

# **Modern Slavery Statement 2024**

**Submitted by:  
TransAlta Energy (Australia) Pty Ltd**



## Modern Slavery Statement 2024

### Introduction

This Statement is made by TransAlta Energy (Australia) Pty Ltd (ACN 602 135 844) (TEA) for the financial year ending 31 December 2024 (Reporting Period) and sets out the actions taken to assess and address modern slavery risks within operations and supply chain. An annexure has been included at the end of this document which sets out the specific criteria addressed in this document and the relevant page number to find the information.

TEA is a subsidiary of TransAlta Corporation (TransAlta, we, us, our) which is based in Canada. TransAlta Corporation has prepared an annual report under Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. This report is available on the TransAlta website at [www.transalta.com](http://www.transalta.com).

### Our structure, operations, and supply chains

#### Overview of TransAlta

TransAlta and its subsidiaries have been engaged in the development, production, and sale of electric energy since 1911. TransAlta is one of Canada's largest independent power generators and among Canada's largest non-regulated electricity generation and energy marketing companies, with 9,014 megawatts (MW) of gross installed capacity.

TransAlta owns, operates, and manages a highly contracted and geographically diversified portfolio of assets using a broad range of technologies and fuels, including water, wind, solar, natural gas, energy storage, and coal. We are focused on generating and marketing electricity in Canada, the United States and Western Australia through our diversified portfolio of facilities. Our mission is to provide safe, low-cost, and reliable clean electricity.

On December 4, 2024, TransAlta successfully completed the acquisition of 100 percent of the shares in Heartland Generation Ltd. and Alberta Power (2000) Ltd. (collectively, "Heartland") and commenced integration of Heartland's operations into our business.

#### Australian structure

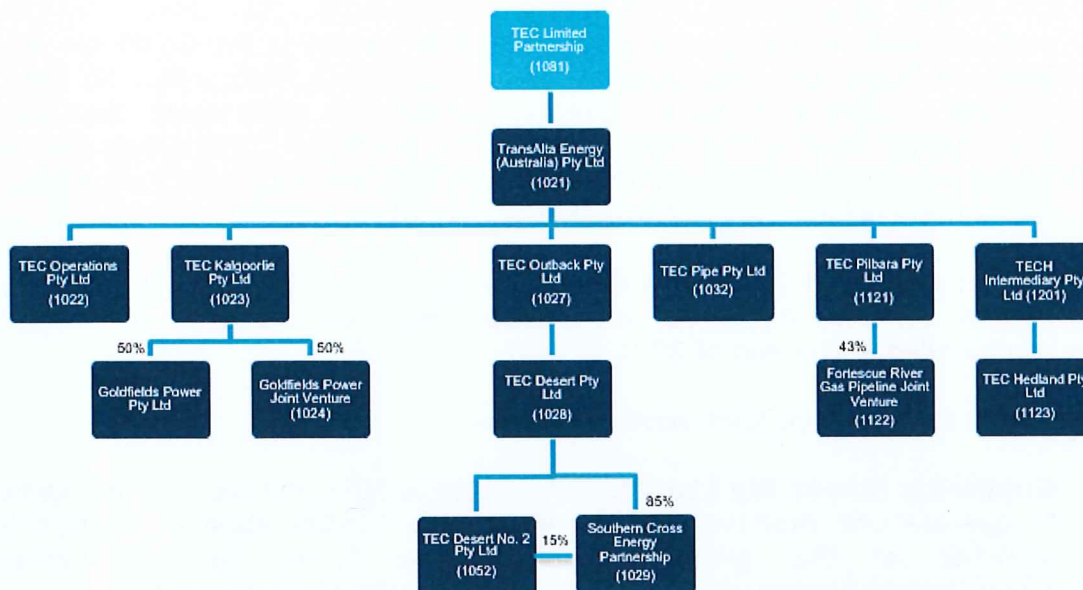
TEA's parent entity is TEC Limited Partnership, which is a Canadian entity whose ultimate parent company is TransAlta. TEA has been operating for over 25 years in Australia, and its head office is based in Perth, Western Australia.

The Australian corporate structure and joint ventures are depicted in the following diagram.<sup>1</sup>

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<sup>1</sup>TEC Pipe Pty Ltd and TEC Outback Pty Ltd are dormant entities and hold no operating assets.



## Australian Operations

TEA and its subsidiaries own and operate six gas facilities and two solar and one battery facility. All are located in Western Australia.

The Australian business has a total of 94 employees across Finance, Business Development, Commercial, Engineering, EHS&T, Head Office, Procurement, Operations, and IT Service lines. Of these employees, 91 are employed on a full-time basis, and three employees are part-time.

Labour hire for skilled electrical workers is used on a temporary basis as and when required and is not part of our normal business operation. All staff are employed by TEC Operations Pty Ltd, a 100 percent owned subsidiary of TEA.

Further detail of the assets in Australia and the legal owner is described below:

- **South Hedland Power Station** (TEC Hedland Pty Ltd) – 150MW power station located in the Pilbara region of Western Australia. The combined-cycle natural gas generation facility is one of the most efficient plants in the region and is contracted to supply Horizon Power, the state energy utility serving residential and commercial customers in the region, and Fortescue Metals Group Ltd to service its mining operations.
- **Parkeston Power Station** – 50% Ownership (Goldfields Power Joint Venture, TEC Kalgoorlie Pty Ltd) – 110MW power station located in the Goldfields region of Western Australia. This asset is also connected to the South West Interconnected System and can export to the market.

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- **Southern Cross Energy assets** (TEC Desert Pty Ltd and TEC Desert No 2 Pty Ltd trading as Southern Cross Energy Partnership) – this asset comprises four power stations totalling a capacity of 300MW located in the Goldfields region of Western Australia. The stations are in Kambalda, Kalgoorlie, Mt Keith and Leinster. Southern Cross Energy Partnership also owns and operates transmission lines in the same region. Our Southern Cross power stations are fueled by natural gas through the Goldfields Gas Transmission Pipeline, and when gas is not available, diesel through a variety of sources.

The Mt Keith and Leinster sites also comprise of 48MW of solar capacity with battery storage. A project to upgrade the West Network connection also commenced at the end of 2024.

TEA has an interest in two joint venture entities:

- **Goldfields Power Pty Ltd JV:** TEA's share is 50% and we have an agreement to operate and maintain the power station. Information in relation to the activities of this joint venture can be found on our website at <https://transalta.com/about-us/our-operations/facilities/parkeston/>
- **Fortescue River Gas Pipeline JV:** TEA's share is 43% which is owned via TEC Pilbara Pty Ltd, and our JV partner operates and maintains the pipeline. Information in relation to the activities of this joint venture can be found on our website at <https://transalta.com/about-us/our-operations/facilities/fortescue-river-gas-pipeline-2/>

## Supply Chain

We have a centralized Supply Chain Management (SCM) function that serves the entire business including our Canadian, United States and Australian operations. This function is responsible for all aspects of SCM, including strategic sourcing, contract management, and supply chain and commercial risk management, all with the goal of creating maximum value for TransAlta and our shareholders while upholding the principles and standards set out in our Supplier Code of Conduct. In Western Australia, we have one full time role that manages the Australian Source-to-Pay elements of the supply chain with support from the Canadian SCM team where required.

During the Reporting Period, TEA and its subsidiaries procured goods and services globally from a network of approximately 345 suppliers and contractors across Australia, North America, Asia and Europe. TEA's suppliers range from large international businesses to small local businesses.

Our supply network largely reflects our operational footprint, meaning most of our direct spending during the Reporting Period continued to be in the countries where we have operated assets. We appreciate, however, that some of these suppliers are supplying goods that originated from other jurisdictions. Our Supply Chain team endeavours to understand our vendors' partners upstream providers where possible.

Our Suppliers cover a wide range of disciplines, including construction, engineering, and professional services.

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## Modern slavery risks in our operations and supply chains

### In our operations

We consider modern slavery risk occurring within our operations to be low for the following reasons:

- TransAlta's workforce exists only within Canada, the United States and Australia which have comprehensive and robust labour, employment and human rights laws
- All site operational staff are hired in accordance with an enterprise agreement pursuant to applicable legislation
- All other staff are hired on common law contracts in accordance with laws in the jurisdiction
- TransAlta benchmarks all roles against three different remuneration surveys
- During the onboarding process, checks are undertaken in relation to rights to work and whether the workers are choosing to work of their own free will
- All staff are free to join a trade union or other association

### In our joint ventures

We are satisfied with the processes and practices in relation to modern slavery that the manager, Australian Gas Infrastructure Group, of the Fortescue River Gas Pipeline Joint Venture has put in place. Specific risks in relation to modern slavery within our joint venture have not been flagged with us during the consultation process and we are satisfied that our joint venture manager has implemented adequate processes (e.g., supplier onboarding) to assess and address modern slavery risks within the operations and supply chain of the Fortescue River Gas Pipeline.

As the manager of the Goldfields Power Joint Venture, TEA has included this Joint Venture in our assessment of risk in this Statement.

### In our supply chain

For TransAlta, our supply chains, organizations that provide goods or services to TransAlta play a key role in our ability to satisfy our social responsibility commitments and sustainability objectives. We strive to work with suppliers who are leaders in their industries, adhere to our fundamental policies and procedures and share our commitment to meet the highest standards relating to human rights.

Like many entities operating within the energy sector, and particularly the renewable energy space, we recognize that risks of modern slavery may exist in our supply chain. As outlined by the *United Nations Guiding Principles on Business and Human Rights (UNGPR)*, our primary exposure to forced labour is expected to be beyond the second tier of our third-party relationships rather than direct causative impacts or contributory actions of our business.



This is particularly relevant in the following higher-risk sectors and products:

- solar panels;
- battery energy storage equipment;
- wind turbines;
- engineered equipment;
- information and communications technologies;
- industrial consumables; and
- electronics and electrical hardware; and
- freight services.

During the Reporting Period, TransAlta has not identified any instances of modern slavery or forced labour in its supply chain or operations. No remedial steps have been deemed necessary at this time, including related to remediation of income loss to the most vulnerable families that results from remediation measures.

### **Actions taken to assess and address modern slavery risks**

TransAlta recognises that forced labour, and other forms of modern slavery are critical issues, and we stand strongly against this exploitation. TransAlta has accordingly, internal governance documents that take into consideration supply chain and human rights compliance risks. Our supply chain processes are designed to procure goods and services that meet our standards for environmental stewardship, social responsibility, and ethical practices. We attain this objective by incorporating ESG factors into our supplier lifecycle management framework, encompassing supplier selection and relationship management through various means, including pre-qualification, requests for proposals proposal evaluation and contracts.

### **Corporate Code of Conduct (the "Code")**

TransAlta's Code sets out the expected behaviour of all employees, including independent third-party contractors such as consultants, agents or independent contractors retained to do work or represent TransAlta's interests.

We are committed to creating a work environment where all employees feel safe and are valued for the diversity they bring to our business. We have continued to require employees to complete annual mandatory Code training. This training is reviewed and updated each year and is required to be completed by employees before completing the required annual Code acknowledgment and sign-off. In 2024, 100 percent of employees completed this training and acknowledged and signed off on the Code. We do not tolerate discrimination or harassment and are committed to honouring domestic and internationally accepted labour standards and support the protection of human rights.

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## Supplier Code of Conduct ("Supplier Code")

TransAlta expects suppliers to know and uphold the human rights of all workers, whether temporary or contract employees, and to treat their workforce members with dignity and respect, providing them with safe working conditions. The Supplier Code specifically addresses the prohibition of human rights abuses, including all forms of forced labour and child labour.

We expect all our suppliers to adhere to and implement the principles and practices expressed in the Supplier Code. In addition, we expect suppliers to cascade these principles and requirements down to their own respective suppliers.

TransAlta encourages all suppliers, workers, and other stakeholders, through the provisions of the Supplier Code, to speak up about any issues, concerns, and suspected violations of TransAlta's policies. All ethical or legal concerns related to the supplier Code can be reported to TransAlta's Ethics Help Line, which is set out in more detail below.

## Supply Chain

We have taken proactive steps to enhance supplier risk identification, assessment, analysis and remediation, and monitoring. We risk map our supplier base to evaluate critical suppliers, group and prioritise them, identify potential and vulnerabilities, and assess controls in place. We examine the geographic location of suppliers, differentiating between Organisation for Economic Cooperation and Development (OECD) and non-OECD regions, complexity of their supply chains, especially those leading to areas known for forced or child labour, industry-specific risks linked to human rights and practices, the critical or unique nature of the products procured versus commodity items, the duration of the supply relationships and overall spend.

Following the risk mapping, assessment, and analysis, no instances of forced labour or modern slavery were identified during the Reporting period. However, we have classified certain goods and services as medium risk, such as transformers, due to their manufacturing origin in China, and freight services, given the inherent risk for some modern slavery practices within the shipping industry. That said, we predominantly procure freight services from low-risk jurisdictions. We are also aware of the elevated risks of modern slavery associated with certain renewable energy technologies, such as wind turbines, solar panels and batteries. However, no such goods were purchased during the Reporting Period.

Certain manufacturing regions and materials carry a higher risk of forced labour due to its prevalence in specific countries. We understand that many of our direct suppliers rely on global supply chains to provide goods and services to us, which presents challenges in obtaining visibility beyond the first tier. As a whole, considering the factors and processes set out above, we view the risks of modern slavery in our supply chains as low.



## Human Rights and Discrimination Policy

TransAlta's Human Rights and Discrimination Policy is a global policy that communicates our commitment to human rights in our operations and supply chains. This commitment includes that TransAlta will strive to ensure our operations do not negatively impact human rights of local communities which is done through meaningful and transparent consultations with stakeholders who are or will be potentially affected our operations. TransAlta employees will not be complicit in human rights abuses.

The policy states that TransAlta's personnel policies and practices in our operations around the world will respect the following fundamental rights:

- the right to a healthy and safe workplace
- the right to non-discrimination in the workplace
- the right to be free from cruel and unusual disciplinary actions
- the prohibition of exploitative child labour
- the prohibition of forced labour and the avoidance of products produced by such labour

## Procurement Policy

TransAlta is committed to upholding our Procurement Policy, which aims to maintain workplaces that strictly prohibit all forms of forced labour.

## Whistleblower Policy and Ethics Helpline

Our Whistleblower Policy offers a reporting mechanism for our employees, officers, directors, and contractors to report ethical or legal violations, among other concerns. Stakeholders may make a report to identify individuals within TransAlta or through the Company's third-party Ethics Helpline. The Ethics Helpline is a confidential and anonymous platform, which can be accessed 24 hours a day, 365 days a year, by phone, mail or electronically.

Upon receipt of a report, TransAlta will review the facts, and determine whether sufficient facts are present to initiate an investigation. Upon completion of an investigation, we seek to address potential impropriety promptly and/or establish a corrective action plan in collaboration with relevant stakeholders. Our Whistleblower Policy prohibits retribution against any individual who reports an ethical complaint.

## Due Diligence Processes

We developed a multi-year roadmap to further integrate additional ESG considerations and opportunities, including the promotion and protection of human rights, into our SCM strategies and programs. This includes thorough pre-screening, self-assessment questionnaires, on-site and desktop evaluations, and ongoing performance monitoring, each of which is set out in more detail below.

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## Pre-screening and Self-Assessment

We engage internal subject-matter experts, including sustainability and legal, to provide input into supplier pre-qualification and the monitoring phases of the supplier lifecycle, as well as to offer guidance on emerging issues. Our aim is to ensure that our standards regarding safety, human rights, sustainability, and environmental practices are upheld throughout our supply chains, and that suppliers follow the high standards set forth in the Supplier Code.

## Requests for Proposals ("RFPs") and Proposal Evaluations

Following a risk-based assessment of our supplier base, we may include in our RFPs specific questions regarding goods and services associated with medium or high levels of risk. These questions address the origins of critical materials and components, supplier location, ownership, scope of business, etc. In certain instances, we may seek explicit assurances concerning specific risk areas and require proponents to affirm their commitment to specific contractual terms addressing these concerns.

## Contractual Measures

TransAlta's contracts include appropriate verification, notification requirements, audit and inspection clauses, and we reserve the right to conduct inspections, assessments and audits to ensure that suppliers comply with applicable laws, rules and standards, including those related to human rights. In addition, our standard terms require suppliers to commit to adhering to the principles and standards in our Supplier Code and to requiring their own suppliers to commit to similar principles and standards. TransAlta also reserves the right to discontinue business relationships in cases of non-adherence to the Supplier Code.

Our suppliers are obliged to take reasonable steps to ensure that goods and services are procured from ethical sources. This includes refraining from benefiting, directly or indirectly, from child or forced labour or any other discriminatory work practices.

Furthermore, TransAlta may request that a supplier provides information about its corporate structure (including relevant subcontractors), its policies (including those related to forced labour), and the steps the supplier has taken to assess, manage, remediate, or provide training in regard to the principles and requirements covered by the Supplier Code.

## Ongoing Monitoring

Compliance monitoring is a central focus for TransAlta. In line with a risk-based approach, we may initiate periodic reassessments linked to contract renewals or anniversaries.

We are committed to continually enhancing various measures, including the terms outlined in our suppliers' contracts, alongside proactive monitoring of diverse information sources, such as industry group updates and non-governmental organisation websites to identify suppliers at risk.

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## Employee Training

In addition to annual, mandatory Code training, all new employees are required to complete Modern Slavery training. This training covers essential aspects of responsible procurement and sustainability focused supplier management, including recognising indicators of human trafficking behaviours. Through practical applications the training equips employees with the necessary tools and awareness to promote responsible procurement practices, fostering a culture of ethical and sustainable sourcing within the organization.

### Assessing the effectiveness of our actions

TransAlta understands that it has a responsibility to assess and mitigate the risks of modern slavery in its operations and supply chains over the long term. The TransAlta Board has overall responsibility for the strategy around modern slavery. It has delegated to the Governance, Safety and Sustainability Committee the development of strategies, policies and practices to create value consistent with the long-term preservation and enhancement of shareholder value and social wellbeing, including human rights, working conditions and responsible sourcing.

We are committed to continuously enhancing our program to identify, assess, and manage modern slavery risks in our operations and supply chains. When evaluating the immediate effectiveness of our modern slavery program, we focus on reviewing the operation of our existing processes and systems, identifying gaps or opportunities to refine our approach, and designing and implementing improvements to address identified issues.

In our last modern slavery statement, we aimed to assess the effectiveness of our actions going forward by reference to the following goals to be achieved during 2024:

- Undertake further training specific to Supply chain teams to focus on modern slavery
- For existing suppliers, issue a Modern Slavery Questionnaire to gather information on their operations
- Continue to actively seek to understand upstream sourcing of materials and equipment for our key vendor partners; and
- Continue to establish our vendor management database.

Our key suppliers have now all completed our Modern Slavery Questionnaire. This is an ongoing process and part of our onboarding of any new supplier. Assessing modern slavery risks and the above activities are ongoing. Our SCM teams continue to look at ways to manage and assess modern slavery risks within our industry and continue to develop ways to build and strengthen our knowledge of our suppliers' supply chain.

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During the course of 2025, we plan to:

1. Continue reviewing and analysing ESG data from our supplier network, with a focus on gaining deeper insight into the upstream sourcing of materials, equipment, and services provided by our key vendor partners to support both growth and operations.
2. Continue to enhance our internal due diligence tools and processes including, but not limited to, updating our Vendor Onboard questionnaire forms.
3. Continue to further advance our efforts to prevent and reduce the risk of modern slavery in our business and supply chains, aligning with our mission to uphold the highest standards of ethical and responsible business practices.
4. Establish a vendor management database to formally record the assessment of modern slavery risk and commitment to the Supplier Code by our suppliers.

### **Consultation and Approval**

TEA and its subsidiaries share a common set of policies and procedures and are managed by the same Vice President and Leadership Team in Australia. This Statement was prepared in consultation with a team of key stakeholders from across the business to review and compile the Statement. Accordingly, this Statement was prepared in consultation with TEA's owned or controlled entities.

This Statement was approved by the Board of Directors of TransAlta Energy (Australia) Pty Ltd on 24th June 2025.

Submitted by:

**TransAlta Energy Australia Pty Ltd**

A handwritten signature in blue ink, appearing to read "R. Millard".

Name: Robert O Millard

Title: Vice President, Australia

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## Annexure - Reporting Criteria

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1 and 2. Identify the reporting entity and describe its structure, operations, and supply chains	2 - 4
2 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	5 - 6
3 Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	6 - 10
4 Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	10
5 Describe the process of consultation with any entities the reporting entity owns or controls	11