

Saudi Aramco Sustainability Report

<https://www.aramco.com/-/media/publications/corporate-reports/saudi-aramco-ara-2020-english.pdf>

Company chosen: Saudi Aramco

Overview:

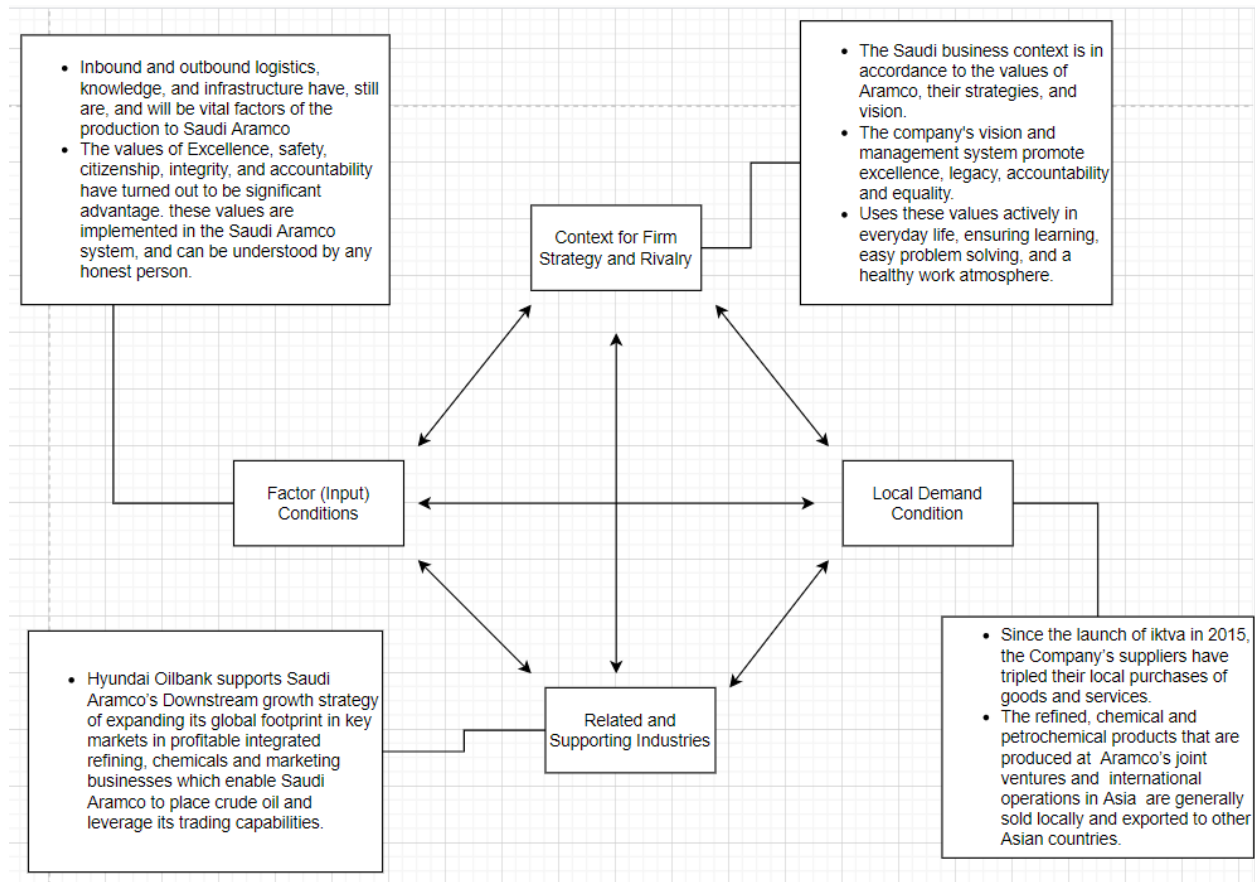
Saudi Aramco, officially the Saudi Arabian Oil Company, is a Saudi Arabian public petroleum and natural gas company based in Dhahran. Aramco is one of the world's largest integrated energy and chemicals companies. Aramco's primary operating segments are Upstream and Downstream, which are supported by corporate activities. Aramco's upstream operations are primarily based in Saudi Arabia, while the downstream business is global.

Saudi Aramco Value Chain Analysis

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Firm Infrastructure	Aramco is organised into three sub divisions: explore and produce, refine and manufacture, and distribute The CEO of Aramco is Amin H. Nasser.
Human Resource Management	As of 2020, Aramco has 66,800 employees. 5.1% of them are females. Among the programs Aramco has implemented, when it comes to HR, employee development and employee well-being programs have been introduced and implemented
Technology Development	Upstream technology development is directed primarily to improving methods for discovering new hydrocarbon reserves, improving oil recoveries, increasing productivity, discovering novel catalysts and reducing lifting costs. Downstream technology development is dedicated primarily to maximizing value across the hydrocarbon chain and finding new and improved methods of producing products.
Procurement	Saudi Aramco had Procurement and Ijarah Shari'a compliant Islamic facility agreements with a number of banks. The facilities were repayable in seven to 28 installments on a semi-annual basis, commencing November 18, 2008 to June 20, 2029. In 2019, Saudi Aramco refinanced the balance of the procurement facility with an Ijarah Shari'a compliant facility to be repayable on a semi-annual basis starting June 20, 2026. Commission is payable on amounts drawn that are primarily calculated at a market rate plus a margin.

Inbound Logistics	Operations	Outbound Logistics	Marketing & Sales	After-Sale Service
The facilities are strategically located near its fields to reduce transportation and pipeline compression costs, as well as the time required to deliver gas products to market.	Aramco's refining operations are conducted in the Kingdom and internationally through wholly owned and affiliated refineries. Aramco's chemicals business represents an extension of the hydrocarbon value chain and strategically complements its refining operations.	The majority of Aramco's crude oil production is exported using international supply routes. In particular, the Strait of Hormuz and the Suez Canal are key shipping routes for Aramco's crude oil and are located in areas subject to political or armed conflict from time to time.	Aramco's revenue and other income related to sales are primarily driven by its sales of hydrocarbons, including crude oil, and refined and chemicals products, which are dependent on global supply and demand, and market prices. Aramco intends to enhance its domestic and global marketing businesses to support the position of its upstream business in key, high-growth geographies, including China, India and Southeast Asia, which are integral to Aramco's existing business and future expansion strategy.	Saudi Aramco Development Company ("SADCO"), a wholly owned subsidiary of the Company, Korea Shipbuilding Offshore Engineering ("KSOE"), and the Saudi Arabian Industrial Investments Company ("Dussur") concluded an agreement to establish an affiliate to form an engine manufacturing and aftersales facility in the Kingdom

Looking outside in: Social Influences on competitiveness



Corporate Involvement in Society

Responsive CSR involves companies acting as good citizens and actively mitigating the potentially harmful effects of their value chain on society

Strategic CSR extends beyond these practices and involves initiatives that both differentiate themselves from their competitors and are distinctly beneficial to society and the environment

Generic Social Impacts	Value Chain Social Impacts	Social Dimensions of Competitive Context
<p>Aramco has identified several micro-industries — beekeeping in al-Baha, fisheries in Yanbu' and Baish, olive products in al-Jouf, among many others, which, with the right business model and support, are ripe for generating long-term impact for local communities. Aramco is providing community members with more than an additional source of income, we're equipping them with the knowledge and skills to establish, manage, and develop sustainable businesses that will make a real difference in people's lives.</p>	<p>Citizenship: No matter where in the world Aramco is conducting business, it is important to be known as a good corporate citizen and to be a positive influence within communities. As a global company in Saudi Arabia, Aramco takes this role seriously.</p>	<p>Aramco is a founding member of the Oil and Gas Climate Initiative (OGCI), whose member companies explicitly support the Paris Agreement, and work to actively shape the global pathway to a low carbon future</p>
Responsive CSR	<p>Aramco continues working across its value chain to help the energy industry reduce carbon emissions, develop a climate-friendly circular domestic economy, and provide sustainable energy supplies for generations to come.</p>	Strategic CSR