

Opportunity rests on our ability to operate sustainably



As one of the world's leading integrated energy and chemicals companies, our scale is truly unique, as is our capacity to make a difference to the world."

As a second generation Aramcon — the son of a man who, like me, spent his career with this Company — I hold a natural appreciation for how Aramco's success is not measured in quarters or business cycles, but across generations. While this is a source of tremendous, unique, and enduring strength, it is also a constant reminder of our capacity to make a difference to the world, and our responsibility to do so.

I am deeply conscious that the global energy system is at an inflection point, with potentially dire consequences for the world if the global community fails to take the right approach backed by action that matters. Of particular concern to our industry is the chronic underinvestment in oil and gas production in recent years which has created a supply shortfall. If left unchecked, this could create energy insecurity, rampant inflation, and social unrest. The Ukraine crisis has exacerbated the challenge, while underscoring the extent to which renewable alternatives are nowhere near ready to bridge the gap.

The situation is unsustainable. To effectively address climate change, a new way of thinking is needed. This starts with acknowledging three facts.

Fact 1: even in the most aggressive climate models — some of which we discuss in this Report — the reality is that hydrocarbons will continue to play a vital role in the global energy system for the next several decades.

Fact 2: the future is unevenly distributed. In some markets there will still be a need for hydrocarbons beyond 2050.

Fact 3: when it comes to oil and gas, the future now clearly belongs to the lowest cost, least-carbon intensive producers.

We intend to be one of those producers. This Report sets out how.

Significant advantages

As a company, we have significant advantages: a world-class operation that combines upstream low-carbon intensity, near zero methane emissions and gas flaring, and a relatively low cost of production. This is all underpinned by a 90-year track record of reliability and resilience. We are extremely proud that even in times of market dislocation and volatility — even when our own operations were attacked — we have never missed a single customer shipment for operational reasons.

It is a fine legacy. Indeed, I like to remind people that Aramco was born in the face of challenge. A century ago, as oil was replacing coal as the fuel of choice for development and progress, we found opportunity in delivering energy safely and reliably to the world. Our Company's strength was forged from a unity of purpose and an unrelenting determination to succeed.

But looking ahead, our greatest opportunities now hinge on our ability to operate sustainably. This means ensuring the sustainability of our business, the environment in which we operate and where our products are used, and helping of the societies that are touched by Aramco to grow and prosper. It's a tall order. We don't have all the answers and we don't have all the technologies in place. No one does. But we're working hard at it, as you'll see in the following pages.

In our inaugural Sustainability Report, we provide greater detail around the ambition we set out to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across our wholly-owned operated assets by 2050, as well as the work and planning we are doing to further protect and enhance lives, progress society's development, and reduce our environmental footprint.

Four impact areas

We have identified four impact areas where we believe we can make the most difference:

To more effectively combat climate change and play our part in a successful energy transition, we are embracing energy efficiency and increasing use of renewable energy for our operations, while advancing the science of carbon capture, including both natural and technology-led solutions. We are also working with international partners to develop more sustainable engines and fuels, and playing a leading role in growing the emerging hydrogen economy.

To improve safety and well-being, we are working to make a positive impact on local, national, and global communities in a number of ways, from providing world-class skills and training, to becoming the number one choice in the Kingdom for Saudi female talent.

Despite improvements to our safety performance, I am deeply saddened by the loss of one life at one of our sites during the year. It is unacceptable that any person loses their life as a result of a work-related incident. We continue our efforts to eliminate fatalities and reduce injuries as far as possible across our business.

To minimize the environmental impact of our business, we are not only working to limit our environmental footprint, but to create a legacy of projects that improve both natural habitats and shared resources, while incorporating circular economy principles across our business activities.

To grow social value and our value chain, we are developing a diverse, sustainable and globally competitive energy sector in Saudi Arabia and beyond, while adding robustness and efficiency to our in-Kingdom total value add (iktva) supply chain efficiency program, striving to increase job creation and the amount of goods and services we procure from within the Kingdom to 70%.

Vision 2030 and UN SDGs

In the following pages, you will also read how our activities align with and support various aspects of both the United Nations' Sustainable Development Goals (UN SDG) and the Kingdom's Vision 2030. The support of and collaboration with the Government, particularly the Ministry of Energy, is valuable and critical to our success in doing this.

What is more difficult to capture in a report like this is the resolve I see in the men and women of Aramco who are working day-in and day-out to leverage the talent, technology, and resources of our Company to make a positive difference to the world we all live in. But, through this process, we hope to capture that inspirational resolve in our actions with ever greater transparency, accountability, and responsibility, and relentless action that play a major role in determining the future of our planet and the generations to follow.

These are the standards by which our performance will be measured, and working together, I am determined that we will be judged a success.

Sincerely,

Amin H. Nasser
President & CEO