

# Independent Sustainability Assurance Statement

To the Board of Directors and Management of TransAlta Corporation (“TransAlta”).

## Scope of Ernst & Young LLP (“EY”) Engagement

Our responsibilities included providing limited assurance over a selection of performance indicators as presented in the Addendum to this statement.

## Subject Matter

We have performed limited assurance procedures for the following quantitative performance indicators (“Subject Matter”) for the year ending December 31, 2018.

- Sulphur dioxide emissions and emission intensity (tonnes, kg/MWh)
- Nitrogen oxide emissions and emission intensity (tonnes, kg/MWh)
- Particulate matter emissions and emission intensity (tonnes, kg/MWh)
- Mercury emissions and emission intensity (kg, mg/MWh)
- Carbon dioxide emissions (tonnes CO<sub>2</sub>e)
- Methane emissions (tonnes CO<sub>2</sub>e)
- Nitrous oxide emissions (tonnes CO<sub>2</sub>e)
- Total greenhouse gas emissions and emissions intensity (tonnes CO<sub>2</sub>e, tonnes CO<sub>2</sub>e/MWh)
- Total environmental incidents
- Lost-time incident for employees and contractors (LTI) (absence from work)
- Medical aids (MA) for employees and contractors (no absence from work)
- Total injuries to employees and contractors
- Employee and contractor total injury frequency rate (injuries/200,000 hours)
- Employee and contractor fatalities
- Water intake, discharge, consumption (million m<sup>3</sup>)
- Water intensity (m<sup>3</sup>/MWh)
- Waste management - Non-hazardous
  - \* Landfill (tonnes, L)
  - \* Ash disposal: mine, lagoon (tonnes)
  - \* Recycled (tonnes, L)
  - \* Reuse (tonnes)
  - \* Storage (tonnes)
- Waste management - hazardous
  - \* Landfill (tonnes, L)
  - \* Recycled (tonnes, L)
- Land use - disturbed and reclaimed

## Criteria

TransAlta has prepared its specified performance information in accordance with industry standards and, where relevant, internally developed criteria.

## TransAlta Management Responsibilities

The Subject Matter was prepared by the management of TransAlta, who is responsible for the assertions, statements and claims made therein including the assertions we have been engaged to provide limited assurance over, collection, quantification and presentation of the performance indicators and the criteria used in determining that the information is appropriate for the purpose of disclosure in this Report (“the Report”). In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

## EY Responsibilities

Our limited assurance procedures have been planned and performed in accordance with the International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

This assurance statement has been prepared for TransAlta for the purpose of assisting management in determining whether the Subject Matter is in accordance with the criteria and for no other purpose. Our assurance statement is made solely to TransAlta in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than TransAlta for our work, or for the conclusions we have reached in this assurance statement.

**Assurance Procedures**

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. Our assurance procedures included but were not limited to:

- Interviewing relevant personnel at the head office and at various sites to understand data management processes related to the selected performance indicators.
- Checking the accuracy of calculations performed - on a test basis - primarily through inquiry, variance analysis and performance of re-calculations.
- Assessing risk of material misstatement due to fraud or errors relating to the selected performance indicators.
- Evaluating the overall presentation of the Report, including the consistency of the Subject Matter.

**Limitations of EY Work Performed**

Our scope of work did not include expressing conclusions in relation to:

- The materiality, completeness or accuracy of data sets or information relating to areas other than the selected performance data, and any site-specific information.
- Management's forward-looking statements.
- Any comparisons made by TransAlta against historical data.
- The appropriateness of definitions for internally developed criteria.

**Independence and Competency Statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

**EY Conclusion**

Based on our procedures for this limited assurance engagement described in this statement, nothing has come to our attention that causes us to believe that the Subject Matter is not, in all material respects, reported in accordance with the relevant criteria.



Ernst & Young LLP  
Calgary, Canada

February 26, 2019