

## Sustainable Development Targets

Our 2017 and longer-term sustainability targets 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. We continue to evolve and adapt targets to focus on anticipated key areas of materiality to stakeholders. Targets are outlined below:

	Human and Intellectual	Annual Performance Status
<b>1. Reduce safety incidents</b>	Achieve an Injury Frequency Rate below 0.50	33 per cent improvement over 2016 target of 0.75
<b>2. Manage employee turnover</b>	Maintain voluntary turnover percentage under eight per cent	Consistent with 2016 target, we seek to maintain voluntary turnover under 8 per cent as this is considered a healthy amount of turnover
<b>3. Support employee development</b>	Continue development plans for all high-potential employees at the top three levels of the organization	Consistent with 2016 target, ongoing leadership development

	Natural	Annual Performance Status
<b>4. Minimize fleet-wide environmental incidents</b>	Keep recorded incidents (including spills and air infractions) below 11	15 per cent improvement over 2016 target (13)
<b>5. Increase mine reclaimed acreage</b>	Replace annual topsoil at Highvale mine at a rate of 74 acres/year	Consistent with 2016 target (74 acres)
<b>6. Utilize coal by-product</b>	Sell a minimum of two million tonnes of coal byproduct materials during the period 2015 to 2017	70 per cent achieved (on a target to meet 2 million tonnes in 2017)
<b>7. Reduce air emissions</b>	95 per cent reduction from 2005 levels of TransAlta coal facility NOx and SO <sub>2</sub> emissions by 2030	Consistent with 2016 (long-term target)
<b>8. Reduce GHG emissions</b>	Our goal, in line with a commitment to the UN Sustainable Development Goals (SDGs), is to reduce our total GHG emissions in 2021 to 30 per cent below 2015 levels	Revised baseline to align with COP21 commitments and target aligned with UN Sustainable Development Goals
	Our goal, in line with a commitment to the UN SDGs and prevention of two degrees Celsius of global warming, is to reduce our total greenhouse gas emissions in 2030 to 60 per cent below 2015 levels	Revised baseline to align with COP21 commitments; target aligned with Science Based Targets Initiative and prevention of two degrees Celsius of global warming; and target aligned with UN SDGs

	Social and Relationship	Annual Performance Status
<b>9. Support youth education with community investment</b>	Approximately \$0.75 million of community investment spending will be directed to supporting youth education	Revision from 2015, which was 50% of total community
<b>10. Increase internal best practice Aboriginal engagement awareness</b>	Develop an engagement and consultation best practices document for project planning and development as a guide for employees to work with indigenous communities and stakeholders	New target

	Comprehensive	Annual Performance Status
<b>10. Transition from coal to gas-fired and renewable generation</b>	Continue negotiations with the Government of Alberta, using a principles based approach, to ensure we have regulation certainty and the capacity needed to invest in clean power.	New target