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INDEPENDENT ACCOUNTANT’S ASSURANCE REPORT TO THE MANAGEMENT OF SAUDI ARABIAN OIL COMPANY

Scope

We have performed a limited assurance engagement on the Greenhouse Gas (GHG) emissions data reported by Saudi Arabian Oil Company (“Saudi Aramco”) for the year ended 2020, as outlined in TABLE 1 ‘2020 Greenhouse Gas (GHG) emissions data reported by Saudi Arabian Oil Company’. (the “Subject Matter”).

Criteria applied by Saudi Aramco

Saudi Aramco has chosen to report greenhouse gas emissions data on an operational control basis for its wholly owned and operated assets within the Kingdom of Saudi Arabia and the four entities under operational control as set out in the Saudi Aramco Greenhouse Gas Emissions Basis of Reporting (2020). This Basis of Reporting has been used as the criteria to assess the 2020 GHG data (the “Criteria”).

Respective responsibilities

Saudi Aramco’s management is responsible for selecting the Criteria, and for presenting the GHG data in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the GHG emissions data, such that it is free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the presentation of the selected GHG emissions data (collectively the “2020 GHG data”) outlined in TABLE 1.

Our engagement was conducted in accordance with the International Standard for Assurance Engagements (‘ISAE 3000 Revised’), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and the terms of reference for this engagement as agreed with Saudi Aramco. The standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance by any such third party on the report is entirely at its own risk.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

We evaluate the 2020 GHG data against management’s application of the Criteria. This evaluation included the following considerations:

Completeness

- ▶ Whether all material data sources, and activities have been included and that boundary definitions have been appropriately interpreted and applied.

Consistency

- ▶ Whether the Saudi Aramco scope and definitions, as outlined in the Saudi Aramco Greenhouse Gas Emissions Basis of Reporting (2020), have been consistently applied to the 2020 GHG data.

Accuracy

- ▶ Whether site, department and affiliate level data have been accurately collated by Saudi Aramco.

Transparency

- ▶ Whether there is supporting evidence for the data reported and assumptions made by Saudi Aramco.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance review.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, 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.

Description of procedures performed

The engagement consists of making enquiries, primarily of persons responsible for preparing the GHG emissions data and related information and applying analytical and other relevant procedures. The procedures we performed included the steps outlined below:

1. **Interviewed a selection of management and staff responsible for data collection at the Company, business line, admin area and affiliate levels** to understand the management of GHG data within the organisation.
2. **Reviewed a selection of management documentation and reporting tools** including guidance documents.
3. **Undertook analytical review procedures of Saudi Aramco's GHG Inventory based on the data from the Emission Management System (EMS)**, including testing outputs and selected conversions.
4. **Conducted remote visits to 11 sites** (9 wholly owned and operated operational sites in the Kingdom of Saudi Arabia, and 2 entities under operational control), to understand the processes and controls relating to the calculation and reporting of the 2020 GHG data; and reviewed underlying documentation for a sample of site-level data points.
5. **Reviewed and challenged the validation and collation processes** undertaken by Saudi Aramco in relation to the 2020 GHG data.

We also performed such other procedures as we considered necessary based on our professional judgement.

The limitations of our review

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although 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. Our procedures did not include testing controls or performing procedures relating to IT systems.

The Greenhouse Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our work did not include physical visits to any of Saudi Aramco's operating assets due to health and safety restrictions linked to the COVID-19 pandemic.

The scope of our engagement was limited to the reporting period, and therefore 2020 performance only. We do not provide conclusions on any other data from prior years.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Saudi Aramco Management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any material modifications that should be made to the 2020 GHG data, in order for it to be in accordance with the Criteria.

For Ernst & Young & Co (Public Accountants)



Waleed G. Tawfiq
Certified Public Accountant
Registration No. 437

17 Ramadan 1442
29 April 2021



Table 1: 2020 Greenhouse Gas (GHG) emissions data reported by Saudi Arabian Oil Company

Type	CO ₂	CH ₄	CO ₂ e (CH ₄)	N ₂ O	CO ₂ e (N ₂ O)	Total CO ₂ e
Units	million tonnes	thousand tonnes	million tonnes	thousand tonnes	million tonnes	million tonnes
A: GHG Emissions for wholly owned and operated assets within the Kingdom of Saudi Arabia						
Scope 1	40.46	41.89	1.05	0.72	0.22	41.81
Scope 2	16.05	0.36	0.01	0.28	0.08	16.14
Total	56.51	42.25	1.06	1.01	0.30	57.96
B: GHG Emissions for the four entities under operational control						
Scope 1	8.28	1.54	0.04	0.10	0.03	8.36
Scope 2	1.97	0.23	0.01	0.01	0.00	1.98
Total	10.26	1.77	0.04	0.11	0.03	10.34
GHG Emissions of all the assets in the operational boundary of Saudi Aramco (A+B)						
Scope 1	48.75	43.43	1.09	0.82	0.25	50.17
Scope 2	18.02	0.59	0.02	0.29	0.09	18.13
Grand Total	66.77	44.02	1.10	1.12	0.33	68.30

For 2020 GHG emissions accounting purposes, Saudi Aramco reports its Greenhouse Gas (GHG) emissions on an operational control basis for its wholly owned and operated assets within the Kingdom of Saudi Arabia and the four entities under operational control as set out in the Saudi Aramco Greenhouse Gas Emissions Basis of Reporting (2020).

Saudi Aramco reports direct (Scope 1) and indirect (Scope 2) emission sources from its operations. Other indirect emissions (Scope 3) associated with raw materials and product lifecycle are not being estimated in this inventory.

The approach Saudi Aramco have used for gathering and preparing the information, including reporting boundaries, definitions, basis of calculations and process flow can be found in Saudi Aramco Greenhouse Gas Emissions Basis of Reporting (2020).

