

2020 Sustainability Targets Performance

Sustainability Targets and Results

Our sustainability goals and targets support the long-term success of our business. Goals and targets are established to manage key or emerging material sustainability issues and to improve our performance in these areas.

We establish our goals and targets with reference to the UN's SDGs and the Future-Fit Business Benchmark. This focus ensures our goals and targets are meaningful in the broader context of solving societal problems; support the ambition of achieving a more sustainable, safe and just planet in the future; and ensure TransAlta's competitiveness, both today and in the future.

| ESG Alignment: Environment | | | |
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| TransAlta Sustainability Goal | TransAlta Sustainability Target | Results | Comments |
| Minimize fleet-wide environmental incidents | Keep annual significant environmental incidents below two and keep environmental regulatory non-compliance incidents below four | Not achieved | In 2020, we recorded six significant environmental incidents. None of these incidents was large in terms of magnitude or impact, which is consistent with past performance and suggests these types of incidents are not a major risk for the Corporation or the environment. For 2021, we are removing our target for environmental incidents but continuing to report on these events in the Incidents and Spills section of the MD&A. We are making this change to focus our targets on environmental areas that are more material for the Corporation. |
| Reclaim land utilized for mining | By 2040, complete full reclamation of our Centralia coal mine in Washington State | On track | Reclamation work at our Centralia and Highvale mines was paused in 2020 due to the COVID-19 pandemic. |
| Reduce air emissions | By 2030, achieve a 95 per cent reduction of SO ₂ emissions | On track | We are well on track to achieve our target of 95 per cent emission reductions of SO ₂ by 2030. Since 2005, we have reduced SO ₂ emissions by 83 per cent. In 2020, we reduced SO ₂ emissions by approximately 4,000 tonnes over 2019 levels. |
| | By 2030, achieve a 50 per cent reduction of NO _x emissions below 2005 levels from TransAlta coal facilities | Achieved | We have achieved our target of 50 per cent emission reductions of NO _x by 2030 ahead of schedule. Since 2005, we have reduced NO _x emissions by 68 per cent. In 2020, we reduced approximately 5,000 tonnes of NO _x emissions over 2019 levels. |
| Reduce GHG emissions | By 2030, achieve company-wide GHG reductions of 60 per cent below 2015 levels, in line with a commitment to the UN SDGs and prevention of 2°C of global warming | On track | We are well on track to achieve our target of 60 per cent GHG emissions reductions by 2030. Since 2015, we have reduced GHG emissions by 80 per cent. In 2020, we reduced approximately 4.2 million tonnes of CO ₂ e over 2019 levels. |
| ESG Alignment: Social | | | |
| TransAlta Sustainability Goal | TransAlta Sustainability Target | Results | Comments |
| Reduce safety incidents | Achieve a Total Injury Frequency rate below 1.17 | Not achieved | In 2020, we achieved a TIF of 1.67 compared to 1.12 in 2019. The increase in 2020 was a result of increased first aids across our fleet. This may have been due to an increase in contractor presence during projects and construction at our Sundance and Windrise facilities. There was also potentially an effect from adjustments that all of our workforce had to make due to the COVID-19 pandemic. |

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| Support prosperous Indigenous communities | Support equal access to all levels of education for youth and Indigenous peoples through financial support and employment opportunities | Achieved | Support in 2020 represented a total value of \$340,000 and provided bursaries 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. |
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| ESG Alignment: Governance | | | |
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| TransAlta Sustainability Goal | TransAlta Sustainability Target | Results | Comments |
| Strengthen gender equality | Achieve a quota of 50 per cent female representation on the Board by 2030 | On track | As of Dec. 31, 2020, women made up 45 per cent of our Board. |
| | Achieve at least 40 per cent female employment among all employees of the Corporation by 2030 | On track | As of Dec. 31, 2020, women made up 21 per cent of all employees, an increase over 2019 levels (20 per cent). |
| Demonstrate leadership on ESG reporting within financial disclosures | Maintain equal pay for women in equivalent roles as men | Achieved | Equal pay for women in the Corporation was maintained in 2020. |
| | Maintain our position as a leader on integrated ESG disclosure through increased annual alignment with leading sustainability disclosure frameworks | Achieved | In 2020, we increased our alignment with the SASB sustainability reporting framework and increased our CDP Climate Change Scoring to an A-. |

| ESG Alignment: Environment and Social | | | |
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| TransAlta Sustainability Goal | TransAlta Sustainability Target | Results | Comments |
| Leading clean power company by 2025 | By the end of 2025, convert coal facilities to gas through boiler conversions and combined-cycle repowering | On track | Our Sundance 6 coal facility began conversion to gas in 2020 and was completed in early 2021. |
| | No further coal generation by the end of 2025 and 100 per cent of our owned net generation capacity will be from clean electricity (renewables and gas) | On track | In 2020, we retired our Sundance 3 and Centralia 1 coal facilities, converted our Sundance 6 coal facility to gas and announced the acceleration of our Highvale mine closure to the end of 2021. |
| | Develop new renewable projects that support customer sustainability goals to achieve both long-term power price affordability and carbon reductions | Achieved | In 2020, the Corporation purchased a 49 per cent interest in the 137 MW Skookumchuck wind project and continued development of our 207 MW Windrise wind project. Our 10 MW WindCharger battery storage project also began commercial operations. |