

A unique position with unique responsibilities



Reducing emissions from energy production and use, while at the same time satisfying the world's growing energy requirements, is the biggest dual challenge facing our industry.”

Aramco occupies a unique position in the global energy industry. We are the world's largest exporter of crude oil, and we have the lowest upstream carbon intensity of any major producer. We are proudly Saudi and committed to developing the Kingdom's vast economic and human potential, but our outlook and ambitions are global. We combine disciplined day-to-day performance with a generations-spanning view of the future, born of our role as careful stewards of the Kingdom's immense energy resources.

This unique position means we have a unique responsibility: to the communities in which we operate, the customers who rely on us, and the shareholders we serve.

Long-term thinking

The COVID-19 pandemic has underlined the importance of long-term thinking. Now, more than ever, people want companies like ours to plan ahead, to be transparent about risk, and to have the courage and foresight to tackle emerging problems long before they become existential crises. That, for us, is the meaning of sustainability. It's the steps we are taking today, across our business, to ensure that Aramco can thrive and create value for all of our stakeholders long into the future.

Our first sustainability report

This Report — the first of its kind in our company's history — sets out the actions we are taking and the standards against which our performance may be judged. A significant part of this work concerns climate change because this is the biggest long-term challenge that Aramco, or indeed any business, faces. So, let me state the Company's position unequivocally on this issue. Climate change is a serious risk to humanity's future and restoring the world to a better carbon balance requires us to reduce the greenhouse gas emissions associated with both oil and gas production and use. We are already an industry leader in minimizing emissions at the point of production. To strengthen that position we have set our ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across our wholly-owned operated assets by 2050. But we recognize that as long as demand for oil and gas exists, emissions also have to be tackled at the point of combustion too. We cannot do this alone — no one company can — but we are committed to working towards a lower-emissions future with our customers and partners around the world.

Moving at the speed of science

Technology will be vital to this endeavour, and this Report outlines how our global research network is moving at the speed of science to drive progress — everything from cleaner fuels to low-carbon hydrogen to carbon capture, utilization and storage. We are clear that we intend to be a leading player in these new markets and transition technologies.

The Report also highlights how we plan to use more of our primary product to make the petrochemicals that are the building blocks of modern life. Advanced plastics for instance, are created from carbon molecules, yet can serve as a lower-carbon alternative to traditional materials like steel and glass. They also happen to be crucial elements in the fabrication of renewable energy infrastructure.

This circular carbon economy approach, championed by Saudi Arabia and endorsed by the G20, is part of a broader shift away from a linear economy based on “make, take, and throw away” to an economy designed around reducing waste and reusing and recycling finite materials. In the case of carbon, we can add a fourth ‘R’: removing it from the cycle altogether through carbon capture and storage.

Sustainability is not only about climate and the environment however. Our responsibilities also encompass the communities in which we operate, the markets we supply, the many thousands of contractors who form our global supply chain, and of course our 68,000 employees: the men and women who work day-in, day-out to keep the world supplied with affordable, reliable energy.

Citizenship — a core value

In this Report, you will also read about the many ways in which we are enacting our core values of citizenship, accountability, safety, excellence, and integrity. This includes our work to foster a safe, inclusive and rewarding workplace, our support for education and skills, and our programs to localize supply chains and create skilled jobs in our communities.

Committed to a stable and inclusive energy transition

As a signatory to the Paris Agreement, Saudi Arabia is committed to a stable and inclusive energy transition that meets the needs of a growing global population. And work is well underway. The Kingdom’s Saudi Green Initiative and the Kingdom-led Middle East Green Initiative — two massive programs of reforestation and clean energy deployment — have the potential to transform our region, while Saudi Arabia’s historic commitment to net-zero by 2060 is guiding work at the national level. Aramco’s own sustainability plan complements these ambitious goals, and we intend to play our full part in helping the Kingdom deliver on them.

For their tireless leadership on this agenda, I wish to take this opportunity to thank The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al-Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al-Saud, Crown Prince, Deputy Prime Minister and Minister of Defense of the Kingdom of Saudi Arabia.

As a company, we have always taken a long-term view of the future. We have made these commitments and established this reporting process because we intend to be in business — responsibly producing energy and creating value for our shareholders — for a great many decades to come.

I hope you will join us on this journey.

Sincerely,

His Excellency Yasir O. Al-Rumayyan

Chairman of the Board of Directors