



SUPPLIER CODE OF CONDUCT

PURPOSE

The Supplier Code of Conduct (the “Code”) sets out the principles and standards expected of suppliers, their employees and contractors (collectively, the “Suppliers”) to meet while in the provision of goods and/or services to TransAlta Corporation and its subsidiaries and affiliates (collectively, “TransAlta”). The Code is a representation of TransAlta’s values and reflects the emphasis placed on these values as an organization. Suppliers are to provide acknowledgement of this Code as a condition of engagement. It is also expected that Suppliers will comply with all laws, rules and regulations applicable to TransAlta’s business in the countries in which it operates. Violations or potential violations of this Code may result in termination.

HEALTH AND SAFETY

TransAlta is committed to the health and safety of its employees, Suppliers and the public. Suppliers are expected to conduct work in a safe manner and in compliance with all applicable safety rules, laws, procedures, and standards.

- **Public Safety:** TransAlta is dedicated to the protection of its people, the public, the environment and TransAlta's physical assets. Suppliers should take every precaution to protect their people, the public, the environment and TransAlta’s physical assets. Suppliers are accountable for following established procedures and working in a manner that safeguards themselves, co-workers, the public, the environment and TransAlta’s assets.
- **Emergency Preparedness:** Suppliers are to possess the required competencies and training to perform job responsibilities, including hazard identification, hazard control and monitoring hazard control effectiveness.
- **Use of Drugs and Alcohol:** TransAlta has a zero tolerance drug and alcohol policy while engaged in business activities. The use of alcohol and drugs may adversely affect the ability of a person to work in a safe manner. It is our priority to minimize the risk of unsafe and unsatisfactory performance due to the use or after-effects of illicit drugs, alcohol, medications and other mood-altering substances. Suppliers are expected to report fit for work and remain fit for work throughout their work day or shift while on company business, premises and worksites, including when operating equipment and vehicles, and scheduled on standby.

LABOUR ISSUES AND HUMAN RIGHTS

TransAlta is committed to a work environment where all employees feel safe and are valued for the diversity they bring to our business. We honour domestic and internationally accepted labour standards and support the protection of human rights. TransAlta expects Suppliers to know and uphold the human rights of all workers, whether temporary or contract employees, and to treat all their workforce members with dignity and respect, providing them with safe working conditions.

- **Harassment:** Suppliers should not tolerate harassment or any acts of violence or threatening behavior in the workplace. Generally speaking, harassment is any improper



words or behavior that demean, humiliate or embarrass a person. This includes touching, pushing, comments (including jokes and name-calling) and visual displays (such as posters and cartoons) that could be perceived as insulting, intimidating, humiliating, malicious or otherwise offensive or create an uncomfortable or threatening work environment. Behaviour that may promote physical violence in the workplace or any sexual, religious, age-related or racial harassment should not be tolerated.

- **Equal Treatment:** Suppliers should value the perspectives of others and promote equal treatment of its employees. A high priority is placed on respect in the workplace and in working relations. TransAlta expects Suppliers to be informed and uphold the rights of all workers treating them with respect and providing safe and humane working conditions.

ENVIRONMENTAL LEADERSHIP

TransAlta is committed to being a leading clean energy company and working towards a clean energy future while striving to enhance the quality of life in communities and regions we serve. We are committed to being an environmental leader through our actions and compliance with all applicable environmental laws and regulations by operating in an environmentally responsible manner.

- **Compliance with Environmental Legal Requirements:** Suppliers are to carry out operations in full compliance with applicable environmental laws, regulations and standards.
- **Pollution Prevention and Resource Preservation:** Suppliers should identify opportunities to reduce or minimize waste, hazardous materials and pollution while finding ways to improve resource and materials use efficiency.

STAKEHOLDERS AND SOCIETY

TransAlta has historically and remains today committed to diversity as exhibited by its Workplace Diversity Policy. We believe that our commitment to diversity will enhance our insight, oversight and foresight benefiting both the Corporation and all our stakeholders.

- **Supplier Diversity:** TransAlta is committed to the hiring of ethnically diverse employees throughout the organization. TransAlta believes that diversity enhances both the quality and effectiveness of our performance and is an essential element to effective corporate governance. In our view, diversity provides varied insights and perspectives which we believe will produce stronger results across a number of key performance indicators and a strong workplace culture. Suppliers should provide similar diverse business opportunities within the communities it operates.
- **Aboriginal Relations:** TransAlta is dedicated to developing sustainable and mutually beneficial relationships with our Aboriginal communities. Suppliers are encouraged to learn and benefit from engagement with Aboriginal groups in all regions of business activity to better understand how Aboriginal participation, inclusion and knowledge can impact performance. It is expected that suppliers will work with identified Aboriginal communities to achieve sustainable benefits.



ETHICAL BUSINESS CONDUCT

TransAlta expects Suppliers to conduct business in accordance with the highest ethical standards, including the following:

- **Business Integrity:** All forms of bribery, corruption, extortion, embezzlement, and money laundering are prohibited.
- **Criminal and Civil Claims:** Suppliers are to inform TransAlta of any recent, current or pending criminal investigations or charges as well as any recent, current or pending civil litigation against it or its employees that could adversely impact TransAlta, whether operationally, financially or reputationally.
- **Related Party Disclosure:** Suppliers are to confirm their company is not controlled or jointly controlled by any of TransAlta's key management personnel. Parties related to TransAlta must be appropriately identified to ensure transactions and outside balances with such parties are fully disclosed.
- **Cyber Security:** Suppliers are to safeguard the integrity and security of their systems to protect against cyber risks to TransAlta's information, networks and products. To report a cyber security threat or issue, please contact IT_Security@transalta.com.
- **Insider Trading:** Suppliers are to comply with all applicable securities laws and regulations to ensure that material, non-public information ("insider information") is only disclosed in accordance with the law. Suppliers are not to use insider information for personal profit or take advantage of insider information by providing information to external parties.
- **Competition and Antitrust:** Suppliers should not engage in activities that would constitute or reasonably appear to constitute an unreasonable restraint of trade, unfair trade practice or other anti-competitive course of conduct in violation of competition and antitrust laws. Some activities that may be governed by these laws include, but are not limited to, arrangements between competitors related to price-fixing, bid-rigging and fixing or limiting production or supply. Competition and antitrust laws differ from country to country and Suppliers should seek advice if they are unsure whether their activities may be regulated by these laws.
- **Anticorruption:** Suppliers are to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion. Illegal payments are not to be made or approved under any circumstances.
- **Responsible Procurement:** Suppliers are to take reasonable steps to ensure materials and services are procured from ethical sources. This includes not benefiting, directly or indirectly, from child or forced labour or any other discriminatory work practices.

CONFLICTS OF INTEREST

Suppliers should avoid situations where personal interests could conflict, or appear to conflict, with their duties and responsibilities to TransAlta. A conflict of interest may occur where



involvement in any activity, with or without the involvement of another party, prevents the proper performance of the Supplier's duties to TransAlta. A conflict of interest may also occur where involvement in an activity creates, or appears to create, a situation where judgment or the ability to act in the best interests of TransAlta is affected. When faced with an actual or potential conflict of interest, the supplier is to disclose the conflict of interest to its TransAlta contact.

- **Fairness:** It is the expectation that Suppliers will exercise good business judgment in extending business courtesies and never accept or offer bribes, favours or "kickbacks" for the purpose of securing business transactions.
- **Gifts and Entertainment:** Suppliers are not to receive or give a gift in the form of cash or negotiable securities, and should never compromise, or appear to compromise, TransAlta's ability to make sound and objective decisions. Though giving or receiving a gift is not prohibited, the gift must not be excessive and must be within the limits of responsible and generally accepted business practice.

ENGAGEMENT WITH EXTERNAL PARTIES

TransAlta engages in transparent, honest and responsible communications in all its dealings. Suppliers are expected to engage in a similar manner if referencing TransAlta or communicating with external parties.

- **Public Speaking:** Suppliers are not to represent TransAlta in any external communications unless expressly authorized to do so. Prior approval from TransAlta is required for any public speaking engagement that references TransAlta.
- **Communicating with Government Agencies, Regulators or other Officials:** Suppliers are to ensure when engaging with government/regulatory officials the extent to which they are authorized to represent TransAlta in these communications, which should be evidenced by an express authorization from TransAlta.
- **Representing TransAlta:** While everyone has the right to express personal views, Suppliers are not to participate in activities that may compromise TransAlta's image or reputation. This includes activities that would be considered to disparage, defame, embarrass or harass TransAlta or its employees by expressing views on any medium, including in print, or via electronic communication (e.g. blogs, online social media, email or webpages).

RAISING A CONCERN

Suppliers can report ethical or legal concerns related to the Code to TransAlta's Ethics Help Line. All concerns raised will be kept in confidence to the extent appropriate and permitted by law. Information will only be shared in circumstances where it is necessary to completely and fairly resolve the concern.

The Ethics Helpline can be reached at 1-855-374-3801 (Canada/US) and 1-800-399-9276 (Australia) or via internet: <http://transalta.ethicspoint.com>



ACKNOWLEDGEMENT

I have read and understood the content, requirements and expectations of the Supplier Code of Conduct and agree to comply with the letter and spirit of the Supplier Code of Conduct. I further acknowledge by signing this Acknowledgement that all work performed on behalf of TransAlta will be undertaken by those with the expertise, skills and certifications necessary to uphold the principles and meet the standards of this Supplier Code of Conduct.

Company Name: _____

Name: _____

Date: _____

Signature: _____