

Supplier Code of Conduct

PNM Resources strives to create enduring value for customers, communities, and shareholders guided by our core beliefs and values

Safety for ourselves, our co-workers, our customers, and our communities depends on every employee, every day.

Caring about the welfare of others is a company tradition that fosters a positive workplace, a focus on customers, and dedicated customer service.

Integrity and honest communications guide our dealings and keep us accountable to our stakeholders and each other.

PNM Resources, Inc. and its subsidiaries (hereinafter referred to collectively as “PNMR”) seeks to engage Suppliers that share like-minded core beliefs and values. PNMR seeks Suppliers with excellent safety records and that are strong proponents of environmental sustainability - the ability to meet the needs of society today without compromising the ability for future generations to meet their own needs. Additionally, our company values business diversity and encourages the development and inclusion of small and disadvantaged enterprises where practicable.

We recognize and understand that Suppliers are independent entities; however, the business practices and actions of a vendor may impact and/or reflect upon PNMR. As a result, PNMR expects all Suppliers and their employees, agents, and subcontractors (Supplier’s employees, agents, and subcontractors shall hereinafter be referred to collectively as “Representatives”) to adhere to PNMR’s Supplier Code of Conduct while they are conducting business with and/or on behalf of PNMR and to comply with all Applicable Laws. “Applicable Laws” means any law, statute, act, constitution, ordinance, rule, regulation, order, decree, injunction, license, permit, consent, approval, authorization, agreement, or regulation of any federal, state, tribal, or local government, department, office, agency, board or commission having jurisdiction over Representatives or PNMR. All PNMR’s Suppliers should educate their representatives to ensure they understand and comply with the PNMR Supplier Code of Conduct.

Labor and Human Rights

PNMR believes all workers in our supply chain deserve a fair and ethical workplace. Workers must be treated with the utmost dignity and respect, and

PNMR's suppliers shall uphold the highest standards of human rights and comply with all labor laws and International Labor Organization Standards.

Anti-Discrimination

Supplier shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices.

Anti-Harassment and Abuse

Supplier shall commit to a workplace free of harassment and abuse. Supplier shall not threaten workers with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

Prevention of Involuntary Labor and Human Trafficking

Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

Supplier shall not withhold workers' original government-issued identification and travel documents. Supplier shall ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities.

Workers shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment. If such fees are found to have been paid by workers, such fees shall be repaid to the worker.

Third-Party Employment Agencies

Supplier shall ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Code and the law.

Prevention of Underage Labor

Supplier shall comply with International Labor Organization Minimum Age Convention No. 138.

Working Hours

Supplier shall follow all applicable laws and regulations concerning working hours and days of rest, and all overtime must be voluntary.

Health and Safety

Supplier shall provide and maintain a safe work environment and integrate sound health and safety management practices into its business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

Health and Safety Permits

Supplier shall obtain, keep current, and comply with all required health and safety permits.

Occupational Health and Safety Management

Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Emergency Preparedness and Response

Supplier shall identify and assess potential emergency situations. For each situation, Supplier shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.

Incident Management

Supplier shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. Supplier shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

Environment

PNMR is committed to protecting the environment, and environmental responsibility is at the core of how we operate. Supplier shall develop, implement, and maintain environmentally responsible business practices.

Environmental Permits and Reporting

Supplier shall obtain, keep current, and comply with all required environmental permits. Supplier shall comply with the reporting requirements of applicable permits and regulations.

Hazardous Waste Management

Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous waste.

Non-Hazardous Waste Management

Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous waste.

Wastewater Management

Supplier shall implement a systematic approach to identify, control, and reduce wastewater produced by its operations. Supplier shall conduct routine monitoring of the performance of its wastewater treatment systems.

Stormwater Management

Supplier shall implement a systematic approach to prevent contamination of stormwater runoff. Supplier shall prevent illegal discharges and spills from entering storm drains, the public water supply, or public bodies of water.

Air Emissions Management

Supplier shall identify, manage, reduce, and responsibly control air emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its air emission control systems.

Supplier shall regularly quantify, set targets, monitor progress, and reduce its emissions of greenhouse gasses through conservation, use of clean energy, or other measures.

Ethics

PNMR expects the highest standards of ethical conduct in all of our endeavors. Supplier shall always be ethical in every aspect of its business, including relationships, practices, sourcing, and operations.

Gifts and Gratuities

A Supplier must not offer or give any payments, fees, loans, services, or gifts to any PNMR employee as a condition or result of doing business with PNMR. Our policy does not prohibit gifts of nominal value or normal business meals and entertainment to promote general business goodwill. However, common sense and

good judgment must be used when deciding whether to accept or give gifts, gratuities, invitations, or other favors.

Integrity Line

Individuals can report integrity concerns through our Integrity Line at 1-888-840-4158 or use the online reporting option to confidentially report violations of ethics and compliance concerns that cannot be addressed through normal reporting channels. The Integrity Line is available 24 hours a day, 7 days a week. With either avenue, please follow up as requested so that we may fully answer questions and thoroughly investigate all concerns. Visit the Ethics & Compliance Internet site for more information on reporting actual or suspected violations. When you call the Integrity Line or use the online reporting option, please follow-up as requested. The online reporting option may be found at:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=12868

Responsible Sourcing of Materials

Suppliers shall exercise due diligence on relevant materials in their supply chains. Suppliers shall develop particular due diligence policies and management systems in order to identify applicable risks and take appropriate steps to mitigate them. Due diligence shall be conducted to the material processing level in order to determine whether relevant materials originate from regions with high risks, which include areas associated with conflict, worst forms of child labor, forced labor, and human trafficking, gross human rights violations such as widespread sexual violence, or other reasonably objective high-risk activities, including severe health and safety risks, and negative environmental impacts. Supplier will also maintain a strong conflict minerals compliance program.

Business Integrity

Supplier shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

Supplier shall comply with requirements of the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury relative to economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

Protection of Intellectual Property

Supplier shall respect intellectual property rights and safeguard customer information. Supplier shall manage technology and know-how in a manner that protects intellectual property rights.

Community Engagement

Supplier is encouraged to help foster social and economic development and contribute to the sustainability of the communities in which it operates.