Annual Corporate Sustainability Report
2015/2016

AltaLink's Annual Corporate Sustainability Report – 2015/2016

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1.0 Introduction

This report provides information on AltaLink's corporate sustainability program using the international Global Reporting Initiative (GRI) protocol and provides information for both 2015 and 2016. All relevant performance indicators where information is available for disclosure have been included and alignment to the extent possible with the GRI fourth generation (G4) has been included. Like previous years' reports, this information highlights data and information available in other AltaLink documents and leverages the underlying sustainability theme of "it's all connected".

2.0 Standard Disclosures

2.1 AltaLink's Vision and Strategy

2.1.1 AltaLink's Vision

To be the best transmission company in serving customers, while delivering long-term, sustainable solutions.

2.1.2 Strategy - Investing in Alberta's Clean Energy Future

AltaLink's depth of expertise in Alberta's electricity sector, our set of core principles (http://www.altalink.ca/files/pdf/reports/mda/Q4_2016_MDA_FINAL.pdf) and our commitment to being a sustainable electricity company through our brand designation with the CEA are fundamental components of our overall corporate sustainability strategy, ensuring we make the best decisions possible for our customers and all Albertans. AltaLink recognizes that reliable, affordable and environmentally sustainable electricity for Alberta's businesses and families depends on a diversified portfolio of resources that includes renewables, cogeneration and other gas-fired generation, energy efficiency, and strong access to regional markets.

AltaLink is committed to pragmatic, made in Alberta solutions that bring about fundamental changes to reduce carbon emissions while maintaining a reliable, affordable, clean and safe electricity grid. AltaLink continues to prepare Alberta for generation capacity from regionally

dispersed resources such as wind and solar, while monitoring technological advances such as electricity storage.

AltaLink and Alberta are well positioned for the future thanks in part to investments in a transmission system that will help get new sources of low-carbon, renewable energy to homes, farms and businesses province-wide. AltaLink has been reinforcing the transmission system in central and southern Alberta, readying it to accommodate a cleaner, greener and economically stronger Alberta. AltaLink's depth of expertise along with our commitment to a brighter future inform our sustainability strategy. More detailed information, including stakeholder feedback on AltaLink's strategy and direction are available at the following site: http://www.altalink.ca/about/investing-in-albertas-future.cfm .

2.1.3 AltaLink's Six Core Principles

The following six core principles are at the heart of everything AltaLink does every day and direct all activities to achieve our strategy – they represent how AltaLink will be successful.

Customer Service
We are focused on delivering reliability, dependability, fair prices and exceptional service to our customers around the world.

Employee Commitment
We equip employees with the resources and support they need to be successful. We encourage teamwork and provide a safe, rewarding work environment. We make no compromise when it comes to safety.

Environmental Respect
We are committed to using natural resources wisely and protecting our environment for the benefit of future generations. Our Environmental RESPECT Policy details this commitment in the areas of Responsibility, Efficiency, Stewardship, Performance, Evaluation, Communication and Training.

Regulatory Integrity
We adhere to a policy of strict regulatory compliance and pursue frequent, open communication with regulators regarding our business performance.

Operational Excellence
Together with our employees, we pride ourselves on excellence in every aspect of our work. Our high standards for operations and system maintenance enable us to meet and exceed our customers' expectations, perform our work safely and preserve our assets.

Financial Strength
To Berkshire Hathaway Energy, sustainability goes beyond respect for the environment. To be sustainable, a business must also be financially strong. Making the investments needed for excellent customer service and long-term growth requires predictable earnings, strong credit ratings and access to capital.

2.1.4 Analysis

The strategic direction supported by our six core principles outline what success looks like for AltaLink moving forward. AltaLink will continue to focus on operational excellence to ensure we are running as efficiently and effectively as possible. An example is our internal focus on reducing, where appropriate and applicable, our energy consumption associated with day to day operations. Since 2016 AltaLink has focused on fuel reduction initiatives in our fleet of production and passenger vehicles as well as reducing the amount of electricity we consume in our office environments. This focus has resulted in a reduction of over 460 tonnes of carbon dioxide equivalent from being released into the atmosphere. (See Note 5 for details)

In terms of customer service we improved our customer reliability reducing our customer outage duration by 45% from 2015 and our customer outage restoration time by 20% from 2015. In 2016, 85% of direct customers surveyed said they were satisfied with AltaLink's services, meeting our expectation.

Consistent with our strategy AltaLink continues to invest in the transmission system in Alberta. These investments included:

- Energization of major infrastructure projects across Alberta including the Western Alberta Transmission Line, the Foothills area Transmission Development, the South Foothills Transmission and Ipiatik projects - all ahead of schedule and at or below the approve project estimated costs,

- Completion and energization of a major reconfiguration of the Medicine Hat transmission system to enable the connection of more wind generated power onto the Alberta electric system

- Completion of a final portion of a major project in the Edmonton area that will improve reliability and congestion

- Over the last two years AltaLink has invested over $1 Billion in capital assets to ensure continued reliability of the electricity network and help prepare Alberta for a renewable energy future.

Our commitment to our employees has resulted in excellent safety results, exceeding our five year historical average results. We also received two awards from the Canadian Electricity Association for our 2015 safety performance; the President's Award of Excellence for Employee Safety and the Vice President's Award of Excellence for Transmission and Distribution Employee Safety. AltaLink also reached a new collective bargaining agreement with the UUWA effective January 1, 2016 through to the end of 2019.

With respect to regulatory integrity AltaLink received a decision from the Alberta Utilities Commission (AUC) on our 2015-2016 General Tariff Agreement. The AUC approved the majority of our proposed immediate rate-relief measures for our customers in the amount of $600

million for 2015 to 2018. The customer rate relief resulted in cash flow from operations decreasing from $404.9 million in 2015 to $158.0 million in 2016 helping all rate payers in the province of Alberta. Creditors also raised their long-term corporate credit and senior secured ratings on AltaLink to "A" from "A-" with a stable outlook solely as a consequence of an upgrade to our parent company, BHE. This strong "A" rating allows AltaLink to continue to provide lower debt financing costs for our customers as we continue to invest in the electricity system in Alberta.

2.2 Organizational Profile

The following standard disclosures give an overview of the organizational characteristics of AltaLink to provide context with regard to other sections of these guidelines. These disclosures apply for both 2015 and 2016. A broad materiality assessment was undertaken and hyperlinks to publically available information are provided under the appropriate aspects.

G4-3	Name of organization	AltaLink Management Ltd. (ALM)	
G4-4	Primary services/brands	Alberta's largest regulated electricity transmission company (http://www.altalink.ca/about/company-overview.cfm)	
G4-5	Location of HQ	Calgary, AB	
G4-6	# of Countries operational in	One, Canada	
G4-7	Nature of ownership and legal form	(http://www.altalink.ca/about/governance/regulatory-information.cfm) (http://www.altalink.ca/files/pdf/reports/mda/Q1_2016_MDA_Final.pdf)	
G4-8	Markets served (geographically, sectors and types of customers)	AltaLink is a transmission facility owner (TFO) which owns and operates transmission facilities in Alberta that form the largest part of the Alberta Interconnected Electric System (AIES). AltaLink's transmission system serves approximately 226,000 square km covering a diverse geographic area, including most major urban centres in central and southern Alberta. AltaLink's transmission facilities comprise approximately half of the total kilometres in the AIES, including approximately 13,000 km of high-voltage transmission lines and 308 substations, energized at voltages up to 500 kV and used to supply electricity to approximately 85% of Alberta's population. AltaLink also owns and operates the interconnection facilities which connect its system with the transmission network in British Columbia, allowing electricity to flow into and out of Alberta.	
G4-9	Scale of organization: • Total # of employees	2015	2016
		Total # of employees – 831	799
		(Total # of ops employees – 465)	439 – operational employees
G4-10	Report the total:	779 full time permanent employees	762 full time permanent

	• Employees by employment (contract or permanent) type • Workforce and associated variations (seasonal, etc.)	37 full time term positions 14 part time permanent positions 1 part time term employee	23 full time term positions 14 part time permanent positions
G4-11	% Covered by collective agreement	(473/831)= 57%	(449/799)= 56%
G4-12	Describe organ's supply chain	AltaLink currently has a procurement policy in place that impacts the entire supply chain within the company. (AltaLink Procurement Policy for Materials and Services, AL-2000)	
G4-13	Report significant changes to size, structure, ownership	http://www.altalink.ca/files/pdf/reports/mda/Q1_2016_MDA_Final.pdf	http://www.altalink.ca/files/pdf/reports/mda/Q4_2016_MDA_FINAL.pdf
G4-14	Report whether and how "precautionary principle" is addressed.	Information on AltaLink's business strategies, projects, community involvement and opportunities are available at the following website: http://www.altalink.ca/ Additionally, AltaLink's enterprise risk management process is located at the following website under the heading of Risk Management and provides insight into assessing risk and appropriate levels of response: http://www.altalink.ca/files/pdf/reports/mda/Q4_2016_MDA_FINAL.pdf	
G4-15	Externally or third party developed charters, principles or initiatives the organ endorses or subscribes.	N/A	
G4-16	List memberships held, participates in, provides funding for or views membership as strategic – applies to both 2015 and 2016	• CEA – Canadian Electricity Association • IPPSA – Independent Power Producers Association • CIGRE Canada - International Council on Large Electric Systems • EEI – Edison Electric Institute • PNWER – Pacific North West Economic Region • BCC – Business Council of Canada • CanSIA – Canadian Solar Industries Association • CanWEA - Canadian Wind Energy Association • WIRES - Working Group for Investment in Reliable and Economic Electric Systems	

		• Calgary Chamber of Commerce • Energy Council of Canada (in 2015, discontinued in 2016) • NAFT - North American Transmission Forum • JUST – Joint Utility Safety Team • COAA – Construction Owners of Alberta Assoc. • AEUSA – Alberta Electric Utility Safety Assoc. • Avian Powerline Interaction Committee

2.3 Material Aspects and Boundaries

These standard disclosures provide an overview of the processes followed by the organization to define report content, material aspects and boundaries.

G4 -17	Entities included in consolidated financial statements	See existing 2016 Financial statement for AltaLink Management Ltd. (AML) as applicable for both reporting years: http://www.altalink.ca/files/pdf/reports/quarterly/Q4_2016_FS-FINAL.pdf
G4-18	Explain process for defining report content and aspect boundaries	Internal resources reviewed GRI G4 reporting guidelines and with direction from senior leadership team identified the most material aspects applicable within report boundaries. One operational unit (ALM) operating in one geographic territory allowed direct aspect boundary determination.
G4-18	Explain how the organ. has implemented the Reporting Principles for defining report content	Corporate sustainability specialist with direction from Environment Health and Safety VP and Chief Operating Officer
G4-19	List all material Aspects identified in the process	Detailed process with focus on EMS
G4-20	Boundary of report	AltaLink Management Limited
G4-21	Aspect boundary outside organization	N/A
G4-22	Report any restatements	None to report
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect boundaries	http://www.altalink.ca/files/pdf/reports/mda/2014-q4.pdf http://www.altalink.ca/files/pdf/reports/mda/Q4_2016_MDA_FINAL.pdf

2.4 Stakeholder Engagement

These standard disclosures outline the stakeholder engagement process during the reporting period and may not be specifically aligned with the report preparation guidelines, and unless otherwise indicated apply to both reporting years.

G4-24	Provide a list of stakeholders groups engaged by the organization.	The Alberta Utilities Commission (AUC) defines stakeholder as "All persons whose rights may be directly and adversely affected by a proposed development." This may include, but not limited to, the following: • Landowners, • Renters or Lessors, • Proxy, POA, or Direction holders, • Encumbrance holders, • Occupants, • Residents, • Crown land leaseholders, • Trappers, • Local government representatives, officials and departments, • Regional government representatives, officials and departments, • Provincial government representatives, officials and departments • Landowner advocate groups, • Public and private companies, • First Nations communities, and • Métis communities. There are additional classifications of stakeholders. All stakeholders on a project received project information. Notification stakeholders are within the notification boundary are consulted when they self-select. Consultation landowners are stakeholders adjacent to proposed facilities. Facilities on Land (FOL) landowners are potentially directly affected by proposed facilities.
G4-25	Report process to identify stakeholders	AltaLink uses the definition of stakeholders as identified by the Alberta Utilities Commission, specifically within Rule 007 Appendix A A1 – Participant involvement program guidelines: http://www.auc.ab.ca/acts-regulations-and-auc-rules/rules/Documents/Rule007.pdf
G4-26	Report approach to stakeholder engagement	The stakeholder engagement process begins once the project direction has been provided by the AESO to AltaLink. The direction includes project scope and connection points.

		This allows AltaLink to begin siting the transmission facilities as well as begin the stakeholder identification and selection process, outlined in section G4-25. Stakeholders are specific to each project based on the notification criteria. We provide project specific information to all project stakeholders. The information is provided after material changes in the project such as, but not limited to the following: • preliminary siting and routing of transmission facilities, • site and route updates, • project scope changes, • route determinations, and • timing of construction activities. We also notify all stakeholders after: • the facility application has been filed with the AUC, • approval of the facility application and receipt of permits and licenses. We also notify stakeholders if: • a hearing is called by the AUC for the project, and • AltaLink files an amendment with the AUC. AltaLink uses the following methods to communicate with stakeholders: • mailing, hand delivery and email of Project Specific Information Packages • phone calls, and meetings to complete consultations, • group meetings and presentations, • open houses, information sessions and information feedback sessions, • 1-800 number and general email, and • online and telephone surveys.
G4-27	Report key topics and areas of concerns identified by stakeholders and process to deal with them	A compilation of issues identified by all of AltaLink's stakeholders across all projects includes the following: • Annual Structure Payments • Audible Noise • Compensation • Electromagnetic frequency (EMF) • Environment • Farm/Machinery Access

		• Other – future developments, other developments in the area, access roads, construction activities, fire safety • Radio/TV Interference • Right-of-Way Acquisition • Tree Trimming • Visual • Weed Control AltaLink records the concerns and questions of stakeholders and either a Stakeholder Engagement team member or subject matter expert within AltaLink will follow up with the stakeholder to address, inform, and hopefully resolve the concern. **See Note 1 – Landowner Outreach Initiative** **See Note 2 - Reliability**

Note 1: Landowner Outreach Initiatives

Originally launched in 2014 as the Landowner Advocate, the renamed Landowner Outreach Initiative (LOI) has been receiving positive feedback from the stakeholders it is engaging, with 88% of landowners giving AltaLink a high satisfaction rating in dealing with their identified issues.

The goal of AltaLink's LOI is to assess relationships with landowners hosting its facilities by proactively reaching out to them and providing timely feedback. Through these conversations, AltaLink provides them with an opportunity to voice their concerns, ask questions and provide feedback about how the company is doing. The benefit is that AltaLink gets the opportunity to address and mitigate any issues or concerns that are raised.

"The outreach has been well-received as landowners are pleasantly surprised to receive a call from AltaLink asking if they have any outstanding issues or concerns with the transmission lines crossing their lands," said Bob MacDonald, consultation specialist. "What landowners have appreciated most is the quick response time and action we have taken based on their feedback. It's a great initiative that helps us continuously improve the way we do things by simply making a phone call."

Since January 2015, AltaLink has made 1,438 calls to landowners hosting its facilities. Out of those calls, the team had conversations with 826 people. The results continue to provide AltaLink with valuable information and feedback about how our landowners are reacting to having our facilities on their lands:

• 88% provided a rating of 8 or higher when asked "How satisfied are you with AltaLink?"
• 90% of landowners appreciated the call
• 85% of landowners confirmed they have no issues with AltaLink

- 123 landowners (less than 15%) had questions or issues
- 47% of the questions were about Annual Structure Payments or compensation
- 61 landowners required a follow-up

The LOI will continue, with the goal of contacting 20% of landowners on a rotating basis each year.

Note 2: Reliability

Reliability and reputation are directly linked at AltaLink and ultimately drive our business. In the spring of 2016 it was recognized that the potential existed for a challenging spring and summer season in terms of reliability and the impact severe weather conditions could have on our facilities.

AltaLink has a number of customers who are connected to the grid via a single transmission line, called a radial line, with no other connections to the grid to act as a backup in case of an outage on that radial line. Prolonged outages, often caused by adverse weather or failed equipment, which are typically infrequent on our system, are those often involving these radial lines.

While AltaLink cannot control the weather, it has developed an Outage and Restoration Initiatives program aimed at proactively identifying and dealing with regions with high potential for outages. Through this program AltaLink is becoming better prepared to use historical data to forecast potential problem areas and either mitigate the identified problems or be prepared to respond as quickly and effectively as possible when an event do occur.

AltaLink's Reliability Steering Committee assists in deploying the Outage Prevention and Restoration Initiatives that include activities such as:
- Identifying and rebuilding older radial lines and upgrading them to a newer standard that includes lightning protection.
- Reviewing historical meteorological and outage data to identify high risk regions of the province and allocate resources accordingly.
- Engage with other industry stakeholders and partners to ensure resources are available and ready for deployment, particularly in the high risk regions.
- The System Operations group has implemented a "Graduated system threat response" process that assists in quicker response times. Using weather data in conjunction with live displays to predict potential interruptions, and when weighed with available resources managers can give assets a green, yellow, amber or red alert rating. The appropriate personnel are notified as risk levels grow and the necessary resources are notified to keep an eye on the growing threat.

2.5 Report Profile

These standard disclosures provide basic information about the report, the GRI context and the approach for seeking external assurance if applicable.

G4-28	Reporting period	2015/2016	
G4-29	Date of previous report	2014	
G4-30	Reporting cycle	Annual going forward	
G4-31	Contact point for questions regarding report content	ALM Corporate Sustainability Specialist	
G4-32	GRI Index	These series of tables	For this reporting cycle "in accordance" will not be used

2.6 Governance

The following sections, unless otherwise stated, remain consistent for both reporting years. Hyperlinks to specific years are provided with 2015 appearing above 2016 if differences exist.

G4-34	Report the governance structure of the highest decision making committee of the organ	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-37	Process for consultation between identified stakeholders and	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571

	highest governance body.	
G4-38	Composition and biographies of the Board of Directors	http://www.altalink.ca/about/governance/board-of-directors.cfm
G4-39	Confirm if Chair of the highest governance body is also an executive officer	No
G4-40	Process for the nomination and selection of Board of Directors	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-41	Report process to avoid conflicts of interest and disclosure of same by Board of Directors	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-42	Highest governance body's role in developing, approving and updating vision, mission, strategies, policies and goals related to corporate sustainability	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-43	Report measures taken to enhance highest governance body's knowledge of corporate sustainability	(http://www.altalink.ca/about/investing-in-albertas-future.cfm)
G4-44	Describe processes for evaluating highest governance body's performance including: • Independence • Self-assessed • Frequency, • Actions taken to respond to evaluation	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-45	Highest governance body's role in risk assessment and due diligence	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-46	Report the highest governance body's role in reviewing the	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571

		effectiveness of the organization's risk management processes for economic, environmental and social topics.	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-49	Report the process for communicating critical concerns to the highest governance body.	http://www.altalink.ca/about/governance/regulatory-information.cfm
G4-50	Report number and nature of concerns raised in last reporting period and mechanisms used to address them	None identified
G4-51	Report the remuneration polices for the highest governance body and senior executives and any relation to corporate sustainability objectives	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-52	Report process for determining remuneration and whether outside	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571

	consultants are retained and whether they are independent from management.	
G4-53	Report how stakeholders views are sought and incorporated regarding remuneration	N/A

2.7 Ethics and Integrity

G4-56	Describe the organization's principles, codes of conduct and codes of ethics	http://www.altalink.ca/about/vision-core-principles.cfm http://www.altalink.ca/about/governance/code-of-ethics-business-conduct.cfm http://www.altalink.ca/files/pdf/about/AltaLink_Annual_Compliance_Report_2015.pdf
G4-57	Report on internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	http://sedar.com/GetFile.do?lang=EN&docClass=1&issuerNo=00019365&issuerType=03&projectNo=02486786&docId=3923571
G4-58	Report on internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	http://www.altalink.ca/files/pdf/about/AltaLink_Annual_Compliance_Report_2015.pdf

3.0 Specific Standard Disclosures – Performance based indicators

3.1 Disclosures on Management Approach

AltaLink uses a balanced scorecard to track and trend annual performance to ensure consistent results relative to a set of objectives and targets that are established annually. All departments and business units work to ensure success with consistent and timely information shared throughout the course of the year with regards to progress towards meeting these objectives and targets.

Directly linked to AltaLink's strategy and analysis previously referenced, the GRI management approach is an opportunity to outline material impacts and how these are being managed. While a rudimentary materiality assessment was undertaken for the purposes of using the GRI reporting framework for this report, a commitment to a more formal materiality assessment may be beneficial in the future.

3.2 Economic Indicators

EC-1	Direct economic value generated and distributed:	http://www.altalink.ca/files/pdf/reports/quarterly/ALP_FS_and_Notes_Q4_2015_Final.pdf	http://www.altalink.ca/files/pdf/reports/quarterly/
	• Operating costs • Employee wages/benefits • Provincial taxes • Federal taxes • Gross spent in Alberta (cap and operating costs as %) • Property, plant and equipment	• $129M • $117M • $35M • $5M • 83% • $7,674M	• $115M • $114M • $41M • $7M • 80% • $7,861M
EC-3	Coverage of the organization's defined benefit plan obligations	http://www.altalink.ca/files/pdf/reports/mda/MDA_Q4_2015_Final.pdf	
Previous reports	Operating expenses measured against property, plant and equipment (trends operating costs as a ratio of size of the system – relative metric as	129M/7,674M = 1.7%	115M/7,861 = 1.5%

	AltaLink moves towards operations/main. vs new construction)		
Previous reports	Infrastructure maintenance and investment – CRU/PPE (as a %, trends reinvesting in the system)	143M/7,674M = 1.9%	128/7,861 = 1.6%
Previous reports	Construction work in progress (CWIP) - includes new facilities and upgrades/mainte nance to existing assets	$447M	$267M
Previous reports	Credit rating	A	A

3.3 Environmental Indicators

For this corporate sustainability report, AltaLink's Environmental Management System (EMS) serves as the framework upon which we are reporting environmental performance. Details of a comprehensive review of the EMS to align with 14001:2015 are outlined in Note 3.

NOTE 3: AltaLink's Environmental Management System (EMS)

AltaLink's environmental management system (EMS) provides a framework for the company to strategically address environmental risks and opportunities with a goal of continuously improving overall environmental performance.

The benefits of maintaining an effective EMS include but are not limited to:
- Early identification of opportunities for efficiencies and cost savings
- Managing environmental risk while maintaining legal compliance
- Increasing collaboration across all working groups on the importance and relevance of environmental issues and potential impacts
- Effectively demonstrating AltaLink's commitment to environmental performance excellence to our various stakeholder groups.

The International Standards Organization (ISO) updated their international protocols for environmental management systems in 2015. Now referred to as the 14001:2015 standard, this update, among other things, places a greater emphasis on analysis of environmental performance. For the last two years AltaLink has been undertaking a comprehensive review and update of our EMS with a goal to be fully integrated within the company and to align with the revised ISO14001:2015 standard. This work has been extensive, productive and effective at raising awareness and understanding of the importance of managing our environmental risks.

For 2015, the focus was to both align with the new ISO14001:2015 standard and ensure the EMS was fully integrated within the company. The Corporate Environmental Policy, was replaced with the Environmental RESPECT policy, which aligns with our core principles and demonstrates AltaLink's commitment to the environment. In 2015, we prioritized and planned updates to our operational controls (standards, procedures and training) according to risk. One of our standards that underwent a significant environmental update included the Environmental Health and Safety Specifications and Requirements for Contractors (ALS-2006). This standard outlines AltaLink's expectations for contractors environmental and safety management and performance. This review and update included a thorough regulatory update and now provides specific direction to contractors in our areas of environmental risk. The updates to ALS-2006 represents a tangible example of ongoing and continuous improvement associated with our EMS.

2016 activities have included an in depth review of all relevant environmental standards and their application across all business units. During 2016, multi-disciplinary working groups reviewed and updated several operational controls including the clubroot, SF6 and PCB standards and procedures. The 2016 review also resulted in an updated mandatory environmental awareness training. This new electronic training is required of all employees and in house contractors and must be repeated every three years.

The following information has been presented in previous sustainability reports and, consistent with the focus on materiality, remain important metrics on environmental performance for AltaLink.

		2015	2016
Previous reports	# of high-risk substations mitigated in 2015	5	3
Previous reports	High-risk bird electrocution structures/facilities retrofitted (includes km of bird diverters installed)	Approx. 600 Km of diverters installed to date	An additional 48 km installed this year
Previous reports	# of priority spill events (CEA definition – any spill to water or spill of >500L)	1	3
Previous reports	Amount of material destroyed containing PCB's (kg)	2,744kg*	2,754 kg*
Previous reports	Units of electronic waste removed for repurposing or recycling	548	2,353
Previous reports	Amount of paper sent for recycling	41,262 kg (90,966 lbs)	112,095.95 kg (246,611.09 lbs)
Previous reports	SF6 consumed as part of normal operations	45.4 kg (100 lbs)	41 kg (90 lbs)
Previous reports	Electricity consumed	5,972,081 Kwh from five locations in AB	5,569,612 Kwh

	* product going to 3rd party for destruction as per invoices/weigh bills (1.16L = 1 kg)

Note 4: Historical Resource review

AltaLink is recognized as an industry leader in the area of historical resource management by Alberta-based regulators. The process to identify, protect, and preserve significant archaeological, paleontological, and historic sites parallels work undertaken as part of the environmental review and is thus presented here. This work is also a tangible example of how material aspects of the work undertaken by AltaLink are demonstrable examples of AltaLink being a corporately responsible entity.

In 2011, AltaLink established a dedicated Historical Resources Advisor position to support major, regional, customer, and integrated projects. That Advisor was tasked with identifying historical resource sites and artifacts and to ensure AltaLink remained compliant with provincial legislation (*Historical Resources Act*) as administered by Alberta Culture and Tourism (ACT).

At that time, ACT did not differentiate between linear infrastructure projects, such as pipelines or transmission lines. Both were viewed as long, linear footprints that could potentially disturb or destroy archaeological, paleontological, and historic sites. However, as there had not been a significant number of transmission lines built in the province for many years, the regulator had no contemporary frame of reference other than that provided by oil and gas development.

Typically, in pipeline projects, oil and gas proponents were required by ACT to address and mitigate against adverse impacts to, for example, archaeological sites. Mitigation almost always consisted of the partial or complete excavation of all sites within ROWs prior to the issuance of *HRA* approval. There were two positives resulting from this approach: 1) mitigation excavation resulted in scientific data recovery for ACT and the scientific community and 2) it eliminated necessary site management for ACT, a very small agency at a single office location in Edmonton.

As ACT was first presented with significant numbers of archaeological sites in our ROWs, AltaLink was required to excavate sites that were not directly impacted by project activities or infrastructure. At the outset, it was recognized that such activities could delay projects and were expensive in terms of resources required. Additionally, the practice of excavating sites was not supported by First Nations, many of whose ancestors were responsible for the sites that were being permanently removed from the landscape. In short, the requirement to excavate sites in transmission line ROWs made no sense if those sites were not going to be impacted during the construction or operation of the planned infrastructure.

As project development expanded for AltaLink, it became apparent that a new and different approach to historical resources management was required to both allow for compliance with the *Historical Resources Act* and the preservation of non-renewable archaeological and paleontological resources. It was further recognized that a new approach had to allow for AltaLink projects to advance in as expeditious and cost-effective manner as possible. AltaLink took the lead on developing a protocol that met these criteria in a manner consistent with the protective mandate of the Historical Resources Management Branch at ACT.

AltaLink eventually approached ACT to discuss the possibility of a joint-protection program that would not only save archaeological and paleontological sites from backhoe and trowel, but would actually afford a new level of protection to the identified historic resource sites within the ROWs. The regulator responded with a request for assurance that known historical resources would be avoided and protected through a comprehensive planning process. Despite initial hesitation and resistance by the regulator, and after considerable consultation, AltaLink developed the first Historical Resources Protection Plan (HRPP) that outlined the process for protecting known archaeological and paleontological sites. In accepting the HRPP, ACT had to execute a major policy shift in approach and direction for limited-footprint linear developments like transmission lines. The shift has resulted in the preservation of many non-renewable archaeological and paleontological sites in AltaLink ROWs. To date, HRPPs continue to be submitted by AltaLink to ACT in support of its projects.

The net result is that AltaLink has intact archaeological and paleontological sites within our ROWs that would have otherwise been destroyed and lost forever. Arguably these sites have an increased level of protection by being in our ROWs. AltaLink is working to preserve Alberta's heritage, reduce the expenditure of ratepayer monies, and comply with the protective mandate of ACT and the *Historical Resources Act*.

Note 5

Energy Reduction
A corporate goal of reducing our energy consumption by 2% over the course of 2016 was set. Recognizing the goal aligned well with AltaLink's values and our Environmental Respect core principle, this goal also provided a direct link to provincial and federal discussions around the issue of climate change and provided an opportunity to reduce our operational greenhouse gas emissions.

Targeting electricity consumption at office locations and fuel consumption in our fleet of vehicles, data from 2015 was used to establish targets of:

- Reduce 21,015L of fuel (which would equate to a savings of 52 tonnes of CO_2e)
- Save 94,000 kWh of electricity (which would equate to a savings of 77 tonnes of CO_2e)

Through a concentrated effort by AltaLink's fleet services group and the Facilities Management team, all employees were engaged to be as energy efficient in their daily work habits and at their work stations as possible. Improving and upgrading various aspects of our lighting throughout office space, installation of motion sensors and a reduction in personal appliances all helped contribute to reducing our use of both electricity and fuel.

By the end of 2016 the following data was compiled:

- 51,005L of fuel was saved (against a target of 21,012L for 2016)
- These fuel reductions equal 132 tonnes of CO_2e (against a target of 52 tonnes)*
- 402,470 kWh of electricity was saved (against a target of 94,000 kWh)
- This reduction equals 330 tonnes of CO_2e (against a target of 77 tonnes)**

As a result of the effort of all employees, especially our Facilities Management and Fleet Services teams, AltaLink was able to reduce our greenhouse gas emissions by 462 tonnes of CO2e compared to the target set at the start of the year of 129 tonnes.

* AltaLink consumes approximately 75% more diesel than gas based data collected. Every litre of diesel burned releases approximately 2.7 kg of CO2e and every litre of gas burned releases 2.3 kg. Therefore, 38,254 L X 2.7 kg = 103 **tonnes** CO2e associated with burning diesel; 12,751 L X 2.3 kg = 29 **tonnes** of CO2e associated with burning gas

** A coefficient of 0.82 was used based on recent Natural Resources Canada data to determine the CO2E for electrical consumption in Alberta)

3.4 Labor Practices and decent work

G4-LA1	Total number of employee turnover	3%
G4-LA2	Benefits provided to full-time employees	• life insurance • healthcare • disability and invalidity coverage • Parental leave • retirement provision – employer contribution to retirement savings plan • Dental, Health spending account, Wellness spending account, Employee and Family Assistance Program, Travel plan
G4-LA3	Return to work and retention rates	N/A
G4-LA4	Labor/Mgmt. Relations – minimum notice periods	Via recently negotiated collective agreement for four year term
G4-LA5	Occupational Health and Safety	No such committee currently exists
G4-LA6	Types of injuries and rates reported by region	N/A
G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or risk of specific diseases	N/A
G4-LA8	Health and Safety topics covered in formal agreements with trade unions	Potential to include a goal to establish a Health and Safety Working Gp between Mgmt and the union.
G4-LA9	Average hours of training per year per employee	While no specific metric or quantifiable amount of time is identified per employee, all employees receive training appropriate to their level and position within the company. High risk activities or individuals in positions of authority and responsibility will receive appropriate levels of training to ensure they have

		appropriate certification to perform work activities as required. See Note 7
G4-LA10	Programs for lifelong learning that facilitate continued employment and mgmt. of career endings	Prior to terms being completed outgoing employees are given access to various transitional services by a qualified third party vendor (counselling and resume writing, etc.)
G4-LA11	% of employees receiving regular performance and career development reviews	100% - employees undergo annual performance reviews and develop forward focused work plans
EU-15	% of employees eligible to retire within the next 5-10 years	5 yrs – 34% 10 years – 46% (criteria = 55 yrs of age and have worked at least 2 yrs with AltaLink)

Note 6: Safety and AltaLink

As a core value, safety is never prioritized and is embedded into all aspects of our work environment, regardless of an employee's position. Keeping all our employees and contractors safe is always our goal and we use an all injury frequency rate (AIFR) to track our progress towards an annual goal that is established. Currently that goal is to deliver a 10% improvement year over year, which includes our contractors and consultants. The AIFR is calculated as follows:

$$(LTI\&MA_1) \times 200{,}000_2 / \text{Total hrs. worked}_3$$

1= Lost time and medical aid incidents
2= 100 people working 2,000 hrs/yr
3= total number of hrs worked in a calendar year

In 2015 our employee AIFR was 0.12 and in 2016 it was 0.24. These rates are top tier compared to industry peers. In 2015 AltaLink was recognized by the Canadian Electricity Association (CEA) by receiving the 2014 Silver CEA Vice President's Award of Safety Excellence.

In 2016 AltaLink received two awards for their 2015 safety performance; the Bronze CEA President's Award of Excellence for Employee Safety for being in the top quartile for the member groupings for the previous year's performance; and the Gold Vice President's Award of Excellence for Employee Safety for being in the top quartile of Transmission and Distribution Utilities for three consecutive years.

Maintaining a reliable transmission network across Alberta requires a lot of time driving vehicles of all types. For the past 2 years AltaLink employees have driven almost 5 million kilometers annually. This is why we dedicate significant resources and tools to help drivers. Steering wheel covers are used as a reminder to conduct a 360 degree walk around of their vehicles, trip cards provide cues on what to look for during the 360 walk around inspection, how to adjust vehicle controls, and a pre-trip hazard identification helps drivers prepare for the task of driving. Back-

up cameras and speed indicator audible alarms are now also installed in all company vehicles. Drivers at AltaLink are also required to take online driver training, which takes drivers through different hazard scenarios and provides them with follow up training modules as required.

AltaLink employees are engaged in safety on many levels, including through our hazard and near miss reporting initiative which was launched in 2014. For 2015 we set a goal of receiving 1200 reports from our employees which was achieved with a total of 1408.   In 2016 that goal was increased to 1400 and employees provided 1965; an indication that this initiative is achieving its objective of raising awareness and attention to potential hazards and dealing with them proactively.

AltaLink's senior leadership team meets monthly to review the previous month's safety performance and discuss any actions that may need to be taken by the leadership team. On a quarterly basis AltaLink hosts a Safety Share meeting. These meetings include our contractors where incident learning and best practices are shared between companies. This also provides the opportunity to discuss emerging issues within our industry such as updates from the Workers Compensation Board, safe isolation processes and wildlife information.

In the spring of 2016 in partnership with the Calgary Stampede, AltaLink participated in a very successful Farm Safety Day at the new AltaLink Hall on the Stampeded grounds in May. The day provided life-long safety awareness for over 650 students, aged 10 to 15, which included a custom-designed electrical safety booth where AltaLink employees took the students through a "real life display" about electrical safety on their farms. A wide variety of farm safety organizations also set up booths and demonstrations that those in attendance.

Note 7: E-learning resources now available

AltaLink Powered Learning was a new initiative for 2016 to address the need of providing and tracking electronic learning (eLearning) related to a variety of programs and projects within AltaLink. The premise of eLearning is to move to a single platform that can provide, keep track of and update all internal training requirements for both employees and when required, internal contractors. The AltaLink Powered Learning (APL) tool, hosted by an outside third party service provider, was developed in consultation with a number of other business units including:

- Human resources,
- Field Operations,
- Cyber security,
- Legal and regulatory
- Safety
- Environment, and
- Internal network operations and information services

 Training Services is the custodian and administrator of the APL and is responsible for all content design, loading, report configuration and system administration. To date the platform has been well received by the organization, and the feedback has been positive. Employee feedback suggests they appreciate being able to go to one centralized location to access their learning modules, schedule their courses and track their training.

Managers have visibility of all of their employee and internal contractor training to track who has been assigned what learning and who is overdue. There are also robust reports that managers and employees can refer to in order to maintain up to date training requirements, including updates and recertification. This same reporting capability will be utilized for tracking all mandatory training and ensuring compliance with all relevant regulators.

Since the launch of this initiative:

1. 10,000 eLearning and scheduled course completions have been registered in AltaLink Powered Learning (with a goal to hit 20,000 by August of 2017)
2. Currently hosting 13 mandatory eLearnings including:
    a. 9 cyber modules (annual)
    b. Inter-Affiliate Code of Conduct (annual)
    c. Code of Ethics (annual)
    d. Prohibited Business Practices and Conflict of Interest Questionnaire (annual)
    e. Environment Orientation (every 3 years)
    f. Critical Infrastructure Protection (annual, specific audience)
3. New Hire Program in APL for new internal employees and contractors which along with the mandatory courses referenced above also include:
    a. Safety Orientation
    b. Welcome to BHE
    c. Cyber modules

The continued benefits for investing in the APL platform include future initiatives such as migrating the company's Safety certifications, scheduled to occur in the spring of 2017. This will result in an improved and centralized learning experience and break a dependency on a 3rd party vendor. Examples of courses that will be offered include but will not be limited to:
    a. Safe Work Planning
    b. HVDC Orientations for Sunnybrook and Crossing
    c. AltaLink Field Orientation
    d. Substation Orientation
    e. Reliability
    f. Classroom registrations for Grounding, Switching, Isolations

Still more benefits will be realized through organizational development and leadership training along with business training such as finance, payroll, procurement and scheduling of technical training where appropriate.

Finally the move to the APL has and will result in a significant reduction in resources being consumed for the important task of keeping all employees competently trained and up to date. Vast amounts of time, energy and resources such as paper in the form of documents being prepared and shared will be reduced through this initiative.

3.5 Human Rights

AltaLink has a strong tradition and commitment to working collaboratively with our First Nations partners. Within the context of the GRI reporting guidelines aspects that represent or could impact this working relationship are found under the subcategory of Human Rights and are presented below. Note 8 provides more contextual and relevant information on the work undertaken by AltaLink's Aboriginal Indigenous Relations work group. The group changed its name to Aboriginal Indigenous from Aboriginal Relations in 2016 in support of the United Nations' *Declaration on the Rights of Indigenous Peoples.*

G4-HR 2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights relevant to operations.	See Note 7
G4-HR 3	Total number of incidents or discrimination and corrective actions taken	0
G4-HR 4	Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights.	Collective bargaining agreements in place for unions: International Brotherhood of Electrical Workers, and United Utility Workers Association of Canada
G4-HR 8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	0

Note 8
 Aboriginal Indigenous Relations 2015/16 Update

Indigenous Cultural Awareness Training
Recognizing the importance of our ongoing long-term relationships with Indigenous communities, AltaLink offers cultural awareness training by Indigenous peoples for employees who interact directly with Indigenous communities. The training provides employees with a deeper understanding of and appreciation for the historical, social and cultural uniqueness of Indigenous peoples. The training also provides an opportunity to build successful and lasting relationships with Indigenous peoples through effective engagement strategies.

The session includes a broad overview of the history of pre-European contact and colonization, treaties and treaty rights, the Indian Act, residential schools, defining Canada's Aboriginal Peoples (including First Nations, Métis and Inuit), Indigenous groups and treaty areas in Alberta, legal issues and consultation requirements. Time is also spent discussing myths and misconceptions regarding Indigenous relations.

26 staff participated in cultural awareness sessions in 2016, including members of AltaLink's executive team. This brings AltaLink's total number of cultural awareness training participants to date to 178 staff members.

National Aboriginal Day

The sound of drumming filled the hallways, signaling to employees the start of activities celebrating National Aboriginal Day.

On June 22, 2016, AltaLink's Indigenous relations team hosted the company's 3rd annual celebration, involving staff and members from Métis and First Nations communities in Alberta to share their culture and heritage through song and dance. AltaLink staff enjoyed necklace-making workshops, shopping for crafts on sale, eating bannock burgers from the food truck, learning to raise a teepee, and listening to traditional storytelling from an esteemed Blackfoot member of the sacred Horn Society. AltaLink executives also participated in a pipe ceremony with Elder Leonard Bastien. Over 200 people participated in the festivities.

Indigenous Scholarship program

Since 2007, AltaLink has supported higher education in Indigenous communities through our Indigenous scholarship program. A commitment to investing in the Indigenous people of Alberta is a crucial element of our social responsibility, and the opportunity to help young people succeed is something we can all get excited about.

The scholarship program currently offers eight $1,000 scholarships to Indigenous students attending post-secondary institutions and are awarded to eligible students from each of the Treaty 6, 7, and 8 areas and Métis communities in Alberta. Since the program began we've invested in 42 Indigenous students with $68,000 in scholarships.

AltaLink's selection committee evaluates applicants on the basis of their:

- financial need
- scholastic achievement
- community involvement
- career and life goals

In-Kind Office Equipment Donations

AltaLink works to donate gently-used office furniture, equipment and computers to Indigenous communities throughout Alberta. In 2015, AltaLink donated to 12 First Nations communities:

- 47 laptops *(refurbished in partnership with The Electronic Recycling Association, a non-profit organization)*
- 22 GPS units
- 56 tables and desks
- 182 board room chairs
- Numerous other office equipment, supplies and even kitchen appliances

Community Investments
ONEXONE First Nations Breakfast Program: In 2016, AltaLink introduced ONEXONE to Alberta in order to partner with local First Nations schools in providing breakfast to school children. The program, made possible by a $50,000 donation will provide hundreds of students from Paul First Nation and Ermineskin Cree Nation with a daily nutritional breakfast.

Alberta Indigenous Games: As the platinum sponsor of the 2015 Alberta Indigenous Games (the 3rd bi-annual), Altalink contributed $25,000 to help bring together youth from across Alberta to engage in one week of competitive sports, traditional games, special events, education and cultural connection. The week included special events, including a Career Fair, Role model mentors, Elders, Indigenous arts, speaking, music, dance and other cultural gatherings affirming the theme of "Coaching Youth for Life, Career and Sport".

Aboriginal Role Models of Alberta: AltaLink sponsored the 2015 and 2016 (20th and 21st annual) awards celebrating excellence and leadership within Indigenous communities.

Knowing our Spirits Conference: Sponsoring the 2015 (22nd annual) event further demonstrated AltaLink's commitment to education and preservation of the cultural values of First Nations people, involving hundreds of participants from across Alberta.

In-kind Capacity Building workshops
When it comes to spending time with communities, AltaLink hopes to make a difference. In 2016, AltaLink delivered its Electricity Education curriculum to elementary school children of Ermineskin Cree Nation and Paul First Nation. Additionally, AltaLink assisted in capacity-building with Enoch Cree Nation by teaching their Traditional Land Use technicians how to use GPS devices, allowing for accurate locating of historical artifacts on our rights of way.

Canadian Council for Aboriginal Business
2016 marked an opportunity for AltaLink to become a member of a bigger community. The Canadian Council of Aboriginal Business is an organization dedicated to promoting the full participation of Indigenous communities in the Canadian economy. This year, AltaLink's Senior Vice President, Ed Rihn, delivered a keynote speech at their 2nd annual Aboriginal Economic Development Conference, held in Banff, AB.

# of Projects with engagement		# of Indigenous community organizations engaged on projects		Project mailouts		# of fieldwork days (per Nation or AR personnel)		Open houses/ info sessions		Applications filed		Projects with demonstrated Indigenous or procurement	
2015	2016	2015	2016	2015	2016	2015	2015	2015	2015	2015	2015	2015	2016
17	17	24	44	17	19	68	23	5	3	4	5	0	4

Community events attended

- 8 cultural events in 2016 (Poundmaker's Powow, Paul First Nation's Powow, Métis Nation of Alberta's Annual General Meeting, Blackfoot Sundance, City of St. Albert's National Aboriginal Day Celebration, Aboriginal Role Models of Alberta Awards, Piikani Horse Relay and Rodeo, Making Treaty 7);

- 4 cultural events in 2015 (Blackfoot Sundance, Alberta Indigenous Games, Aboriginal Role Models of Alberta Awards, Knowing Our Spirits Conference);

- 6 job fairs/trade shows in 2016 (Enoch-1043L Project, Métis Nation of Alberta Trade Show, Ermineskin Trade Show, 3 Blackfoot [Blood, Piikani, Siksika] with Arctic Arrow specific to 853L)

- 1 job fair in 2015 (Alberta Indigenous Games)

3.5 Diversity and Equal Opportunity

AltaLink is not a federal contractor and as such does not have a business need to request groups to self-identify. However, AltaLink takes gender equality, non-discriminatory and ethical behavior and business practices very seriously and requires all employees to review AltaLink's expectations and requirements on this annually (see sec. 4.1.8 above).

G4-SO1	% operations with implemented community engagement, impact assessment and development programs	Relates to our ROW Commitments, stakeholder and landowner relations ongoing relationship building
G4-SO-2	Operations with significant actual or potential negative impacts on local communities	See Note 1 regarding consultation with stakeholders including communities
G4-SO-3	Total # or % of ops assessed for risks related to corruption and associated significant risks	Enterprise Risk Mgmt process reviews all aspects of AltaLink projects and operations
G4-SO-4	Communication and training for anti-corruption policies	Annual employee training on code of conduct and business ethics See G4-56-58 above
G4-SO-5	Confirmed incidents of corruption and actions taken	0
G4- SO-6	Total value of political contributions and recipients/beneficiary	$0
G4-SO-7-11	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices	0

5.0 Conclusion

AltaLink continues to build and evolve its corporate sustainability profile. Part of this evolution includes the ongoing refining and reporting on programs, policies and best practices that support and align with AltaLink's corporate sustainability profile.   The move to align with the GRI G4 reporting guidelines represents part of this evolution and provides the opportunity to expand reporting on material issues that impact business for AltaLink.

AltaLink is committed to safe, reliable, cost effective and clean electricity being delivered to Albertans. Whether is it the continued investment in the communities where our facilities are located, volunteering for numerous agencies across Alberta or seeking new, innovative and affordable solutions for our customers, AltaLink remains a corporately sustainable business. Recognizing that sustainable entities are constantly evolving and maturing, this new report format provides tangible examples of meeting the needs of our customers in a manner that is aligned with our core principles and consistent with the concept of sustainable development.