

# Sustainable Sourcing Policy

## 1. PURPOSE

The purpose of this Policy is to strengthen Capital Power's supply chain by establishing expectations for our Contractors based on strong business ethics and a desire to manage collective impacts on the environment and in the communities in which Capital Power and its Contractors operate in alignment with Capital Power's corporate-level strategies.

## 2. SCOPE AND APPLICATION

2.1 This Policy applies to all Employees, Contractors and Agents involved in any aspect of Capital Power's supply chain.

2.2 This Policy will remain in force until it is superseded by an amended Policy or revoked.

## 3. DEFINITIONS AND CONVENTIONS

All noteworthy terms used in this Policy and any applicable SGDs appear capitalized or as an acronym and are defined in Appendix A: Glossary; the remaining terms are to be interpreted using their plain language meaning.

## 4. ROLES AND RESPONSIBILITIES

4.1 The Board of Directors is responsible for approving this Policy, any Material Changes or revocation of this Policy when it is no longer required.

4.2 The SVP, Operations is responsible for:

4.2.1 Sponsoring approval, amendments or revocation of this Policy.

4.2.2 Establishing sustainability objectives for procurement that align with the relevant corporate-level strategic direction, as amended from time to time.

4.2.3 Authorizing any exceptions to this Policy.

4.3 The Vice President, HSSE/SCM is responsible for:

4.3.1 Owning, developing, maintaining, administering and enforcing compliance with this Policy.

4.3.2 Owning, developing, implementing and maintaining Secondary Governance Documents, tools and processes associated with this Policy.

4.4 All Employees and Contractors are responsible for:

4.4.1 Understanding and complying with this Policy.

4.4.2 Reporting any Suspected Non-compliance with this Policy.

## 5. GENERAL

5.1 In choosing and utilizing a Contractor, consideration must be given to a Contractor's environmental performance, social impact and governance practices through the use of objective criteria that has been determined in alignment with the procurement sustainability objectives established by the SVP, Operations.

5.2 Capital Power prohibits the use of Forced Labour and any form of Child Labour in any part of its operations and requires Contractors to know and uphold the human rights of all workers.

- 5.3 Capital Power expects its Contractors to treat their employees with respect and dignity, provide safe working conditions, compensate fairly, have reasonable work hours, and ensure they are of appropriate age.
- 5.4 Capital Power requires its Contractors to refrain from participating in any form of bribery, corruption, extortion or embezzlement and to accurately record all of their business transactions.
- 5.5 An obligation to adhere to this Policy must be incorporated into any supply-chain procurement commercial agreements for which there is a reasonable expectation of applicability of the provisions of section 5 to the relevant business relationship, as informed by the procurement sustainability objectives.
- 5.6 Contractors must maintain records that demonstrate their compliance with this Policy and supply such records in accordance with the terms of their commercial agreement.
- 5.7 Contractors must impose obligations set out in sections 5.2 to 5.6 on its subcontractors.
- 5.8 Contractors must inform Capital Power of any circumstances that may impede their ability to comply with this Policy.

## **6. COMPLIANCE**

- 6.1 Any Employee who fails to comply with this Policy may be subject to disciplinary action up to and including termination of employment.
- 6.2 Any Contractor who is suspected of non-compliance with this Policy must be reported in accordance with the Speak Up section of the Code of Conduct. Contractors who are found to be in violation of this Policy may have their contracts terminated or be required to rectify the matter and provide evidence of the same. Notification will be made to external authorities where applicable.
- 6.3 In the event of a reported Suspected Non-compliance of this Policy, the Investigation Procedure will apply.

## **7. ADMINISTRATION AND AMENDMENTS**

- 7.1 Except for any Administrative Change, any revision or revocation of this Procedure must be approved by the Board of Directors.
- 7.2 The Owner has authority to make Administrative Changes.

## **8. EFFECTIVE DATE AND REVIEWS**

- 8.1 This Policy and any applicable Amendments will be effective as of the applicable date of approval and enforceable upon communication to Employees and Contractors.
- 8.2 This Policy will be reviewed periodically, and once every three (3) years, the Policy will be approved, amended or revoked by the approving authority. All revisions will be documented in section 9, Approval and Revision History.

## **9. APPROVAL AND REVISION HISTORY**

<b>Version</b>	<b>Approval Date</b>	<b>Revision Description</b>	<b>Approver</b>	<b>Author</b>
1.0	2025 02 25	Initial Publication	Board of Directors	

## APPENDIX A: GLOSSARY

- a. "**Administrative Change**" means a modification that does not alter the approved intent, obligation or authority conveyed in the document.
- b. "**Agent**" means an individual or company acting on behalf of Capital Power or with whom Capital Power does business.
- c. "**Capital Power**" means Capital Power Corporation and its subsidiaries.
- d. "**Board of Directors**" means the Board of Directors of Capital Power Corporation comprised of all its appointed members.
- e. "**Contractor**" means an individual, partnership, joint venture, corporation, or other entity engaged by Capital Power to provide goods or services to Capital Power under a contract, and includes consultants, vendors and suppliers, but does not include Agents.
- f. "**Child Labour**" means labour or services provided or offered to be provided by persons under the age of 18 years and that are provided under circumstances that are mentally, physically, socially or morally dangerous to them or that interfere with their schooling by depriving them of the opportunity to attend school.
- g. "**Suspected Non-compliance**" means a reasonable suspicion of a wrongdoing.
- h. "**President & CEO**" means the President and Chief Executive Officer of Capital Power.
- i. "**Delegate**" means an individual or position designated to act for or represent another individual or position.
- j. "**Employee**" means an individual who is an employee of Capital Power.
- k. "**Forced Labour**" means labour or service provided or offered to be provided by a person under circumstances that could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide labour or service.
- l. "**Guideline**" means a document that outlines the recommended action(s) for a particular undertaking.
- m. "**Material Change**" means a modification that alters the approved intent, obligation or authority conveyed in the document.
- n. "**Policy Owner**" means the Vice President or a Director with a direct reporting relationship to a Senior Vice President responsible for the content, implementation and administration of the Policy.
- o. "**Responsible Executive**" means the Senior Vice President accountable for the development, approval, revision or revocation of a Policy on behalf a Policy Owner within their department.
- p. "**Practice**" means an activity or a process.
- q. "**Procedure**" means a document that sets out instructions, roles and responsibilities for a particular undertaking that is routine in nature.
- r. "**Protocol**" means a document that sets out instructions, roles and responsibilities to be followed by identified individuals in response to an event.
- s. "**SCM**" means our Supply Chain Management Department.
- t. "**Secondary Governance Document**" means any document that supports the implementation of a Policy and is approved in accordance with the governing Policy, including Standards, Procedures, Practices, Protocols, Guidelines and other documents of similar nature.
- u. "**SME**" means Subject Matter Expert.
- v. "**Standard**" means a document that establishes the mandatory quantifiable or demonstrable measures for a particular undertaking.
- w. "**Supplier**" means any entity of person(s) that sell goods or services to Capital Power.