

## 2019 Sustainability Performance

### Sustainability Targets and Results

Sustainability targets are strategic goals that support the long-term success of our business. Targets are set in line with business unit goals to manage key areas of concern for stakeholders and ultimately improve our environmental and social performance in these areas.

	Human and Intellectual	Results	Comments
1. Reduce safety incidents	Achieve an Injury Frequency Rate (IFR) below 0.43	Not Achieved	In 2019, our IFR was 0.58. We did not achieve our goal in 2019, but continue to evolve our safety culture and practice. In 2020 we will move away from IFR to strengthen our safety progress. In addition to reporting on TIF, we are also tracking Total Recordable Injury Frequency (TRIF). TRIF tracks the number of more serious injuries and excludes minor first aids, relative to exposure hours worked. TRIF provides us with the opportunity to target and monitor our significant injuries. It is also an industry-recognized safety metric and allows us to compare and benchmark our safety performance to that of our peers.
	Achieve a Total Injury Frequency (TIF) rate below 1.58	Achieved	In 2019, we achieved a TIF of 1.12 compared to 1.91 in 2018. This decrease was a direct result of our back to basics approach with respect to safety. Specifically, we focused on hazard identification (including audits and inspections), housekeeping and improved contractor management practices across the fleet.
	Natural	Results	Comments
2. Minimize fleet-wide environmental incidents	Keep recorded incidents (including spills and air infractions) below five	Not achieved	In 2019, we recorded nine environmental incidents, which was above our target. We continue to target progress in this area and have divided our environmental incident reporting for 2020 into two categories: significant environmental incidents and non-compliance environmental incidents. We define non-compliance environmental incidents as events that involved a non-compliance event but did not have an impact on the environment. In 2019 only three of our nine recorded environmental incidents had a direct environmental impact. Further information on these incidents can be found in the Environmental Incidents and Spills section in the Natural Capital section in this MD&A.
3. Increase mine reclaimed acreage	Replace annual topsoil at Highvale mine at a rate of 110 acres/year	Achieved	In 2019, as part of ongoing reclamation activities at our Highvale mine, we replaced 114.9 acres of topsoil.

4. Reduce air emissions

Achieve a 95 per cent reduction from 2005 levels of TransAlta SO<sub>2</sub> emissions and 50 per cent reduction in NO<sub>x</sub> emissions by 2030

On track

We are well on track to achieve our target of 95 per cent emission reductions of SO<sub>2</sub> and NO<sub>x</sub> by 2030. Since 2005, we have reduced NO<sub>x</sub> emissions by 61 per cent and SO<sub>2</sub> emissions by 77 per cent. In 2019 we reduced approximately 2,000 tonnes of NO<sub>x</sub> emissions and 3,500 tonnes of SO<sub>2</sub> emissions over 2018 levels.

5. Reduce GHG emissions  
Our GHG goal and targets support UN Sustainable Development Goal 13: Climate Action related to ensuring "integration of climate change measures into national policies, strategies and planning"

Our goal is to reduce our total GHG emissions in 2030 to 60 per cent below 2015 levels, in line with a commitment to the UN SDGs and prevention of two degrees Celsius of global warming (our GHG and clean power targets assume reasonably anticipated growth and operating scenarios)

On track

We are well on track to achieve our target of 60 per cent GHG emission reductions by 2030. Since 2015, we have reduced GHG emissions by 36 per cent. In 2019, we reduced approximately 0.2 million tonnes of CO<sub>2</sub>e over 2018 levels.

	Social and Relationship	Results	Comments
6. Support quality education for youth Our education goal and target support UN Sustainable Development Goal 4: Quality Education related to ensuring "inclusive and equitable quality education" and related to "eliminating gender disparities in education"	Support equal access to all levels of education for youth and Indigenous peoples through financial support and employment opportunities	Achieved	Support in 2019 included: provided bursaries to high school graduates through a partnership with Indspire, funded academic upgrading programs through SAIT, supported an Indigenous Leadership Program and maintained communication on employment opportunities through various mediums to support different access options for Indigenous communities.

	Comprehensive	Results	Comments
7. TransAlta will be a leading clean power company by 2025	Convert at least two coal units at Sundance, Alberta and three coal units at Keephills, Alberta to gas-fired generation between 2020 and 2023	On track	Progress in 2019 included: completed construction of our Pioneer Pipeline and transported our first gas to both Sundance and Keephills; agreed to purchase two 230 MW Siemens gas turbines to repower Sundance 5; and we announced our Clean Energy Investment Plan, which includes capital investments in our coal-to-gas conversions.

Our clean power goal and targets support the UN Sustainable Development Goal 7: Affordable and Clean Energy related to ensuring "access to affordable, reliable, sustainable and modern energy"	Aim that by 2025, 100 per cent of our owned net generation capacity will be from clean power (renewables and gas)	On track	We continued with our coal-to-gas transition plans in 2019, while announcing new renewable energy growth projects.
	Seek new opportunities to grow our renewable portfolio of 2,265 MW wind, hydro and solar assets	On track	In 2019, we announced an agreement to purchase a 49 per cent interest in the 136.8 MW Skookumchuk wind project