

Human Rights and Discrimination Policy

COMMITMENT

Our values are the essence of our identity. They represent how we act, speak and behave together, and how we engage with our stakeholders.

Safety: We ensure the health and safety of our people, partners and stakeholders

Innovation: We develop and embrace innovative solutions to challenges

Sustainability: We reduce the impact of resource use in everything we do

Respect: We support our people, partners, our communities and our environment

Integrity: We focus on honest, transparency and doing what's right

(collectively, our "Values")

TransAlta Corporation and its subsidiaries and affiliates (collectively, "TransAlta" or the "Company") is committed to upholding our Values and practices that promotes the fair and respectful treatment of all individuals, and establishing procedures to ensure that business decisions are made and operations are managed in a manner consistent with the protection and respect for human rights.

TransAlta acknowledges and understands the intent of internationally recognized human rights as set out in the:

- United Nations' Universal Declaration on Human Rights;
- United Nations' Declaration on the Rights of Indigenous Peoples;
- International Labour Organization Declaration on Fundamental Principles and Rights at Work;
- United Nations' Guiding Principles on Business and Human Rights ("UN Guiding Principles");
- Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises;
- United Nations Global Compact Principles; and
- Voluntary Principles on Security and Human Rights.

PURPOSE AND SCOPE

The *Human Rights Policy* (the "Policy") is an affirmation of TransAlta's Values and reflects the emphasis placed on these values throughout the Company. It reinforces TransAlta's commitment to doing business in a manner that respects the intent of the UN Guiding Principles.

TransAlta has adopted this Policy to guide our business decisions on a day-to-day basis. Subject to the laws of the countries in which we operate, TransAlta's implementation of this Policy shall align with the intent of international human rights principles.

TransAlta is committed to communicating this Policy to its employees, and suppliers, contractors, and vendors (collectively, the "Suppliers").

COMPLIANCE WITH THE POLICY

We expect our employees and Suppliers to comply with all aspects of this Policy and support others in doing so.

GUIDELINES

TransAlta will strive to ensure that:

1. All of its Workplaces:

- Avoid discrimination: TransAlta values diversity to enhance its performance, culture and views diversity as an essential element of effective corporate governance. Any form of discrimination is prohibited including discrimination based on any characteristic protected by law. All employees must be treated fairly with respect to employment such as hiring, placement, advancement, remuneration and dismissal.
 - As set out in the Diversity and Inclusion Pledge and the Board and Workforce Diversity Pledge, TransAlta commits to protecting the rights of all minority and underrepresented groups, including Indigenous People, visible minority, members of the LGBTQ2+community, persons with disabilities and women in the workplace and seek to remove systemic barriers that may prevent diverse employees from thriving.
- Prohibits child (under the age of 15), forced, or compulsory labor (including human trafficking and modern slavery).
- Avoids harassment: TransAlta shall protect employees against any form of harassment in the workplace. TransAlta shall encourage an environment where people are treated with respect and dignity and without fear or intimidation or harassment.
 - Retaliation for speaking up is prohibited and employees are free to raise concerns and speak up without fear of reprisal.
 - As set out in our Corporate Code of Conduct, TransAlta does not tolerate harassment or any acts of violence or threatening behaviour in the workplace.
- Allows the right to freedom of association and collective bargaining: No employee is prevented from associating with a trade union organization of their choosing.
- Provides clear and uniformly applied employment standards that meet or exceed legal and regulatory requirements in the jurisdictions where TransAlta operates. These standards include the right to just and favorable remuneration for employees.
- Respect human rights: All TransAlta employees must comply with local human rights laws and must not be complicit in any human rights violations.

2. **Communities where it operates:**

- Do not have their human rights negatively impacted. TransAlta will seek to do this by effective engagement and transparent consultations with stakeholders who are or will be potentially affected by our operations.
- Have access to sufficient, safe, acceptable and physically accessible water: TransAlta acknowledges that access to clean drinking water and sanitation is a fundamental right and will avoid or minimize practices that may deprive communities from access to clean drinking water.
- As set out in our Indigenous Relations Policy, respect Indigenous peoples and their right to maintain their culture, identity, traditions, and customs are respected.

3. **Security organizations it engages:**

- Do not use force and limits the use of firearms in places we operate.
- Avoids security arrangements that contribute to human rights abuses.

HUMAN RIGHTS DILIGENCE

- TransAlta shall on a regular basis strive to prevent, mitigate, and remedy our potential impacts on human rights in the Company or our operations.
- As set out in our Supplier Code of Conduct, TransAlta may wish to monitor our Suppliers' compliance with this Policy.

RAISING A CONCERN

TransAlta is committed to a culture of transparency and accountability. TransAlta encourages all employees, Suppliers, and other stakeholders to speak up about any issues, concerns, and suspected violations of TransAlta's policies. All ethical or legal concerns related to the Policy can be reported 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 TransAlta 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>.