



# INDEPENDENT ASSURANCE STATEMENT

## Scope and Approach

DNV AS - DUBAI BRANCH ('DNV') was engaged by the management of Advanced Petrochemical Company ('APC' or 'the Company') to undertake an independent limited level of assurance of the all sustainability performance indicators identified through its materiality determination process ('sustainability performance data') in the APC Sustainability Report 2021 ('the Report') in its printed format for the financial year ending 31st December 2021. The data verification was completed for one (1) year period covering 1<sup>st</sup> of January 2021 to 31<sup>st</sup> December 2021. The intended user of this Assurance Statement is the management of Company. Our site visit for the assurance engagement was carried out in September 2022. We performed our work in accordance with the requirements of the International Federation of Accountants' (IFAC) International Standard on Assurance Engagements (ISAE) 3000 (Revised) (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) and DNV's assurance methodology VeriSustain<sup>TM</sup><sup>1</sup>. The procedures performed in a limited assurance engagement vary in nature and timing from and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the report and/or on APC website for the current reporting period. The materiality assessment was performed in November 2021 and presented in the Report in the "Stakeholder Engagement" and "Materiality Principle" chapters.

The reporting topic boundaries for sustainability performance chosen by APC are as set out in the Report in the Content Index.

## Responsibilities of the Management of Advanced Petrochemical Company and of the Assurance Provider

The Report discloses that this is APC's first sustainability Report. The sustainability report is prepared as per GRI Standards and assured in accordance with ISAE3000 and DNV VeriSustain. The Management ('Sustainability committee at APC) has the sole accountability for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information. In performing assurance work, our responsibility is to the Management; however, our statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of APC.

DNV was not involved in the preparation of any statement or data included in the Report except for this Assurance Statement and a Management Report shared with APC.

DNV's assurance engagements are based on the assumption that the data and related information provided by the Company to us as part of our assurance engagement have been provided in good faith and free from any misstatements or errors. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

## Basis of our Opinion and Conclusion

A multi-disciplinary team of sustainability and assurance specialists in Dubai, United Arab Emirates (UAE) performed a blended work for verification of APC's Sustainability Report 2021. We adopted a risk-based approach, i.e., we

<sup>1</sup>The VeriSustain protocol is available on request from [www.dnv.com](http://www.dnv.com) and is based on our professional experience, international assurance best practices including ISAE 3000 and the GRI's Principles for Defining Report Content and Quality



concentrated on the issues of high material relevance to Company and its key stakeholders for all performance Indicators. We carried out following activities:

- reviewed the Company's approach to its materiality determination process and its outcome as stated in this Report to validate the relevance of selected sustainability performance disclosures;
- performed a limited level of verification of the performance all disclosed indicators reported in this Report for the period 1st January 2021 to 31st December 2021. The data covers two APC's sites in the Jubail, Advanced Jubail office, and under its direct control;
- assessed APC's facilities and offices in Jubail of, to review processes and systems for disclosing selected sustainability performance data and conducted interviews with the management team of the Company and other representatives, including process owners and decision-makers from different divisions and departments of the Company to validate the performance data. We were free to choose interviewees and interviewed those with overall responsibility to validate the Company's sustainability performance. No external stakeholders were interviewed as part of this engagement;
- carried out physical assessments at sample operational locations, that is, selected affiliates - APOC (Advanced Polyolefins Industry Company) and APC (Advanced Petrochemical Company) - to review the processes and systems for aggregating affiliate-level sustainability information, as well as overall aggregation and consolidation of data from affiliates by the sustainability team at APC and APOC, Saudi Arabia. We were free to choose the sites we sampled for our remote assessments;
- performed sample-based checks of the processes for generating, gathering and aggregating the selected sustainability performance data presented in the Report. Our verification considers an uncertainty of  $\pm 2.5\%$  for a limited level of verification towards errors in estimation and measurement, and omissions as mutually agreed;

- reviewed the performance disclosures of identified material topics and related GRI Standards; that is, carried out an assessment of the processes for gathering and consolidating performance data related to identified material topics and, for samples, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on GRI's topic-specific Standards identified as being material;
- verified of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification;
- completed an independent assessment of the Report against the requirements of the GRI Standards: Core option of reporting.

During the process, we did not come across limitations to the scope of the agreed assurance engagement i.e. verification of selected performance indicators as mutually agreed.

### **Opinion and Conclusion**

We evaluated the process of data aggregation in relation to the principles of Accuracy, Reliability and Completeness of performance indicators which are based on GRI Standards and as detailed below. Based on our methodology and scope of work agreed upon, on the basis of the assurance undertaken, nothing came to our attention to suggest that the Report and referenced information does not properly describe APC's sustainability performance including adherence to the Principles for Defining Report Content.

Without affecting our assurance opinion, DNV provides the following observations against the principles of VeriSustain:



## Materiality

*The process of determining the issues that is most relevant to an organization and its stakeholders.*

The Report explains the process through which material issues relevant to APC's business and stakeholders, and guide the Company's decision-making and strategic planning processes are identified. This involves a formal Materiality Assessment exercise involving management surveys and leadership interviews, peer and industry frameworks.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.**

## Stakeholder Inclusiveness

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report references its list of key stakeholders, the process of identifying these stakeholders and stakeholder priorities to the section ' Stakeholder Engagement' of APC's Sustainability Report 2021. The Company's stakeholder engagement processes consider the AccountAbility AA1000 Stakeholder Engagement Standard and the International Association for Public Participation (IAP2) Standard towards identifying and engaging its significant stakeholder groups through formal and informal ongoing mechanisms.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.**

## Responsiveness

*The extent to which an organization responds to stakeholder issues.*

The Report brings out APC's responses to its identified material topics through descriptions of policies, strategies and performance using selected GRI topic-specific Standards brought out in the Report in the GRI Content Index, as well as overall sustainability objectives and responses to key stakeholder priorities.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.**

## Reliability

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

The Report brings out the processes that APC has established towards monitoring, capturing and reporting its performance related to its identified material topics from its various affiliates using customized spreadsheets. The majority of data and information verified by us with data owners and management at the Corporate Headquarters and sample affiliates were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process of the sample data sets verified were found to be attributable to transcription, interpretation and aggregation errors. The data inaccuracies have been communicated for correction and the related disclosures were reviewed for correctness. APC may however, strengthen the reliability and accuracy of its reported performance data through formal processes of internal audits and reviews.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.**

## Completeness

*How much of all the information that has been identified as material to the organisation and its stakeholders is reported.*

The Report brings out APC's performance related to economic, environmental, and social topics that it has identified as material through descriptions of management approach, performance metrics, and strategy covering its chosen boundary of reporting, that is, operations of APC and its affiliates in the Kingdom of Saudi Arabia. However, APC's direction includes further strengthening of its disclosures through initiatives and best practices related to the identified material topics.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.**



### Neutrality

*The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.*

The Report brings out APC's sustainability performance during the reporting period including sustainability performance and challenges of the Company and its affiliates during the reporting period in a neutral tone in terms of overall content and presentation.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.**




### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>2</sup> during the assurance engagement and maintain independence as required by relevant ethical requirements relevant ethical requirements including the ISAE 3000 (Revised) Code of Ethics as set out in VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement, Management Report, and gap assessment report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com \(https://www.dnv.com/about/in-brief/corporate-governance.html\)](https://www.dnv.com/about/in-brief/corporate-governance.html)

### For and on behalf of DNV AS, Dubai Branch

		
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31<sup>st</sup> October 2022, Dubai, United Arab Emirates.

*DNV AS, Dubai Branch is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)*