

2024
2025

Environmental Social & Governance Update



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Capstone's Approach to ESG

At Capstone, continuous improvement is at the heart of our Environmental, Social & Governance (ESG) Program. Rather than treating ESG as a set of static policies, we view it as an ongoing commitment that shapes our daily business activities. We learn from our experiences and adapt our approach to every aspect of our operations, ensuring that our values are reflected in everything we do.

Our ESG program is designed to define, measure, and set objectives for the factors that matter most to us, supporting our mandate to advance the energy transition across North America. Success is achieved by integrating ESG priorities throughout the organization, accomplished by embedding them into the Capstone Operational Excellence Management System (COEMS). This system ensures quality and consistency in how we develop, build, own, and operate our renewable and low-carbon power generation facilities.

In practice, ESG is woven into our business processes—not just as an annual exercise, but as part of our everyday routine. By making ESG a core element of our operational playbook, we ensure that our commitment to sustainability and responsible governance is reflected in every decision we make.

The compliance, regulatory, and political environment Capstone operates in is also evolving rapidly. Our ESG program is designed to evolve with and adapt to an industry in transition while ensuring quality and integrity in how we do business.

The figure below outlines the ESG factors Capstone has determined to have a material influence on the success of the business.

Environmental

- Tracking Carbon Footprint
- Biodiversity



Social

- Health & Safety (Zero Harm)
- Community Support and Engagement
- Equity, Diversity and Inclusion
- Building Relationships with First Nations

Governance

- Supply Chain Management
- Develop a Robust Compliance Framework
- Board of Directors Oversight



ENVIRONMENT

Capstone is dedicated to decarbonization and the successful transition to a clean energy future. We proactively address the impact of our operations on the environment, employees, Indigenous and local communities, customers, and stakeholders. Our approach includes strict compliance with permitting obligations and applicable laws, minimizing environmental impacts, protecting biodiversity, and ensuring responsible handling of hazardous materials.

Tracking Our Carbon Footprint

Climate-related matters and Capstone's role in the energy transition are central to our strategy. We provide decarbonization solutions for customers, including companies, governments, and electricity system operators. Our business is focused on renewable energy—wind, solar, hydro, and biomass. Cardinal Power, our natural gas cogeneration facility, continues to support the Ontario grid during periods of high demand, and we are working to develop battery energy storage facilities to further integrate renewables into North American power grids.

Capstone has progressively expanded its greenhouse gas (GHG) tracking. In 2023, we established our carbon footprint for Scope 1 and Scope 2 emissions across the company. Our energy generation and emissions data are transparently reported, and we remain committed to identifying further opportunities to reduce our impact. Consistent with previous years, the Cardinal Power cogeneration facility in Ontario is Capstone's only source of material emissions, comprising 98.8% of Capstone's Scope 1 and 2 carbon footprint in 2024.



Understanding before building: environmental field surveys underway for the Mount Mabel Wind Project currently in development.

◀ British Columbia's spectacular landscapes will host the newest additions to Capstone's fleet, currently in development.

SPOTLIGHT



Cutting the ribbon at the inauguration of the Buffalo Atlee Wind Farms in July 2024. From left: Wade Heiland (Special Areas No. 2), Omar Saif (Gibson Energy), David Eva (Capstone), Steve Green (Sawridge FN)

The Buffalo Atlee Wind Farms

In 2024, the Buffalo Atlee wind facilities added 61 MW of clean power to Alberta's grid—enough to power about 26,000 homes annually. These four sites will help cut approximately 60,000 metric tonnes of CO₂ every year at the start of commercial operation. Capstone teamed up with Sawridge First Nation as equity partners on the project, which will also bring revenue to Special Areas No. 2. The power and emissions offsets from Buffalo Atlee 2 and 4 is contracted to Gibson Energy for 15 years, supporting their push to achieve net zero operations by 2050.

By the Numbers

Energy Generated (GWh) 2024

Wind	1,147.7
Solar	0.376
Hydro	0.147
Biomass	0.148
Natural Gas	0.080
Total:	1.899

Greenhouse Gas Emissions 2022–2024

Year	Scope 1 (mtCO2e)	Scope 2 (mtCO2e)	Total Scope 1, 2 (mtCO2e)	Inclusions
2022	55,028	312	55,341	Includes the thermal facilities (Cardinal Power, Whitecourt Power), head office, Claresholm Solar, (largest solar facility), and Erie Shores Wind, (largest wind facility at the time).
2023	23,594	506	24,100	Includes entire fleet and corporate offices. Lower Scope 1 emissions due to fewer power generation runs at Cardinal Power.
2024	45,484	477	45,961	Cardinal Power represents 45,406 mtCO2e of total emissions.

Avoided Emissions 2024

Avoided Emissions (gross)	Emissions Generated (Scope 1 & 2)	Offsets / Renewable Energy Credits For Sale	Total Avoided Emissions¹ (Net)
541,203²	45,962	289,002	206,240

¹"Guidance on Avoided Emissions" from the Net Zero Initiative / World Business Council for Sustainable Development (WBCSD).

²This figure includes emissions sold to third parties in the form of offsets or renewable energy credits.

SPOTLIGHT



At 192 MW, Wild Rose 2 Wind is Capstone's largest operating facility (Medicine Hat, Alberta).

Wild Rose 2 Wind Farm

Capstone's Wild Rose 2 Wind Farm, near Medicine Hat, is not only the latest addition to our fleet after coming online in late summer 2025, but also the largest project we've ever completed. Wild Rose 2 has long-term offtake agreements with Pembina Pipeline (15 years, 105 MW) and the City of Edmonton (20 years, 78 MW), providing both electricity and renewable energy credits. Notably, the City of Edmonton's contract is the largest long-term procurement of renewable energy attributes by any Canadian city, supporting its ambitious climate goals to be carbon neutral in operations by 2040 and net zero citywide by 2050. These partnerships demonstrate Capstone's commitment to helping organizations meet their decarbonization targets through reliable, large-scale renewable energy solutions.

Biodiversity

Capstone takes a proactive approach when it comes to our environmental commitments. We're not just checking boxes—we're always looking for ways to minimize our impact and protect biodiversity wherever we work. Whenever we can, we go above and beyond what's required, teaming up with landowners, local communities, and our Indigenous partners to support projects that help prevent biodiversity loss and keep local ecosystems thriving.

For us, protecting biodiversity isn't a one-time thing—it starts right from the design phase of new projects and carries through construction and day-to-day operations. Our goal is to avoid and mitigate negative impacts and, whenever possible, create positive outcomes for the environment.

Wildlife	Vegetation	Wetlands and watercourses	Agrivoltaics
Monitoring and mediating impacts on spring and fall acoustic bats, spring and fall migratory birds, sensitive raptors, and other sensitive species	Habitat mapping and preservation of native and culturally significant plant species	Mapping, classification, habitat restoration	Native grasses and vegetation to support pollinators and sheep at solar facilities while reducing fire risk



LEFT Sheep amongst the panels at Claresholm Solar.
RIGHT Identifying native plant species in environmental field surveys.





SOCIAL

The Social pillar in Capstone's ESG program focuses on our relationships with people and society. It covers how we protect the well-being of our employees, partners, and communities where we operate.

Health and Safety

At Capstone, keeping our people, the public, and the environment safe is always our top priority. If something can't be done safely, we simply don't do it. We're aiming for zero safety or environmental incidents, and we want everyone to stay healthy at work.

Our Health & Safety Management Program (HSMP) puts this commitment into action. It's all about making safety part of our everyday routine—building it into how we work and encouraging continuous improvement. We're big on being proactive: we incentivize inspections, safety chats, and taking steps to prevent issues before they happen. That way, we're always looking out for each other and making sure safety comes first.



LEFT The team prepares for a gear box replacement at Erie Shores Wind Farm. **RIGHT** Gearing up with PPE for electrical work.

◀ The team test their gear before climbing a tower at the Wild Rose 2 Wind Farm.

1

Lost time incidents (LTI)
traffic incident

431

safety conversations

571

worksite safety inspections

1,451

other safety inspections
(harness, ladder, etc.)

2024 stats

Community Engagement and Support

At Capstone, we know that strong relationships with our landowners and local communities are key to everything we do. A lot of our team members spend years—sometimes decades—working at our sites and living right in the neighborhoods we serve. Over time, our facilities really become part of the community's story. That's why we're all in on supporting local projects and initiatives that make life better wherever we operate.

We provide support to community-led initiatives from coast-to-coast that focus on:

Sustainability and Education

From hosting school groups at our wind and solar farms to creating local resource centres for outdoor education at conservation areas and wetlands.

Health and Wellness

Supporting local hospitals and accessibility projects.

Getting active in the outdoors

Hiking trails, cycling infrastructure, and team cycling fundraisers that raise money in the fight against cancer.

Biodiversity

2025 projects included the wildlife rescue services and educational programming for children and youth.

\$227K

in support of community-led initiatives

70+

organizations

2024 stats



LEFT & BELOW Support for Heroes 4 Wildlife's Environmental Awareness Festival helped bring 100s of youth together to learn. **RIGHT** The Capstone Team takes on the Northern Pass in support of Princess Margaret Cancer Foundation.

Equity, Diversity and Inclusion

We believe that equity, diversity, and inclusion (EDI) are at the core of building a strong, flexible team that can keep up with a growing business. We know our success comes from having people with different backgrounds, experiences, and perspectives—and we make sure everyone feels respected and valued.

We're also committed to keeping our workplace positive and professional, free from harassment or any kind of disruptive behavior. That's why we created an EDI Policy to support these values across the company.

Here's how we put EDI into action:

- We will periodically review level of diversity across the company.
- We look for ways to support and develop employees from all backgrounds.
- We review our policies to remove barriers to inclusion.
- We're always searching for new ways to improve EDI.
- And we have an employee-led EDI Committee to keep things moving forward.



The Capstone Team and local stakeholders celebrate the commissioning of the Wild Rose 2 Wind Farm (Sept. 2025)

62.5%

Male (10)

5 Board of Directors

5 VPs and other Officers

37.5%

Female (6)

2 Board of Directors

4 VPs and other Officers

Representation of Women on the Board and in Senior Management (as at March 31, 2025)





Building Relationships with Indigenous Communities

Capstone takes a partnership-first approach to working with Indigenous communities, aiming to build meaningful, long-term relationships. These partnerships have led to joint efforts in environmental stewardship, skills development, training, and even shared economic interests in some projects.

As we continue to grow and develop new clean energy projects across Canada, we're strengthening existing relationships and forming new ones. To support these partnerships, we offer Indigenous awareness training to our employees.

In 2024, we were thrilled to have three projects selected in BC Hydro's Call for Power, representing another major step forward in the growth of the company. Having executed 30-year Electricity Purchase Agreements for the Brewster, Highland Valley, and Mount Mabel wind farms – all with Indigenous equity partners.

These projects are expected to provide a combined 537 MW of capacity, and estimated to generate enough power for approximately 150,000 British Columbian homes. Each project features majority (51%) Indigenous ownership: Wei Wai Kum First Nation (Brewster, soon to be renamed in Liq'wala as "Yəyus Energy"), Ashcroft Indian Band (Highland Valley), and Lower Nicola Indian Band (Mount Mabel).

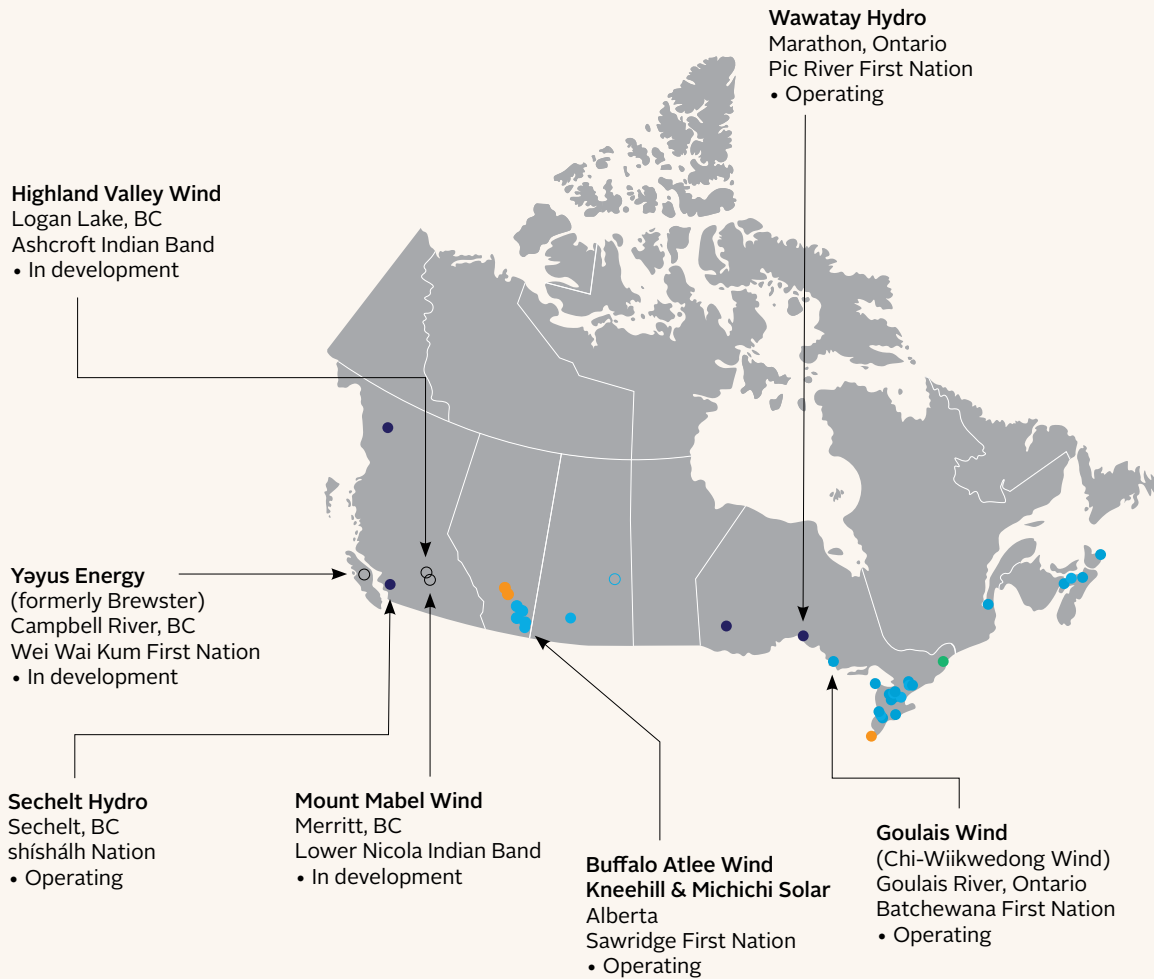


LEFT Nathan Cox (VP, Strategy and Markets), Councilor Luke McCoy and Chief Mark McCoy (Batchewana FN), Andrea Kausel (VP, Development), Megan Hunter (Senior Manager, Comms), Naithen Joseph (Plant Manager, Goulais). **RIGHT** The Capstone Team celebrates the Goulais Wind Farm's 10 Year Anniversary with partners Batchewana First Nation (June 2025)



ABOVE In collaboration with our project partner, Wei Wai Kum First Nation, the former Brewster Wind Project" was renamed Yəyus Energy. The name reflects the meaning "Always Windy" in Liq'wala, the traditional dialect of the Lig'ikdax" peoples, of which Wei Wai Kum is a part. A logo design competition was launched in April 2025, inviting local artists from the community to participate. James Kwaksistala's incredible design was selected by Wei Wai Kum Chief and Council and project has been re-branded with his artwork as the cornerstone.

Our Projects with Indigenous Participation Across Canada



Operating Projects:

○ Advanced development

● Wind

● Hydro

● Solar

● Biomass/natural gas co-gas



GOVERNANCE

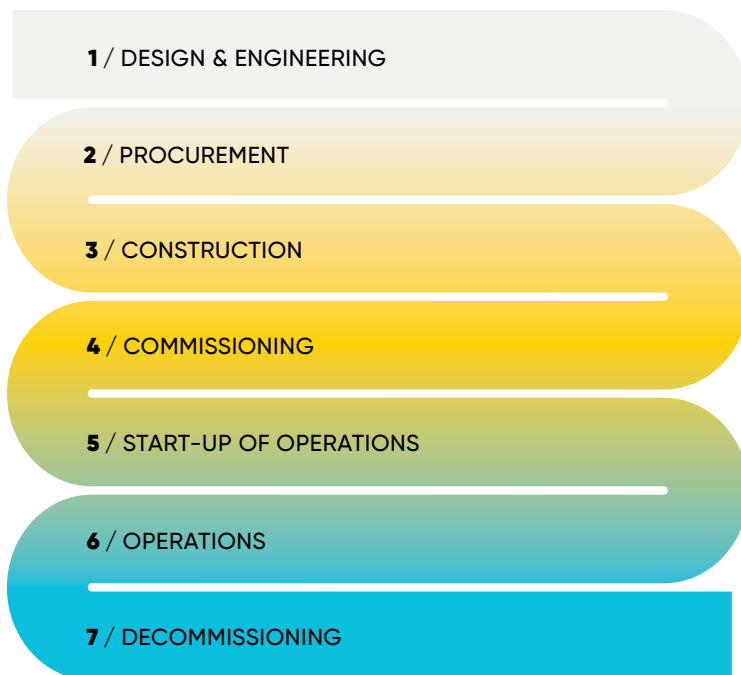
The “G” in ESG for Capstone means strong corporate governance through board oversight, compliance systems, ethical standards, and transparent reporting—all aimed at building trust and long-term value. In this way, governance is embedded in our operational and strategic framework, helping us achieve our environmental and social goals.

Supply Chain Management

Capstone is committed to safety, quality, and integrity in all aspects of our business. Every one of Capstone’s, suppliers, contractors, consultants, and vendors (collectively, Suppliers) occupy a position of trust and play an integral role in helping us to deliver on our mission.

Whatever the area of activity and whatever the degree of responsibility, as described in Capstone’s Supplier Code of Conduct, the company expects its Suppliers and their respective supply chain, to comply with applicable laws, to uphold the highest standards of health and safety, environmental management, human rights and labour rights, and to act with transparency, integrity, and respect when working with us.

The Project Life Cycle



◀ A crane lowers tower segments of a decommissioned turbine, Glace Bay Wind Farm

SPOTLIGHT



The nacelle is removed from a tower being decommissioned at our Glace Bay wind facility (Nova Scotia).

Reclamation and Decommissioning

At Capstone, we take responsibility for our facilities through their entire lifecycle, starting from origination through development, execution, operations, and decommissioning. Capstone utilizes a project lifecycle responsibility matrix to assign and track responsibilities between departments at each stage.

When a decision is made to decommission turbines, we work to ensure all components are repurposed, recycled, or reused, such that as little as possible ends up in landfill and the land is returned to substantially the same condition as when we found it.

Forced Labour and Human Rights

Ensuring our supply chain does not involve child and forced labour or other violations of human rights is a social and governance priority for Capstone. It is Capstone's policy to recognize and respect the rights and dignity of all people we engage with and are impacted by our business. As the company grows and interacts with an increasingly diverse supply chain, workforce, and stakeholders, Capstone remains committed to acting with integrity and respecting human rights.

In adherence with global labour and human rights, Capstone does not allow or tolerate child or forced labour at any of its facilities, places of business, or used in goods or products supplied to its business. Representatives are expected to bring forward any human rights related concerns to Capstone's attention by contacting their manager or through the company's Whistleblower Policy. Capstone is committed to active dialogue with its

stakeholders and business partners on these issues and proactively identifying and addressing concerns and ensuring adequate risk management and identification of human rights violations.

To this end, the Board of Directors approved an updated Supplier Code of Conduct (the "Code"). The Code provides the foundation on which we build these relationships and affirms Capstone's commitment to uphold the highest ethical standards.



LEFT Claresholm Solar. **RIGHT** Turbines being installed at Wild Rose 2 Wind Farm.

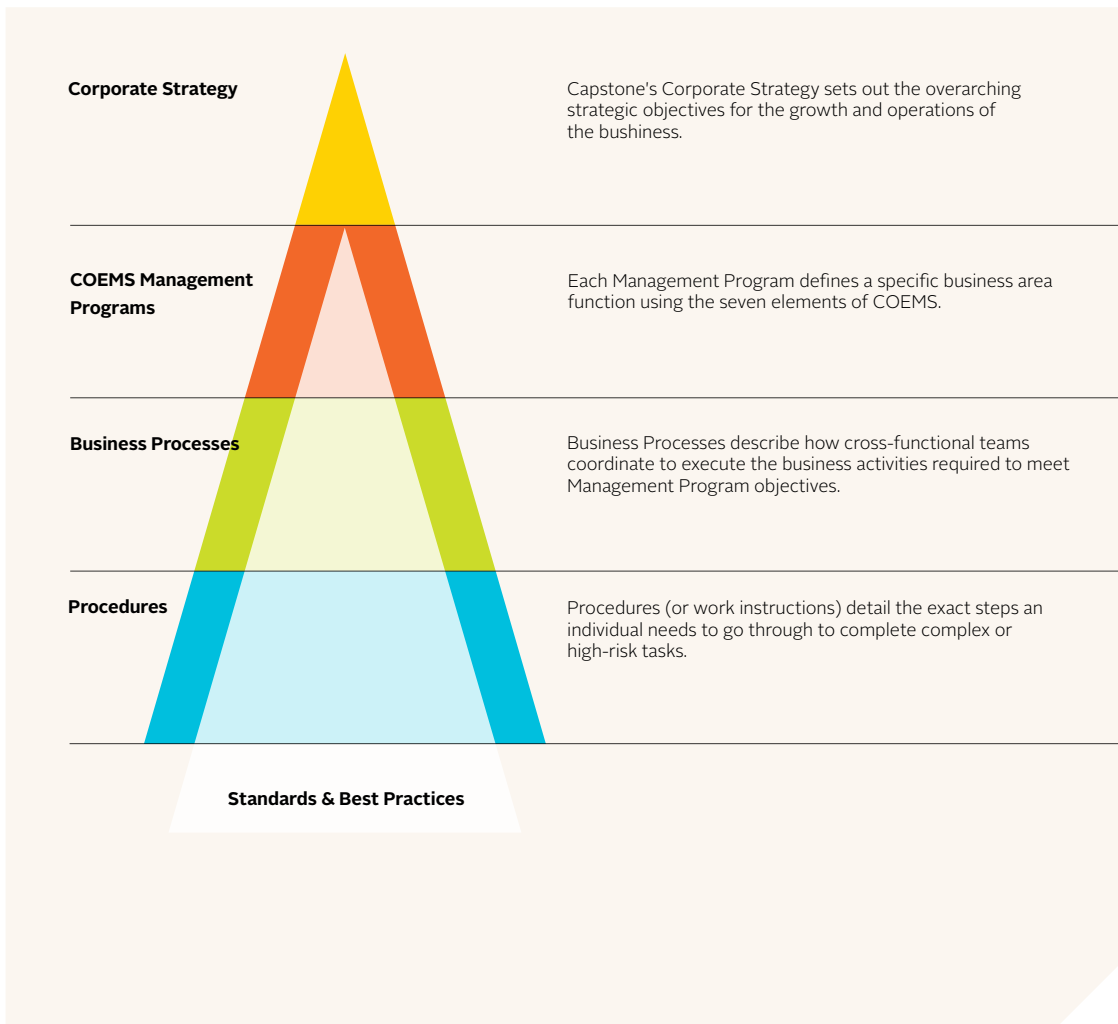
Implementing a Robust Compliance Framework

Strong corporate governance is an essential component of Capstone's financial and ESG performance. Effective governance enables prudent risk management, decision-making, and compliance, which ensures we live up to our mandate of continuous improvement.

The success of the ESG program depends on effectively integrating our ESG goals across the company. This is achieved by adhering to a robust policy framework supporting ESG and operationalized through the Capstone Operational Excellence Management System ('COEMS').

The COEMS framework outlined below illustrates how we operationalize our corporate strategy, while incorporating industry standards and best practices, in our day-to-day business.

COEMS Governance and Implementation Framework



Board of Directors Oversight

The Board of Directors’ mandate includes oversight and guidance of management to establish Capstone’s strategy and objectives, approving significant decisions that affect Capstone and its results, monitoring the company’s financial performance, setting the dividend policy and overseeing the company’s stakeholder relationships and reporting obligations. Capstone complies with all relevant governance requirements and policies of various Canadian securities regulatory authorities. Our approach to governance includes:

- A board of directors including senior management, shareholder representatives, and independent directors;
- A requirement that the board’s audit committee be composed of a majority of independent directors;
- Policies applied to the entire portfolio, to drive consistency and reliability in reporting and risk management;
- A Code of Ethics that must be followed by all directors, officers and employees of the company; and
- Periodic evaluations to ensure the Board of Directors is fulfilling its role in the most effective manner.

OUR POLICIES

[Code of Conduct and Business Ethics](#)

[CSR Policy](#)

[HSE Policy and Governance Framework](#)

[Diversity Policy](#)

[Risk Management Policy](#)

[Supplier Code of Conduct](#)



LEGAL NOTICE

This document is not an offer or invitation for the subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of any investors. Before making an investment in Capstone Infrastructure Corporation (the "Corporation"), an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Furthermore, the Corporation provides the disclosures in this document solely for informational purposes, and not for the purposes of promoting, either directly or indirectly, any business or business interest.

Additional information related to Capstone can be located on our website at www.capstoneinfrastructure.com.

Caution Regarding Forward-Looking Statements

Certain of the statements contained within this document are forward-looking and reflect management's expectations regarding the future growth, results of operations, performance and business of the Corporation based on information currently available to the Corporation. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "intend", "estimate", "plan", "believe" or other similar words, and include, among other things, statements concerning: the Corporation's mission; the Corporation's approach, projections, objectives and goals regarding environmental, social and governance ("ESG") matters, including but not limited to such matters relating to climate change, greenhouse gas emissions, environmental matters, workplace health and safety, Indigenous partnerships and Equity, Diversity and Inclusion (collectively, the Corporation's "ESG Objectives"); changes to environmental, health and safety laws, regulations, and guidelines; the regulatory environment affecting the power facilities; and the application to and effect on the Corporation's business of federal and provincial climate change initiatives and legislation. These statements are subject to known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results. The forward-looking statements within this document are based

on information currently available and what the Corporation currently believes are reasonable assumptions, including the material assumptions set out in the management's discussion and analysis of the results of operations and the financial condition of the Corporation ("MD&A") for the year ended December 31, 2023 as updated in subsequently filed MD&A of the Corporation (such documents are available under the Corporation's SEDAR+ profile at www.sedarplus.com).

Other potential material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following: that the business and economic conditions affecting the Corporation's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes, inflation, and interest rates; that the preferred shares will remain outstanding and that dividends will continue to be paid on the preferred shares; that there will be no material delays in the Corporation's development projects achieving commercial operation; that the Corporation's power facilities will experience normal wind, hydrological and solar irradiation conditions, and ambient temperature and humidity levels; that there will be no further material changes to the Corporation's facilities, equipment or contractual arrangements; that there will be no material changes in the legislative, regulatory and operating framework for the Corporation's businesses; that there will be no material delays in obtaining required approvals for the Corporation's power facilities; that there will be no material changes in environmental regulations for the power facilities; that there will be no significant event occurring outside the ordinary course of the Corporation's businesses; the refinancing on similar terms of the Corporation's and its subsidiaries' various outstanding credit facilities and debt instruments which mature during the period in which the forward-looking statements relate; market prices for electricity in Ontario and the amount of hours that the Cardinal Facility is dispatched; the price that The Buffalo Atlee 1 Wind Facility, the Buffalo Atlee 3 Wind Facility, the Wild Rose 2 Wind Facility, Whitecourt Biomass Facility, the Claresholm Solar Facility, or the Kneehill Solar Facility will receive for its electricity production considering the market price for electricity in Alberta, and the price that the Whitecourt Biomass Facility will receive for its electricity production considering the Whitecourt Biomass Facility's agreement with Millar Western, which includes sharing mechanisms regarding the price received for electricity sold by the facility.

Additional Caution Regarding ESG-Related Disclosures

This document includes statements and other disclosures related to ESG matters (collectively, “ESG-Related Disclosures”). In making these ESG-Related Disclosures, in establishing our ESG Objectives, and in preparing this document, the Corporation has made various assumptions, including about technological, economic, scientific, and legal trends and developments, in light of an evolving policy and regulatory environment. As such, the data, analysis, strategy and other information in these ESG-Related Disclosures remain under development and subject to evolution, amendment, update and restatement over time. The Corporation specifically cautions readers of the following:

- The evolution of the policy and regulatory environment related to ESG matters, and particularly climate or biodiversity-related issues, may result in updates or revisions to accounting methods, forward-looking statements or other information contained in this document. There could also be changes to market practices, external methodologies, frameworks, criteria, taxonomies and standards (collectively, “ESG Standards”) that governmental and non-governmental entities, the business community or sector leaders use to classify, assess, measure, report on and verify ESG-Related Disclosures. Furthermore, in some cases, ESG Standards may not exist. Changes to or the development of new ESG Standards may cause us to amend or restate our ESG Disclosures.
- The terms “ESG”, “biodiversity” and similar terms are evolving, and the Corporation’s use of such terms may change to reflect such evolution. Any references to such terms in this document are references to the internally defined criteria and not necessarily, unless otherwise indicated, a reference to a particular regulatory definition or ESG Standard.
- In making ESG-Related Disclosures and in setting and implementing its ESG Objectives, the Corporation often relies on data obtained from, or methodologies established by, third parties. Although the Corporation believes these sources are reliable, the Corporation has not verified all third-party data, or assessed the assumptions underlying such data, and cannot guarantee their accuracy. The Corporation’s use of third-party data or methodologies cannot be taken as an endorsement of the third-party, its methodologies or its data. The data or methodologies used by the Corporation in connection with ESG-Related

Disclosures may be limited in quality, unavailable or inconsistent across projects or assets. These factors could have a material affect on the Corporation’s ESG Objectives or ability to meet them.

- This document may provide addresses of or contain hyperlinks to websites that are not owned or controlled by the Corporation. Each such address or hyperlink is provided solely for the reader’s convenience, and the content of linked third-party websites is not in any way included or incorporated by reference into this document. The Corporation takes no responsibility for such websites or their content, or for any loss or damage that may arise from their use. If you decide to access any of the third-party websites linked to this document, you do so at your own risk and subject to the terms and conditions of such websites.

ABOUT CAPSTONE

Generating Our Low-Carbon Future.
Quality, innovation, experience.

Clean and renewable energy is our business, and our people are our greatest asset. We're here to drive the energy transition forward through creative thinking, strong partnerships, and a commitment to doing things right.

Capstone is a publicly traded, independent power producer headquartered in Toronto, Canada. We're focused on providing clean, renewable energy to homes and businesses across North America. We develop new projects, and own and operate a diversified portfolio of 36 utility-scale renewable and clean power generation facilities with a gross installed capacity of approximately 1.1 GW MW while actively developing a portfolio of new projects in Canada and the United States.

Our Footprint in Canada

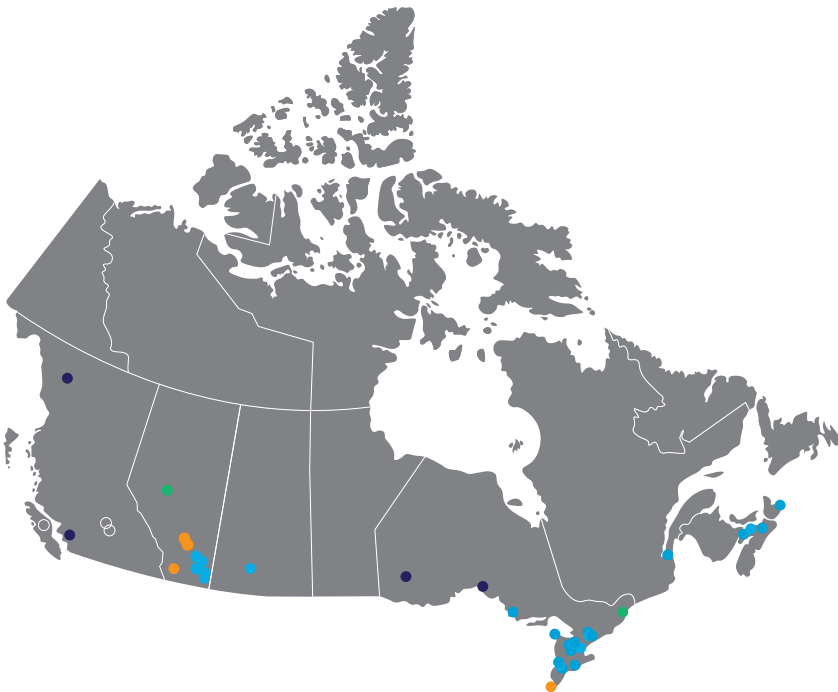
Operating Projects:

- Advanced development

● Wind

● Hydro
- Solar

● Biomass/natural gas co-gas



1.1

gigawatts of gross installed capacity

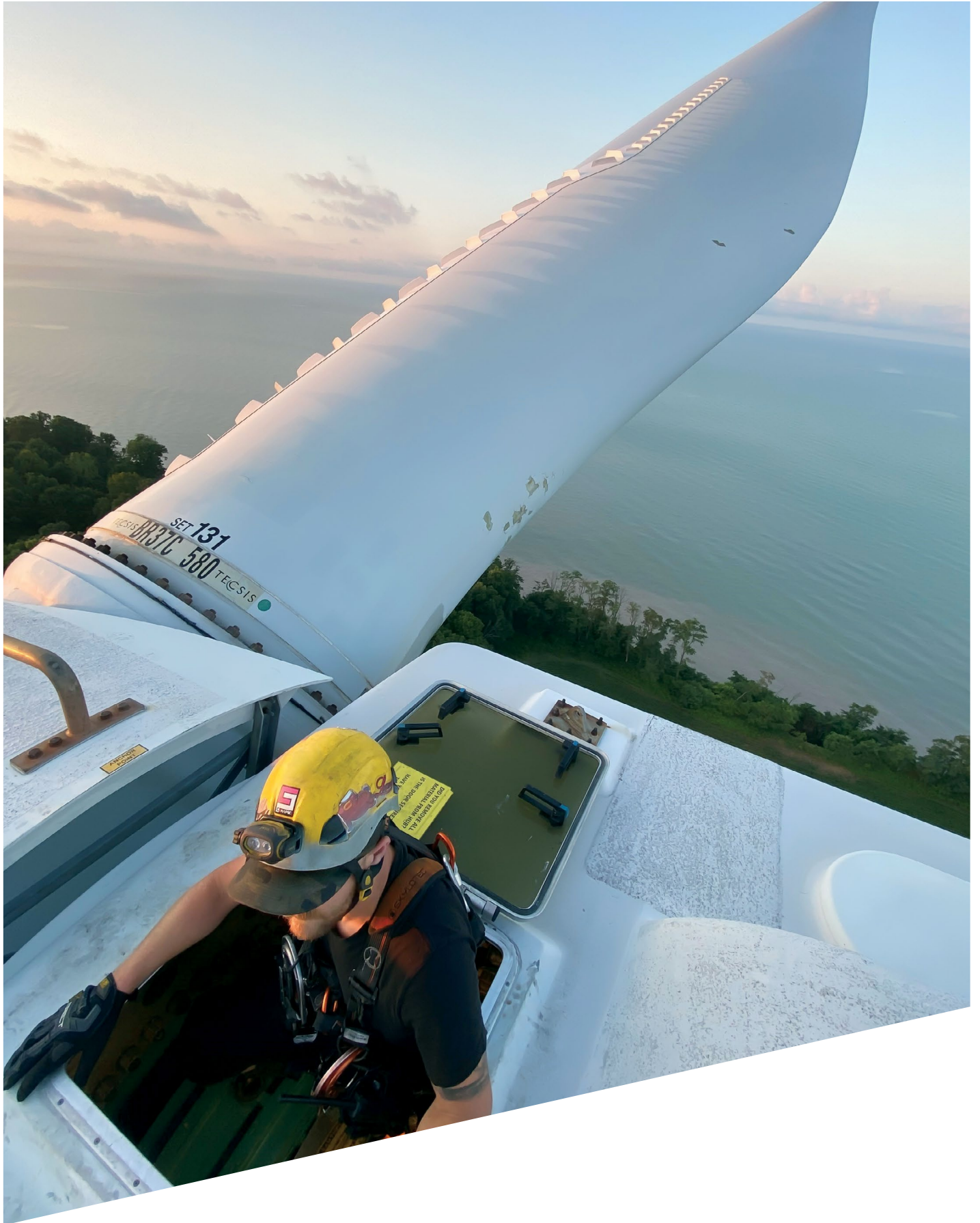
180+

employees across North America

36

wind, solar, hydro, biomass and natural gas cogen facilities

As at time of publication (September 16, 2025)



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