

RESPONSIBLE SOURCING POLICY

1. INTRODUCTION

As a socially responsible global company, Capstone Copper Corp. and its subsidiaries (together, “**Capstone**”) are committed to ethical and responsible mining and to respecting human rights across our operations and business relationships. In our business activities, we comply with applicable laws and respect international standards, including without limitation the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations’ Universal Declaration of Human Rights, and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.¹ Our goal is to become a responsible source of copper, as set out in our Sustainable Development Strategy. We recognize that Responsible Sourcing is a critical component of ethical and responsible business conduct.

Responsible Sourcing refers to the management and governance of environmental and social performance within our value chain; from our supply chain to the market. This Policy focuses on minimizing sustainability risk and impacts in our supply chain. Management of downstream sustainability risk and impacts related to the supply of our products is addressed in Know Your Customer Standards.

2. PURPOSE

This global Responsible Sourcing Policy (“**Policy**”) defines Capstone’s commitment to embedding Capstone’s sustainability expectations and considerations into the selection and management of Suppliers of goods and services.

3. DEFINITIONS

“**Responsible Sourcing**” involves practices undertaken to integrate relevant sustainability considerations into the selection and management of Suppliers. It addresses ethics, health, safety, human rights, and other social or environmental impacts that may occur in our value chain, from the procurement of goods and services to the sale of our products. It concerns the business practices of our Suppliers and the social and environmental impacts of the products and services we buy. It also encompasses the sale of our products² and consideration of the social and environmental impacts of our buyers.

“**Supplier**” means any person, corporation or other legal entity that provides goods or services to or on behalf of Capstone. This includes goods and services delivered to and used on operating, development and exploration sites, or required to transport products to markets. Suppliers include: consultants, vendors, contractors and agents.

“**Sustainability**” is a concept that integrates consideration of environmental stewardship, social responsibility and financial performance, including economic contributions to society, into a company’s strategy and core business processes. Our sustainability priorities are outlined in Capstone’s Sustainable Development Strategy and annual Sustainability Report.

¹ We are guided by the Universal Declaration of Human Rights, the United Nations Guiding Principles (UNGP) on Business and Human Rights, UNGP Reporting Framework, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

² Our products sold include copper, gold, molybdenum, silver, and zinc concentrates, and copper cathode.

4. SCOPE

This Policy applies to:

- all Capstone subsidiaries;
- all our procurement activities for the purchase of goods and services, including for capital projects; and
- all employees and third parties involved in these activities on our behalf.

5. COMMITMENTS

Capstone is committed to doing business with Suppliers that demonstrate alignment with Capstone's required standard of ethical, safe and responsible business conduct, and to minimizing risk and avoiding adverse social and environmental impacts in our supply chain. To this end, we endeavour to:

1. **Employee Training:** Provide applicable training to our employees on Responsible Sourcing and our related policies, standards, and Supplier expectations, including on the topic of modern slavery;
2. **Risk Assessment:** Identify and assess sustainability risks, including human rights risks, in our supply chain(s) with an intentional focus on vulnerable groups; and, as needed, design and implement plans to address and mitigate them, commensurate with our involvement in the risk(s);
3. **Bidding and Vetting:** Integrate sustainability requirements and, as relevant, evaluation criteria into competitive bids and contracting processes and apply appropriate weighting for sustainability criteria alongside other business and technical criteria in competitive bid evaluations.
4. **Contracting:** Incorporate relevant sustainability expectations, including required compliance with the principles set out in the Supplier Code of Conduct, into Supplier contracts as well as contract management and performance management processes.
5. **Supplier On-Boarding:** Communicate expectations to Suppliers of the principles set out in the Supplier Code of Conduct. Where appropriate, conduct Supplier training, including on the topic of modern slavery, to help Suppliers understand and implement Capstone's Supplier Code of Conduct and other sustainability requirements.
6. **Feedback and Remediation:** Provide access to effective grievance mechanisms to help identify, prevent, mitigate, and remedy adverse impacts. Where appropriate, adopt remediation procedures to address adverse impacts, including identified instances of modern slavery, commensurate with our involvement in the impact.
7. **Performance Management:** Adopt proactive and reactive measures, including high risk Supplier due diligence, audit, and performance management processes and procedures, to identify Supplier misalignment with expectations. Where appropriate, take preventative, corrective, or remedial action, commensurate with the nature of the risk or impact and the business relationship and monitor outcomes.
8. **Supplier Engagement:** Where appropriate, engage Suppliers to help them improve their sustainability performance and to solicit their expertise to identify improvements and innovations.
9. **Continuous Improvement:** Adopt, and monitor and review the effectiveness of, our Responsible Sourcing standard and processes, including our risk-based due diligence and performance management procedures, using process and outcome indicators to monitor and improve our performance.



10. **Disclosure:** Publicly report on material sustainability issues in our supply chain, including key risks and impacts and our progress on efforts to manage and address them, both annually as part of sustainability disclosures and, as relevant, directly to affected stakeholders.

6. ACCOUNTABILITY

Capstone's Board of Directors is responsible for governance of Responsible Sourcing and has approved this Policy. Our Senior Vice President ("SVP") Risk, ESG, and General Counsel oversees implementation of and compliance with this Policy.

7. INTERACTION WITH OTHER POLICIES

This Policy supplements and should be read in conjunction with Capstone's other policies applicable to our Suppliers, including without limitation Supplier Code of Conduct, Human Rights Policy, and Integrated Environmental, Health, Safety and Sustainability Policy.

8. QUESTIONS

Any questions regarding this policy should be directed to Capstone's Manager, Compliance.

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Authorized By: Board of Directors

Review: Annual