

Positioning Aramco for the future

Increasing shareholder and societal value sustainably

Aramco supports the aims of the Paris Agreement; all of us have a vested interest in protecting the world from human-caused climate change while pursuing economic and social sustainable development.

As one of the world's largest integrated energy and chemicals companies, we have an important role to play along our value chains.

As the world emerges from the effects of COVID-19 lockdowns and deals with the on-going impacts of the conflict in Ukraine, we are facing significant global energy challenges. In Aramco's view, these challenges have confirmed the world's need to increase oil and gas investments, especially capacity development. Importantly, investing in conventional resources does not mean that alternative energy resources and technologies should be ignored.

We believe that any energy transition requires a new global energy consensus built on three long-term strategic pillars:

- Recognition by policy makers and other stakeholders that supplies of affordable conventional energy will continue to be required over the longer term;
- Further reductions in the carbon footprint of conventional energy and improved energy intensity across the economy are priorities, and technology will be a critical enabler for this; and
- New, lower carbon energy sources, steadily complementing proven conventional resources.

At Aramco, we are addressing all three.

We are investing to increase our maximum sustainable oil production capacity to 13 million barrels per day by 2027. We are also growing our gas production, potentially increasing it by more than half through 2030 with a mix of conventional and unconventional gas.

At the same time, we are working to lower our upstream carbon intensity, our gas flaring intensity, and our methane intensity, which are already among the lowest in the world. We are also intensifying efforts to advance key enabling technologies, particularly CCS, which is mission-critical to a sustainable future.

Importantly, we are gradually adding new, lower carbon energy products to our own portfolio, such as blue hydrogen and blue ammonia, renewables, and low carbon synthetic fuels. Meanwhile, chemicals will become a much larger and more strategic part of our portfolio, growing the non-combustible, and lower emission, uses of oil. This is our plan to be part of a practical, stable, and orderly energy transition.

We must partner to drive innovation and value on an unprecedented scale and speed to deliver results across the three pillars successfully. In our view, technologies of the Fourth Industrial Revolution are ripe for such partnerships, especially the rapid digital transformation of our industry. The right digital investments now could help deliver greater efficiency, lower costs, lower emissions, higher reliability, and higher profits over decades.

Transforming the massive existing worldwide energy system, and delivering a secure and sustainable future for everyone, is a truly formidable task that will require both individual and collaborative efforts across industries, along value chains and involve governments, regulators and consumers.

Our strategy

Our strategic themes

Aramco focuses on four strategic themes across its businesses:



Upstream preeminence

As the principal engine of value generation, the Company intends to maintain its position as the world's largest crude oil company by production volume and one of the lowest cost producers. The Company's vast reserves base, spare capacity, and unique operational flexibility allow it to effectively respond to changes in demand.



Downstream integration

The Company has a dedicated linkage to domestic and internationally wholly-owned and affiliated refineries and chemicals operations that are critical to monetizing its upstream production. Through continued strategic integration, the Company captures additional value across the hydrocarbon chain.



Lower carbon initiatives

The Company plans to reduce the net carbon emissions of its operations and to support the global energy transition through the development of lower carbon products and solutions across the energy, chemicals, and materials sectors.



Localization and the promotion of national champions

The Company facilitates the development of a diverse, more sustainable and globally competitive in-Kingdom energy ecosystem to underpin the Company's competitiveness and support the Kingdom's economic development.

Our key enablers

Aramco's strategy requires a number of enablers to be successful, including:

People

Aramco recognizes the need to prepare its workforce for the future, thereby ensuring its capabilities match the requirements of its strategies, by advancing technical and professional skills, developing commercial and leadership competencies and supporting the progress of localization, and focusing on diversity and inclusion.

Technology

Aramco's technology program strives to develop new solutions for its Upstream and Downstream businesses, and to help in diversifying its product portfolio, grow its business sustainably and achieve its net zero ambition.

Portfolio optimization

Aramco seeks to unlock value, enhance its capital structure and reallocate capital to higher growth and return investments. Aramco has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt issuance.

Our sustainability focus areas



Climate change and the energy transition

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Safe operations and people development

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Minimizing environmental impact

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Growing societal value

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