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Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of AECI Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Sustainability Report 2022 of AECI Limited ("AECI") for the year ended 31 December 2022 (the Report). This engagement was conducted by a multidisciplinary team including environmental, health, safety and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an * on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with the AECI occupational injuries, illnesses and environmental reporting guidelines ("reporting criteria"). The reporting criteria is disclosed within the relevant pages of the report and is available on request.



National Executive: *R Redfearn Chief Executive Officer, *GM Berry Chief Operating Officer, JW Eshun Managing Director Businesses, LN Mahluza Chief People Officer, *N Sing Chief Risk Officer, AP Theophanides Chief Sustainability Officer, *NA le Riche Chief Growth Officer, *ML Tshabalala Audit & Assurance, AM Babu Consulting, TA Odukoya Financial Advisory, G Rammego Risk Advisory, DI Kubeka Tax & Legal, DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

ENVIRONMENT KEY PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BOUNDARY	REPORT PAGE NUMBER
Environmental incidents (serious and major)	Number	AECI Group	26
Environmental incidents (moderate)	Number	AECI Group	26, 31
Potable water consumption	m ³	AECI Group	29
Hazardous waste	Tonne	AECI Group	30
GHG Scope 1 emissions	tCO ₂ e	AECI Group	34
GHG Scope 2 emissions	tCO ₂ e	AECI Group	34
Carbon footprint: Total of scope 1 and 2	tCO ₂ e	AECI Group	33
Electricity consumption	MWh	AECI Group	33
Energy consumption	GJ	AECI Group	33
Recycled waste	Tonne	AECI Group (excl. SANS Fibres)	30
Effluent discharged to sea and sewer	m ³	AECI Group	29
SAFETY AND HEALTH KEY PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BOUNDARY	REPORT PAGE NUMBER
Total recordable incident rate (employees and contractors combined) (TRIR)	Rate	AECI Group	27
Work-related fatalities (employees and contractors combined)	Number	AECI Group	26
Occupational illness rate (employees and contractors combined)	Rate	AECI Group	28
Major product transportation incidents	Number	AECI Group	26
Process safety Incidents (Reportable)	Number	AECI Group	27
Process safety Incidents (Non-reportable)	Number	AECI Group	27
GENDER EQUALITY KEY PERFORMANCE INDICATORS	UNIT OF MEASUREMENT	BOUNDARY	REPORT PAGE NUMBER
Gender equality: Board and top management	Percentage	AECI Group	56
Gender equality: Senior, middle and junior management levels	Percentage	AECI Group	56



Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The Firm applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.



A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of AECL's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Performed a walkthrough of the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at AECL.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether AECL's selected KPIs have been prepared, in all material respects, in accordance with the accompanying AECL's reporting criteria.

Basis For Qualified Conclusion

Included in the AECL Group KPIs of Electricity consumption, GHG Scope 2 emissions, the Total Recordable Incident Rate and the Occupational Illness Rate are values of 23 481 MWh, 11 788 tCO₂e and 1 634 632 exposure hours respectively arising from the Schirm operations. We were unable to obtain sufficient appropriate audit evidence over these KPIs as management could not provide us with the information, supporting documentation and explanations to substantiate the Schirm reported electricity usage, the related GHG scope 2 emissions and exposure hours data. We were unable to substantiate these values by alternative means. As a consequence, we were unable to determine whether any adjustments were necessary to the disclosed AECL Group KPIs of Electricity consumption, GHG Scope 2 emissions, the Total Recordable Incident Rate and the Occupational Illness Rate.



Qualified Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, subject to the inherent limitations outlined elsewhere in this report, and except for the possible effects of the matters referred to in the “Basis for Qualified Conclusion” paragraph above, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 December 2022 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

The maintenance and integrity of the AECl’s website is the responsibility of AECl’s management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on AECl’s website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of AECl in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than AECl, for our work, for this report, or for the conclusion we have reached.

Deloitte & Touche

Registered Auditors

Per Jyoti Vallabh
Chartered Accountant (SA)
Registered Auditor
Partner

26 April 2023

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