Our approach to sustainability

Our sustainability framework

Our sustainability framework presents the key areas that hold the greatest potential for our business to have long-term positive impacts, connecting the Saudi Vision 2030 and UN SDGs to our four focus areas, which incorporate the material sustainability topics stakeholders expect from us, and we feel a responsibility to address. Our sustainability focus areas and sustainability performance is overseen by governance provided by our Board of Directors.

United Nations' Sustainable Development Goals

Saudi Arabia's Vision 2030

Aramco's sustainability focus areas

How we work

Governance

7 AFFORDABLE AND CLEAN ENERGY
5 GENDER EQUALITY
15 LIFE ON LAND
4 QUALITY EDUCATION
13 CLIMATE ACTION
3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
6 CLEAN WATER AND SANITATION
17 PARTNERSHIPS FOR THE GOALS
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8 DECENT WORK AND ECONOMIC GROWTH
14 LIFE BELOW WATER

- Alternative energy: hydrogen and ammonia
- Increasing women's participation in the workforce
- Saudi Green Initiative
- Reducing unemployment
- Renewable energy
- Attracting talent
- Diversifying the economy
- Reducing air pollution
- Investing for the long term
- Waste management
- Empowering society
- Preserving marine life
- Supporting small and medium enterprises
- Combating desertification

Climate change and the energy transition

Safe operations and people development

Growing societal value

Minimizing environmental impact

Our material sustainability topics

Similar to previous years, in 2023, we conducted a materiality[1] refresh to evaluate whether our sustainability focus areas, material topics, prioritized UN SDGs, and metrics remain appropriate and relevant.

This assessment is a detailed analysis of the risks and opportunities that interest our stakeholders that we feel we have an influence over and serves as an important process for selecting key sustainability topics for Aramco.

This process includes:

- External stakeholder engagements details on pages 20 and 21);
- Internal stakeholder engagements (details on page 20);
- Review of existing (e.g., Ipieca sustainability guidelines) and upcoming standards (particularly the International Sustainability Standards Board (ISSB), and regulatory requirements around the world, including Europe, Saudi Arabia, and USA); and
- Peer benchmarking.

Upon completion of our materiality refresh exercise and extensive stakeholder engagement, a summary of conclusions and subsequent actions, where appropriate, are provided below:

- Our four focus areas (plus our focus on corporate governance[2]) are still appropriate and relevant;
- Thirteen material sustainability topics, plus a focus on corporate governance, have been identified as being the issues stakeholders expect from us, and we feel a responsibility to address;
- Affirmation that Aramco's roadmap to establish additional metrics to better monitor, manage and report on our performance under each focus area and material topic is correct. Due to the increasing maturity of existing metrics and the introduction of new metrics by relevant guidelines and regulatory requirements, we have increased the number of metrics in this report to 74 (an increase of 13 metrics from the 61 metrics in our 2022 Sustainability Report); and
- Increasing the number of our metrics in our Sustainability Report undergoing external assurance; from 16 metrics in 2022 to 18 metrics in 2023.

1. The concept of 'materiality' refers to the guidance on external reporting from the Global Reporting Initiative, and does not necessarily correspond to the concept of materiality used in connection with Aramco's financial reports.
2. For more information on our governance, relevant material topics and our governance metrics, please refer to page 94 in this report, and page 90 in the 2023 Aramco Annual Report.

Our approach to sustainability

Mapping our material sustainability topics

Impact levels on:
Our business: Very high | High | Moderate
Our stakeholders:

Climate change and the energy transition
For SDG contribution **see page 22**

Material topic and impact	Relevant metric to monitor performance against material issue		SDGs
Climate change (including GHG emissions)	• Scope 1 emissions (million metric tons of CO_2e) • Scope 2 emissions (location-based) (million metric tons of CO_2e) • Scope 2 emissions (market-based) (million metric tons of CO_2e) • Upstream carbon intensity (location-based) (kg CO_2e/boe) • Upstream carbon intensity (market-based)* (kg CO_2e/boe)	• Upstream methane emissions (metric tons of CH_4) • Upstream methane intensity (%) • Flaring intensity (scf/boe) • Flared gas (MMscf) • Energy intensity (thousand Btu/boe) • Energy consumption* (MMBtu/hr) • Patents filed in sustainability technologies* (%) • Sustainability-related R&D spend* (%)	

Safe operations and people development
For SDG contribution **see page 50**

Material topic and impact	Relevant metric to monitor performance against material issue		SDGs
Workforce protection	• Lost time injuries/illnesses rate (per 200,000 work hours) • Total recordable case rate (per 200,000 work hours)	• Health performance (%) • Fatal accident rate* (per 100,000,000 work hours) • Number of fatalities	
Process safety and asset integrity	• Number of Tier 1 process safety events		
Human rights	• Number of grievances raised	• Sites with a grievance mechanism in place (%)	
Labor practices	• Attrition rate (%) • Number of Company employees • Number of female employees • Female (%) of total employees • Female (%) of total number of new hires • Number of female employees in leadership positions • Female employees in leadership positions (%)	• Number of contractor employees • Employee engagement score (%) • Total hours of training and development • Total hours of training and development (per employee) • Employees acknowledging performance review meetings[1] (%) • Number of hired graduates • Number of apprentices (new intake) • Number of interns • Number of nationalities in the workforce* • Breakdown of Company employees (by age)*	

Minimizing environmental impact
For SDG contribution **see page 64**

Material topic and impact	Relevant metric to monitor performance against material issue		SDGs
Local environmental impact	• Number of hydrocarbon spills • Volume of hydrocarbon spills (bbl) • Recovered hydrocarbons (%) • Hydrocarbon discharge to water (barrels) • Sulfur oxides (SOx) emissions (metric kilotons)	• Number of sites with ISO 14001 certification (%)	
Biodiversity and ecosystem services	• Net positive impact (%)		
Water management	• Freshwater consumption (million m³)	• Freshwater withdrawal (million m³) • Freshwater intensity* (m³/boe) (total freshwater consumed relative to our hydrocarbon production)	
Product stewardship and waste management	• Industrial waste disposed (metric tons)	• Industrial waste recycled (%)	

Growing societal value
For SDG contribution **see page 78**

Material topic and impact	Relevant metric to monitor performance against material issue		SDGs
Labor practices	• Number of people on Aramco sponsored community programs[1]		
National content	• Saudization (%) • Saudization of construction contracts (%) • Saudization of service contracts (%)	• iktva procurement spend in-Kingdom (%) • Cumulative iktva GDP contribution* ($ billion)	
Human rights (supply chain)	• % of active suppliers signed up to Aramco's Supplier Code of Conduct	• Number of active suppliers	
Community and society	• Social investment ($ million) • Total number of volunteers[2] • Total number of volunteering hours[2]	• Number of employee volunteers*,[2] • Number of Aramco facilitated community volunteers*,[2] • Number of employee volunteering hours*,[2] • Number of Aramco facilitated community volunteering hours*,[2]	
Economic contribution	• Direct economic value generated and distributed ($ million) • Total R&D spend ($ million)		

* Metric reported for the first time externally.
1. These programs include the Vocational College Internship Program (VCIP), University Internship Program (UIP), Summer enrichment program, Tomooh program, Advantage program, and Arizona Centers for Comprehensive Education and Life Skills (ACCEL) International Ajyal Center.
2. Increased data management identified that in the 2022 Sustainability Report, Aramco's volunteering hours consisted of not only employees' volunteering hours but also members of our communities. Therefore, from 2023 onwards, Aramco will now separately report the 'number of volunteers' and 'number of volunteering hours' for both employees and members of community volunteering with Aramco.

* Metric reported for the first time externally.
1. In accordance with our ongoing review of our sustainability performance data, we have determined that the metric "Employees receiving regular performance reviews (%)" reported in 2022 and 2021 should be renamed "Employees acknowledging performance review meetings (%)" in order to more accurately reflect what this metric entails.