyber Security and a Senior Analyst, Cyber Security. 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>Grievance mechanisms: As outlined in our Ethics Policy, Capital Power ensures we provide a supportive and positive work environment and a number of channels so that employees can comfortably and safely raise any concerns they may have. These channels include: Capital Power's Integrity Hotline; a direct supervisor; Capital Power's Chief Compliance Officer; Capital Power's Human Resources Business Partner or Senior Manager, Business Partners and Labour 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 or accounting concerns in good faith without fear of retaliation.</p> |
|-------|--|--------------------------|---|

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|---|--|--|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Cyber Security | | | |
| 103-2 | The management approach and its components | | <p>Specific Actions and Programs: Specific actions, such as processes and training, are always being updated. In 2020 there is mandatory cyber-security training for all employees. New controls are continually being evaluated to mitigate risks identified in our threat landscape. In 2019, one of the controls implemented across IS was the lockdown of USB devices to prevent unauthorized devices from being used in the environment.</p> <p>IS security continually strives to enhance our governance and oversight while executing on our roadmap and plans that are created in response to the threats we see affecting our environment. 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 continually enhanced to ensure our teams are trained and able to identify and mitigate risks.</p> |
| 103-3 | Evaluation of the management approach | | <p>We are conscious that some areas of the business may be more vulnerable than others – an especially important consideration given cyber-security defenses are only as strong as their weakest link. Therefore, we are investing significant time and resources in enhancing our internal cyber-security capabilities.</p> <p>Some of the key components of our CSP that help us manage the effectiveness of our management approach include:</p> <ul style="list-style-type: none"> • Network protections including rogue detection and multiple network-level safeguards; • Regular reviews of network and system audit logs; • Stringent change management controls with security reviews; • Project deployment controls that include cyber security reviews; • Documented and tested 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; and • Continual scanning of the environment for vulnerabilities. <p>In 2019, we focused on getting external third-party evaluations done to ensure our internal activities aligned with a secure environment. We will continue to make changes to our environment and teams to ensure that our cyber-security capabilities, governance, management and execution are effective and world-class.</p> <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 for any cases of data loss or privacy complaints resulting from our business operations.</p> <p>In 2019, Capital Power did not have cases of data losses or receive any privacy complaints.</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> |
| Transparency and Disclosure | | | |
| 103-1 | Explanation of the material topic and its boundary | About This Supplement Corporate Governance Risk Management | <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. More information is contained in our Integrated Annual Report https://www.capitalpower.com/2019-capital-power-integrated-annual-report</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|--|--|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Transparency and Disclosure | | | |
| 103-2 | The management approach and its components | About This Supplement Corporate Governance Risk Management | <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>Building off our previous efforts, we have more recently committed to enhance and evolve our climate-related disclosures by producing our first inaugural Climate Change Disclosure Report last year which was aligned to the TCFD recommendations. This year, we also published our first integrated report, combining our ESG and financial performance in one report with the intent to further integrate financial and ESG/sustainability performance over time. Data on Capital Power's carbon emissions will be provided in Capital Power's Integrated Annual Report published in February 2020.</p> <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> <p>Policies: Health, Safety and Environment Policy https://www.capitalpower.com/wp-content/uploads/2019/06/Capital-Power-Health-Safety-Environment-Policy.pdf – This policy outlines that all sites must comply with environmental regulatory requirements and/or environmental requirements across all facilities. This policy outlines roles and responsibilities related to organizational management of environmental controls from the Board level to the front-line workers. This policy outlines requirements that include effectiveness of Capital Power's health, safety and environment controls, including both prevention and mitigation measures.</p> <p>Climate Change Disclosure Report: Our second Climate Change Disclosure Report, "Powered for Resilience," will be published in 2020 and 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. https://www.capitalpower.com/2019-capital-power-climate-change-disclosure-report-tcf/</p> <p>Commitments: The Canadian Coalition on Good Governance 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. The following categories identified by The Canadian Coalition on Good Governance outline our management approach for sustainability as governed by the Board:</p> <p>Goals and targets: Our disclosure and reporting practices are a key pillar of our sustainability strategy. In 2019, compensation for our Executive Team is in part based on achieving sustainability performance, which includes ESG. In 2020, sustainability performance (health, safety, environment, diversity, reporting, etc.), including ESG disclosures, form 20% of the company's performance objectives.</p> <p>Responsibilities: Responsibilities around energy management are outlined in our Health, Safety and Environment Policy, Investment Policy, TCFD, Enterprise Risk Management, Board Health, Safety and Environment Policy and the 2020 Management Proxy Circular.</p> |

| Disclosure Number | Disclosure Title | Report Section | Disclosure Response 2019 |
|--|---------------------------------------|----------------|--|
| GRI 400: TOPIC SPECIFIC STANDARDS – SOCIAL | | | |
| Transparency and Disclosure | | | |
| 103-3 | Evaluation of the management approach | | <p>Disclosures to shareholders: The Audit Committee and the Board approve our annual financial reporting materials including the Management's Discussion and Analysis and Annual Information Form, which provide information on risks and significant events including those related to environmental and social factors. Our annual disclosures now reference our inaugural Climate Change Disclosure Report released in 2019.</p> <p>As part of our commitment to evolving our current reporting and disclosure of climate-related risks and opportunities through increased transparency, we released our second Climate Change Disclosure Report aligned to the Task Force on Climate-related Financial Disclosures. This report outlines elements of our governance, strategy, risk management, and metrics and targets that we address through our existing disclosure and reporting, and outlines three climate scenarios that provide the basis for our strategy assessment going forward.</p> <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> <p>The Board recognizes the need for increased ESG disclosures and the importance of this information to our external stakeholders. As such, in 2019, performance goals around ESG disclosures have been included as part of the 2020 company-wide performance metrics.</p> |