

2025 Annual Report

Fighting Against Forced Labour and Child Labour in Supply Chains Act

Introduction

This report outlines the steps Capital Power Corporation (“Capital Power”) has taken since the onset of the reporting period of January 1, 2025, to address the risk of forced labour or child labour in the production of goods in our supply chains.

The information included in this report is prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act) and is submitted as a “joint report” under section 11(2)(b) of the Act. This report is provided on behalf of Capital Power and operating subsidiaries. Capital Power and these subsidiaries are “entities” under section 2 of the Act and are subject to the reporting obligations under Part 2 of the Act by virtue of importing, or controlling an entity that imports, goods into Canada that are produced outside of Canada.

Capital Power’s power generation operations and assets are owned by Capital Power L.P. (CPLP), Capital Power L.P. Holdings Inc. and Capital Power (US Holdings) Inc., all wholly owned subsidiaries of the Company. In this report, any reference to “Capital Power”, “Company”, “we”, “our”, or “us”, except where otherwise noted or the context otherwise indicates, means Capital Power Corporation together with its operating subsidiaries reportable under the Act.

Capital Power structure, activities, and supply chain

About us

Capital Power (TSX: CPX) is one of North America’s leading independent power producers, with approximately 12 GW of generation capacity across 35 facilities. Our portfolio includes natural gas, renewables and battery energy storage solutions. We deliver power generation at utility-scale through a flexible and resilient fleet built to meet growing electricity demand. Backed by deep expertise and an investment-grade credit rating, we provide safe, reliable power communities can depend on. We are Powering Change by Changing Power™.

Please refer to our website for more information about [who we are](#) and to explore our [portfolio of assets](#) in operation, construction and development across North America.

Structure

This report is provided on behalf of Capital Power L.P, Capital Power L.P Holdings Inc., Capital Power GP Holdings Inc., and applicable downstream subsidiaries. Information about Capital Power's corporate governance, including our Articles of Incorporation and Amendment, can be found on our [website](#).

For more information about Capital Power's structure, please see our [2025 Annual Information Form](#).

Activities

Capital Power produces power for communities across Canada and the U.S. through the development, acquisition, ownership and operation of flexible¹ and renewable power generation facilities. Capital Power and its subsidiaries import power generation parts and equipment to use in operating our facilities. Our tracking of the origins of these imported products show that the majority originated from within North America during 2025.

Supply chain

As part of its supply chain operations, Capital Power engages and conducts business with various suppliers, agents, contractors, and subcontractors (collectively referred to as "suppliers"). Our suppliers predominantly provide fuel, power generation equipment, industrial craft labour, construction services, and professional consulting services for our operations.

While most of our suppliers are located within Canada and the U.S., we recognize that some goods identified in our renewable energy component supply chain could have been originally produced in countries with a higher risk of forced and child labour. However, the production of these renewable energy components is several tiers removed from Capital Power and we have not mapped our supply chain beyond our Tier One suppliers.

Capital Power's subsidiaries' supply chain activities are integrated with Capital Power's corporate activities under the same purchasing and supplier management systems. Capital Power's supply chains are mainly managed at the corporate level with some of our operating subsidiaries having their own buyers and business managers based at each facility. These buyers and business managers who manage facility-level purchases report to each respective plant manager, who in turn are accountable to Capital Power management. The supply chains of our operating subsidiaries are generally representative of Capital Power's supply chain activities.

Policies and due diligence processes

¹ Flexible generation refers to the ability of power-generating facilities to quickly adjust output based on grid demand. These dispatchable power sources include natural gas facilities and energy storage and natural gas facilities.

We proudly launched our [Code of Conduct](#) (the Code) in 2024, replacing our previous Ethics Policy. The Code is designed to inform ethical and expected behaviour to help employees, contractors, agents and the Board of Directors avoid misconduct by providing the direction, tools and guidance necessary to protect the interests of Capital Power and our customers, shareholders and stakeholders. This Code is intended to work in tandem with all Capital Power policies, procedures, and standards.

Our transition from our former Policy to the Code included several significant updates including simplifying language and applying a consistent level of specificity across all topics to improve comprehension and application. Further, the Code streamlined points of contact for suspected non-compliance and disclosures and a commentary on what to expect when a report is submitted was added to instill confidence and convey a clear commitment to take action. A glossary has also been added to the Code to facilitate users' understanding.

Our Sustainable Sourcing Policy was formally implemented in March 2025 and applies to all Capital Power employees, contractors and agents involved in any aspect of our supply chain. The updated Policy specifically prohibits any use of forced labour or child labour in any part of our suppliers' operations and requires our suppliers to know and uphold the human rights of all workers. The Policy also requires Capital Power's suppliers to impose these same obligations on their own subcontractors.

Capital Power's policies and guidelines are applicable to all operating subsidiaries. A full listing of our public policies and guidelines can be accessed on our [website](#).

Processes

Capital Power's standard general terms and conditions state that suppliers are required to comply with all applicable laws, directives, and regulations, including those pertaining to forced labour and child labour. Suppliers are also required to comply with all rules, policies, procedures, processes and work practices established by Capital Power. As a condition of ongoing employment or service agreement, all employees and contractors must declare their awareness of and compliance with the content of the Code at the start of their employment, appointment or service relationship with Capital Power, and re-declare their ongoing compliance, in writing, annually.

Suppliers, employees, customers, and contractors have multiple options to raise concerns if they suspect violations to laws, regulations, or Capital Power's policies and procedures, as outlined below. Capital Power's [Integrity Hotline](#) allows anyone to submit an anonymous report from anywhere, demonstrating our commitment to identifying, investigating and managing violation claims.

Concerns regarding Capital Power and our operating subsidiaries can be reported through any of the following avenues:

- Reaching out to any of the following individuals:
 - Chief Compliance Officer
 - People and Culture Leadership
 - Employee leaders
 - Member of Capital Power's Executive Team
 - Audit Committee Chair
- Submitting a report through the CPC Integrity Hotline, which may be done anonymously.

Forced labour and child labour risks

Operations risk

Capital Power and its subsidiaries abide by all applicable laws in those jurisdictions where we operate in Canada and the U.S. Access to our facilities is restricted to employees and registered contractors who have completed due diligence screening, agreed to Capital Power's standard terms and conditions and policies, and completed contractor site orientation.

Based on the low risk of forced or child labour in the regions where we have direct operations, and the policies and processes in place to mitigate risk, Capital Power has assessed there is very limited risk of forced or child labour occurring in our direct operations. While the risk of forced or child labour in our operations is low, we acknowledge that the risk of occurrence is not zero. As such, we continually monitor risks and conduct reviews of our internal policies and practices to ensure compliance.

Supply chain risk

Capital Power and its operating subsidiaries are aware that risks of forced labour and child labour may exist in our multinational supply chain, like many entities operating within the energy sector. The greatest risks in our supply chain likely reside several tiers from our direct suppliers, such as suppliers in raw material processing in regions that are vulnerable to bribery and corruption, or regions without strong labour laws and governance.

We are committed to improving our understanding of the risks of forced and child labour and transparently reporting the actions Capital Power has and is taking to reduce the likelihood of occurrence within our supply chain.

Risk assessment and management

Capital Power's internal risk assessment process identifies risk factors pertinent to its operations and supply chain. Information is gathered from independent data and public sources related to the energy sector. When engaging with new suppliers, each supplier is required to provide their human rights policy, or in the absence of such a policy we ask them to commit to Capital Power's standard terms and conditions and the commitments outlined in our Sustainable Sourcing Policy.

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

Remediation measures

We did not identify any instances of forced or child labour in our operations or supply chain in 2025, and therefore no direct intervention or measures by Capital Power were required. Should a report arise that requires remediation, we will address the situation on a case-by-case basis.

Remediation of loss of income

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

Training

To support a strong understanding of the Code, Capital Power has developed annual training that covers key aspects and considerations and also reviews practical scenarios. Our corporate employees and contingent workers completed virtual training on the Code in early 2025 and in-person training occurring throughout 2025 at select Capital Power's facilities.

Capital Power continuously evaluates the organization's training needs to ensure ongoing development and improvement and may implement additional training in the future if deemed necessary.

Assessing effectiveness

To date, we have not formally assessed the effectiveness of our approach to reduce the risk of forced and child labour in our supply chains. However, based on our risk profile and the current measures in place, we do not believe any additional measures are required at this time.

Approval and attestation

Approval

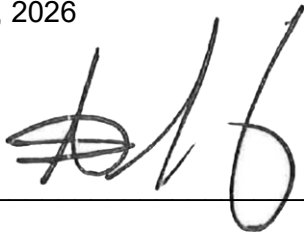
The information disclosed in this report for Capital Power, together with its operating subsidiaries reportable under the Act, was approved by Capital Power's Board of Directors as of April 28, 2026.

Attestation

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

Approved and signed by:

Avik Dey
President and Chief Executive Officer
April 28, 2026



I have the authority to bind Capital Power Corporation.