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CORPORATE PROFILE

TransAlta is an international electric energy company with about \$6 billion in assets. The company is focused on growing its generation, transmission and gas-fired independent power businesses, enhancing its competitive edge and achieving strong earnings growth. TransAlta is quickly building scale with more than 8,000 megawatts of generating capacity. In addition to about 4,500 megawatts of coal-fired and hydroelectric generation in Alberta, the company is closing a 1,340 megawatt acquisition in the United States, and has almost 2,200 megawatts of gas-fired power projects operating or in development in North America and select international markets. TransAlta's transmission business, which ranks as a first-quartile performer in North America, includes significant assets in Alberta. The company's energy marketing organization plays a strategic role to reduce risk and optimize assets. TransAlta is concentrating its growth in Canada, the United States, Australia and Mexico.

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**At TransAlta we are committed to sustainable development. Part of that commitment is an obligation to provide an open and frank accounting of our efforts – our successes and our shortcomings. This report was developed following the principles of the Global Reporting Initiative (GRI). Using the GRI means employing stringent standards to deliver robust annual reporting on the environmental, social and economic aspects of our business. This report covers TransAlta’s Canadian, Australian and New Zealand operations for the period of December 31, 1998 to December 31, 1999.**

For additional copies of this report please visit our Web site at: [www.transalta.com](http://www.transalta.com) or e-mail us at [sustainable\\_development@transalta.com](mailto:sustainable_development@transalta.com).  
For more information on the Global Reporting Initiative, please visit [www.globalreporting.org](http://www.globalreporting.org).

## LETTER FROM THE CEO



*Stephen G. Snyder  
President &  
Chief Executive Officer*

It's my pleasure to present TransAlta's 1999 Sustainable Development Annual Report. This was an important year in the life of our company. There has been rapid change. Good news and bad. But through it all our commitment to sustainable development has not wavered.

At TransAlta, we believe sustainable development is smart business and it is the right thing to do.

With this year's report we have made an effort to more completely account for our corporate performance on all three aspects of sustainability by following the principles of the Global Reporting Initiative. We believe our success as a company should be measured not only by our profit, but also by our environment, health and safety performance and our record as a responsible corporate citizen.

We've got a lot to be proud of. We have continued to build a track record of sustainable development success that places us among the best in the business. Since our last report, we have made some significant achievements.

We remain on track to exceed our goal of reducing net greenhouse gases from Canadian operations to 1990 levels by 2000; in fact, we are more than three million tonnes below the 1990 levels, despite an 8.7 per cent increase in generation. The environmental management systems in all our Canadian coal-fired and hydroelectric facilities were enhanced to meet the International Standards Organization's (ISO) 14001 standard and in April 1999 our Keephills power plant celebrated a significant safety milestone by achieving nine years without a lost-time incident.

TransAlta has also continued to be an active and generous corporate citizen, giving nearly \$4.6 million back into the community in the form of scholarships, donations and sponsorships.

One of our most exciting community initiatives, **Project Planet**, was kicked off in November by Canada's hockey hero Wayne Gretzky. **Project Planet** brings our brand of pioneering environmental stewardship into Alberta classrooms. We are challenging school-aged children from across Alberta to come up with innovative ideas to make a measurable improvement to their local environment.



## LOOKING AHEAD

TransAlta intends to maintain our excellent record and build on that success through constant improvement. This will take place in an increasingly competitive business environment where the demand for electricity will continue to grow, as will the expectations of our stakeholders for excellent environment, health and safety performance and social responsibility.

**CLIMATE CHANGE** TransAlta is, and will remain, a world leader on this important issue. In 2000, we will develop our new greenhouse gas strategy that will include all of our international operations. Early in 2000 we unveiled a proposal called “Beyond Kyoto: TransAlta’s Blueprint for Sustainable Thermal Power Generation”. This document lays out a plan that could see TransAlta reduce net emissions of greenhouse gas from Canadian operations to zero by 2024. This bold proposal is the starting point for discussions with our stakeholders and negotiations with government and industry partners. *Visit our Web site at [www.transalta.com](http://www.transalta.com) for more information.*

**ENVIRONMENTAL PERFORMANCE** 1999 saw an increased number of environmental regulatory contraventions. While these were relatively minor incidents, we take them seriously. The ongoing implementation of ISO 14001 will help us reduce the number of these contraventions.

**HEALTH AND SAFETY** In 1999, our recordable corporate injury frequency rate continued to improve, remaining significantly better than the industry average, but it’s still not good enough. Commitment to the health, safety and security of employees is a central TransAlta value – no injury is acceptable.

We will concentrate on improving our management processes. I’m encouraged that Transmission’s pilot project adapting the ISO 14001 environmental management system to include health and safety aspects is progressing well. Upon completion we will see how it can be applied across the company.

Improving employee health and safety is not just about improving management systems; it’s also about having strong day-to-day practices. Each and every employee is responsible for developing safe work habits and being continually mindful of safety hazards.

**SOCIAL RESPONSIBILITY** TransAlta has a long and proud history of corporate citizenship and we remain committed to helping improve the quality of life in the communities where our customers and employees live and work. In early 2000, we announced the pending sale of our Alberta Distribution and Retail businesses and our New Zealand subsidiary. We are refocusing on Generation and Transmission. This change means we need to re-evaluate our corporate giving policies and priorities and adjust them to reflect TransAlta’s new focus. We will remain a reliable, giving and responsible corporate citizen.

**ADAPTING TO NEW CHALLENGES** Our focus is growth. TransAlta's short-term target (2002) is 10,000 megawatts (MW) and our longer-term goal (2005 to 2007) is to reach 15,000 MW.

Our Generation business will focus on acquiring coal and hydroelectric assets in the Pacific Northwest region of the United States.

Our gas-fired Independent Power Projects (IPP) business will continue to pursue niche industrial markets in select areas of Canada, the United States, Australia and Mexico.

This growth presents us with unique challenges and some exciting opportunities. We will have to move quickly and react rapidly. This means we have to speed up our decision-making and have structures in place to meet the demands of new regulatory regimes. We will have to meet the challenges of managing a company that spans an even larger geography.

We will also have to work hard to build new relationships and understand the needs and expectations of new and unique stakeholders. TransAlta will seek to effectively engage these new stakeholders in business decisions, to achieve mutually beneficial relationships.

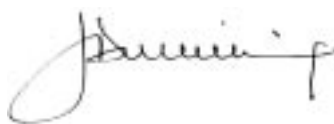
#### THE FINAL WORD

Our future looks bright. In financial terms we are in good shape, moving into new markets and continually growing shareholder value. As a company committed to sustainable development, we are balancing our plans for economic growth with a determination to improve our environment, health and safety performance and to continually look for ways to become a more socially responsible company.

TransAlta is the sustainable company of the future. We are building on the success of the past, meeting the challenges of the present and moving forward with confidence in an environmentally, socially and economically responsible manner.



*Stephen G. Snyder*  
President & Chief  
Executive Officer



*James F. Dinning*  
Executive Vice-President,  
Sustainable Development  
& External Relations



*Robert J.D. Page*  
Vice-President,  
Sustainable Development

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## SUMMARY OF PERFORMANCE AGAINST OBJECTIVES

In our 1998 Sustainable Development Annual Report, TransAlta committed to several major objectives. This is a summary of our progress against those objectives.

KEY ACTIVITY	OBJECTIVE
<b>PUBLIC REPORTING ON SUSTAINABLE DEVELOPMENT (SD) PERFORMANCE</b>	improve open and concise annual public reporting on SD performance   apply more rigorous standards in our annual SD reporting
<b>ENVIRONMENT, HEALTH AND SAFETY (EH&amp;S) MANAGEMENT</b>	enhance the environmental component of our EH&S management system   upgrade EH&S management systems to meet emerging health and safety standards
<b>SAFETY</b>	achieve world-class safety performance
<b>GREENHOUSE GAS (GHG) MANAGEMENT</b>	deliver net reductions in GHG emissions
<b>PUBLIC CONSULTATION</b>	consult with the public and other stakeholders, in a responsible and credible manner, about existing and new operations
<b>PUBLIC POLICY</b>	contribute to the development of public policy



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**RESULTS**

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| this report meets our commitment to improve annual reporting – it is more comprehensive, including more information on TransAlta's international activities, improved measurement of environmental performance and new reporting on our economic contribution and social responsibility | we have implemented internal processes to better acquire and validate corporate data | our reporting content is consistent with Global Reporting Initiative guidelines for world-class sustainable development reports | we have committed to have our 1999 Environmental Commitment and Responsibility report audited by the Canadian Electricity Association | in 1999, TransAlta received the Gold Champion level award for its report to Canada's Voluntary Challenge & Registry (VCR) Program

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| we have implemented environmental management systems (EMS) meeting the ISO 14001 standard in all coal-fired and hydroelectric facilities and have initiated ISO 14001 EMS implementation activities with Transmission and Canadian Independent Power Projects operations | we have expanded our EH&S auditing program within Canadian operations | TransAlta has implemented a corporation-wide EH&S Incident Management System

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| safety performance, as measured by our recordable injury frequency rate, improved slightly to 1.81 injuries per 200,000 exposure hours

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| we implemented more conservative measurement of emission reduction activities and eliminated several activities where reductions could not be absolutely measured | we maintained progress toward our goal of returning our net contribution of greenhouse gases from Canadian operations to 1990 levels, in spite of an 8.7 per cent growth in generation | we have continued to build our portfolio of greenhouse gas offset projects | we participated in the world's first-ever electronic, Internet-based trade of emission reduction credits and were involved in a groundbreaking agreement to purchase up to 2.8 million tonnes of carbon emission reduction credits | we committed to a greenhouse gas action plan for our Australian operations

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| TransAlta undertook an extensive public consultation process at Alberta coal-fired operations regarding both water management at Lake Wabamun and the approval renewal process for the Wabamun plant | we held public forums and open houses on new natural-gas-fired projects including the Sarnia Regional Cogeneration, Fort Saskatchewan, Meridian, Fort Nelson and Poplar Creek facilities

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| TransAlta participated extensively in national climate change advisory activities including the Electricity Table and chairing the Credit for Early Action Table | we supported the federal government in international negotiations and discussions | TransAlta participated in the Clean Air Strategic Alliance in Alberta | we actively supported the World Business Council for Sustainable Development | we are the sole North American representative on the Management Council of the International Emissions Trading Association

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## ENVIRONMENT, HEALTH AND SAFETY

Focus. Commitment. Constant improvement. These are the words that best describe TransAlta's approach to environment, health and safety (EH&S) performance. As we grow our business, TransAlta will be challenged by our customers, shareholders, regulators and communities to continue to improve and meet the rising expectations for superior performance. To establish a strong foundation for this growth, and to meet these challenges, TransAlta has built a solid EH&S management system.

### EH&S MANAGEMENT

#### ORGANIZATION AND RESPONSIBILITIES

The chief executive officer and the board of directors have ultimate responsibility for TransAlta's EH&S performance. The Audit and Environment Committee is one of the board of directors' three permanent committees. It reviews the principal risks to the corporation and systems for managing these risks. The committee, which consists of five members of the board of directors (independent of management) including the chair of the board, met six times in 1999.

TransAlta's Sustainable Development department is responsible for establishing and maintaining corporate environment, health and safety standards, and has a corporate governance role in assessing and reporting on adherence to these standards. The department is also responsible for leading the development of TransAlta's greenhouse gas strategy.

#### MANAGEMENT SYSTEMS

As a member of the Canadian Electricity Association, TransAlta is committed to the Environmental Commitment and Responsibility (ECR) program. One element of the ECR program is a commitment to implement an ISO 14001 consistent environmental management system. By year-end 1999, all coal-fired and hydroelectric generation plants in Alberta had environmental management systems meeting the ISO 14001 standard. Two plants were externally registered. By the end of 2002, all TransAlta operations will meet the ISO 14001 standard.



**ASSESSMENTS AND AUDITS**

Auditing is a key element of the EH&S Management System to help ensure TransAlta meets its objectives of compliance and continuous improvement. The system includes two auditing programs. The compliance audit program assesses compliance with environment, health and safety regulations and operating approvals. The management system auditing program assesses conformance to the ISO 14001 management system standard. Facilities undergo both types of audits at an average of once every three years depending on risk and facility performance.

In 1999, TransAlta conducted 10 compliance audits and four management system audits, working closely with our consulting partners PricewaterhouseCoopers and Jacques Whitford Environment Ltd.

**REPORTING**

TransAlta belongs to Canada's Voluntary Challenge and Registry Program (VCR), which began in 1995 as a Canadian government initiative to encourage private and public sector organizations to reduce greenhouse gas emissions. Our VCR reports have consistently ranked among the best. TransAlta also provides an annual report on our environmental performance to the Canadian Electricity Association's Environmental Commitment and Responsibility Program. In November 1999, TransAlta joined the Australian Greenhouse Challenge and will begin submitting annual reports in 2000.

**EH&S PERFORMANCE****OVERVIEW OF KEY ENVIRONMENTAL INDICATORS**

TransAlta has identified five key indicators that we intend to measure environmental performance against. These will be compared year over year.

- i. Greenhouse gas emissions
- ii. Nitrous oxides (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>) emissions
- iii. Water use
- iv. Safety performance
- v. Regulatory incidents

**REGULATORY CONTRAVENTIONS**

Our operations are subject to thousands of national, provincial, state and municipal environmental rules and regulations governing our operations. These rules are monitored by TransAlta and the different levels of government through regular audits, monitoring and inspections.

Complete compliance with regulatory requirements is an ongoing challenge, and from time to time incidents occur that result in regulatory contraventions. In 1999, TransAlta's worldwide total number of incidents increased from

26 to 39. Several of these were contraventions of Alberta's new stack monitoring system code. Also, 1998 data did not include Transmission and Distribution related incidents.

TransAlta was also subject to two Alberta government enforcement actions in 1999. One was a notice of warning for a contravention of terms and conditions of the Public Lands Act for removing borrow material and the clearing of an additional power line right-of-way. The other was a \$250 fine for failing to contact an Alberta Environmental Protection public lands officer 48 hours prior to commencing brushing or construction of a distribution power line.

TransAlta takes these contraventions seriously and is adopting measures to improve regulatory compliance. No matter the cause, we intend to reduce both the number and impact of our environmental regulatory contraventions.

## **ENVIRONMENT**

### **GREENHOUSE GAS MANAGEMENT**

Climate change is an issue of growing international concern. Scientists believe that concentrations of greenhouse gases in the atmosphere (including carbon dioxide and methane from man-made and natural sources) are causing the earth's global temperature to climb. This increase in temperature, known as global warming, is expected to have significant long-term impacts on the world's environment.

TransAlta generates most of its electricity through the combustion of fossil fuels including coal and natural gas. A significant by-product of this form of generation is carbon dioxide (CO<sub>2</sub>). At TransAlta, we recognize that greenhouse gas emissions contribute to global warming and we are taking decisive and pioneering action to reduce our contribution.

We have been on the leading edge of the climate change issue since the early 1990s. We have sought out and achieved internal efficiencies to reduce our output of greenhouse gas and encouraged our customers to use energy efficiently. TransAlta pioneered the development of offset projects and helped prove market-based mechanisms like emission reduction credit trading. Government, industry and the environmental community regularly call for TransAlta's expertise and advice.

Our efforts have paid off. In Canada, TransAlta is on track to meet and surpass our goal to reduce net emissions to 1990 levels by 2000. In 1999, our Canadian net contribution of greenhouse gas to the atmosphere was 22,532,856 tonnes of CO<sub>2</sub> Equivalent, a 13 per cent reduction from our 1990 contribution of 25,829,652 tonnes. This is despite an 8.7 per cent increase in generation.

Worldwide, TransAlta's net emission of greenhouse gas was 24,069,314 tonnes, which is still below our 1990 levels despite a 25 per cent increase in our worldwide generation. With increased production from less carbon-intensive, gas-fired plants, TransAlta's net production rate of greenhouse gas has consistently dropped since 1990.

Our coal plant heat rate has also improved since 1990, but it did not achieve best-ever performance in 1999 as a result of a number of factors primarily related to weather and mechanical difficulties. Heat rate is a measure of the amount of thermal energy used to produce a megawatt-hour of electricity. A lower heat rate leads to more efficient energy production resulting in lower emissions.

#### GREENHOUSE GAS EMISSION REDUCTION ACTIVITIES

**OFFSETS** Emission offsets refer to domestic or international actions, apart from our normal operations, which reduce, absorb or avoid greenhouse gas emissions. Our portfolio of offsets continued to deliver reductions last year. In 1999, our total purchased offsets equalled 1,642,846 tonnes of CO<sub>2</sub> Equivalent from our Saskatchewan Soil Enhancement, India Dairy, Norseman and Utilitree projects. *For more information on these projects, please visit our Web site at [www.transalta.com](http://www.transalta.com).*

On October 19, 1999, TransAlta announced a groundbreaking agreement to purchase up to 2.8 million metric tonnes of carbon emission reduction credits (CERCs) from farms in the United States. It is the largest deal of its kind to date involving the capture of CO<sub>2</sub> in soil. Credits from these reductions will be delivered to TransAlta beginning in 2008. TransAlta led a consortium of seven Canadian companies involved in the deal through the Greenhouse Emissions Management Consortium (GEMCo). GEMCo is a not-for-profit Canadian corporation formed by companies to demonstrate leadership in developing voluntary and market-based approaches to greenhouse gas emission management.

**EMISSION TRADING** One market-based approach to managing greenhouse gas emissions is emission trading, which makes it possible for organizations to buy and sell greenhouse gas emission reductions. Along with international partners, TransAlta is proving market-based mechanisms can work and do provide real reductions in atmospheric concentrations of greenhouse gas.

TransAlta is involved in three trading pilot projects: the Pilot Emission Reduction Trading program (PERT), the Greenhouse Gas Emission Reduction Trading pilot (GERT) and NESCAUM, a North American pilot project to develop criteria for emission reduction credit projects. The GERT pilot is a partnership of the federal government, several provinces, industry, environmental organizations and labour groups designed to test the mechanics of emission trading.

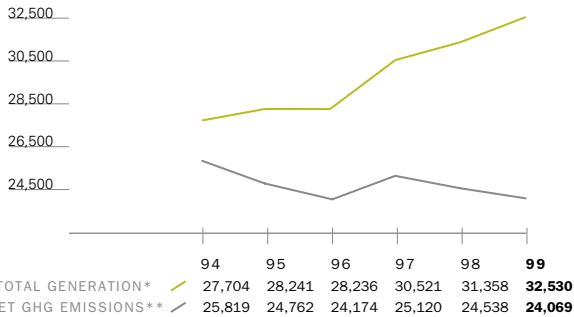
#### SUMMARY OF TRANSALTA'S GREENHOUSE GAS EMISSION REDUCTIONS

	Units	90	91	92
<b>Gross greenhouse gas emissions</b>	tonnes CO <sub>2</sub> E	25,829,652	25,629,657	25,974,356
<b>Reductions</b>				
internal & customer efficiency actions	tonnes CO <sub>2</sub> E	0	182,102	266,296
renewable energy purchases	tonnes CO <sub>2</sub> E	0	10,500	73,300
purchased GHG offsets	tonnes CO <sub>2</sub> E	0	0	0
indirect reductions from IPP operations	tonnes CO <sub>2</sub> E	0	0	167,526
other reductions	tonnes CO <sub>2</sub> E	0	(34,652)	(16,680)
<b>Total emissions reductions</b>	tonnes CO <sub>2</sub> E	0	157,950	490,442
<b>Net emissions</b>	tonnes CO <sub>2</sub> E	25,829,652	25,471,707	25,483,914
<b>Net emissions per unit of generation</b>	tonnes CO <sub>2</sub> E/MWh	0.994	0.986	0.994

**WORLDWIDE GHG EMISSIONS**

(energy production and emissions per MWh)

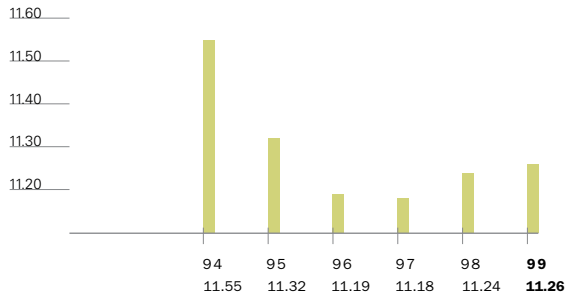
\*(THOUSAND MWh)      \*\*(THOUSAND TONNES CO<sub>2</sub>E)



TransAlta's greenhouse gas emissions have steadily declined despite a 25 per cent increase in generation.

**COAL PLANT HEAT RATE**

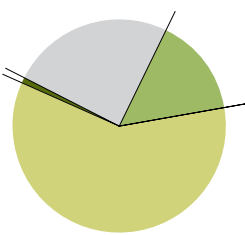
(GIGAJOULES/MWh)



Improved heat rate means our boilers are operating more efficiently, producing more energy with less fuel.

**WORLDWIDE FUEL MIX**

(NET MEGAWATTS)

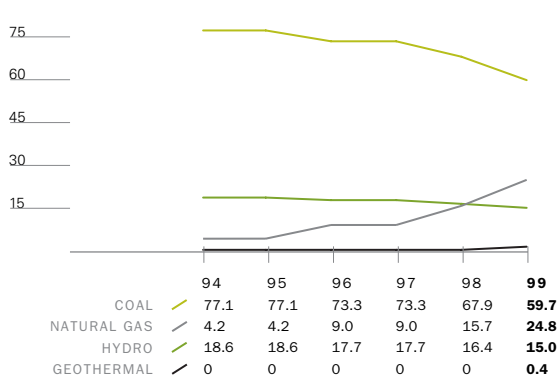


NET CAPACITY:	99
COAL GENERATION	3,289
NATURAL GAS GENERATION	1,367
HYDRO GENERATION	827
GEOTHERMAL GENERATION	24

TransAlta's use of cleaner burning natural gas has increased substantially since 1990. It now accounts for nearly 25 per cent of our total generation net capacity.

**FUEL MIX TREND GENERATION NET CAPACITY**

(PER CENT)



	93	94	95	96	97	98	99
	27,086,962	27,856,550	27,640,020	27,368,982	28,307,520	27,738,072	26,955,383
	228,835	265,769	450,421	535,012	561,886	573,684	569,520
	123,500	241,200	396,700	500,945	439,154	448,480	471,982
	0	541,970	1,009,309	1,365,036	1,609,465	1,615,954	1,642,846
	947,042	1,007,354	1,031,956	874,114	1,211,589	1,609,391	1,716,247
	(23,696)	(19,170)	(10,802)	(745)	17,254	27,213	21,930
	1,275,681	2,037,122	2,877,584	3,274,362	3,839,347	4,274,722	4,422,526
	25,811,281	25,819,427	24,762,436	24,094,620	24,468,173	23,463,350	22,532,856
	0.945	0.932	0.877	0.858	0.840	0.815	0.798

PERT, which TransAlta joined in April 1999, is an Ontario-based group that is researching the environmental and economic benefits of emission reduction trading and is facilitating pilot trades.

In October 1999, TransAlta completed the world's first electronic exchange-based trade of greenhouse gas emission reductions. The 18,000 tonne trade was completed on the KEFI-Exchange, an Alberta Internet-based emission reduction trading exchange.

TransAlta is also the sole North American representative on the International Emissions Trading Association (IETA) Management Council, which aims to establish a marketplace for buying and selling greenhouse gas emission offsets. The IETA, a non-profit, private sector association, has representatives from major industries on six continents.

**ASH SALES** TransAlta sold approximately 16 per cent of the fly ash from our coal-fired generating plants to Alberta and British Columbia cement companies in 1999. Ash is a valuable ingredient in making cement because of its low-carbon residue, low sodium, light colour, fine consistency and moderate calcium content. Using ash in this manner creates a CO<sub>2</sub> offset by displacing some of the fossil fuels, limestone and electricity used in the production of cement. In 1999, TransAlta sold 348,618 tonnes of ash, reducing CO<sub>2</sub> emissions by 20,357 tonnes.

**RENEWABLE PURCHASES** TransAlta purchases renewable energy in Alberta through the Small Power Research and Development Act (SPRDA). Through this program, TransAlta has signed long-term power purchase contracts at legislated prices with various independent renewable energy producers. In 1999, we purchased 573,806 megawatt hours of electricity generated by wind, biomass and small hydro operations. This electricity is supplied to customers around the province of Alberta.

#### AIR IMPACTS

Fossil fuel-based generation releases carbon dioxide, sulphur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>). Acid rain is caused by a combination of emissions of SO<sub>2</sub> and NO<sub>x</sub> from a variety of sources. SO<sub>2</sub> and NO<sub>x</sub> combine chemically with moisture in the air and fall back to earth as acid rain, snow or fog. Acid deposition, as this process is called, resulting from fossil fuel emissions is suspected of damaging lakes, forests and farmland in certain parts of North America.

Since TransAlta began monitoring ambient air quality at our thermal generating plants in the 1970s, SO<sub>2</sub> and NO<sub>x</sub> concentrations have been far below objectives established by Alberta Environment. We keep constant watch on air quality near our facilities.

#### CORPORATE SO<sub>2</sub> AND NO<sub>x</sub> EMISSIONS

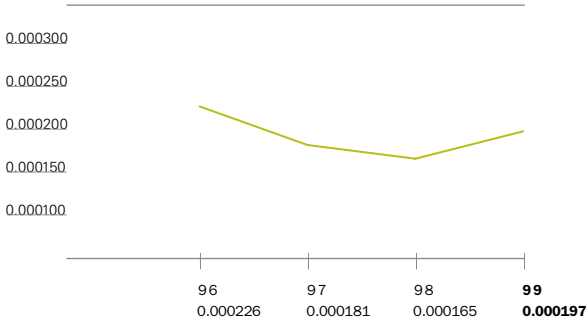
(tonnes)	94	95	96	97	98	99
SO <sub>2</sub> emissions	55,271	55,570	56,421	55,628	54,753	<b>51,220</b>
NO <sub>x</sub> emissions	42,651	43,638	45,813	50,494	48,241	<b>50,094</b>



**PARTICULATE EMISSIONS**

(coal operations only)

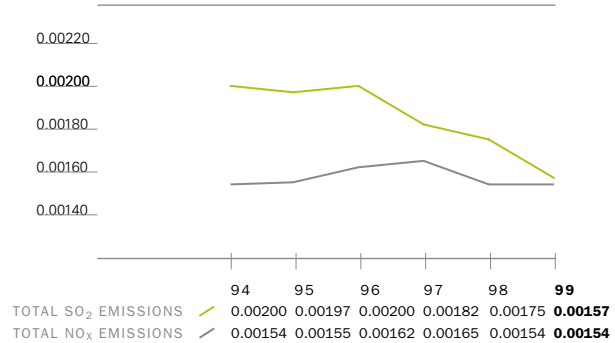
(TONNES/MWh)



TransAlta captures approximately 99.4 per cent of fly ash from our stacks.

**WORLDWIDE SO<sub>2</sub> & NO<sub>x</sub> EMISSIONS**

(TONNES/MWh)



Our corporate SO<sub>2</sub> and NO<sub>x</sub> emissions per megawatt hour of generation have been reduced largely as a result of increased gas-fired generation.

Coal-fired plants also release fly ash, normally referred to as particulate emissions. This ash is very light and is dispersed into the atmosphere when it leaves the stack. TransAlta has installed huge air filters called electrostatic precipitators that capture approximately 99.4 per cent of the ash. Fly ash produced by our three Alberta coal plants is either sold to the cement industry or deposited in approved disposal areas.

**WATER USE**

TransAlta's generation activities use a significant amount of water – whether the energy source is coal or natural gas. Beginning in 1999, we tracked water uptake and discharge as key indicators of our environmental impact. In 1999, our water use per megawatt hour was 3.13 cubic metres.

In our coal-fired facilities water is pumped into tubes around the boiler. That water turns into steam and the high-pressure steam passes into the turbine, which causes the turbine to turn creating an electric current. Water is also used to cool the steam discharged from the turbine. Cooling water is released from the plant. At the Keephills and Sundance plants, cooling water is re-circulated through cooling ponds. Cooling water from the Wabamun plant is released into Wabamun Lake.

Working with Wabamun Lake stakeholders to address the issues surrounding our impact on the lake is a priority for TransAlta. Stakeholder concerns centre around lake temperature, open water and thin ice on the lake in winter, water level and weed growth. For more information about these issues refer to "Wabamun Lake Public Advisory Group" on page 22.

Within our gas generation business, water is drawn from a variety of sources including rivers, deep wells and municipal systems. Since significant water treatment is required before we use it, TransAlta re-circulates most of the water, keeping discharge volumes low. In 1999, TransAlta's water use per megawatt hour from gas generation was 0.702 cubic metres.

**WASTEWATER** There are two main sources of industrial wastewater that TransAlta reports monthly to Alberta Environment. The first is ash lagoon effluent at the Wabamun plant. Water is used to take ash to an ash lagoon and the transport water is returned to the lake. The second is Sundance and Keephills cooling pond discharge into the North Saskatchewan River.

The reports about ash lagoon effluent include information about temperature, volume flow rate, suspended solids, oil and grease, iron, phosphorous, pH (acidity) and the results of various other tests to ensure the effluent meets approval requirements. The reports about lake water discharge include information about temperature, volume flow rate and acidity. TransAlta remained well within regulated norms in 1999.

**HYDRO OPERATIONS** TransAlta operates 13 hydroelectric facilities on the Bow River and North Saskatchewan River systems of Alberta. Primary environmental considerations for these facilities include the potential impact of operations on fish habitat and water level for recreational use of resident rivers. Bighorn and Brazeau plants also provide adequate flows in the winter to dilute sewage and stormwater effluent from the City of Edmonton. *For information on our efforts to mitigate these impacts, refer to page 23.*

#### LAND IMPACTS

**MINING** Mining represents our most significant impact to the land. TransAlta owns and operates two open pit coal mines in Alberta. Those mines, Whitewood and Highvale, cover approximately 16,440 hectares.

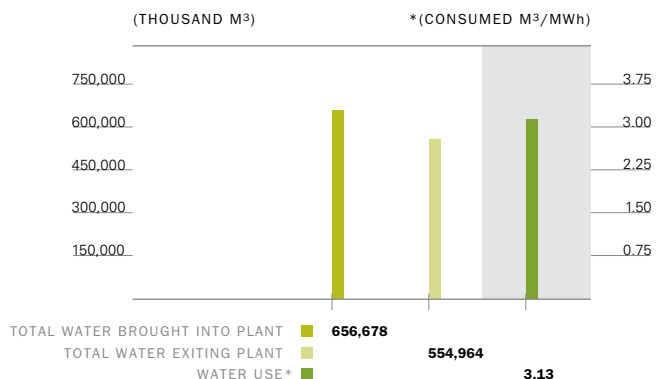
TransAlta has been reclaiming mined land since 1962 – 11 years before provincial guidelines were established. Standards now require mined land be returned to a condition that supports pre-mining land use. By the end of 1999, TransAlta had reclaimed approximately 42 per cent of former mined areas.

Reclaimed land supports a variety of land uses such as agriculture, woodlands, wildlife habitat, recreation and wetlands. Once completed, reclaimed areas are leased to local farmers, and in some cases, the original landowners. The farms produce cereal crops like barley, oats and canola and hay crops for livestock. Local ranchers have established several pasture areas for grazing on reclaimed land.

Our award-winning reclamation project, East Pit Lake, saw the transformation of a one-time open pit coal mine into a 47-acre lake surrounded by more than 300 acres of rolling hills. The lake was developed to sustain a sport fishery complete with reefs, bays and inlets that contribute to habitat diversity and biological productivity.

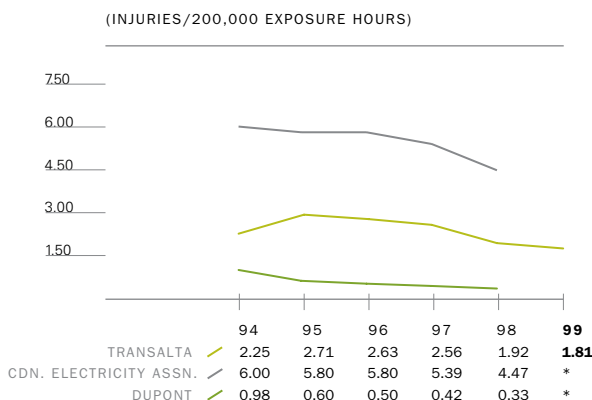
**LANDFILL** In 1999, TransAlta sent 560 tonnes of material to landfill. This material includes Class 1, 2, and 3 waste, which ranges from typical household-type waste to asbestos, which is sent to special facilities for disposal. This is the first year we have reported on our waste to landfill.

**1999 WORLDWIDE WATER USAGE**



Water use refers to water from the environment used in the generation process.

**WORLDWIDE RECORDABLE INJURY FREQUENCY RATE** \*not available at time of report



Our recordable injury frequency rate continues to improve. TransAlta's goal is to match the world-class performance of DuPont.

**HEALTH AND SAFETY**

The health, safety and well-being of employees is a top priority for TransAlta. Our employees' hard work and the efforts of our occupational health and safety teams have been rewarded with a lost-time injury frequency rate well below the industry average. In 1999, there was a decrease in our recordable injury frequency rate to 1.81 per 200,000 exposure hours from 1.92 in 1998. In total, 1.5 days per employee of short-term disability were logged. TransAlta employees were involved in 6.52 vehicle accidents per million kilometres driven. This is the first year we are reporting vehicle incidents and short-term disability statistics.

TransAlta strives for excellent health and safety performance and we are taking a number of steps to reduce our recordable injury frequency rate. Specifically, we are developing programs for incident investigation, planned safety inspections and ergonomics. Investigations are conducted to maximize the useful information from incidents. The learning from our incidents helps us improve our management systems to prevent reoccurrence. Planned inspections are used to observe the work site and help the employee to develop observation-based safety. Ergonomic issues are one of our growing incident areas. We have an ergonomic training and assessment program developed to help employees recognize ergonomic hazards and control the risks before any incidents occur. In 1999, TransAlta reduced repetitive strain injuries by 50 per cent from 1998. TransAlta intends to move toward world-class health and safety performance as indicated by industry leader DuPont.

Highlights from TransAlta's 1999 health and safety performance include:

- zero health and safety regulatory contraventions or enforcement actions
- nine years without a lost-time incident at the Keephills power plant in April 1999
- 33 hours of health and safety training

- zero lost-time incidents for the International Brotherhood of Electrical Workers (IBEW) Turnaround Services at Alberta thermal generating plants
- 13 per cent rate reduction from the Alberta Worker's Compensation Board
- one year without a medical aid or lost-time injury at Alberta hydro operations
- a pilot project developed by Transmission and Distribution to adapt the ISO 14001 environmental management system to include health and safety
- a new Employee Family Assistance Program service provider to improve service for employees and reduce costs for the company
- a new comprehensive risk management process to identify workplace hazards was developed by the safety group as part of Safe Work Planning

#### CONTRACTOR FATALITY

It's with sadness that we report a fatality at the Meridian Cogeneration facility, jointly owned by TransAlta and Husky Oil. On May 29, 1999, a crane operator was killed when the load he was attempting to lift shifted causing the crane to collapse. The Saskatchewan government investigated and determined the cause of the accident to be operator error. TransAlta's last employee fatality occurred in 1998. Prior to that, TransAlta had not had a fatality in 10 years.

#### EXTERNAL RECOGNITION AND ACTIVITIES

Our leadership was recognized in 1999 when TransAlta was noted as the world's leading sustainable electrical company on the Dow Jones Sustainability Group Index (DJSGI). TransAlta was one of 18 companies identified as sustainability leaders in their respective industries. The DJSGI is the world's first group of global equity indexes tracking the performance of the leading sustainability companies. In its announcement, the DJSGI said, "These sustainability companies pursue opportunities in a proactive, cost effective and responsible manner today, so they will outpace their competitors and be tomorrow's winners." *For additional information visit the DJSGI Web site at [www.sustainability-index.com](http://www.sustainability-index.com).*

#### RESEARCH AND DEVELOPMENT

TransAlta's research and development efforts focus on reducing atmospheric concentrations of greenhouse gas. In 1999, our investment in research and development was \$2.6 million. This figure does not include sponsored research on other important issues like environmental impact assessments of Wabamun Lake conducted as part of the Public Advisory Group process, or renewable energy research.

TransAlta has been involved in carbon dioxide research since the early 1980's. Research topics include the potential demand for CO<sub>2</sub> for enhanced oil recovery in Alberta and Saskatchewan, assessing technologies for recovery of CO<sub>2</sub> from flue gas, investigations of technology options for CO<sub>2</sub> use, evaluations of CO<sub>2</sub> disposal in mature oil and gas reservoirs, aquifers and brines, as well as research into reducing atmospheric CO<sub>2</sub> by using coal ash as in cement and capturing landfill gas.

# profit ability



## ECONOMIC CONTRIBUTION

<b>ECONOMIC INDICATORS</b> <sup>(1)</sup>	<i>Continuing operations</i>	<i>Discontinued operations</i>	<i>Previously discontinued operations</i>	<i>Total</i>
Year ended 1999, dollar amounts in millions				
Net earnings to common shares	\$ 97.0	\$ 73.1	\$ 16.3 <sup>(2)</sup>	\$ 186.4
Revenues	\$ 1,029.4	\$ 1,023.9		\$ 2,053.3
Income taxes <sup>(3)</sup>	\$ 105.5	\$ (24.0)	\$(16.3) <sup>(2)</sup>	\$ 65.2
Cash flow to investing activities				\$ 988.8
Wages and benefits	\$ 93.7	\$ 62.3		\$ 156.0
Purchase of goods and services	\$ 1,011.3	\$ 80.5		\$ 1,091.8
Electric energy sales (millions of kilowatt hours)				38,177.0 <sup>(4)</sup>

1) In December 1999, TransAlta sold its interests in its Argentina investment. Subsequent to year-end 1999, TransAlta entered into an agreement to sell its discontinued New Zealand and Alberta Distribution and Retail operations. The earnings amounts applicable to these discontinued operations are displayed in the discontinued operations column on the chart above.

2) This amount represents a tax benefit in 1999 related to a recovery of previously unrecorded capital losses as a result of discontinued operations.

3) This figure does not include taxes other than income taxes or royalties.

4) Based on percentage ownership.

TransAlta is Canada's largest investor-owned electric utility with about 2,600 employees in Alberta, B.C., Saskatchewan, Ontario and Australia. We are the largest electric company in Alberta and we generate nearly 70 per cent of the province's electricity. TransAlta's power plants consistently rank in the top 10 for reliability, availability and low cost. As a matter of fact, our three coal-fired plants in Alberta were recognized as Canada's best-operated facilities in the most recent national industry statistics.

TransAlta is also the largest independent power producer (IPP) in Canada and the second-largest supplier of electricity, with five independent power projects, in Western Australia. TransAlta currently has more than 1,300 megawatts of gas-fired power plants operating and another 1,100 megawatts in development.

The majority of our employees are located in Alberta. We'll be adding about 675 employees when our Centralia power plant and mine acquisition in Washington State is complete, expected by the summer of 2000. About 650 TransAlta employees will become employees of UtiliCorp United when their purchase of our Alberta Distribution and Retail businesses is finalized, expected by the end of August.

We also provide employment through the business of engineering and building gas-fired independent power plants. In 1999 alone, we brought on about 605 megawatts of gas-fired generation, which together with the Edmonton Composting facility provided a total of about 2.4 million person-hours of employment.

Direct employment is only one of the economic benefits from TransAlta's business. Our day-to-day operations, development and maintenance activities require a wide array of products and services providing spin-off benefits for various businesses. Other costs of doing business, such as the payment of taxes and royalties, also contribute to the overall economic well-being of the communities where we operate.

# access ability



## SOCIAL RESPONSIBILITY

TransAlta believes that good corporate citizenship is an important measure of our success as a company. As we grow and move into new communities, we will strive to earn the trust and friendship of our neighbours and make a positive difference in the lives of our employees, their friends, family and the community at large.

### STAKEHOLDER RELATIONS

As an international electric energy company, TransAlta must balance the diverse and often competing expectations of a growing number of important stakeholders. Those expectations range from customers who need low-cost, reliable electricity to organizations concerned with the environmental impacts of our business.

TransAlta's philosophy is simply this – we make every reasonable effort to engage our stakeholders in a meaningful dialogue with the intent of seeking long-term mutually agreeable outcomes. We conduct our business ethically and responsibly, with the best interests of our shareholders, employees and customers in mind.

#### WABAMUN LAKE OPERATING AREA

TransAlta is committed to understanding local issues and working with stakeholders to address their concerns through ongoing, open dialogue. In 1999, TransAlta had a number of important activities underway not the least of which was public consultation in the Wabamun Lake area of Alberta, home to our Wabamun, Sundance and Keep-hills power plants.

TransAlta plays an active role in the area and is currently working with lakeshore communities, the Paul Band and community groups such as the North and South Wabamun Community Relations Committee, Wabamun Lake Public Advisory Group and the Committee on Keephills Environment. In 1999, TransAlta communicated our future plans, answered questions, identified concerns and developed solutions through a variety of activities including stakeholder meetings, a bimonthly newsletter called Kilowatt Connection, a community open house and a questionnaire.

#### WABAMUN LAKE PUBLIC ADVISORY GROUP

The Wabamun Lake Public Advisory Group (PAG) served as the primary agent for public consultation on issues relating to the re-licensing of the Wabamun plant and represented interest groups in the area.

TransAlta supported the PAG's work by supplying a facilitator, administrative support, funding for advice from reputable scientists, and community outreach materials and programs such as newsletters, surveys and open house events.

In April 1999, the PAG made four recommendations that TransAlta conditionally supported and is acting on. Those recommendations included a watershed management plan led by Alberta Environment, a water treatment plant expansion, shoreline maintenance and weed harvesting.

*For more information about the PAG, or our other stakeholder relations activities, please contact Lynn McNeil, Director, Stakeholder Relations, at (403) 267-7476, or by e-mail at [lynn\\_mcneil@transalta.com](mailto:lynn_mcneil@transalta.com).*



#### HYDRO OPERATIONS

TransAlta has 13 hydroelectric facilities operating on the Bow River and North Saskatchewan River systems of Alberta. Hydroelectric facilities can generate a number of stakeholder concerns including the potential impact of operations on fish habitat and water level for recreational use of resident rivers. As with all our operations, TransAlta meets regularly with interested stakeholders. Consultations generally take the form of individual contact or small group meetings.

In 1999, stakeholder consultations translated into a number of actions including the construction of bypass valves and piping on the Pocaterra Plant to ensure water supply to the Kananaskis River in case of a malfunction; the initiation of contingency planning for the Bighorn and Brazeau plants to ensure river flow regardless of operational issues; TransAlta's voluntary Fish Habitat Enhancement Initiative which helps mitigate our net impact on water bodies affected by, or located near, TransAlta operations; and voluntary wildlife enhancement projects like the installation of a bridge across the Cascade power canal in Banff National Park to facilitate wildlife migration. TransAlta is also funding several ongoing environmental studies like the University of Calgary's Lower Kananaskis Lake Fishery Monitoring project, now in its sixth year.

*For more information on TransAlta's hydroelectric operations or stakeholder relations activities, please contact Roger Drury, Senior Water Management Planner, at (403) 267-4639, or by e-mail at [roger\\_drury@transalta.com](mailto:roger_drury@transalta.com).*

#### ABORIGINAL RELATIONS

Among TransAlta's most significant stakeholder groups are Aboriginal communities in and around our operating areas. Our relationships with these communities are guided by the seven principles in our corporate policy:

- We view Aboriginal communities and Aboriginal people wherever we conduct operations as key customers, suppliers, stakeholders and associates important to our business.
- We approach our relationships with Aboriginal communities as learners. We have much to gain from learning about, working with and valuing the distinctiveness of Aboriginal people.
- We approach our relationships with Aboriginal people from a position of openness, respect and trust.
- We believe that TransAlta's relationship with Aboriginal people and communities will be strengthened through a commitment to open dialogue, committed listening, being sensitive to concerns and addressing these concerns in a timely and proactive manner.
- We believe it is essential to honour the distinctiveness among Aboriginal people and communities when developing plans and policies.
- We believe Aboriginal communities are interested in developing relationships based on clearly identified mutual benefits and trust.
- We believe the Aboriginal population should be fairly represented in our workforce, and we will provide appropriate opportunities and support by proactively implementing initiatives to improve employment and business opportunities within TransAlta for them.

In 1999, TransAlta continued to translate that policy into action. A recent survey developed by the Angus Reid company confirmed that our relationship-building efforts are having a positive effect. In 1997, TransAlta began surveying Aboriginal communities to measure how our company was viewed in different areas including training, business and contracting, communication and community involvement. In the first year of that survey TransAlta scored an average rating of two out of five. By 1999, that number had improved dramatically to an average rating of four out of five.

In 1999, TransAlta donated more than \$57,000 to Aboriginal communities and awarded 13 \$1,500 scholarships to Aboriginal students. Our business dealings with Aboriginal communities also grew dramatically in 1999 to nearly one million dollars of purchased services and supplies from only \$350,000 in 1997.

One area of improvement we intend to address in 2000 is Aboriginal employment. We have not been successful in retaining a representative proportion of Aboriginal employees; in 1999, we employed 13 individuals with an additional 21 hired as seasonal employees. To address this issue, TransAlta will consider adding a pre-apprenticeship program to our existing activities that include a millwright apprenticeship program, an Aboriginal employment information database and the Aboriginal Educational Awards Program. TransAlta also offers in-house Aboriginal awareness seminars designed to help employees understand the issues and concerns of Aboriginal peoples and to enhance employees' awareness and appreciation of cultural differences.

*For more information on these programs, please contact George Blondeau, TransAlta's Manager of Aboriginal Relations, at (403) 267-4651 or by e-mail at [george\\_blondeau@transalta.com](mailto:george_blondeau@transalta.com).*



Canada's hockey hero, Wayne Gretzky, kicked off **Project Planet** Challenge in November.

In 1999, 450,000 guests visited Edmonton's Fringe Theatre Adventures.

TransAlta signed an agreement to manage the day use areas of the Wabamun Lake Provincial Park.

## CORPORATE DONATIONS AND SPONSORSHIPS

TransAlta is committed to helping improve the quality of life in the communities where our customers and employees live and work. Through corporate donations and sponsorships, we encourage and support health and social agencies, community facilities and educational, cultural and environmental organizations that contribute to the well-being of these communities.

### 1999 HIGHLIGHTS

**PROJECT PLANET CHALLENGE** TransAlta's newest environmental initiative was kicked off in November by none other than Wayne Gretzky, Canada's hockey legend. **Project Planet** challenges school-aged children across Alberta to come up with innovative ideas to improve their local environment.

**FRINGE THEATRE ADVENTURES (FTA)** TransAlta and the FTA welcomed more than 450,000 guests to performances from the 140 international theatre companies that converged on Edmonton for the 1999 edition of the Edmonton Fringe Festival.

**WABAMUN LAKE PROVINCIAL PARK** TransAlta and Alberta Environment put the final touches on a unique partnership between the provincial government and the private sector that will see TransAlta manage the day-use areas of Wabamun Lake Provincial Park for at least five years.

**ST. MONICA'S SCHOOL PARTNERSHIP** TransAlta employees donate hundreds of hours of volunteer time every year to work with the children of this inner-city Calgary school. Their time and devotion help these students receive much needed one-on-one instruction that would otherwise not be possible.



*TransAlta employees donate hundreds of hours of volunteer time to work with the children of St. Monica's School in Calgary.*

*TransAlta employees, retirees and contractors raised more than \$420,000 for the United Way. TransAlta matched their donation.*

*750,000 lights and dozens of TransAlta volunteers lit up the Calgary Zoo during Wildlights.*

**UNITED WAY** A highlight of TransAlta's community involvement in 1999 was our award-winning United Way Campaign. Employees, retirees and contractors raised more than \$420,000, which was matched by TransAlta, bringing the total donation to more than \$840,000. This superb employee effort has been recognized with the United Way of Calgary's award of excellence for best overall employee campaign in the city. In the Alberta capital region, TransAlta received recognition including two gold awards for highest average gift per employee and employee participation rate.

**WILDLIGHTS** TransAlta's Wildlights helped the Calgary Zoo reach an attendance milestone in 1999 – the one-millionth visitor of the year came through the gates in December during Wildlights. This is the first time the Zoo has reached this goal since 1988. Supported by enthusiastic TransAlta volunteers, Wildlights brightens the Zoo every year with more than 750,000 twinkling lights on trees and displays throughout the grounds during the Christmas season.

**TRANSALTA COMMUNITY TRANSFORMERS (TACT)** Formed in 1999, TACT is a group of TransAlta employees who volunteer to help the company direct local community investment in Wabamun-area communities. In December TACT donated \$10,000 to 10 local schools.

**PROJECTS ORGANIZED WITH ENERGETIC RETIREES (POWER)** TransAlta retirees logged over 5,000 hours of volunteer time in 1999. Thanks to this dedicated group, 900 families received 14,000 pounds of fresh vegetables grown in the retirees' community garden.

**ENVIRONMENTAL RESEARCH AND TEACHING** In 1999, TransAlta donated \$316,500 in support of environmental research and teaching at the University of Calgary, the University of Alberta, Queen's University and the Banff Centre for Management.

# measure ability



## STATISTICAL SUMMARY

		Canada			
	Units	96	97	98	99
<b>Environment, health and safety</b>					
stack regulatory contraventions	number	3	0	6	4
general air regulatory contraventions	number	6	7	5	11
spills to land regulatory contraventions	number	3	3	4	4
spills to water regulatory contraventions	number	3	4	7	9
other regulatory contraventions	number	2	6	3	9
environmental enforcement actions	number	1	1	0	2
<i>Canadian Transmission and Distribution data not included from 1996 – 1998</i>					
health regulatory contraventions <sup>(1)</sup>	number	no data	no data	no data	0
safety regulatory contraventions <sup>(1)</sup>	number	no data	no data	no data	0
health and safety enforcement actions <sup>(1)</sup>	number	no data	no data	no data	0
coal generation net capacity	MW	3,289	3,289	3,289	3,289
natural gas generation net capacity	MW	250	250	250	629
hydro generation net capacity	MW	795	795	795	795
geothermal generation net capacity	MW	0	0	0	0
coal net generation	MWh	25,170,529	25,900,826	25,169,741	24,108,597
natural gas net generation	MWh	1,164,532	1,614,212	1,787,068	2,164,900
hydro net generation	MWh	1,753,950	1,626,283	1,828,399	1,969,099
geothermal net generation	MWh	0	0	0	0
total generation	MWh	28,089,011	29,141,321	28,785,208	28,242,596
site full-time and full-time equivalent employees <sup>(2)</sup>	number	no data	no data	no data	2,158
total number of injuries	number	56	53	39	43
recordable injury frequency rate	per 200,000 exposure hours	2.63	2.58	1.94	2.20
short-term disability <sup>(2)</sup>	days/1000 employees	no data	no data	no data	1,862
vehicle accidents <sup>(2)</sup>	per 1,000,000 km	no data	no data	no data	6.9
health and safety training per employee <sup>(2)</sup>	hours/employee	no data	no data	no data	40
environmental training per employee <sup>(2)</sup>	hours/employee	no data	no data	no data	5
<b>Greenhouse gases</b>					
gross emissions	tonnes CO <sub>2</sub> E	27,368,982	28,307,520	27,738,072	26,955,383
net emissions	tonnes CO <sub>2</sub> E	24,094,620	24,468,173	23,463,350	22,532,856
net emissions per unit of generation	tonnes CO <sub>2</sub> E/MWh	0.858	0.84	0.815	0.798
<b>Air management</b>					
SO <sub>2</sub> emissions	tonnes	56,421	55,628	54,753	51,218
SO <sub>2</sub> emissions per unit of fossil generation	tonnes/MWh	0.00214	0.00202	0.00203	0.00195
NO <sub>x</sub> emissions	tonnes	45,314	47,484	45,324	44,797
NO <sub>x</sub> emissions per unit of fossil generation	tonnes/MWh	0.00172	0.00173	0.00168	0.00171
particulate emissions	tonnes	5,692	4,679	4,165	4,748
particulate emissions per unit of fossil generation	tonnes/MWh	0.00022	0.00017	0.00015	0.00018
<b>Land management</b>					
waste to landfill <sup>(2)</sup>	tonnes	no data	no data	no data	522
land used by plants, offices and equipment <sup>(2)</sup>	hectares	no data	no data	no data	19,374
paper used <sup>(2)</sup>	tonnes	no data	no data	no data	107
paper recycled <sup>(2)</sup>	tonnes	no data	no data	no data	138
<b>Water management</b>					
total water brought into the plant <sup>(2)</sup>	m <sup>3</sup>	no data	no data	706,551,420	653,864,416
total water exiting plant <sup>(2)</sup>	m <sup>3</sup>	no data	no data	610,187,130	554,478,395
water consumption <sup>(2)</sup>	m <sup>3</sup>	no data	no data	96,364,290	99,386,021
water use per unit of generation <sup>(2)</sup>	m <sup>3</sup> /MWh	no data	no data	3.35	3.52
<b>Social responsibility</b>					
community investments per employee <sup>(2)</sup>	\$/employee	no data	no data	no data	2,110
investment in research and development <sup>(2)</sup>	\$	no data	no data	no data	2,600,000

1) 1999 was the first year data had been collected in Canada. Data was not collected for New Zealand and Australia.

2) 1999 was the first year of reporting this information.

<i>Australia</i>				<i>New Zealand</i>			
96	97	98	99	96	97	98	99
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1	0	1	0	0	0	0	0
0	0	0	0	0	1	0	1
0	0	0	0	0	0	0	1
0	0	0	0	0	0	0	0
no data	no data	no data	no data	no data	no data	no data	no data
no data	no data	no data	no data	no data	no data	no data	no data
no data	no data	no data	no data	no data	no data	no data	no data
0	0	0	0	0	0	0	0
37	37	37	263	115	115	475	475
0	0	0	0	0	0	0	32
0	0	0	0	0	0	0	24
0	0	0	0	0	0	0	0
71,412	385,840	365,137	832,594	75,866	993,905	2,207,386	3,186,367
0	0	0	0	0	0	0	84,000
0	0	0	0	0	0	0	184,000
71,412	385,840	365,137	832,594	75,866	993,905	2,207,386	3,454,367
no data	no data	no data	39	no data	no data	no data	482
no data	no data	no data	1	no data	no data	no data	2
no data	no data	no data	1.11	no data	no data	no data	0.4
no data	no data	no data	0	no data	no data	no data	2
no data	no data	no data	0	no data	no data	no data	0
no data	no data	no data	9	no data	no data	no data	2
no data	no data	no data	0	no data	no data	no data	0
47,462	236,772	213,483	510,190	31,652	414,669	860,915	1,206,268
47,462	236,772	213,483	510,190	31,652	414,669	860,915	1,026,268
0.665	0.614	0.585	0.613	0.417	0.417	0.39	0.297
no data	no data	no data	2	no data	no data	no data	0
no data	no data	no data	0	no data	no data	no data	0
436	2,176	1,962	4,237	64	835	956	1,061
0.00611	0.00564	0.00537	0.00509	0.00084	0.00084	0.00043	0.00033
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
no data	no data	no data	20	no data	no data	no data	18
no data	no data	no data	11	no data	no data	no data	49
no data	no data	no data	5	no data	no data	no data	3
no data	no data	no data	0	no data	no data	no data	2
no data	no data	no data	182,058	no data	no data	no data	2,631,643
no data	no data	no data	34,934	no data	no data	no data	450,185
no data	no data	no data	147,124	no data	no data	no data	2,181,458
no data	no data	no data	0.177	no data	no data	no data	0.632
no data	no data	no data	103	no data	no data	no data	0
no data	no data	no data	0	no data	no data	no data	0

# sustain ability





## 2000 GOALS

GOAL	YEAR 2000 PLANS
<b>EH&amp;S MANAGEMENT</b>	by year-end ensure all environmental management systems are consistent with ISO 14001 standards for: Ontario IPP operations, Alberta transmission operations, Centralia and Australian generation operations   complete an audit by the CEA's Environmental Responsibility and Commitment (ERC) Program   audit contract service providers for wood poles and waste disposal   implement new corporate policies regarding auditing land transfer   institute a new health and safety policy
<b>SAFETY</b>	achieve an improved recordable injury frequency rate of 1.7 incidents per 200,000 hours worked   revise corporate safety manual   achieve external accreditation standard for safety management system
<b>GHG MANAGEMENT</b>	establish a post-2000 greenhouse gas commitment   continue to invest in offsets and further develop market mechanisms to validate and value offsets   continue to contribute to greenhouse gas policy development at regional, national and international levels
<b>REGULATORY COMPLIANCE</b>	reduce number of regulatory contraventions by at least 10 per cent
<b>REDUCTION OF TOXIC SUBSTANCES</b>	achieve Accelerated Reduction/Elimination of Toxics (ARET)* target of a 50 per cent reduction of arsenic emissions from 1990 levels   achieve ARET target of 50 per cent reduction of hydrazine emissions from 1990 levels
<b>PUBLIC REPORTING</b>	provide a third-party audited report   maintain consistency with evolving Global Reporting Initiative reporting guidelines   continue to increase the level of certainty regarding emission reduction actions, including verification and ownership   integrate reporting into fewer, more comprehensive reports   increase electronic dissemination of reports
<b>CORPORATE CITIZENSHIP</b>	re-evaluate our corporate citizenship policies and priorities aligning them with TransAlta's new focus

\* The Accelerated Reduction/Elimination of Toxics (ARET) is a voluntary Canadian government program aimed at reducing toxic substances used and released by industry. TransAlta has reduced our use of products containing ARET ingredients from 163 to 54.

## POLICIES

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TRANSALTA CORPORATION WILL:

### **CORPORATE ENVIRONMENT POLICY**

| meet or surpass all environmental legislation, regulations, and other applicable requirements and continuously improve our environmental performance consistent with defined goals | fully integrate environmental and economic considerations into our processes of planning, constructing, operating and decommissioning | ensure that the environmental impacts and risks of company activities are identified, assessed and managed | proactively advocate socially responsible laws and regulations and, where appropriate, market-based and voluntary approaches for achieving environmental objectives | inform and encourage meaningful consultation and collaboration with employees, customers, contractors and the public related to our operations and their impact on the environment | be an environmentally responsible neighbour in the communities in which we operate | act promptly and responsibly to correct incidents or conditions that endanger the environment and inform those who may be affected | achieve ongoing improvements in eco-efficiency through reductions in wastes and emissions per unit of electrical and thermal energy produced and delivered | identify and develop new business practices and business opportunities which represent solutions to environmental problems and create value for shareholders | use a performance assurance process to assess compliance with this policy and our environmental management system; performance assurance results will be reported periodically to the board of directors

### **CORPORATE HEALTH AND SAFETY POLICY**

| ensure a safe and healthy working environment with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations | ensure that all employees conduct their work based on the principles of: knowledge of the hazards to which they are exposed, participation in designing and implementing hazard control measures, right to refuse unsafe work and obligation to conduct work safely | ensure that the health and safety impacts and risks of company activities are identified, assessed and managed | ensure that employees and contractors working on our behalf are appropriately trained to protect themselves from injury or occupational illness | hold all levels of management accountable for providing and maintaining a healthy and safe work environment | hold each TransAlta employee, and contractors working on our behalf, accountable to work in a manner that safeguards the public, themselves and their co-workers | enforce the standard that working safely is a condition of employment | use a performance assurance process to assess compliance with this commitment and our Environment Health and Safety Management System; performance assurance results will be reported periodically to the board of directors

**CORPORATE GOVERNANCE** TransAlta's board of directors is comprised of experienced leaders representing varied geographical and professional backgrounds including finance, business and public service. On behalf of TransAlta's shareholders, the board of directors is responsible for the stewardship of the corporation, establishing overall policies and standards and reviewing strategic plans. During 1999, the directors met on 11 occasions including one special meeting devoted exclusively to TransAlta's corporate strategy and direction. Eleven of the 12 board members are independent of management. The board has established three permanent committees for the continuous review of the principle risks to the corporation and monitoring the systems for managing these risks. All committee members are independent of management.

**TRANSALTA  
CORPORATION  
OFFICERS**

**John T. Ferguson**  
CHAIR OF  
THE BOARD

**Stephen G. Snyder**  
PRESIDENT & CHIEF  
EXECUTIVE OFFICER

**Ian A. Bourne**  
EXECUTIVE  
VICE-PRESIDENT  
& CHIEF FINANCIAL  
OFFICER

**James F. Dinning**  
EXECUTIVE  
VICE-PRESIDENT,  
SUSTAINABLE  
DEVELOPMENT &  
EXTERNAL RELATIONS

**Dawn L. Farrell**  
EXECUTIVE  
VICE-PRESIDENT,  
INDEPENDENT POWER  
PROJECTS

**Gary R. Holden**  
EXECUTIVE  
VICE-PRESIDENT,  
GENERATION

**Murray A. Nelson**  
EXECUTIVE  
VICE-PRESIDENT,  
NEW ZEALAND

**John A. Tapics**  
EXECUTIVE  
VICE-PRESIDENT,  
TRANSMISSION  
& DISTRIBUTION

**Tracy A. Bertsch**  
SENIOR  
VICE-PRESIDENT, SALES  
& MARKETING

**Linda K. Chambers**  
SENIOR  
VICE-PRESIDENT,  
HUMAN RESOURCES

**Brian P. Clewes**  
SENIOR  
VICE-PRESIDENT, TEAM  
LEADER-CENTRALIA  
TRANSITION TEAM

**Paul H.E. Taylor**  
SENIOR VICE-  
PRESIDENT, CORPORATE  
DEVELOPMENT

**Toby J. Austin**  
VICE-PRESIDENT, IPP  
BUSINESS OPERATIONS

**Raymond M. Gollmer**  
VICE-PRESIDENT &  
CHIEF INFORMATION  
OFFICER

**G. Duane Lyons**  
VICE-PRESIDENT, IPP  
MARKETING

**Robert J.D. Page**  
VICE-PRESIDENT,  
SUSTAINABLE  
DEVELOPMENT

**S. James Simmons**  
VICE-PRESIDENT,  
IPP PLANT OPERATIONS  
& ENGINEERING

**Marvin J. Waiand**  
VICE-PRESIDENT  
& TREASURER

**Richard W. Way**  
VICE-PRESIDENT,  
REGULATORY AFFAIRS

**Robert C.P. Westbury**  
VICE-PRESIDENT,  
CORPORATE RELATIONS

**Robert D. Hallett**  
GENERAL COUNSEL

**Laura G. Letourneau**  
CORPORATE SECRETARY

**Bart W. Demosky**  
ASSISTANT TREASURER

**Audit and Environment Committee**

The committee is responsible for reviewing and inquiring into matters affecting financial reporting, risks inherent in the business and environmental regulation of the corporation's activities. This committee met six times in 1999. Committee Chair: J.W. Madill. Members: L.I. Bell, S.J. Bright, J.T. Ferguson, C. Hampson, D.S. Kaufman and J.S. Lane.

**Human Resources Committee**

The committee is responsible for reviewing and recommending executive compensation programs, succession plans and acting as steward for the corporate pension plan. This committee met six times in 1999. Committee Chair: C.H. Hantho. Members: J.C. Donald, J.T. Ferguson, L.D. Hyndman and R.A. Thrall.

**Nominating and Corporate Governance Committee**

The committee is responsible for the composition and compensation of the board of directors and for developing the company's approach to governance issues. This committee met four times in 1999. Committee Chair: D.S. Kaufman. Members: L.I. Bell, J.T. Ferguson, C.H. Hantho, L.D. Hyndman and J.S. Lane.

**1999 Annual Reports**

TransAlta Corporation  
TransAlta Utilities Corporation  
TransAlta Power Limited Partnership  
TransAlta Corporation Sustainable Development

**1999 CHANGES** Stanley Bright was appointed to the board of directors in October 1999. Tracy Bertsch, Bart Demosky, Ray Gollmer and Laura Letourneau were appointed officers of TransAlta Corporation. Marvin Waiand was appointed vice-president and treasurer.

Don Boone and Wolfgang Janke retired in 1999. Ian Bootle, Bill Trafford and Terry Dagleish resigned as officers of TransAlta Corporation. Mr. Dagleish maintains a relationship with TransAlta as external counsel.

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**TRANSALTA INVITES** public comment on this report. To share your comments please e-mail Sustainable Development at [sustainable\\_development@transalta.com](mailto:sustainable_development@transalta.com).



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